

Decision No. 80133**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Investigation on the Commission's own motion into the ownership, status, operations, service, equipment, facilities, rates, rules, tariff schedules and records of Raymond Water System; Royal Oaks Water System; Vilare Water Company, a corporation; Coarsegold Highlands Water System; Fred Schram; Wilma Schram; William Mosgrove; Maurice E. Smith; Richard Maddalena and Joyce Maddalena.

Case No. 9283
(Filed October 19, 1971;
Amended November 16, 1971)

Maurice E. Smith, Attorney at Law, for Raymond Heights Water Company, Royal Oaks Water System, Vilare Water Company, Coarsegold Highlands Water System, William Mosgrove and Maurice E. Smith; and Frank Schram, for Fred Schram and Wilma Schram; respondents.
Rufus G. Thayer and John S. Fick, Attorneys at Law, and Sam E. Winegar, for the Commission staff.

O P I N I O N

On October 19, 1971, the Commission instituted the investigation herein for the purposes of determining:

- "1. Whether respondents Raymond Water System, Royal Oaks Water System and Vilare Water Company, or any of them, have failed to furnish and maintain such adequate, efficient, just and reasonable service and facilities as are necessary to promote the safety, health, comfort and convenience of its customers in violation of Public Utilities Code Section 451 and the Commission's General Order No. 103.
- "2. Whether respondent Vilare Water Company is operating in violation of its filed tariffs and thereby in violation of Public Utilities Code Section 491.
- "3. Whether respondents Raymond Water System, Royal Oaks Water System, Vilare Water Company, and Coarsegold Highlands Water System, or any of them,

have failed to file annual reports of their operations as required by the Commission's General Order No. 104-A and are thereby in violation of Public Utilities Code Sections 581, 582 and 584.

- "4. Whether respondents Raymond Water System, Royal Oaks Water System, Vilare Water Company and Coarsegold Highlands Water System, or any of them, should be subject to penalties as provided for in the Commission's General Order No. 104-A, Commission Resolution FA-503, dated November 4, 1970, and Public Utilities Code Sections 2107, 2108 and 2109.
- "5. Whether respondent Raymond Water System was sold by respondents Fred Schram and Wilma Schram to respondent Maurice E. Smith in violation of Public Utilities Code Section 851.
- "6. Whether respondent Coarsegold Water System was sold by respondent William Mosgrove to Maurice E. Smith in violation of Public Utilities Code Section 851.
- "7. Whether the capital stock of respondent Vilare Water Company is owned by Maurice E. Smith.
- "8. Whether respondents, or any of them, should be ordered to cease and desist from any unlawful operations or practices.
- "9. Whether any other order or orders that may be appropriate should be entered in the lawful exercise of the Commission's jurisdiction."

On November 16, 1971 the Commission issued an amendment to the order instituting investigation for the purposes of determining:

"Whether respondents Fred Schram, Wilma Schram, Maurice E. Smith, Richard Maddalena, Joyce Maddalena and William Mosgrove, or any of them, may be, or may have been, parties to unauthorized transfers of a public utility or its property in violation of Public Utilities Code Section 851."

Copies of the amendment were personally served upon respondents Richard Maddalena and Joyce Maddalena on November 19, 1971.

Public hearings were held before Commissioner Holmes and Examiner Cline in Madera on November 2, 1971 and January 12 and 13, 1972.

On February 14, 1972, the counsel for the staff filed a concurrent opening brief and proposed findings, conclusions and orders. No concurrent closing briefs were filed. The matter was taken under submission on February 28, 1972, the last day upon which closing briefs could be filed by any party to the proceeding.

At the conclusion of the hearing pursuant to the request of Maurice E. Smith, respondent, and attorney for various other respondents, he was granted leave to file late-filed Exhibit No. 27 within 30 days after January 13, 1972. Late-filed Exhibit No. 27 was to be a reply to the staff's Exhibit No. 23, and was to be received in evidence within five days after receipt thereof by the Commission unless objections to its receipt in evidence were filed with the Commission by a party to the proceeding.

On February 18, 1972, the Commission received a document dated February 14, 1972, purporting to be late-filed Exhibit No. 27, mailed in an envelope of Lerrigo, Thuesen & Thompson, attorneys at law, Fresno, California, who are not parties of record in this proceeding. Said envelope bore a postmark dated February 17, 1972. There was no letter of transmittal, and the document bears no verification or signature designating the party who submitted it.

The counsel for the Commission staff on February 23, 1972, five days after the receipt by the Commission of the document purporting to be late-filed Exhibit No. 27 filed a motion to deny Exhibit No. 27 from being admitted in evidence on the following grounds:

1. Exhibit No. 27 was not timely filed because February 14, 1972, was the last day on which it could have been filed pursuant to the order of the presiding officer herein, and it was not mailed until February 17, 1972, and was not received by the Commission until February 18, 1972.
2. Exhibit No. 27 contains no signature or verification whatsoever. It is merely titled with the name of Raymond Water Works, Royal Oaks Water System, Vilare Water Company, Inc., and Coarsegold Highlands Water System. There is no indication who prepared the document, under what conditions or circumstances it was prepared and who transmitted

the document for filing. Rules 4, 5 and 6 of the Commission's Rules of Practice and Procedure require that all documents filed with the Commission in the form of petition, complaint, answer or amendment must be signed and verified by an attorney for or representing a party or by the party himself. Exhibit No. 27 contains allegations of fact and is in the form of an answer and, therefore, should be signed or verified in accordance with the foregoing rules.

3. Exhibit 27 is largely in the form of a narrative statement, making many allegations of facts which are not in the record and contains numerous statements in the form of hearsay. The entire document appears to be self-serving testimony based on statements of fact which have not been tested by the parties to the proceeding through cross-examination of the proponents of the exhibit testifying while under oath.

Copies of the motion to deny the admission of Exhibit 27 in evidence were served upon Mr. Maurice E. Smith and Mr. Frank Schram. No response to the motion and no request for further hearing for the purpose of offering testimony regarding Exhibit No. 27 have been filed with the Commission.

For the reasons above stated the motion of the staff counsel to deny Exhibit No. 27 from being admitted in evidence is granted.

Based upon a consideration of the record herein the Commission finds as follows:

I. Raymond Water Works

A. Ownership

1. Pursuant to the authorization by this Commission in Decision No. 60140 issued May 24, 1960, in Application No. 41982, Karl M. Wilson, La Verda M. Wilson and Lloyd P. Britt transferred the public utility water system known as Raymond Water Works to Fred and Wilma Schram, his wife.

2. By notice filed November 14, 1960, Fred and Wilma Schram advised the Commission that the transfer to them of the tariff rates and rules of Raymond Water Works, as authorized by said Decision No. 60140, was completed on November 6, 1960.

3. By grant deed dated January 1, 1964 and recorded in Madera County on June 24, 1964, Fred Schram and Wilma Schram transferred to their son, Peter Frank Schram, and his wife, Judith Arlene Schram, the real property underlying the Raymond Water Works together with the Raymond Water Works. No authorization for such transfer was obtained from this Commission pursuant to Section 851 of the California Public Utilities Code.

4. Fred Schram is advanced in years, retired and no longer capable of operating the Raymond Water Works system by himself. His interests in this proceeding are represented by his son, Peter Frank Schram.

5. In 1967 (1) Peter Frank Schram and Judith Arlene Schram, his wife, (2) Richard Maddalena and Joyce Maddalena, his wife, and (3) Maurice E. Smith, or his nominee, Raymond Heights Water Company, entered into a three-way transfer arrangement, all subject to the approval of and authorization by this Commission, under which Richard Maddalena and Joyce Maddalena agreed to transfer certain lands having a total sale price of \$52,500 to Peter Frank Schram and Judith Arlene Schram in exchange for the land and other properties of Raymond Water Works having a total sale price of \$47,500 (comprised of \$30,500 for land and \$17,000 for other water system properties). As the land and other water system properties of Raymond Water Works were subject to mortgages in the amount of \$12,000, Peter and Judith Schram's equity therein was \$35,500 (\$47,500 - \$12,000). In addition to transferring their equity of \$35,500 in the land and other water system properties of Raymond Water Works, Peter and Judith Schram were to pay Richard and Joyce Maddalena \$17,000 in cash to total the \$52,500 sale price for the land of Richard and Joyce Maddalena. Upon acquiring the land and other water system properties of Raymond Water Works from Peter and Judith Schram at a sale price of \$47,500, Richard and Joyce Maddalena were to sell said properties to Raymond Heights Water Company for \$47,500 of which \$30,500 was for land and \$17,000 was for the other water system properties. In addition to the foregoing proposed transfers, (1) Fred Schram and Wilma Schram and (2) Raymond Heights Water Company entered into an agreement of sale of Raymond

Water Works, subject to approval and authorization of this Commission, which provided for the sale of Raymond Water Works by Fred Schram and Wilma Schram to Raymond Heights Water Company. All of said transfers are subject to the instructions directed to Madera County Title Company in Escrow No. 18651-B, which make the sale of the Raymond Water Works subject to the approval of this Commission. The approval of this Commission for the sale of the Raymond Water Works by Fred Schram and Wilma Schram and by Peter and Judith Schram either to Richard Maddalena and Joyce Maddalena or to Maurice E. Smith, or Raymond Heights Water Company has neither been sought by any of said parties nor granted by this Commission.

6. In 1967 Peter Frank Schram and Judith Arlene Schram transferred the real property underlying the Raymond Water Works to Richard Maddalena and Joyce Maddalena, husband and wife, in return for the other real property transferred from Richard Maddalena and Joyce Maddalena to Peter Frank Schram and Judith Arlene Schram.

7. The transfer of the Raymond Water Works, together with the 137 acres of underlying real property, to Maurice E. Smith, or his nominee, Raymond Heights Water Company, is still pending the closing of the Escrow No. 18651-B. New escrow instructions to be furnished by the parties to the Madera County Title Company and approval for the transfer of the Raymond Water Works by this Commission will be required by said title company before it closes the escrow with respect to the 137 acres underlying the Raymond Water Works.

8. Raymond Heights Water Company was organized for the purpose of acquiring the Raymond Water Works and developing the underlying real property.

9. The minutes of a meeting of the Board of Directors of Raymond Heights Water Company held on August 22, 1969 show that the Board of Directors of said corporation unanimously passed the following resolution:

"Resolved: That it is the intention of the corporation to purchase the Raymond Water Company from Fred Schram and to execute the following note and deed of trust in connection thereto, together with the attached escrow instructions.

"Be It Further Resolved: That M. E. Smith be authorized to execute said escrow instructions, note and deed of trust in the name of the corporation..."

10. The parties to the Escrow No. 18651-B agreed and understood that because of Mr. Maurice E. Smith's professional qualifications as an attorney and because of his familiarity with the rules of this Commission, Mr. Smith would proceed with the necessary filings and proceedings to obtain approval and authority from this Commission for the transfer of Raymond Water Works to Raymond Heights Water Company.

11. Nevertheless there is no record in the Commission files of an application for authority to transfer the ownership and operating rights of Fred and Wilma Schram in the Raymond Water Works to Raymond Heights Water Company.

B. Control, Operation and Management of Raymond Water Works

12. A letter dated July 31, 1967, from Raymond Heights Water Company to Mr. Fred Schram, Exhibit No. 18 herein, serves as a memorandum of an agreement that Raymond Heights Water Company would assume the responsibility for the operation of Raymond Water Works required by this Commission.

13. Since the summer of 1967 the Raymond Heights Water Company has been in control of and has operated and managed the Raymond Water Works under the name of Raymond Heights Water Company.

14. Since the summer of 1967 Fred and Wilma Schram have not directly engaged in the operation, management or control of the Raymond Water Works.

15. Maurice E. Smith is the attorney for, president, and principal management representative of Raymond Heights Water Company.

16. Mr. Jose Ramirez was employed by Maurice E. Smith, President of Raymond Heights Water Company, for the purpose of maintaining and operating the Raymond Water Works, and Mr. Ramirez receives his instructions from and reports to Mr. Smith.

C. Sanitation, Service and Maintenance of Raymond Water Works

17. Customers of Raymond Water Works have experienced interruptions in the supply of water, unduly strong air pressure in the system, extremely heavy chlorination of the water on occasion, and foreign matter in the water.

18. Madera County Health Department tests of monthly water samples taken from the Raymond Water Works system from January 1971 to January 4, 1972 did not meet the minimum U. S. Public Health standards in the months of February, August, September, November and December, 1971.

19. The present condition of Raymond Water Works system is such that the system is not adequate for the protection of the health and safety of the system's users and is not dependable for the delivery of potable water. The system's water supply is not adequately sealed to protect against intrusion of animals or foreign matter.

20. The Raymond Water Works system requires an increase in water supply and storage.

21. To improve the Raymond Water Works physical plant to the standards outlined in General Order No. 103 would require a larger capital investment than can be justified by the revenue from its present 44 customers.

22. The Commission staff suggests a midrange approach to improving the Raymond Water Works system by requiring the installation of a 50,000 gallon steel storage tank, another well, sanitary sealing of the present wells and chlorination of the well east of Merced Street. These improvements would require an average increase amounting to about \$2.50 per month per customer.

23. The minimum improvements required to the Raymond Water Works system would include the repair of the existing 13,000 gallon concrete storage tank and the provision of one new well with chlorinator, sanitary sealing of existing wells, and a chlorinator for the well which is east of Merced Street. No rate adjustment is suggested in the event such minimum improvements to the system are required by the Commission.

24. The piping of the Raymond Water Works is so old as to have very little residual value. The water mains will have to be replaced over a period of time and until they are replaced, the maintenance costs for the water plant will be higher than normal.

25. The staff recommends that meters should be installed for the 17 flat rate customers in order to place all customers under the same discipline as to the use of water and to generate more revenue.

26. The staff further recommends that Raymond Water Works should be required to file tariff area and system maps which are acceptable to the Commission.

D. Annual Reports of Raymond Water Works

27. Annual reports as required by Sections 581, 582, and 584 of the Public Utilities Code and General Order No. 104-A of the Public Utilities Commission have not been filed by Raymond Water Works, and letters from the Commission Secretary regarding the delinquent Annual Reports have not been answered by Raymond Water Works or Raymond Heights Water Company.

28. No extensions of time have been granted by the Commission to Raymond Water Works or Raymond Heights Water System for the filing of Annual Reports.

29. Annual Reports of Raymond Water Works are delinquent as follows:

<u>Annual Report for Year</u>	<u>Delinquent Since</u>
1967	March 31, 1968
1968	March 31, 1969
1969	March 31, 1970
1970	March 31, 1971

II. Royal Oaks Water System

A. Ownership, Control, Operation and Management of Royal Oaks Water System

29. By Decision No. 72838 issued August 1, 1967, in Application No. 49395 this Commission authorized Nan M. De Vaney to transfer and Maurice E. Smith to acquire the water system and certificate of Royal Oaks Water System.

30. By letter dated April 21, 1969 and filed with this Commission on April 23, 1969, Maurice E. Smith notified the Commission that the transfer of Royal Oaks Water System from Nan M. De Vaney to Maurice E. Smith was accomplished in accordance with the order of this Commission through close of escrow November 10, 1967.

31. Since November 10, 1967, Maurice E. Smith has been the owner and in control of and responsible for the operation and management of Royal Oaks Water System.

B. Service and Maintenance of Royal Oaks Water System

32. During the summer of 1970 the present well of Royal Oaks Water System did not meet peak demands. Since about four customers per year are being added to the system another well is needed to assure continuity of service. The Commission staff recommends that Royal Oaks Water System should be ordered to install an additional well.

C. Annual Reports of Royal Oaks Water System

33. The Annual Report of Royal Oaks Water System for the year 1969 which was due to be filed March 31, 1970 was filed after said date.

34. The Annual Reports of Royal Oaks Water System for the year 1970 which was due to be filed March 31, 1971 was not filed until September 29, 1971.

35. No extension of time was granted to Royal Oaks Water System for the filing of its Annual Reports for the year 1969 and the year 1970.

III. Vilare Water Company

A. Ownership, Control, Operation and Management of Vilare Water Company

36. By Decision No. 73155 issued October 3, 1967 in Application No. 49391, amended, the Commission authorized T. J. Davis, doing business as T. J. Davis Water Company, to transfer and sell his public utility water system to Vilare Water Company, a corporation.

37. By letter dated October 22, 1968 from M.E. Smith, attorney for Vilare Water Company, filed with the Commission October 23, 1968, the Vilare Water Company notified the Commission that due to the insolvency

proceedings (bankruptcy) of T. J. Davis, the exact date of transfer of the T. J. Davis Water Company to Vilare Water Company is indefinite, but for purposes of record July 1, 1967 has been agreed as the date, and since such time Vilare Water Company has assumed responsibility for the operation of the water system subject to the approval of this Commission.

38. In the 1969 Annual Report to the Commission Maurice E. Smith is designated as the person to receive correspondence and as the person who is responsible for the operations and service of Vilare Water Company.

39. Maurice E. Smith is the attorney for and principal management representative of Vilare Water Company.

B. Service Area Map and Annual Report of Vilare Water Company

40. The service area of Vilare Water Company includes Tracts 369, 398 and 396 of Tulare County. Vilare Water Company has filed service area maps for Tracts 369 and 398 but has not filed a service area map for Tract 396.

41. The Annual Report for the year 1969 which was to have been filed March 31, 1970 was not filed until August 6, 1970.

42. The Annual Report for the year 1970 which was due to be filed with the Commission March 31, 1971, has not been filed.

IV. Coarsegold Highlands Water System

A. Ownership, Operation, Management and Control of Coarsegold Highlands Water System

43. By Decision No. 73017 issued September 6, 1967 in Application No. 49153, a certificate of public convenience and necessity was granted to Mr. William Mosgrove, doing business as Coarsegold Highlands Water System.

44. Although William Mosgrove claims to have transferred Coarsegold Highlands Water System to Maurice E. Smith as consideration for legal fees for services rendered by Mr. Smith, Mr. Smith denies having any ownership or personal interest in Coarsegold Highlands Water System. No other evidence of such transfer of ownership of

Coarsegold Highlands Water System by William Mosgrove to Maurice E. Smith appears in the record and no approval for such transfer has been requested from or granted by the Commission.

45. Maurice E. Smith is the attorney for and principal management representative of William Mosgrove, doing business as Coarsegold Highlands Water System.

B. Annual Reports of Coarsegold Highlands Water System

46. Annual Reports, other than the Annual Report for the period April 7, 1967 to and including December 31, 1967, due March 31, 1968 and late-filed on September 6, 1968, have not been filed by Coarsegold Highlands Water System, as required by Sections 581, 582 and 584 of the Public Utilities Code and General Order No. 104-A of the Public Utilities Commission and letters from the Commission Secretary regarding the delinquent Annual Reports have not been answered by Coarsegold Highlands Water System.

47. No extensions of time have been granted by the Commission to Coarsegold Highlands Water System for the filing of its Annual Reports for the years 1967, 1968, 1969 and 1970.

48. Annual Reports of Coarsegold Highlands Water System are delinquent as follows:

<u>Annual Report for Year</u>	<u>Delinquent Since</u>
1968	March 31, 1969
1969	March 31, 1970
1970	March 31, 1971

Based upon the foregoing findings of fact, the Commission concludes as follows:

I. Raymond Water Works

1. The purported sale and transfer of the property necessary or useful in the performance of the public utility obligations of Raymond Water Works (a) by Fred and Wilma Schram, his wife, to Peter Frank Schram and Judith Arlene Schram, his wife, (b) by Peter Frank Schram and Judith Schram, his wife, to Richard Maddalena and Joyce

Maddalena, his wife, (c) by Richard Maddalena and Joyce Maddalena, his wife, to Raymond Heights Water Company, a corporation, and (d) by Fred Schram and Wilma Schram, his wife, to Raymond Heights Water Company, a corporation, are void under the provisions of Section 851 of the Public Utilities Code.

2. The property necessary and useful in the performance of the public utility obligations of Raymond Water Works is still that of Fred and Wilma Schram, his wife, as are the primary attendant public utility obligations.

3. (a) Peter Frank Schram and Judith Arlene Schram, his wife, (b) Richard Maddalena and Joyce Maddalena, his wife, and (c) Raymond Heights Water Company through the transfers or agreements to transfer to them of the property necessary and useful in the performance of the public utility obligations of Raymond Water Works acquired no greater rights than those of a transferee or vendee, successively in possession, under an executed contract of sale. As regards the public utility obligations of Raymond Water Works said parties have been and are agents of Fred Schram and Wilma Schram, his wife, doing business as Raymond Water Works, during the time they were or are in possession of the property necessary and useful in the performance of the public utility obligations of Raymond Water Works. (See R. J. Baunhauser, 70 Cal. P.U.C. 783.)

4. Maurice E. Smith is the attorney for, president, and principal managing officer of Raymond Heights Water Company.

5. The public interest does not require the Commission to interfere with the possession of the Raymond Water Works water system by Raymond Heights Water Company or with its status as the operator and manager thereof, as agent for Fred Schram and Wilma Schram, his wife, doing business as Raymond Water Works.

6. (a) Fred Schram and Wilma Schram, his wife, doing business as Raymond Water Works, (b) Peter Frank Schram and Judith Arlene Schram, his wife, as agents for Fred and Wilma Schram, doing business as Raymond Water Works, (c) Raymond Heights Water Company, as agent

for Fred Schram and Wilma Schram, his wife, doing business as Raymond Water Works, and (d) Maurice E. Smith, as attorney for and president and principal managing officer of Raymond Heights Water Company, jointly and severally should be ordered to:

- (1) Repair the existing 13,000 gallon concrete storage tank of Raymond Water Works to prevent the intrusion of foreign matter into the water supply.
- (2) Submit a plan for the provision of a new well with an automatic chlorinator to supplement the existing water supply of Raymond Water Works.
- (3) Seal the existing wells to prevent the intrusion of foreign matter into the water supply of Raymond Water Works.
- (4) Install an automatic chlorinator for the well located east of Merced Street in Raymond.
- (5) Regulate the chlorination of the water supply of Raymond Water Works so that the water distributed to the customers meets the standards of the Department of Public Health and nevertheless does not contain an excessive amount of chlorine.
- (6) Submit a plan for the installation of meters for the 17 customers of Raymond Water Works who are presently being served under flat rates.
- (7) File the Annual Reports of Raymond Water Works for the years 1967, 1968, 1969 and 1970.
- (8) Pay fines to this Commission due as of December 31, 1971 for failure to file the Annual Reports for the years 1967, 1968, 1969 and 1970 with this Commission as follows:

<u>Annual Report for the Year</u>	<u>Amount of Fines Due for Failure to File Reports</u>
1967	\$ 50.00
1968	50.00
1969	50.00
1970	<u>200.00</u>
Total fines due as of December 31, 1971	\$350.00

II. Royal Oaks Water System

7. Maurice E. Smith, owner and operator of Royal Oaks Water System should be ordered to:

- (a) Submit a plan for the provision of an additional well to supplement the existing water supply available to Royal Oaks Water System.
- (b) Pay fines to this Commission due as of December 31, 1971, for the late-filing of Annual Reports with this Commission as follows:

<u>Annual Report for the Year</u>	<u>Amount of Fines Due for Late Filing of Annual Reports</u>
1969	\$ 50.00
1970	<u>125.00</u>
Total fines due as of December 31, 1971	\$175.00

III. Vilare Water Company

8. Vilare Water Company, a corporation, and Maurice E. Smith, its attorney and principal management representative, jointly and severally should be ordered to:

- (a) File with this Commission current tariff and service area maps for the entire water system of Vilare Water Company.
- (b) Pay fines to this Commission due as of December 31, 1971, for the late filing of the 1969 Annual Report and the failure to file the 1970 Annual Report as follows:

<u>Annual Report for the Year</u>	<u>Amount of Fine Due for Late Filing of Report</u>
1969	\$50.00
	<u>Amount of Fine Due for Failure to File Report</u>
1970	<u>\$200.00</u>
Total fines due as of December 31, 1971	\$250.00

IV. Coarsegold Highlands Water System

9. William Mosgrove, doing business as Coarsegold Highlands Water Systems, and Maurice E. Smith the attorney for and principal management representative of William Mosgrove, doing business as Coarsegold Highlands Water System, should be ordered jointly and severally to pay fines to the Commission due as of December 31, 1971, for the late filing of the 1967 Annual Report and for the failure to file the 1968, 1969 and 1970 Annual Reports as follows:

<u>Annual Report for the Year</u>	<u>Amount of Fine Due for Late Filing of Report</u>
1967	\$ 50.00
	<u>Amount of Fine Due for the Failure to File Report</u>
1968	\$ 50.00
1969	50.00
1970	<u>200.00</u>
Total fines due as of Dec. 31, 1971	\$350.00

O R D E R

IT IS ORDERED that:

I. Raymond Water Works

1. (a) Fred and Wilma Schram, his wife, doing business as Raymond Water Works, (b) Peter Frank Schram and Judith Schram, his wife, as agents for Fred Schram and Wilma Schram, doing business as Raymond Water Works, (c) Raymond Heights Water Company, a corporation, as agent for Fred Schram and Wilma Schram, doing business as Raymond Water Works, and (d) Maurice E. Smith, as attorney for and president and principal managing officer of Raymond Heights Water Company, jointly and severally, are ordered to:

- (1) Seal forthwith the wells, storage tanks and water system of Raymond Water Works so as to prevent the intrusion from animals and of foreign matter into the water supply and install a self-chlorinating system and perform maintenance and make all repairs sufficient to make the system safe and sanitary for those using the system, in accordance with the recommendations of the Madera County Department of Health.
- (2) File with this Commission within sixty days after the effective date of this order a certificate by the Madera County Department of Health that sufficient maintenance and repairs to the system have been made so that the system is safe and sanitary and is in compliance with the requirements of the Madera County Department of Health so as to provide safe and potable drinking water to the users of the Raymond Water Works.
- (3) Submit to this Commission within sixty days from the effective date of this order, a plan and schedule for augmentation of sources of water supply and storage facilities for the water supply with automatic chlorination and for the installation of meters for the flat rate customers of Raymond Water Works.
- (4) File with this Commission, within sixty days from the effective date of this order, current tariff and service area maps for the entire system of Raymond Water Works.
- (5) Pay to this Commission by June 30, 1973 the fines in the amount of \$350.00 which were due as of December 31, 1971, for the failure to file the Annual Reports for the years 1967, 1968, 1969 and 1970, and the fines which accrue subsequent to December 31, 1971, until said reports are filed with this Commission.
- (6) Forthwith file with this Commission all delinquent and currently due Annual Reports of Raymond Water Works.
- (7) Maintain its accounting records on a calendar year basis in conformance with the Uniform System of Accounts for Class D Water Utilities prescribed by this Commission.

II. Royal Oaks Water System

2. Maurice E. Smith, doing business as Royal Oaks Water System, is ordered to:

- (a) Submit to this Commission within sixty days from the date of this order, a plan and schedule for augmentation of the water supply and storage facilities of Royal Oaks Water System.

- (b) Pay to this Commission by June 30, 1973 fines in the total amount of \$175.00 which were due as of December 31, 1971, for the late filing of the Annual Reports for the years 1969 and 1970.
- (c) Forthwith file with this Commission the Annual Report for the year 1971.
- (d) Maintain its accounting records on a calendar year basis in conformance with the Uniform System of Accounts for Class D Water Utilities prescribed by this Commission.

III. Vilare Water Company

3. Vilare Water Company, a corporation, and Maurice E. Smith, its attorney and principal management representative, jointly and severally, are ordered to:

- (a) File with this Commission within sixty days from the effective date of this order, current tariff and service area maps for the entire system of Vilare Water Company.
- (b) Pay to this Commission by June 30, 1973, fines in the total amount of \$250.00 which were due as of December 31, 1971, for the late filing of the Annual Report for the year 1969 and for the failure to file the Annual Report for 1970, and the fines which may accrue subsequent to December 31, 1971, until the Annual Report for 1970 is filed with this Commission.
- (c) Forthwith file with this Commission all delinquent and currently due Annual Reports of Vilare Water Company.
- (d) Maintain its accounting records on a calendar year basis in conformance with the Uniform System of Accounts for Class D Water Utilities prescribed by this Commission.

IV. Coarsegold Highlands Water System

4. William Mosgrove, doing business as Coarsegold Highlands Water System, and Maurice E. Smith, the attorney for and principal management representative of William Mosgrove, doing business as Coarsegold Highlands Water System, jointly and severally, are ordered to:

- (a) Pay to this Commission by June 30, 1973, fines in the total amount of \$350.00 which were due as of December 31, 1971, for the late filing of the Annual Report of Coarsegold Highlands Water System for the year 1967, and the failure to file the Annual Reports of

Coarsegold Highlands Water System for the years 1968, 1969 and 1970, and the fines which may accrue subsequent to December 31, 1971, until said reports are filed with this Commission.

- (b) Forthwith file with this Commission all delinquent and currently due Annual Reports of Coarsegold Highlands Water System.
- (c) Maintain its accounting records on a calendar year basis in conformance with the Uniform System of Accounts for Class D Water Utilities prescribed by this Commission.

V. General

5. The parties to this proceeding are hereby notified that they may be held in contempt of this Commission pursuant to Section 2113 of the Public Utilities Code should they fail in timely compliance with the orders hereinabove.

6. The fines herein may be waived upon application by the parties responsible for compliance with the orders applicable to a particular utility herein, provided all Annual Reports and other information required to be filed herein by a particular utility are filed in compliance with this order and that all maintenance and repairs ordered herein to be made by said particular utility have been completed to the satisfaction of the Commission staff and the applicable county authorities.

7. Case No. 9283 is hereby discontinued.

The Secretary of the Commission is directed to make personal service of a certified copy of this decision upon each of the following parties to this proceeding:


- (a) Maurice E. Smith, (1) as an individual, as attorney for and as president of Raymond Heights Water Company which is the operator and manager of Raymond Water Works, as agent for Fred Schram and Wilma Schram, doing business as Raymond Water Works, (2) as an individual doing business as Royal Oaks Water Company, (3) as attorney for and principal management representative of Vilare Water Company, a corporation, and (4) as attorney for and principal management representative of William Mosgrove, doing business as Coarsegold Highlands Water Company.

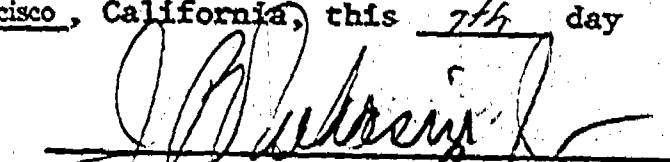
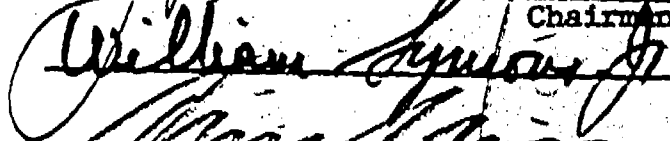
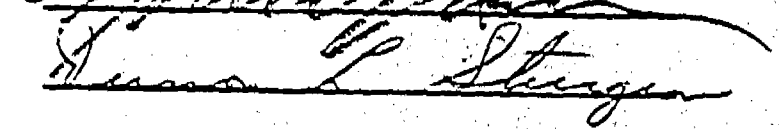
- (b) Fred Schram and Wilma Schram, his wife, doing business as Raymond Water Works.
- (c) Peter Frank Schram and Judith Arlene Schram, his wife, as agents for Fred Schram and Wilma Schram, his wife, doing business as Raymond Water Works.
- (d) Richard Maddalena and Joyce Maddalena, his wife.
- (e) William Mosgrove, doing business as Coarsegold Highlands Water System.

The effective date of this order as to each of said parties upon whom personal service is directed to be made by the Secretary shall be twenty days after the date such personal service is caused to be made by the Secretary.

Dated at San Francisco, California, this 7th day of JUNE, 1972.

I abstain


Commissioner


Chairman


Commissioners