

ORIGINAL

Decision No. 69808

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Investigation on the Commission's own motion into the operations, rates, rules, regulations, tariff schedules, service, facilities, equipment, contracts and practices of BOUQUET CANYON WATER COMPANY.

Case No. 8228
(Filed July 21, 1965)

Investigation on the Commission's own motion into the operations, rates, rules, regulations, tariff schedules, service, facilities, equipment, contracts and practices of SOLEMINT WATER COMPANY.

Case No. 8229
(Filed July 21, 1965)

(Appearances are set forth in Appendix A)

O P I N I O N

Purpose of Investigations and Restraining Orders

The above-entitled investigations were instituted by the Commission on July 21, 1965, as a result of informal complaints hereinafter described because it appeared that Bouquet Canyon Water Company, a corporation, (Bouquet) and Solemint Water Company, a corporation (Solemint) might have been extending or proposing to extend their water service and facilities in the Saugus-Newhall area of Los Angeles County to persons in addition to their existing customers without having sufficient equipment, facilities and water supplies for such purpose.

To avoid a possible serious deterioration in service, the Commission ordered Bouquet and Solemint to refrain, until further order, from extending service to any subdivision where grading or any other type of construction had not commenced as of July 21, 1965. The order also prohibited the two utilities from furnishing any construction water or any other temporary water service. The restraining orders were later modified as discussed hereinafter under "Interim Orders".

Customer Complaints

To avoid undue delay, public necessity required that the initial hearing in the two investigations be set on less than ten days' notice. The Commission's order instituting investigation, including the temporary restraining order and order setting hearing were served on Bouquet and Solemint.

Two days of public hearing were held before Examiner Catey at Newhall on July 29 and 30, 1965. The principal purpose of this preliminary hearing was to obtain a sampling of the types of problems encountered by respondents' customers. This not only informed the Commission; it also provided essential information for an immediate investigation and study by the Commission staff.

At the initial two-day hearing, 16 customers of Bouquet and Solemint testified regarding water service in various portions of the utilities' service areas. The most prevalent complaints relate to: low pressure; intermittent lack of any water whatsoever; air or dirt in the water; the color, odor and taste of the water; and difficulty in contacting utility representatives to report complaints. Individual complaints included such additional items as: use of garden hose for temporary water service to a residence; health hazards and fire hazards resulting from lack of water pressure; seven customers being served by an exposed one-inch-pipe; dropping of water level in private wells; leaks in water mains; exposed pipelines; breakage of dishes, caused by surges of air; refusal of Solemint to provide a two-inch service upon request; undue delay in installing utility tanks and repairing streets; eight-inch mains supplied by four-inch lines; excessive cost of main extensions; occasional excessive water pressure; some tanks overflowing at the same time that some customers are out of water; and failure of respondents to notify customers in advance of service interruptions.

Subsequent to the institution of the two investigations herein, five complaints^{1/} were filed against respondents by individuals and groups. The records in the two investigations and five complaint cases have been consolidated to avoid duplication of testimony and to make evidence in any one proceeding available in related proceedings. The water systems of Bouquet and Solemint are interconnected and interdependent and owned by substantially the same persons. The overall problem will be covered by decisions to be rendered in the two Commission investigations. Additional orders as appropriate in each complaint case will be issued separately.

In addition to service complaints, testimony and statements were presented by representatives of subdividers regarding the severe financial hardship caused by their inability to obtain water from respondents for construction and new subdivisions, by reason of the Commission's temporary restraining order.

Preliminary Staff Investigation

Immediately following the July 30 hearing, the staff resumed its investigation and study of the water situation in the Bouquet and Solemint service areas, primarily to develop recommendations as to improvements required in the near future to provide reasonably adequate and uniform water service to all existing customers. The staff representation was made in the form of a map (Exhibit No. 6) and a report (Exhibit No. 7), supplemented by the oral testimony of a staff civil engineer. This presentation was made on the third day of public hearing herein at Newhall on September 2, 1965.

^{1/} Case No. 8231, Joseph C. Cwik, et al. v. Bouquet.
Case No. 8232, Sunshine Homeowners Association v. Solemint.
Case No. 8233, Iron Canyon Property Owners Association v. Solemint.
Case No. 8236, Woodlands Sand Canyon Association v. Solemint.
Case No. 8237, North Oaks Homeowners Association v. Solemint.

History and Present Operations

Exhibit No. 7 shows that Bouquet was granted a certificate of public convenience and necessity to construct a water system to serve an area of about 223 acres on the east side of San Francisquito Canyon Road in Los Angeles County, by Decision No. 42624, dated March 22, 1949, in Application No. 29980. By Decision No. 50506, dated September 3, 1954, in Application No. 35433, that utility was granted authority to extend service in its Bouquet Canyon area and to establish service in the Saugus area. Finally, by Decision No. 57240, dated August 26, 1958, in Application No. 39981, authority was granted for the purchase of West Newhall Mutual Water Company. Interconnection of the three areas was effected during August 1965 by the installation of a 14-inch main along Bouquet Canyon Road. Service was being provided to 1,468 customers as of July 1965.

Solemint was granted a certificate of public convenience and necessity to operate a water system in the Sand Canyon area, by Decision No. 57053, dated July 29, 1958, in Application No. 38423. Service was being provided to 2,332 customers as of July 1965.

Interconnection of the Solemint system with the Honby portion of Bouquet was made with a temporary 8-inch main on July 4, 1965. This main was in the process of being replaced by a 14-inch main during the staff's field investigation in August 1965.

Interconnection of the Solemint system with the remainder of the Bouquet system will be accomplished by the installation of approximately 4,000 feet of 14-inch asbestos-cement pipe along Soledad Canyon Road. Construction of this main was also under way in August 1965, but even after completion of this installation, there will remain approximately 10,000 feet of 8-inch main in this interconnection.

Description of Facilities

The staff report shows that: the source of supply for these two utilities consists of 13 wells in the Santa Clara River basin with an aggregate productive capacity of approximately 5,800 gpm; storage for both systems is provided by 16 steel tanks with an aggregate capacity of approximately 3,500,000 gallons; and the combined systems consist of over 65 miles of transmission and distribution mains ranging in size from 4 inches to 14 inches in diameter.

Service is furnished to customers at elevations ranging from approximately 1,200 feet to 2,000 feet, with 9 separate pressure zones. Booster pumps are used to lift the water to the higher zones from each of the main zones where the majority of the wells are located.

Adequacy of Facilities and Service

The staff concludes in Exhibit No. 7 that the most critical service problem is the combination of frequent outages of water and low pressures at the higher elevations in the service areas, which took place at the end of May, intermittently during the month of June, and then almost daily during the first half of July 1965. In addition, the customers in the North Oaks area of Solemint Water Company are subjected to air in the water.

The staff estimates that the two utilities will be serving approximately 6,000 customers in the near future. In order to meet the peak and maximum day requirements, including an estimated 2,000 gpm for construction purposes, the staff determined that additional production capacity of not less than 700 gpm and a minimum of 1,000,000 gallons of additional storage will be required for the systems to provide reliable service. The staff concludes further that although the production facilities of the two utilities are essentially adequate to meet the present demands on an overall basis, problems

have developed in certain higher zones, due primarily to inadequacy of booster and storage facilities. The staff engineer also testified that adequacy of service is dependent upon all facilities being operable. There is little reserve capacity in some of the various facilities to offset shutdowns of those facilities for repair and maintenance.

The staff concludes that, in the Newhall 1550 Zone of Bouquet, either an additional booster pump capable of producing at least 30 gpm or additional storage of at least 40,000 gallons is required to meet the projected maximum day requirements.

The staff concludes that, in the San Francisquito 1550 Zone of Bouquet, additional storage of at least 400,000 gallons with additional booster pump capacity of at least 300 gpm is required.

The staff concludes that, in the Sky Blue 1850 Zone of Solemint, adequate service can be provided either by the installation of at least 300,000 gallons of additional storage capacity or by installation of additional booster pump capacity of at least 300 gpm.

The staff concludes that, in the Friendly Valley 1700 Zone of Solemint, reasonable service to meet estimated requirements can be provided by the installation of at least 500,000 gallons of additional storage capacity or by the addition of not less than 300 gpm of booster pump capacity.

The staff recommends that Solemint be required to examine its Wells Nos. 4 and 6 to determine the source of air in the system and make the necessary renovations to the wells to minimize the introduction of air in the water supplied to the North Oaks area of Solemint.

The staff recommends that both utilities be required to meter all presently unmetered service connections. This would minimize waste of water and avoid unjust discrimination between the various users.

The staff conclusions and recommendations hereinbefore discussed relate primarily to improvements needed in the immediate future. In addition, to provide for longer-range service improvements the staff recommends that respondents be required to:

- a. Submit to the Commission an acceptable program for replacement of the remaining 8-inch mains by 14-inch mains in Soledad Canyon to complete the integration of the Solemint and Bouquet systems with a continuous 14-inch line;
- b. Survey personnel requirements, especially as to the need for a general manager to oversee the operations of the two water systems and to improve customer relations, and furnish a report thereon to the Commission for its approval;
- c. Engage a licensed civil engineer to prepare a master plan, which would encompass projected growth for at least five years, for the overall development of the two water systems, along with a construction program, estimated costs thereof, and method of financing; and furnish a copy of this report to the Commission for its approval.

In regard to the restrictions imposed in the temporary restraining orders herein, the staff recommended that they be lifted at such time as respondents have complied with the staff recommendations discussed herein.

Fire Protection

A considerable portion of the fourth day of hearing, at Friendly Valley near Newhall, on September 13, 1965, was devoted to testimony of witnesses for the County of Los Angeles, relative to water system facilities required to provide adequate flows for fire protection. The Division Engineer of the Waterworks and Utilities Division of the office of County Engineer testified that, in his opinion, the Commission's staff recommendations would provide adequate service for domestic use but that additional facilities were needed to meet fire fighting requirements. Additional testimony was presented by an engineer from the underwriting bureau which establishes fire insurance rates.

On November 8, 1961, hearings commenced on Case No. 7178, an investigation on this Commission's own motion as to whether or not General Order No. 103 should be modified to require that future construction of water systems recognize flows needed for fire protection in addition to domestic needs. Hearings were held in San Francisco and Los Angeles, at which the Commission staff suggested that "water systems which are permitted to develop without inclusion of fire flow capacity may not now be meeting the general requirements of public convenience." Decision No. 66015, dated September 17, 1963, discontinued the investigation, based in part upon the finding that "no one has come forward at these hearings to support the recommendations of the staff". The decision shows that Los Angeles County appeared in the proceeding and did not oppose motions made by several of the parties that the investigation be discontinued.

On August 2, 1960, the Los Angeles Board of Supervisors adopted Ordinance No. 7834 (Water Ordinance), the stated purpose of which is "to promote and obtain a reasonable minimum level of fire protection performance for water supply facilities constructed, replaced, extended or rehabilitated to serve new subdivisions and residential, commercial and industrial improvements in the unincorporated area of the County of Los Angeles." Section 82 of the ordinance indicates that it will apply to privately owned water systems, publicly owned systems and mutual water companies, among others. On October 20, 1961, a Superior Court judgment was filed in favor of certain water districts, declaring that they were not required to comply with the Water Ordinance. On April 12, 1965, another Superior Court judgment was rendered in favor of parties who questioned the applicability of the Water Ordinance to water purveyors under the jurisdiction of this Commission. The latter decision has been appealed but is not yet set for hearing.

Los Angeles County requests that the two Commission investigations be expanded to require all water companies under Commission jurisdiction to comply with local ordinances in regard to providing adequate water for fire protection purposes in Los Angeles County. This would be premature until hearing and decision on the pending appeal of the aforementioned Superior Court decision relative to regulated public utilities. At such time as the matter has been disposed of in the courts, it is suggested that Los Angeles County consider petitioning this Commission for reopening of Case No. 7178, an investigation to determine whether or not General Order No. 103 should be modified to provide fire flows in addition to domestic use in the minimum standards for construction of water systems.

Although the present requirements of General Order No. 103 do not make specific provision for fire flows, it is apparent that a system designed to provide average normal operating pressures considerably in excess of 20 pounds per square inch (psi) would also be able to provide some additional fire flow during times of emergency. Los Angeles County, in its Water Ordinance for determination of fire flow capabilities of a water system, assumed 20 psi residual pressure. Also, the engineer for the fire insurance rating bureau testified that an area served by a water system with no fire fighting capacity would be rated Class 9 but that respondents' service area was rated Class 6 for commercial and industrial structures and Class 5 for habitational insurance coverage. He further testified that water supply is only one of the factors considered in the rating schedule and that if the water system were designed fully in accordance with the underwriters' standards and the facilities of the fire department, fire alarms, and structural conditions were reasonably good, the

overall rating would be about Class 3 or Class 4. (The ratings are on a graduated scale, ranging from the best rating of Class 1 and the poorest of Class 10.) This indicates that the systems have considerable fire flow capabilities, even though not fully meeting the standards set by Los Angeles County.

A Division Engineer testified for Los Angeles County that (1) the improvements recommended in the Commission's staff Exhibit No. 7 would provide sufficient water for domestic needs for 6,000 service connections, (2) the newer components of the systems are of adequate pipe size for fire protection, but (3) some of the older parts of the system could not provide the large volumes of water required for both domestic use and fire protection, and (4) about 2½ million gallons of additional storage capacity would be needed to meet fire flow requirements. The witness estimated that the improvements recommended by the Commission staff would cost from \$75,000 to \$100,000 and that the additional storage facilities for fire protection purposes would cost between \$125,000 and \$150,000.

The record herein shows that the County has available to it certain indirect methods of enforcing compliance by water utilities with the Water Ordinance. Release of a \$50,000 surety bond posted by a subdivider is being withheld until Solemint installs an additional tank of at least 330,000-gallon capacity, thus inducing the subdivider to use whatever influence he may have over the utility's actions. The County also can withhold, and has withheld, building permits until certain storage facilities are installed by the utility. While a final subdivision map is in the process of being approved for filing, the County has accepted a certificate from the water utility involved, stating that it will have adequate water to serve the tract in conformance with the requirements of the Water Ordinance. The principal problem with the certification appears to be that the County has no convenient means of forcing the utility to

comply with its certification if the utility later becomes unable or unwilling to provide sufficient storage facilities for fire protection.

It would not be appropriate in these proceedings to require Bouquet and Solemint, against their wishes, to provide a degree of fire protection not required of the many other water utilities in the State. Nevertheless, in those instances where a utility has certified to the county that it will provide certain fire flows to a given area, the utility should take all reasonable steps to honor its commitment. It should not make such commitments until it is reasonably sure that performance can be achieved. The order herein will require Bouquet and Solemint to take all reasonable steps to fulfill present and future commitments it makes to Los Angeles County regarding fire flows and to notify this Commission immediately if compliance becomes impossible. Except for that requirement, adjourned hearings in these proceedings will be confined to the review of requirements other than for fire protection.

Respondents' Presentation

Most of the fifth day of public hearing, at Friendly Valley, on September 14, 1965, was devoted to testimony of the president of Bouquet and Solemint. That witness gave overall descriptions of the water systems, examples of breakdowns, reasons for various complaints as to water quality and quantity, a discussion of problems encountered by the utilities in attempting to provide adequate service, and a review of future plans for system requirements.

Respondents' president indicated that some of the recent service problems are compounded by the sporadic development of separated subdivisions, requiring long connecting mains and a multiplicity of pressure zones. To visit each tank and pump, without stopping for inspection, takes about four hours and 150 miles of driving. The witness gave several examples of recent shutdowns of

parts of the system because of breaks in mains caused by sewer contractors, the fracturing of a booster pump shaft, burned-out bearings on another booster, a scheduled shutdown for connecting a main feeder line, failure of a joint in an asbestos-cement main, crushing of other mains by heavy construction equipment, leaks in a steel main, cutting of a main by a telephone utility, and breakage of a main by the grading of high school property.

Much of the vulnerability to damage is attributed by the utilities to the rapid growth of some 25 percent per year in number of customers, requiring the presence of abnormal amounts of construction equipment and construction activity. For example, respondents' witness testified that, in the average tract, 15 to 20 percent of the service pipes are torn out between the time they are installed and the time the homes are occupied. There are five to six breaks in the new mains, and two or three fire hydrants are broken.

Respondents attribute the dirty and discolored water in the Sand Canyon area during April or May of this year to the premature use of a new main that had not been flushed adequately. This use was required by difficulties with the Sand Canyon pumps. Most of the dirty water in July was apparently caused by the emergency use of a new well before it had been surged and flushed adequately.

In regard to air in the pipes, respondents have shut down three suspect wells, Nos. 4, 6 and 8 for short intervals and found that the air problem is thus corrected temporarily. Until the new well, No. 11, is surged, flushed and ready for permanent use, the older wells must be used. The air problem is compounded by some of the boosters' pumping directly out of mains, the lowering of system pressure on the suction side of the pumps apparently causing dissolved air to separate from the water. Customers' hot water heaters also apparently cause the separation of air from the cold water in

which it would normally remain dissolved. Respondents have installed air relief valves and bled air from hydrants, but this has not relieved the problem.

In regard to outages in the Bouquet Canyon or San Francisquito Canyon area during May of 1965, the problem was related to the collapse of a 420,000-gallon tank during installation. Other outages in July were caused partly by respondents' assumption that the simultaneous outages in several zones must have been due to failure of production facilities. This caused delay in finding the real reason for the lack of water in this zone, which was apparently the unauthorized opening of an interconnecting valve by parties unknown resulting in the draining of water to a lower zone more rapidly than it was being pumped. Closing the valve corrected the situation, but subsequent minor breaks in mains and burning out of a booster pump have caused temporary lack of pressure.

In regard to the Iron Canyon and Woodlands Sand Canyon complaints, respondents attribute the lack of water in late May of this year to unanticipated heavy consumption over the Memorial Day weekend. In June, fairly rapid reduction in production from the wells serving the area required the drilling of a new well, No. 10, now available for production.

In regard to the shortages of water in the Sunshine Homes area during July, respondents state they were unable to fill the lower tank from which water is boosted to the area. As in the Bouquet Canyon area, the utilities assumed the coincident shortages were due to lack of well production and lost valuable time in correcting the real cause. In this instance, an unauthorized closing of a main line valve by persons unknown kept water out of the lower tank. Opening the valve corrected the situation.

The complaints in the North Oaks area, relative to lack of water on several occasions since April 1965 apparently resulted in part from airlock in a booster pump. Respondents' president testified that the pump is now checked every two hours. Other contributing causes were unauthorized opening of an interconnecting zone valve and the moving of a main-line tee. Both causes were eliminated.

Respondents' witness stated that about \$250,000 of capital improvements have been made since March 29, 1965, and similar total investment made during the previous two years. Recent additions include such items as three new wells, two 525,000-gallon tanks, a 42,000-gallon tank, 14-inch diameter interconnecting transmission mains, rebuilding of several pumps, and installation of a large booster pump.

In regard to respondents' failure to install certain storage tanks, their president testified that one site held since 1958 was rezoned by Los Angeles County and could not now be used for its intended purpose; another site upon which a tank was about to be built was being condemned by a school district, requiring exchange of property with a subdivider to provide a substitute site, but use of the new site cannot be effective until the new subdivision can be approved; the site of the tank that collapsed during construction, as heretofore discussed, has since been rezoned and the utilities had to await clearance of a variance from the zoning requirements; installation of the 330,000-gallon tank already discussed has apparently been held up due to misunderstandings and lack of effective communication and discussion between the utilities and the subdividers concerned.

In regard to the Commission staff's recommendations that a personnel requirement survey be made, respondents' stockholders have already authorized the employment of a full-time engineer, a comptroller, a new construction superintendent and a general manager.

Also, telephone requests for information by customers are now referred to personnel better qualified to provide such information.

In regard to the staff's recommendation that additional production capacity of at least 700 gpm be provided, respondents' witness stated that about 250 to 300 gpm of the additional capacity has already been provided by rehabilitation of existing well and pumping equipment. He further testified that some of the existing wells have been shut down since the restraining orders against delivery of construction water went into effect, because there has not been any need for the additional water available from those wells. Respondents indicate that additional production capacity should be provided before the next heavy summer demand and that such work could be completed by April 1 of next year. The Commission staff stipulated that the April 1, 1966 deadline could reasonably be substituted for the January 1 date it previously recommended for this item.

Respondents' president agreed that the other staff recommendations could be followed by January 1, 1966. These include: for the Newhall 1550 Zone of Bouquet, an additional 30 to 35 gpm booster pump; for the San Francisquito 1550 Zone of Bouquet, a 525,000-gallon tank in lieu of the minimum of 400,000 gallons recommended by the staff, and an 800 gpm booster pump in lieu of the minimum of 300 gpm recommended by the staff; for the Sky Blue 1850 Zone of Solemint, a 500-gpm booster pump in lieu of the minimum of 300 gpm recommended by the staff; for the Friendly Valley 1700 Zone, a booster pump of about 300 gpm; for Wells Nos. 4 and 6, removal of the cause of air in the system; and for the combined areas of both utilities, the metering of all unmetered connections.

In regard to the 330,000-gallon tank in Tract No. 28531, to provide storage primarily for fire protection purposes in the Sand Canyon area, respondents stipulated that they would install a 525,000-gallon tank on a site provided by the subdivider, such installation

to commence as soon as agreement had been reached with the subdivider on the question of clear title to the site.

Motions

During the course of the five days of hearings held to date in these proceedings, there have been several motions and requests for specific action by the Commission.

An individual representing himself and 40 neighbors asked that the Commission make an exception to the freeze on new construction as it pertains to elementary schools and an addition to a hospital. The examiner ruled that any school or hospital severely inconvenienced by the Commission's restraining order should advise the Commission of such matters as the program for construction and the present status of that construction, so that the Commission can determine whether or not it should modify the restraining order. This matter is discussed further in subsequent paragraphs of this opinion.

A group of subdividers who have built and are building many homes in the Saugus area asked that the Commission order Solemint to install a 330,000-gallon tank in Tract No. 28531 immediately and a 500,000-gallon tank for use in Tracts Nos. 30087 and 30168 within a time limit to be set by the Commission. Woodlands Sand Canyon Homeowners Association joined in the motion. The tracts in question are in Solemint's Sand Canyon 1765-foot zone. The subdividers indicate that Solemint agreed about 1-1/2 years ago to install the 330,000-gallon tank and a site has been reserved for it. The added storage would undoubtedly be of value at such times as during the recent failure of a booster pump for that zone. The Commission staff study shows that other zones are in more urgent need of additional facilities. In view of respondents' stipulation regarding this tank and the commitment it made to Los Angeles County regarding fire flows in the area, however, respondents will be required to install a tank

of at least 330,000-gallon capacity as promised.

Iron Canyon Property Owners Association asked that the Commission recommend to Los Angeles County that it lift its restriction on construction as it relates to individual buildings other than subdivision development. The issuance of building permits is the prerogative of the county. Representatives of several departments and branches of Los Angeles County are actively participating in these proceedings and are in a position to recommend an appropriate policy for the issuance of building permits.

Iron Canyon Property Owners Association also asked that the Commission order Solemint to keep at least one reserve pump to be used in case of breakdown of a booster pump. The record shows that many of the booster pumps of Bouquet Canyon and Solemint have approximately the same lift, hence a portable gasoline-driven booster pump would be a valuable and effective standby unit. The order herein will require the utilities to provide this portable emergency equipment. This will supplement the secondary booster pumps, several of which are quite small, already installed at the booster stations, and will avoid complete dependence on electric power for pumping.

In further reference to school construction, Saugus Union School District asked for exemption from prohibition of delivery of construction water to two school sites in subdivisions already occupied and already served by Solemint. Sulphur Springs Union School District also asked that it be permitted to obtain water from Solemint for construction of a school adjacent to one of Solemint's new wells, within territory already served by Solemint. Witnesses for the school districts indicate that from approximately 13 million to 18 million gallons of water might be required for grading of

school sites and construction of the three schools. This use would, however, presumably be spread over a considerable construction period commencing in the Fall and Winter of this year, after the domestic usage will have started to decline.

Interim Orders

At the conclusion of the fifth day of hearing, the presiding examiner ruled that the hearings be adjourned to a time and place to be set, but that the record to date would be made available to the Commission for the purpose of issuing an interim order or orders. Based upon the evidence discussed herein, an interim order, Decision No. 69714, was issued on September 21, 1965, modifying the restrictions of the temporary restraining orders included in the orders instituting investigation in these proceedings.

That interim order removed the former restrictions against extension of service to new subdivisions and permitted such extensions within respondents' presently dedicated service area. To avoid expansion of the distribution system at a speed in excess of respondents' ability to provide adequate production, transmission, pressure and storage facilities, the order provides that authorization of this Commission must be obtained by respondents before they may extend service outside of their present dedicated area.

Because of the importance of schools to the community, and due to the improvements which already had been installed and were scheduled for the near future by respondents, the interim order permits the use of water for construction of schools and grading of school sites. For similar reasons, the ban on use of construction and grading water was lifted for hospitals and churches.

Although the water systems of Bouquet and Solemint apparently are capable of providing construction and grading water at the present time, such use would be inappropriate in the event of

breakdown of utility facilities or unusually heavy demand by permanent customers. The interim order permits the delivery of water for construction and grading purposes, other than for schools, hospitals and churches, on an interruptible basis only, whereby the rate of flow, time of delivery and duration of delivery may be restricted by the utility at any time that the temporary service would adversely affect pressures or flows available to permanent customers. It is conceivable that portions of the interconnected system would not be affected materially by delivery of construction and grading water to other parts of the system. Under these circumstances, continuance of blanket restrictions on all deliveries of water for construction or grading would not have benefitted the permanent customers and would have created unnecessary hardship for some temporary customers. ✓

The order which follows this opinion requires respondents to complete certain improvements within a specified time and to take other actions specified in the order. At an appropriate time, the adjourned hearings will be held in these proceedings to evaluate respondents' compliance with this order, the adequacy of the improved systems, and future planned improvements. Respondents' president testified that the utilities are willing and able to comply with the staff's recommendations, as modified herein. ✓

Findings and Conclusion

The Commission finds that:

1. The improvements recommended in these proceedings by the Commission staff and those stipulated to by respondents are reasonable and, with the exception of the recommended increase in production capacity, the needs of respondents' customers require that such improvements be completed by January 1, 1966.

2. The needs of respondents' customers require that the increase in production capacity recommended by the Commission staff be completed by April 1, 1966.

3. It is in the public interest that this Commission be kept informed monthly on progress of respondents' construction of improvements.

4. Respondents' ability to serve an expanding service area is dependent upon their planning for such expansion well in advance.

5. It is essential to the performance of the public obligations of the various departments of the County of Los Angeles that they be able to rely upon certifications as to facilities or fire flows to be provided by respondents.

6. These proceedings have been adjourned to a time and place to be set.

The Commission concludes that respondents should be directed to take the actions set forth in the order which follows.

The findings and order herein, and in particular Finding 5 and Ordering Paragraph 5.b., are not to be construed as indicating amounts which should be included in proceedings for the determination of just and reasonable rates.

O R D E R

IT IS ORDERED that:

1. On or before January 1, 1966, Bouquet Canyon Water Company and Solemint Water Company (respondents) shall complete the following improvements:

- (a) Construct sufficient additional storage capacity to bring the combined total storage capacity of their consolidated systems up to at least 4½ million gallons, including any storage capacity installed pursuant to other subparagraphs of this order.
- (b) In the Newhall 1550 Zone, install either an additional booster pump capable of producing at least 30 gpm or additional storage of at least 40,000 gallons.

- (c) In the San Francisquito 1550 Zone, provide additional storage of at least 400,000 gallons with additional booster pump capacity of at least 300 gpm.
- (d) In the Sky Blue 1850 Zone, provide at least 300,000 gallons of additional storage capacity or additional booster pump capacity of at least 300 gpm.
- (e) In the Friendly Valley 1700 Zone, provide at least 500,000 gallons of additional storage capacity or additional booster pump capacity of 300 gpm.
- (f) Eliminate the introduction of air into the system from Wells Nos. 4 and 6.
- (g) Meter all service connections other than those for fire protection use.
- (h) Establish a new Sand Canyon 2000 Zone with at least 330,000 gallons of storage capacity.
- (i) Provide a standby portable booster pump not dependent upon electric power for the booster pump stations.

2. On or before April 1, 1966, respondents shall complete the installation of sufficient additional production capacity to bring the combined total production capacity of their consolidated systems up to at least 6,500 gpm.

3. Within the first ten days of each of the months of November and December 1965, and January 1966, respondents shall file in these proceedings a progress report showing the status of their compliance with the foregoing paragraphs 1 and 2, as of the end of the preceding month.

4. On or before January 1, 1966, respondents shall file in these proceedings a master plan for the overall development of their water systems, including the completion of the interconnection of their two systems with a pipeline or pipelines with carrying capacity equivalent to at least a 14-inch diameter main, along with a construction program, estimated costs of the construction, and method of financing. The report shall encompass a study of projected growth for at least six years but need not designate the exact location of

each new area estimated to be served during that period.

5.a. Respondents shall not certify to the County of Los Angeles that they will provide specific facilities or fire flows unless they are reasonably certain that they will be able to provide such facilities and flows.

b. In any instance where such certification is made, respondents shall take all reasonable steps to fulfill the commitments of the certification promptly.

c. Whenever respondents determine that they will be unable to fulfill any commitments made in any such certification they shall immediately provide written notice and complete explanation thereof to the County of Los Angeles and to this Commission.

6. At an appropriate time, adjourned hearings will be held to evaluate respondents' compliance with this order, the adequacy of the improved systems, and future planned improvements.

The Secretary is directed to cause certified copies of this order to be served forthwith upon respondents.

The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 19th day of OCTOBER, 1965.

Fredrick B. Holluff
President
George T. Crover
August
William B. Burdett

Commissioners

Commissioner Peter E. Mitchell, being necessarily absent, did not participate in the disposition of this proceeding.

APPENDIX A

LIST OF APPEARANCES

FOR THE COMMISSION STAFF: B. A. Peeters and E. J. Texeira.

FOR RESPONDENTS: Knapp, Gill, Hibbert & Stevens, by Karl K. Roos.

INTERESTED PARTIES: Ralph R. Bell, for Sulphur Springs Union School District; Betty Berger, for herself; Edward L. Blincoe, for himself and for Utility Users' League of California; J. P. Bradley and James F. McKay, for Dominguez Water Corporation; Champ Butler, for Garland-Butler Construction Company; William G. Coskran and Francis H. O'Neill, for Princess Park Estates, Inc.; Joseph C. Cwik, for himself and 40 neighbors; V. C. DeLapp, for Los Angeles County Fire Department; John L. Fremon, for Fremon Co., Inc.; W. Tracey Gaffey, for Saugus Union School District; Marvin B. Hale, for Pacific Fire Rating Bureau; John Dale Hight, for Sunshine Homes; W. H. Hopke, Kaye B. Swan and John L. Williams, for North Oaks Homeowners Association; H. R. Junkin, for U. S. Army Post Engineers; Haig Kehiayan, for Woodlands Sand Canyon Association; Harold W. Kennedy, by Martin E. Weekes, and James T. Rostron, for County of Los Angeles; Neville R. Lewis, for E. W. Loughland Company, Woodlands Sand Canyon Development Corporation, H. & R. Development Corporation, Woodlands Sand Canyon Sales Corporation, Woodlands Sand Canyon Investment Company, and Woodlands Sand Canyon Construction Company; Robert K. Light, for Pacific Coast Properties, Inc., Emblem Homes, Inc., Bouquet Land Company, and Signature Development Company; Kenneth G. Lynch, for Santa Clarita Valley Joint Progress Committee; Elliott Maltzman, for Halell Corporation; W. V. Mueller, for himself; Ray Rainwater, for Princess Park Estates, Inc.; Assemblyman Newton Russell, for himself and constituents; Charles L. Stuart, for Southern California Water Company; Steven L. Swartz, for Golden Triangle Industrial Park; Sam M. Thompson, Jr., for Council of Home Owner and Property Owner Associations; William R. Willard, for Iron Canyon Property Owners Association.