

Decision No. 74008**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Investigation on the Commission's own motion into the contracts, transactions, operations, practices, and rates of BYRON J. WALTERS, doing business as TAHQUITZ LAKE WATER COMPANY; COACHELLA VALLEY SAVINGS AND LOAN ASSOCIATION, a corporation; CEDAR GLEN DEVELOPMENT ASSOCIATION, a corporation; HELEN B. NELSON; DONALD MENG; and CHARLES A. HOFFMAN.

Case No. 8556
(Filed October 25, 1966)

Application of BYRON J. WALTERS, DBA TAHQUITZ LAKE WATER CO., for certificate of Public Convenience and Necessity to Operate a Water System, for Authorization of Water Rates, and for Establishment of Rules and Regulations.

Application No. 41904
(Filed January 29, 1960)

ORDER TO SHOW CAUSE

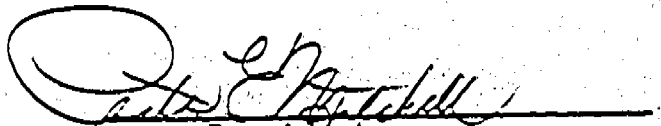
Upon reading the affidavit and application for order to show cause of William W. Dunlop and the affidavits in support of application for order to show cause of Gerald H. Evers, M.D., and Reginald H. Knaggs, filed herein,

IT IS ORDERED that Byron J. Walters, doing business as TAHQUITZ LAKE WATER COMPANY, appear before such commissioner or examiner as may hereafter be designated, at 10:00 o'clock a.m., on Wednesday, the 1st day of May, 1968, in the Courtroom of the Public Utilities Commission, State Building, 107 South Broadway, Los Angeles, California, and then and there show cause, if any he has, why he should not be adjudged to be in contempt of the Public Utilities Commission of the State of California and punished therefor in the manner prescribed by law for each and every offense of alleged contempt set forth in the

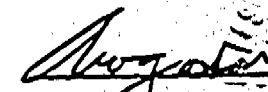
aforementioned affidavit and application, it being alleged therein that Byron J. Walters, doing business as Tahquitz Lake Water Company, while having knowledge of the ordering paragraphs of Decision No. 73705 and while having ability to comply therewith, failed and refused to obey said orders of the Public Utilities Commission, and that said failures and refusals are in violation of the law and in contempt of this Commission.

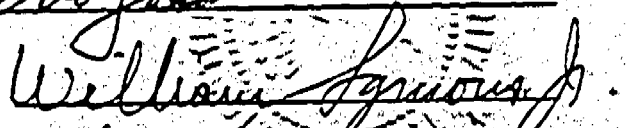
The Secretary is directed to cause a true copy of this order, to which shall be attached a true copy of said affidavit and application for order to show cause, to be personally served upon Byron J. Walters, doing business as Tahquitz Lake Water Company, at least ten days before the date hereinabove fixed for the hearing on this order to show cause.

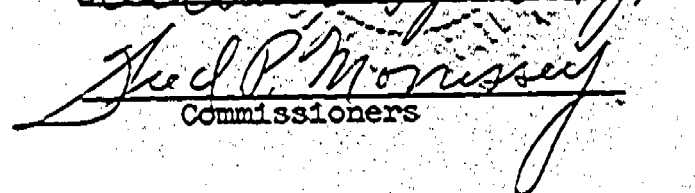
Dated at San Francisco, California, this 16th day of
APRIL, 1968.



President






Commissioners

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Investigation on the Commission's own motion into the contracts, transactions, operations, practices, and rates of BYRON J. WALTERS, doing business as TAHQUITZ LAKE WATER COMPANY; COACHELLA VALLEY SAVINGS AND LOAN ASSOCIATION, a corporation; CEDAR GLEN DEVELOPMENT ASSOCIATION, a corporation; HELEN B. NELSON; DONALD MENG; and CHARLES A. HOFFMAN.

Application of BYRON J. WALTERS, dba TAHQUITZ LAKE WATER CO., for Certificate of Public Convenience and Necessity to Operate a Water System, for Authorization of Water Rates, and for Establishment of Rules and Regulations.

FILED
PUBLIC UTILITIES COMMISSION

APR 16 1968

SAN FRANCISCO OFFICE
Case No. 8556
(Filed October 25, 1966)

Application No. 41904
(Filed January 29, 1960)

AFFIDAVIT AND APPLICATION
FOR ORDER TO SHOW CAUSE

State of California }
City and County of San Francisco } ss.

WILLIAM W. DUNLOP, being first duly sworn, deposes and says:

I.

First Offense

That he is the duly appointed, qualified and acting Secretary of the Public Utilities Commission of the State of California; that he is the officer required to keep full and true records of all proceedings of said Commission, and that he has kept such record of those certain consolidated proceedings before this Commission numbered and entitled as above.

That said Public Utilities Commission is a public body of said State created under and by Sections 22 and 23 of Article XII of the Constitution of California, and exercises such powers, including the power to punish for contempt, as have been conferred on it by Sections 20, 21, 22, 23 and 23a of Article XII of said Constitution, by the Public Utilities Code, and by various other statutes.

That affiant makes this Affidavit and Application for Order to Show Cause in his capacity as Secretary of the Public Utilities Commission and upon the request and direction of said Public Utilities Commission.

II.

That Byron J. Walters, doing business as Tahquitz Lake Water Company, is a public utility water corporation within the meaning of Section 241 of the Public Utilities Code.

III.

That on October 25, 1966, an investigation was instituted on the Commission's own motion (Case 8556) into the water operations of Byron J. Walters, doing business as Tahquitz Lake Water Company; that on said date Application No. 41904 was reopened by the Commission for the purpose of determining whether the certificate of public convenience and necessity granted to Byron J. Walters, doing business as Tahquitz Lake Water Company, by Decision No. 60879, dated October 11, 1960, should be revoked, suspended or modified, and whether any other order or orders should be issued by this Commission in the exercise of its jurisdiction; that both matters were consolidated for the purpose of hearing and heard at Idyllwild, California, on April 4, 1967, and July 27 and 28, 1967; that Byron J. Walters personally appeared at said hearings of July 27 and 28, 1967.

IV.

That thereafter and on February 6, 1968, the Commission rendered its Decision No. 73705 (a certified copy of which is attached hereto marked Exhibit "A" and incorporated by reference as if fully set out herein); that a certified copy of said Decision No. 73705 was personally served upon Byron J. Walters, doing business as Tahquitz Lake Water Company, on Tuesday, February 13, 1968; that affiant is informed and believes and therefore alleges that Byron J. Walters, doing business as Tahquitz Lake Water Company, had notice and knowledge of the issuance of said decision and of the contents thereof.

V.

That Paragraph 1 of the ordering paragraphs of Decision No. 73705 provides as follows:

"IT IS ORDERED that Byron J. Walters, doing business as Tahquitz Lake Water Company, shall:

"1. Provide forthwith a local operator to operate and maintain the water system presently installed to serve Forest Lake Estates Tracts Nos. 1 and 2. The Commission and each customer of Tahquitz Lake Water Company shall be notified in writing of the name, address and telephone number of the system operator within 48 hours of service of this order."

That on February 19, 1968, Byron J. Walters, doing business as Tahquitz Lake Water Company, did cause a notice to be filed with this Commission, a copy of which is attached hereto marked Exhibit "B" and made a part hereof, designating Mr. Gil Lunt, 53755 Lower Pine Crest Drive, Idyllwild, California, as local operator to operate and maintain said water system presently installed to serve as aforesaid and purporting to notify each customer of Tahquitz Lake Water Company of said fact; that on February 28, 1968, there was filed with this Commission a letter

dated February 26, 1968, a copy of which is attached hereto marked Exhibit "C" and made a part hereof, subscribed by "Gil Lunt" denying such employment by Byron J. Walters, doing business as Tahquitz Lake Water Company, as local operator as aforesaid.

VI.

That affiant is informed and believes and upon such information and belief alleges that Byron J. Walters, doing business as Tahquitz Lake Water Company, while having notice and knowledge of the contents of said decision, including said Paragraph 1 thereof, and while having ability to comply therewith, and while said Decision No. 73705 and Paragraph No. 1 thereof remained in force and effect, has continuously since the service of said decision to the present time, failed and refused to comply with said ordering paragraph No. 1 in that Byron J. Walters, doing business as Tahquitz Lake Water Company, failed and refused to provide a local operator to operate and maintain the water system presently installed to serve Forest Lake Estates Tracts Nos. 1 and 2, and said failure and refusal was and continues to be in violation of law and in contempt of this Commission.

Second Offense

For a second, separate and distinct offense, affiant alleges as follows:

I.

Affiant hereby refers to and incorporates by reference Paragraphs I through IV of the first offense, as if set forth fully herein.

II.

That Paragraph 2 of the ordering paragraphs of said decision provides as follows:

"IT IS ORDERED that Byron J. Walters, doing business as Tahquitz Lake Water Company, shall:

"2. (a) Keep henceforth a log of system operations showing:

- (1) Time and date pump turned on;
- (2) Water level in tank when pump turned on;
- (3) Time and date pump turned off;
- (4) Water level in tank when pump turned off.

(b) Mail to the Commission, on or before each Tuesday, a copy of the log of operations for the week ending the preceding Saturday.

(c) Report to the Commission emergency interruptions to service. Such reporting shall comply with General Order No. 103."

That no copy of the log of the system operations whatever has been received in the mail by this Commission as ordered in said ordering paragraph 2; and that no report has been filed with this Commission notifying it of emergency interruptions to service in compliance with Commission General Order No. 103 or otherwise; that on February 28, 1968, there was filed with this Commission a letter dated February 29, 1968, subscribed by Gerald H. Evers, M.D., a copy of which is attached hereto marked Exhibit "D" and made a part hereof, stating that on Friday evening, February 23, 1968, there was no water available from the water system of Tahquitz Lake Water Company, and further stating that he notified Byron J. Walters personally of said fact.

III.

That affiant is informed and believes and upon such information and belief alleges that Byron J. Walters, doing business as Tahquitz Lake Water Company, while having notice and knowledge of the contents of said decision, including said Paragraph 2 thereof, and while having ability to comply therewith, and while said Decision No. 73705 and Paragraph No. 2 thereof remained in force and effect, has continuously since the service of said decision to the present time, failed and refused to comply with said ordering paragraph No. 2 in that Byron J. Walters, doing business as Tahquitz Lake Water Company, failed and refused to mail to this Commission copies of logs relating to the system operations, and in that Byron J. Walters, doing business as Tahquitz Lake Water Company, failed and refused to make any report whatever concerning emergency interruptions to service thereof and that said failures and refusals were and continue to be in violation of the law and in contempt of this Commission.

Third Offense

For a third, separate and distinct offense, affiant alleges as follows:

I.

Affiant hereby refers to and incorporates by reference Paragraphs I through IV of the first offense, as if set forth fully herein.

II.

That Paragraph 3 of the ordering paragraphs of Decision No. 73705 provides as follows:

"IT IS ORDERED that Byron J. Walters, doing business as Tahquitz Lake Water Company, shall:

"3. (a) Rebuild or replace the pump and take other steps necessary to make Well No. 1 operational, seal Wells 1 and 4 from surface contamination, and place Well No. 1 in service or on standby, within thirty days of service of this order.

(b) Direct a letter at the time of completion of the work on Wells Nos. 1 and 4 to the Riverside County Health Department requesting an inspection of said source of supply installations and furnish a copy of the letter to the Commission."

That no copy of a letter addressed to the Riverside County Health Department requesting such inspection of the sources of water supply provided by Wells Nos. 1 and 4 within 30 days of the service of the order in Decision No. 73705 was received by this Commission.

III.

That affiant is informed and believes and upon such information and belief alleges that Byron J. Walters, doing business as Tahquitz Lake Water Company, while having notice and knowledge of the contents of said decision, including said Paragraph 3 thereof, and while having ability to comply therewith, and while said Decision No. 73705 and Paragraph No. 3 thereof remained in force and effect, has continuously since the service of said decision to the present time, failed and refused to comply with said ordering paragraph No. 3 in that Byron J. Walters, doing business as Tahquitz Lake Water Company, failed and refused to provide this Commission with a copy of a letter addressed to the Riverside County Health Department requesting an inspection of the source of supply installations on Wells Nos. 1 and 4 at the time of completion of the designated work on Wells Nos. 1 and 4 required

to be accomplished within thirty days of service of Decision No. 73705 and said failure and refusal was and continues to be in violation of law and in contempt of this Commission.

Fourth Offense

For a fourth, separate and distinct offense, affiant alleges as follows:

I.

Affiant hereby refers to and incorporates by reference Paragraphs I through IV of the first offense, as if set forth fully herein.

II.

That Paragraph 4 of the ordering paragraphs of Decision No. 73705 provides as follows:

"IT IS ORDERED that Byron J. Walters, doing business as Tahquitz Lake Water Company, shall:

"4. Have the water system inspected by a water works consultant, or someone equally qualified, to determine its condition, the repairs needed and the extent of and the means of eliminating the contamination by oil of the water supplied to customers. This inspection, together with the results thereof reported in writing to the Commission, shall be accomplished within thirty days of the service of this order."

That no report in writing of a water works consultant or someone equally qualified relating to the condition of the Tahquitz Lake Water Company system, repairs needed and extent and means necessary to eliminate contamination by oil of the water thereof has been filed with this Commission.

III.

That affiant is informed and believes and upon such information and belief alleges that Byron J. Walters, doing business as Tahquitz Lake Water Company, while having notice and knowledge of the contents of said decision, including said Paragraph 4 thereof, and while having ability to comply therewith, and while said Decision No. 73705 and Paragraph No. 4 thereof remained in force and effect, has continuously since the service of said decision to the present time, failed and refused to comply with said ordering paragraph No. 4 in that Byron J. Walters, doing business as Tahquitz Lake Water Company, failed and refused to report in writing to this Commission the results of an inspection by a water works consultant, or someone equally qualified, regarding the condition of the Tahquitz Lake Water Company system, the repairs needed and the extent of and the means of eliminating the contamination by oil of the water supplied its customers within thirty days of the day of service of Decision No. 73705, and said failure and refusal was and continues to be in violation of law and in contempt of this Commission.

Fifth Offense:

For a fifth, separate and distinct offense, affiant alleges as follows:

I.

Affiant hereby refers to and incorporates by reference Paragraphs I through IV of the first offense, as if set forth fully herein.

II.

That Paragraph 5 of the ordering paragraphs of Decision No. 73705 provides as follows:

"IT IS ORDERED that Byron J. Walters, doing business as Tahquitz Lake Water Company, shall:

"5. File with the Commission the annual report of the operations of Tahquitz Lake Water Company for calendar year 1966 within thirty days of the service of this order. Such filing shall comply with General Order No. 104 in all respects other than the date of filing."

That no annual report of the operations of Tahquitz Lake Water Company for calendar year 1966 has been filed with the Commission which complies with General Order No. 104 or otherwise.

III.

That affiant is informed and believes and upon such information and belief alleges that Byron J. Walters, doing business as Tahquitz Lake Water Company, while having notice and knowledge of the contents of said decision, including said Paragraph 5 thereof, and while having ability to comply therewith, and while said Decision No. 73705 and Paragraph No. 5 thereof remained in force and effect, has continuously since the service of said decision to the present time, failed and refused to comply with said ordering paragraph No. 5 in that Byron J. Walters, doing business as Tahquitz Lake Water Company, failed and refused to file with this Commission the annual report of the operations of Tahquitz Lake Water Company for calendar year 1966 within thirty days of the service of this order which complies with General Order No. 104 in all respects other than the date of filing or in fact any such annual report whatever; and that such failure and refusal was and continues to be in violation of law and in contempt of this Commission.

IV.

Attached hereto and made a part hereof are supporting affidavits of Reginald H. Knaggs, an employee of the Public Utilities Commission, and Gerald H. Evers, M.D., a customer of Tahquitz Lake Water Company, setting forth certain facts relevant to operation of Tahquitz Lake Water Company and the ordering paragraphs of Decision No. 73705, which occurred subsequent to the service of said decision upon Byron J. Walters.

This affiant states that based upon the facts stated herein and the supporting affidavits of Reginald H. Knaggs and Gerald H. Evers, M.D. that Byron J. Walters, doing business as Tahquitz Lake Water Company, has been and continues to be in violation of law and in contempt of this Commission, and further states that each of said failures and refusals to obey the lawful orders of this Commission constitutes a separate and distinct act of contempt.

WHEREFORE, affiant prays that the Public Utilities Commission issue its order requiring the said Byron J. Walters, doing business as Tahquitz Lake Water Company, to appear before said Commission and show cause, if any he has, why he should not be punished in the manner provided by law for each and all of his contempts of said Public Utilities Commission and of its orders hereinabove described.

William W. Dunlop

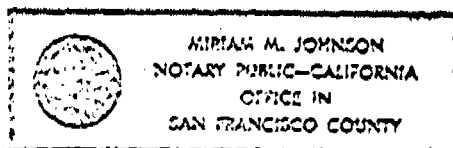
William W. Dunlop
Secretary of the Public Utilities
Commission of the State of California

Subscribed and sworn to before me
this 16th day of *April*, 1968.

Miriam M. Johnson

Notary Public in and for the City
and County of San Francisco,
State of California.

MY COMMISSION EXPIRES MARCH 31, 1971



MO /hjh

Decision No. 73705

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Investigation on the Commission's own motion into the contracts, transactions, operations, practices, and rates of BYRON J. WALTERS, doing business as TAHQUITZ LAKE WATER COMPANY; COACHELLA VALLEY SAVINGS AND LOAN ASSOCIATION, a corporation; CEDAR GLEN DEVELOPMENT ASSOCIATION, a corporation; HELEN B. NELSON; DONALD MENG; and CHARLES A. HOFFMAN

Case No. 8556
(Filed October 25, 1966)

Application of BYRON J. WALTERS, DBA TAHQUITZ LAKE WATER CO., for Certificate of Public Convenience and Necessity to Operate a Water System, for Authorization of Water Rates, and for Establishment of Rules and Regulations.

Application No. 41904
(Filed January 29, 1960)

Byron J. Walters and Donald M. Meng for Byron J. Walters doing business as Tahquitz Lake Water Company; O. P. Ladd, and Reid, Babbage & Coil by Donald F. Powell, for Cedar Glen Development Association; Schlesinger, Schlecht & McCullough, by John R. Simon, for Coachella Valley Savings & Loan Association; and Mary B. Nelson, in propria persona; respondents.
Edward F. Koenig; protestant.
William D. Miller, for Idyllwild County Water District; Lyle Wheeler, J. L. McSwiggen and Wenzel E. Pyster, for Pine Cove County Water District; and J. H. Renner; interested parties.
William C. Bricca, Counsel, and Jerry J. Levander, for the Commission staff.

INTERIM OPINION

An investigation on the Commission's own motion, Case No. 8556, was instituted on October 25, 1966 into the water company operation of Byron J. Walters, doing business as

Tahquitz Lake Water Company. Coachella Valley Savings and Loan Association (Coachella), Cedar Glen Development Association (Cedar Glen), and Mary B. Nelson,¹ each of whom may hold an interest in a parcel of land upon which is situated a portion of the Tahquitz Lake Water Company system necessary or useful in rendering public utility water service, and Donald Meng and Charles A. Hoffman, each of whom may have managed or operated said system, were joined as respondents.

Concurrently, the Commission reopened the proceeding in Application No. 41904, for the purpose of determining whether the certificate of public convenience and necessity granted to Byron J. Walters, doing business as Tahquitz Lake Water Company, by Decision No. 60879 dated October 11, 1960 should be revoked, suspended or modified, and whether any other order or orders should be issued by the Commission in the exercise of its jurisdiction.

Both matters were heard on a common record before Examiner Main at Idyllwild on April 4, 1967 and on July 27 and 28, 1967. On the latter date, after arriving at what appeared to be a satisfactory arrangement for water service during the pendency of these proceedings, and in anticipation of the filing of a formal complaint by Walters concerning certain unauthorized loans, encumbrances of utility plant and related foreclosures on real property, the hearing was adjourned and continued to a date to be set.

¹ Erroneously identified as "Helen B. Nelson" in Order Instituting Investigation, Case No. 8556.

The area in which Tahquitz Lake Water Company was granted a certificate of public convenience and necessity for the construction and operation of a public utility water system consists of Forest Lake Estates Tracts Nos. 1, 2 and 3. A customer, representing himself and several other customers, testified that the water service provided is inadequate and unreliable, and that the lack of water company operating personnel borders on abandonment. The engineer of the Commission staff assigned to this investigation reported similar findings. His investigation into operating costs, reasonableness of present rates, and application of tariff schedules of this utility was rendered ineffective because he was unable to gain access to the operating records and to the books and accounting records of Tahquitz Lake Water Company. The staff recommends that Walters consider transferring the Tahquitz Lake water system to the Pine Cove County Water District.

Forest Lake Estates Tracts Nos. 1, 2 and 3 lie wholly within the boundaries of the aforesaid water district and are subject to ad valorem taxes which help support the district. According to the testimony of the president of the board of directors of the district, it is unwilling to purchase the Tahquitz Lake water system; its service, however, would be provided to Forest Lake Estates Tracts Nos. 1 and 2 if the water system presently installed in said tracts were conveyed to the district at no cost and certain other conditions which usually govern tracts to be served by the district are met.

In or about 1961, it appears that Walters executed and issued to Coachella a promissory note payable to Coachella, evidencing a loan made to Walters by Coachella, and that as security therefor Walters executed and delivered to Coachella a deed of trust conveying a parcel of land upon which are situated the water-producing facilities and a transmission main of Tahquitz Lake Water Company; Walters did not seek or obtain the necessary authorizations to issue said note and to encumber used and useful utility plant. The deed of trust was foreclosed and Coachella caused said parcel of land to be sold to Cedar Glen in December, 1965.

In or about 1963, Walters, again without seeking or obtaining the required authorizations from the Commission, executed a deed of trust in favor of David S. Perry to secure an indebtedness to Perry. Said deed of trust also encumbered, in addition to other real property, the aforesaid parcel of land upon which a portion of the water system of Tahquitz Lake Water Company is situated. In addition, Walters encumbered a 26-acre parcel of land, upon a portion of which the storage tank of Tahquitz Lake Water Company is situated, without seeking and obtaining the necessary authorization from the Commission.

Walters' failure to carry out during the pendency of these proceedings the water service arrangements agreed upon make this interim decision necessary.

Findings of Fact

1. Byron J. Walters, doing business as Tahquitz Lake Water Company, has the duty and obligation to operate and maintain a public utility water system presently installed to serve Forest Lake Estates Tracts Nos. 1 and 2 containing 78 lots near Idyllwild, Riverside County. At the existing level of development in these tracts, about 14 customers require service from this water system.

2. Walters is failing to fulfill said duty and obligation in many respects, a number of which will be specified herein at this time, to wit:

a. Walters does not employ anyone on a permanent basis to operate and maintain this water system;

b. The system runs out of water because the pump at Well No. 4, which is the only well in service, is not started when needed to supply system requirements including the replenishment of storage;

c. Customers are unable to reach Tahquitz Lake Water Company when they are out of water or when other service problems arise;

d. Well No. 4 is not properly sealed to prevent surface contamination;

e. The electric motor-driven deep well turbine pump installed at Well No. 4 operates at about 25 percent efficiency and the electric motor overheats. In its present condition, this installation cannot be counted upon to provide a reliable water supply; and

f. The water supplied to customers is contaminated by oil.

3. Public convenience and necessity require:

(a) A local operator of this water system who is to be available on a part-time basis as needed.

(b) A reliable source of supply for this water system. For this purpose the pump on Well No. 1 should be rebuilt or replaced and other necessary steps taken to place Well No. 1 in service.

(c) An inspection of the water distribution system to determine its condition and the repairs needed to put it in proper working order.

4. On July 28, 1967, Walters stated under oath that he has the ability to carry out the requirements set forth in paragraph 3 above and requested an opportunity so to do; however, Walters has failed to provide the local operator and to make the required water system improvements.

5. The annual report of the operations of Tahquitz Lake Water Company for calendar year 1966 has not been filed with the Commission and is overdue.

6. The books and accounting records of Tahquitz Lake Water Company are not being properly maintained.

7. In violation of Sections 818 and 851 of the Public Utilities Code, Walters obtained loans and encumbered used and useful utility plant without first having secured from the Commission orders authorizing him so to do.

8. Most of the service deficiencies and the problems of ownership of utility plant, which have plagued Tahquitz Lake Water Company, have been created by Walters' failure to follow procedures prescribed by Sections 817, 818 and 851 of the Public Utilities Code. (Before the Commission authorizes the issuance of promissory notes or the encumbrance of utility plant, it exercises great care to assure that the proceeds are for necessary and proper utility purposes and that continuity of service by the utility is not jeopardized.)

9. Walters' failure to remedy the serious service inadequacies requires resolution; certain other issues within the scope of this proceeding are not ready for decision at this time.

Based on the foregoing findings the Commission concludes that an interim order should issue as set forth below and that, subject to evaluation by the Chief Counsel of the Commission, appropriate legal action to enforce the provisions of Sections 826, 2107, 2108 and 2110 of the Public Utilities Code should be taken against Walters for his violations of Sections 818 and 851 of said code.

INTERIM ORDER

IT IS ORDERED that Byron J. Walters, doing business as Tahquitz Lake Water Company, shall:

1. Provide forthwith a local operator to operate and maintain the water system presently installed to serve Forest Lake Estates Tracts Nos. 1 and 2. The Commission and each customer of Tahquitz Lake Water Company shall be notified in writing of the name, address and telephone number of the system operator within 48 hours of service of this order.

2. (a) Keep henceforth a log of system operations showing:

- (1) Time and date pump turned on;
- (2) Water level in tank when pump turned on;
- (3) Time and date pump turned off;
- (4) Water level in tank when pump turned off.

(b) Mail to the Commission, on or before each Tuesday, a copy of the log of operations for the week ending the preceding Saturday.

(c) Report to the Commission emergency interruptions to service. Such reporting shall comply with General Order No. 103.

3. (a) Rebuild or replace the pump and take other steps necessary to make Well No. 1 operational, seal Wells 1 and 4 from surface contamination, and place Well No. 1 in service or on standby, within thirty days of service of this order.

(b) Direct a letter at the time of completion of the work on Wells Nos. 1 and 4 to the Riverside County Health Department requesting an inspection of said source of supply installations and furnish a copy of the letter to the Commission.

4. Have the water system inspected by a water works consultant, or someone equally qualified, to determine its condition, the repairs needed and the extent of and the means of eliminating the contamination by oil of the water supplied to customers. This inspection, together with the results thereof reported in writing to the Commission, shall be accomplished within thirty days of the service of this order.

5. File with the Commission the annual report of the operations of Tahquitz Lake Water Company for calendar year 1966 within thirty days of the service of this order. Such filing shall comply with General Order No. 104 in all respects, other than the date of filing.

6. Maintain books and accounting records in accordance with the Uniform System of Accounts prescribed by this Commission for Class D water utilities, and make such books and records available for inspection by the Commission staff at his office or the office of his accountant within forty-five days of service of this order.

IT IS FURTHER ORDERED that Byron J. Walters, doing business as Tahquitz Water Company, shall take such further steps as may become necessary to operate and maintain the water system installed to serve Forest Lake Estates Tracts Nos. 1 and 2 in a manner which will provide the continuity of service required by General Order No. 103 and which will provide service which is adequate and reasonable for the purpose of satisfying the needs and convenience of his customers in said tracts.

The effective date of this order is the date hereof. The Secretary is directed to cause a certified copy of this order to be personally served upon Byron J. Walters forthwith.

Dated at San Francisco, California, this 6th day of February, 1968.

WILLIAM M. BENNETT
A. W. GATOV
WILLIAM SYMONS, JR.
FRED P. MORRISSEY
Commissioners

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

Certified as a True Copy
William D. Galt
SECRETARY, PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA

24.B

NOTICE

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA AND TO THE FOLLOWING CUSTOMERS OF TAHQUITZ LAKE WATER COMPANY (WHICH LIST HERENAFTER SET FORTH CONSTITUTES ALL OF THE PRESENT CUSTOMERS OF SAID COMPANY):

R. I. Cole
25485 Skyline Drive
Idyllwild, California

Robert Wagner
c/o Mrs. Frances Knox
P.O. Box 217
Rancho Mirage, California

Dr. Fred Casso
25445 Skyline Drive
Idyllwild, California

Colonel Ellis
General Delivery
Idyllwild, California

Eugene E. Cook
1530 E. Brookdale Place
Fullerton, California

Dwight Harris
Box 41
Glamis, California

Thomas Goodman
235 Ocean View Ave.
Whittier, California

Robert Oots
1802 Grandview
Oceanside, California

Mrs. C. C. Meyers
4738 Panorama Drive
San Diego, California

E. F. Koenig
Box 502
Idyllwild, California

Judge Ralph Biggerstaff
500 E. Compton Blvd.
Compton, California

Fred Johnson
General Delivery
Idyllwild, California

A. J. Sullivan
Box 1184
Rancho Santa Fe, California

Dr. Evers
9719 El Arco Drive
Whittier, California

NOTICE IS HEREBY GIVEN THAT IN ACCORDANCE WITH THE INTERIM OPINION AND ORDER OF THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA OF FEBRUARY 6, 1968, WHICH ORDER WAS SERVED ON BYRON J. WALTERS, doing business as TAHQUITZ LAKE WATER COMPANY, ON FEBRUARY 13, 1968, THAT THE NAME, ADDRESS AND TELEPHONE NUMBER OF THE LOCAL SYSTEM OPERATOR WHO HAS BEEN EMPLOYED BY THE ABOVE NAMED PUBLIC UTILITY IS AS FOLLOWS:

GIL LUNT
53755 LOWER PINE CREST DRIVE
IDYLLWILD, CALIFORNIA

TELEPHONE: 714 - 659-2793

Ex. C

E. O. Box 592
Idyllwild, California
92349

February 26, 1968

C-8556
Tahquitz Lake Water Company

Public Utilities Commission
Room 5109
107 South Broadway
Los Angeles, Calif
90012

Gentlemen:

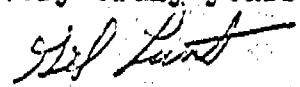
The past few days I have been receiving telephone calls from people complaining of the fact that they do not have water in the Tahquitz area. They tell me that my name has been given to them as the Local System Operator of the Tahquitz Water Company.

I hereby deny that I was ever hired as such and know nothing about any of the requirements as set forth in the enclosed article which appeared in the Town Crier this past weekend.

Right after the hearing up here on July 27th and 28th, 1967, I agreed to check pump #4 twice a day, to see if it was working, for a period of not more than three months when Milton Stewart planned to be gone from the area. I carried out this agreement for that period of time only.

Will you kindly clarify this with your Commission.

Very truly yours,



Gil Lant

Enc.

RECEIVED
MAR 1 12 22 PM '68
FILE NO.

RECEIVED
PUBLIC UTILITIES COM.
STATE OF CALIF.
FEB 28 9 15 AM '68
SO. CALIFORNIA OFFICE

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GERALD H. EVERS, M.D.
6331-A SOUTH GREENLEAF
WHITTIER, CALIFORNIA 90601
OXFORD 8-9873

PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA

RECEIVED PRESIDENT'S OFFICE

MAR 4 - 1968

MAR 4 2 30 PM '68

FILE NO. C-1556

Time 11 AM PM By Z

February 29th 1968

Re; Decision No. 73705
Case No. 8556
(filed Oct 25th. 1966
Application No. L1904
Filed Jan 29th. 1960

President,
Public Utilities Commission
State of California.

Dear Sir:

After we had received your recent judgement and decision (No. 73705) in regards to the conduct and operation of the Tahquitz Lake Water Company we were overjoyed, for we felt finally something had been accomplished.

We, at the Evers household, found our excitement and joy over this turn of events was quite pre-mature.

We did hear from Mr. B.J. Walters in which he listed Mr. Gil Lunt as a permanent local Manager of said Water Company.

So, when we loaded our six daughters into the Station Wagon to once again spend a Family week-end together, we thought that if there was no water we would be able to contact Mr. Lunt and no problem would exist.

When we arrived Friday evening, February 23rd. there was no water, and in contacting Mr. Lunt we find out he is not the local Manager as we had been told, that he does not intend to be, that he was not approached for such a job and if he was he would not accept.

Upon my inspection of the wells and pumps, there was no change from the previous situation described to you so many times. Ground around the pumps contaminated, oil soaked, pumps not sealed, electric wires bared, a situation both dangerous and unproductive.

We stayed for the night, however went to a local store to buy water to fill the toilet tanks so we could use one time. Then we had to leave, disappointed, angry, upset and somewhat bewildered at such complete dis-regard for your decision and judgement.

GERALD H. EVERS, M.D.
6331-A SOUTH GREENLEAF
WHITTIER, CALIFORNIA 90601
OXFORD 8-9373

Also, just think of all of the inconvenience and quite a rise in taxes — property tax up, yet no water and house and property worthless. How to explain this ??

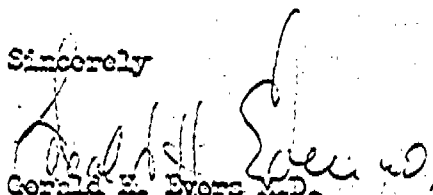
I called Mr Walters (and this is no easy task) that Saturday morning before leaving to return home. His comment to us was, if it were not for his efforts there would be no water at any time, and just what would we do if he were to back out and close his Water Company. That was his answer. Your office can draw to conclusion, I would think quite easily of what type of a Water Company we have been dealing with.

The purpose of this letter is to point out:

- 1 There is yet no water.
- 2 There is no local manager.
- 3 There is no communication with the Water Company.
- 4 There has been no work done in the operation of the Water Co.

I would appreciate a reply inas much as I have not had a reply to the last two letters written to your office.

Sincerely


Gerald H. Evers M.D.

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Investigation on the Commission's own motion into the contracts, transactions, operations, practices, and rates of BYRON J. WALTERS, doing business as TAHQUITZ LAKE WATER COMPANY; COACHELLA VALLEY SAVINGS AND LOAN ASSOCIATION, a corporation; CEDAR GLEN DEVELOPMENT ASSOCIATION, a corporation; HELEN B. NELSON; DONALD MENG; and CHARLES A. HOFFMAN.

FILED
PUBLIC UTILITIES COMMISSION

APR 16 1968

SAN FRANCISCO OFFICE
Case No. 8558
(Filed October 25, 1966)
NO. _____

Application of BYRON J. WALTERS, DBA TAHQUITZ LAKE WATER CO., for Certificate of Public Convenience and Necessity to Operate a Water System, for Authorization of Water Rates, and for Establishment of Rules and Regulations.

Application No. 41904
(Filed January 29, 1960)

AFFIDAVIT IN SUPPORT OF
APPLICATION FOR ORDER TO SHOW CAUSE

State of California)
County of Los Angeles) ss.

GERALD H. EVERS, M.D., being first duly sworn, deposes and says that:

I am now and was at all times mentioned herein a citizen of the State of California over the age of 21 years and a customer entitled to water services of the Tahquitz Lake Water Company;

That the residence at which I am entitled to such water service is located at 53200 Forest Lake Drive, Idyllwild, California;

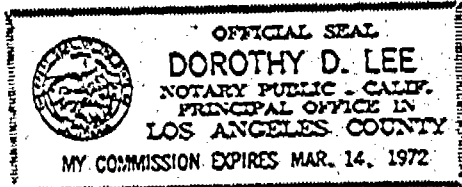
That on Friday, February 23, 1968, this affiant, together with his wife and six children, arrived at said residence at Idyllwild, California, and discovered that said residence was without any water service whatever from Tahquitz Lake Water Company; that upon

ascertaining said fact, this affiant contacted Mr. Gil Lunt, whom Byron J. Walters, doing business as Tahquitz Lake Water Company, had caused to be represented as the local manager responsible for the operation of Tahquitz Lake Water Company; that said Gil Lunt informed this affiant that he had no such responsibility, that he was not employed at that time and had no intention of being so employed in the future; that on Saturday, February 24, 1968, this affiant contacted Byron J. Walters by telephone and personally informed him of the absence of said water service and the aforesaid denial of employment by Mr. Gil Lunt; that Byron J. Walters did not suggest any alternative action whatsoever to take in order to obtain water service, or method or procedure by which said water service could be restored; and that therefore this affiant and his family were forced to and did leave his said residence at Idyllwild, California.

Gerald H. Evers, M.D.
Gerald H. Evers, M.D.

Subscribed and sworn to before me
this 29 day of March, 1968.

Dorothy D. Lee
Notary Public in and for
the County of Los Angeles,
State of California.



BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

FILED
PUBLIC UTILITIES COMMISSION

APR 16 1968

SAN FRANCISCO OFFICE

(Filed October 25, 1966)
NO. _____

In the matter of investigation on the Commission's own motion into the contracts, transactions, operations, practices, and rates of BYRON J. WALTERS, doing business as TAHQUITZ LAKE WATER COMPANY; COACHELLA VALLEY SAVINGS AND LOAN ASSOCIATION, a corporation; CEDAR GLEN DEVELOPMENT ASSOCIATION, a corporation; HELEN B. NELSON; DONALD MENG; and CHARLES A. HOFFMAN.

In the matter of the application of BYRON J. WALTERS, DBA TAHQUITZ LAKE WATER CO., for Certificate of Public Convenience and Necessity to Operate a Water System, for Authorization of Water Rates, and for Establishment of Rules and Regulations.

Application No. 41904

(Filed January 29, 1960)

AFFIDAVIT OF REGINALD H. KNAGGS
IN SUPPORT OF
APPLICATION FOR ORDER TO SHOW CAUSE

STATE OF CALIFORNIA)
) ss.
CITY AND COUNTY OF LOS ANGELES)

REGINALD H. KNAGGS, being duly sworn, deposes and

says:

1.

That he is now and at all times herein mentioned was a citizen of the State of California, over the age of twenty-one years, a resident of the County of Los Angeles, State of California, and is employed as an Assistant Utilities Engineer by the Public Utilities Commission of the State of California, his office address being 107 South Broadway, Los Angeles, California.

2.

That he is familiar with that certain public utility water system owned and operated by Byron J. Walters, doing business as Tahquitz Lake Water Company. That he is familiar with Decision No. 60879 dated October 11, 1960, and is familiar with Decision No. 73705 dated February 6, 1968, in the consolidated proceeding of Case No. 8556 and Application No. 41904.

3.

That he is familiar with the area for which Byron J. Walters, doing business as Tahquitz Lake Water Company, was granted a Certificate of Public Convenience and Necessity to operate a water system and more particularly designated as Forest Lake Estates Tracts Nos. 1, 2 and 3, in the vicinity of Idillywild, Riverside County, California.

4.

That he is familiar with the interim order contained in Decision No. 73705 dated February 6, 1968, more particularly Ordering Paragraph 2-(c) and Ordering Paragraph 3-(a) and (b).

5.

That on March 26, 1968, he inspected the well casings, pumps, motors and other distribution system equipment at Well Nos. 1 and 4, for the purpose of determining whether or not said well casings, pumps, motors and equipment, had been rebuilt, repaired or replaced, as required by Ordering Paragraph 3-(a) and (b) in said Commission decision. He determined that said well casings, pumps, motors and distribution system equipment, had not been repaired, replaced or rebuilt whatsoever.

6.

That he inspected the storage facilities and distribution system on March 26, 1968, to determine if there was any emergency interruption to service. He determined that an emergency interruption to water service did exist, and that all customers whose residences are more than 30 feet in elevation above Pump No. 4 were without water service.

7.

That he inspected the storage facilities on March 26, 1968, and determined that with Pump No. 4 in operation that no water was being delivered to storage in the steel reservoir and that, the steel tank reservoir was empty.

Reginald H. Knaggs
Reginald H. Knaggs

Subscribed and sworn to before me
this 29th day of March, 1968.

Florence Hunter

Notary Public in and for the
County of Los Angeles

