

ORIGINAL

Decision No. 70929

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

RUDOLPH W. BLANCHARD, et al,
Complainants,

vs.

RIDGECREST HEIGHTS WATER
COMPANY, a corporation, and
WILLIAM ZIDELL,
Defendants.

Case No. 8418
(Filed April 28, 1966)

Rudolph W. Blanchard, for complainants.
Levinson, Marcus & Bratter, by Jack E. Bratter, for defendant.
Kenneth M. Smith, for City of Ridgecrest, interested party.
Jerry J. Levander, for the Commission staff.

O P I N I O N

This complaint against a public utility water corporation and its president was made by some 86 signatories of a complaint to the Commission, dated April 20, 1966. They are customers of Ridgecrest Heights Land and Water Company (Ridgecrest or defendant), which furnishes water service to 125 residential customers and about 25 water haulers. Approximately 25 customers are metered, the remainder are on a \$6.00 per month flat rate. The certificated area of the utility comprises 320 acres in the City of Ridgecrest, Kern County. Additional service is furnished to 320 acres adjoining the certificated area on the north.

Public hearing was held before Examiner Warner on June 1, 1966, at Ridgecrest. An answer to the complaint was filed at the hearing. Twelve of the complainants testified about low water pressure conditions and extended, and sometimes frequent, water outages.

Exhibit No. 1 is a map of the City of Ridgecrest which shows the location of defendant's water system.

Exhibit No. 2 is a report on the results of the investigation of the complaint by a Commission staff engineer who concluded that defendant had not complied with General Order No. 96-A (tariff filings), or General Order No. 103 (water system construction and service standards). He made a number of recommendations, the final one of which was that the defendant be restricted from serving any new customers or extending its mains to serve new areas without order of the Commission. This recommendation was opposed by a local realtor and property owner and developer of adjacent areas. It was the staff's position that defendant's present customers should be provided adequate water supply and service before any new customers were added.

The record shows that Ridgecrest's predecessor, Rocket Town Water Co., Inc., (Rocket Town) was granted a certificate of public convenience and necessity to construct and operate a water system by Decision No. 43716, dated January 17, 1950, in Application No. 30483. By Decision No. 56528, dated April 15, 1958, in Application No. 39335, a rate proceeding, Rocket Town was directed

to increase the water pressure on its distribution system so as to provide service within the limits of pressure required by General Order No. 103. In April, 1964, Ridgecrest installed a booster pump and pressure tank, but these facilities have never been operated in the water system.

Ridgecrest's president is William I. Zidell, whose daughter, Patricia Erenberg, is secretary-treasurer. He owns all of the utility's capital stock. She was paid \$2,350 in 1965 for assisting with the billings and bookkeeping. There are no other officers, and these two live in Hollywood. A part-time bookkeeper is employed at \$50 per month, and two Ridgecrest local contractors maintain and operate the water system. They are paid on an hourly basis, and a local representative is paid \$50 per month for services that are not clear on the record. Customers complained that they were frequently unable to contact anyone to report water service deficiencies.

Defendant Zidell testified that he had loaned the corporation \$7,450 in 1964, \$16,750 in 1965, and \$6,800 to May 25, 1966. These amounts were used for the pressure tank and booster pump which have not been operated, and for a pipeline, including the proposed installation of an 8-inch main along Vulcan Avenue and Mahan Avenue, which the staff found to be substandard. The staff recommended prohibition of the installation.

Exhibit No. 3 is an operating statement for the years 1964, 1965, and the first five months of 1966, which shows losses of \$1,305 for 1964; \$2,757 for 1965, and \$4,155 to May 25, 1966.

Zidell testified that he was unwilling to advance any more funds to the utility. He suggested that the customers form a group to take over the utility operations, or sell the system to Ridgecrest County Water District which serves the City of Ridgecrest, adjacently.

We find that:

1. Ridgecrest Heights Land and Water Company, defendant, and its predecessor, Rocket Town Water Co., Inc., have been serving water in the Ridgecrest area of Kern County since 1950, but that such service has consistently been inadequate due to substandard water system installations and inadequate water supply.

2. Defendant utility is owned and managed by absentees from the area who live in Hollywood, and there has been no local supervision of or attention to the water system, except in emergencies when local contractors have been employed to patch up current deficient conditions.

3. There is no lack of water in the Ridgecrest basin.

4. Ridgecrest County Water District serves the City of Ridgecrest, with a population in excess of 6,000. The Naval Ordnance Test Station, a major military installation, has its own and bountiful water supply north of the City.

5. The operation of defendant at the present flat rate of \$6.00 a month is uneconomical.

6. It is defendant's responsibility to provide its customers with adequate service.

7. The staff recommendations are reasonable, and their immediate carrying out by defendant is mandatory.

8. The staff recommendation against adding any new customers or extending mains to service new areas without further order of the Commission is reasonable.

We conclude that the complaint is meritorious and defendant should be ordered to immediately start and continue the improvement of its water system.

O R D E R

IT IS ORDERED that:

1. Ridgcrest Heights Land and Water Company, defendant, shall:

a. Measure the production of its source of water supply and maintain production records pursuant to paragraph II.4.a. and b. of General Order No. 103.

b. Immediately secure an additional source of water supply or a standby power source for its existing well.

c. Determine the capacity and efficiency of its existing well, and immediately make the necessary improvements should the capacity and efficiency be found inadequate.

d. Immediately connect and operate the existing booster pump and pressure tank to its water system so as to provide pressures within the requirements of paragraph II.3.a. of General Order No. 103.

e. Valve off unused and unnecessary portions of water mains in order to reduce leakage losses.

f. Secure an appropriate Department of Public Health permit pursuant to paragraph II.1.a. of General Order No. 103.

g. Institute a replacement program and schedule for water mains complying with the materials and construction standards set forth in paragraphs III. and IV. of General Order No. 103. A copy of the program and scheduling should be submitted to the Commission within sixty days after the effective date of this order.

h. Prepare and keep current the system map required by paragraph I.10.a. of General Order No. 103, and also show all present services and file two copies with the Commission.

i. File revised tariff service area maps pursuant to General Order No. 96-A to provide for the application of its present tariff schedules to the area served.

j. Submit, prior to the 10th day of each month, monthly progress reports to the Commission with a copy to the Commission's Los Angeles Office.

k. Maintain complaint and service interruption records pursuant to paragraph I.8. and II.2. of General Order No. 103.

2. Defendant shall not serve any new customers or extend its mains to serve any new area without further order of the Commission.

The Secretary of the Commission is directed to cause service of this order to be made upon defendants.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 10th day of JULY, 1966.

Fredrick B. Wilder
President
George L. Grover
August

Commissioners

Commissioner William M. Bennett, being necessarily absent, did not participate in the disposition of this proceeding.