

**ORIGINAL**

Decision No. 72170

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

RUDOLPH W. BLANCHARD, et al,  
Complainants,

vs.

Case No. 8418

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

Defendants.

For Appearances see  
Decision No. 70929.

Additional Appearances

William I. Zidell and Francis T.  
Larson, for defendant.

Max L. Rorick, for Ridgecrest  
Heights Property Owners  
Association; and James R. Heck,  
for City of Ridgecrest,  
complainants.

Donald M. Grant, for the Commission  
staff.

OPINION ON REOPENED PROCEEDING

By Decision No. 71793, dated December 29, 1966, this complaint was reopened for further hearing to determine whether the defendant, Ridgecrest Heights Land and Water Company, has complied with Decision No. 70929, dated July 1, 1966; to determine whether or not said decision should be modified or amended; and to determine whether any other orders should be issued.

Further public hearing was held before Examiner Warner on January 11, 1967, at Ridgecrest.

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The City of Ridgecrest complained that in the middle of December and on New Year's Eve two breaks in the water system within the city limits and in public streets had caused large holes which had filled with mud and water and which had spread on to the streets; ice had formed on the streets, and had constituted public hazards. The City, and customers who also complained, had difficulty locating defendant's resident maintenance man, and the conditions lasted three or four days before corrected.

Defendant's president, Zidell, admitted the conditions and said that his local operator had been out of town briefly, but that he was always supposed to be available on call, and had been instructed to repair any breaks and mains immediately.

The record shows that Zidell is 80 years old; his daughter who is secretary-treasurer owns all of defendant's capital stock; they live in Hollywood; the corporation is losing money at the rate of \$2,000 or \$3,000 a year; Zidell has put more than \$17,000 of his own funds in the company to keep it running; he has no more funds available; there are 2,700 lots in defendant's service area, but only 125 customers; the water company, formerly known as Rocket Town Water Company, was acquired by Zidell in connection with his purchases of several hundred acres of land; it has always been in operating difficulties; and although he had asked \$25,000, he would sell it to the Ridgecrest County Water District (District) whose boundaries abut defendant's boundaries on the east and north, or any other municipal, mutual, or private party for \$10,000 or even \$5,000. The District would be interested in acquiring the water system if it were brought

up to minimum standards. Dominguez Water Corporation of Los Angeles County was interested in acquiring the water system but interpreted Decision No. 70929 as requiring defendant to immediately improve its water system at a cost of an estimated \$200,000.

The Commission did not intend by Decision No. 70929 that defendant accomplish its water system improvements either all at once or immediately. Defendant was ordered to "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." Defendant was ordered to submit a copy of the program and schedule to the Commission within 60 days after the effective date of the order, which was July 1, 1966. Zidell testified that because of major surgery he had not been able to give the Commission's decision any attention other than, on the one hand, to attempt to sell the company to Dominguez, and on the other hand, to negotiate for its sale to District, neither of which attempts had been successful.

Several customers testified that, except for the major breaks in water mains which remained unattended for several days, service conditions had improved since July 1966. These improvements included increases in operating pressures and fewer outages.

Defendant's local operator, Larson, testified that the existing booster pump and pressure tank could be immediately connected to the water system as required by Decision No. 70929, that valves should be installed to divide the system, that it would be impractical and expensive to valve off unused and unnecessary portions of water mains to any greater extent than has already been done.

The record shows that defendant has applied to Kern County Department of Public Health for a permit. Zidell testified that he was attempting to secure an additional source of water supply either by purchase of a so-called Rogers well or by trading 20 acres of his own property to a school for a well on its property. Neither of these attempts had been successful.

We find that:

1. Defendant has not complied with Decision No. 70929.
2. Defendant's president, Zidell, physically has been incapable of causing the corporation to comply.
3. The corporation is financially unable to immediately bring its water system up to the standards of General Order No. 103.
4. Service conditions have improved since the issuance of Decision No. 70929 on July 1, 1966, except for two major breaks in December 1966.
5. Defendant's operations with a limited number of customers, most of whom are on a \$6 per month flat rate in a service area comprising 640 acres, are uneconomical.

We conclude that:

1. Although defendant has made and is making some effort to abide by the Commission's orders, it should continue its attempts to be annexed to Ridgecrest County Water District or to sell its water system to a party or parties financially able to rehabilitate it.
2. Defendant should be ordered to continue its efforts to comply with Decision No. 70929 and should file a report to the Commission within 30 days and every 30 days thereafter through December 31, 1967, informing the Commission of the extent to which it has

complied with Decision No. 70929, stating clearly its efforts and the success or failure therein.

O R D E R

IT IS ORDERED that Ridgecrest Heights Land and Water Company shall file a report to the Commission within thirty days and every thirty days thereafter through December 31, 1967, in which it shall inform the Commission of the extent to which it has complied with Decision No. 70929, stating clearly its efforts and the success or failure therein.

In all respects Decision No. 70929 shall remain in full force and effect.

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

Dated at San Francisco, California, this 21st day of MARCH, 1967.

[Signature] President  
[Signature]  
[Signature]  
[Signature]  
[Signature] Commissioners