

Decision No. 80248

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

HARRY H. MORSE AND MILDRED B.  
MORSE,

Complainants,

vs.

LUIS S. KING AND NANCY JOHNSON,  
doing business as PINE MOUNTAIN  
WATER CO.,

Defendants.

Case No. 9255  
(Filed August 9, 1971)

H. H. Morse, for himself, complainant.  
Nancy C. Johnson, for Pine Mountain Water Co.,  
defendant.  
J. E. Johnson, for the Commission staff.

O P I N I O N

After due notice, hearing was held on November 23, 1971, on this complaint before Examiner C. T. Coffey in Porterville. The matter was submitted for decision on February 1, 1972.

Complainants allege they paid \$900 to the defendants to construct certain water plant facilities that were suggested by the Commission staff to make the water system, formerly known as the Rainbow Ranch Water Company, conform to the minimum pressure requirements of the Commission's General Order No. 103. Upon completion of the facilities, and in accordance with Decision No. 72007, Pine Mountain Water Company was to accept the facilities of Rainbow Ranch Water Company and include it within the Pine Mountain Water Company's service area.

Complainants made the payment on October 1, 1968, and their facilities were included in Pine Mountain Water Company's service area about that time. Defendants have not constructed the facilities to improve the pressure. Complainants request the Commission to either order the facilities installed or order the \$900 returned to them.

Defendant admitted that the above statement of the basis of the complaint is true except that no time limit was specified for the installation of approximately 450 feet of new two-inch line, a pump and a pressure tank. Paragraph 2 of Exhibit No. 2, dated November 20, 1971, presented by defendant at the hearing stated the following:

"2. The requested line is now being installed. The Utility has elected to use 4 inch schedule 30 pipe rather than the smaller pipe. The line will be installed by Nov. 23rd. and the pump, pressure tank and electrical controls as soon as they are delivered."

#### History

Complainants in Application No. 48476, dated May 16, 1966, requested a certificate of public convenience and necessity to serve water to approximately 15.9 acres in the vicinity of Rainbow Ranch in the California Hot Springs - Pine Flat area of Tulare County. Complainants, doing business as the Rainbow Ranch Water Company, operated the ranch as a recreation resort and served approximately eight customers in the immediate vicinity. The application for certification was made after complainants found themselves unable to obtain water service from either the Pine Mountain Water Company or the Pine Flat Water Company. A public hearing was held at Porterville on September 22, 1966, at which time Application No. 43639 of Pine Mountain Water Company for authorization to extend water service to Unit No. 2 (65 acres) of its own development was also considered.

Testimony and discussions at the hearing resulted in the withdrawal of Application No. 48476 and in an oral agreement by Pine Mountain Water Company to serve the Rainbow Ranch properties. The oral agreement was reduced to writing on October 3, 1966, and filed as Exhibit No. 2 of Application No. 48639. Decision No. 72007, dated February 15, 1967, authorized Pine Mountain Water Company to extend its service area to include Rainbow Ranch.

The agreement, among other things, required complainants to "make such changes in the Rainbow Ranch Water Company as may be necessary to comply with the standards of the Public Utilities Commission's General Order No. 103." Complainants proceeded to make the necessary changes in their existing system, at their own expense, and extended the distribution system to serve about 16 lots, all in compliance with the standards of design and construction of General Order No. 103. Upon completion of the changes and new construction, a Commission staff engineer, in the presence of Mr. Morse for Rainbow Ranch and Mr. Luis S. King for Pine Mountain Water Company, made an inspection of the Rainbow Ranch facilities to determine compliance with General Order No. 103. The Rainbow Ranch system, for testing and inspecting purposes, was valved off from the Pine Mountain system and tested as an individual, isolated system. Under normal operating conditions, however, both systems operate as one unit and Rainbow Ranch is fed through a pressure reducing valve from the Pine Mountain system. When the Rainbow Ranch system was isolated and operated with a full 12,500-gallon concrete storage tank, the lowest pressure at any customer's service was 23 psi, 2 psi lower than the minimum requirements of General Order No. 103. The inspection, together with prior engineering reports, substantiated that all the improvements, except minimum pressure, complied with General Order No. 103.

To boost and control the pressure, the staff suggested at that time that a pump and pressure tank be installed adjacent to the 12,500-gallon storage tank. The water from the Rainbow Ranch well would be pumped through a transmission main directly into the storage tank. The new pump would then deliver the water into the pressure tank and into the distribution system through approximately 450 feet of a new two-inch line. Mr. Morse agreed to the staff's suggestion and proceeded immediately to make the necessary arrangements to purchase and install the additional improvements, for a total cost of \$541.

Mr. King, a co-partner of Pine Mountain Water Company, did not allow Mr. Morse to go ahead with the improvements, claiming that owners of Pine Mountain Water Company desired to make the installation themselves so as to better accommodate future expansion of their own properties. Mr. Morse was requested to disburse \$900 to Pine Mountain Water Company for the same improvements. On October 1, 1968, Mr. Morse paid the \$900 into escrow as shown by exhibits attached to the current formal complaint, Case No. 9255.

On October 2, 1968, Pine Mountain Water Company filed a water supply supplemental questionnaire pertaining to the Morses' property with the Division of Real Estate, and on November 2, 1968, Mr. Morse directed the Title Insurance and Trust Company of Visalia to pay the \$900 to Pine Mountain Water Company. Three years have passed, but the improvements to be financed with the \$900 have not been installed.

Since by oral statements and by Exhibit No. 2 herein defendants appeared to be reasonably in process of satisfying the complaint by installing said improvements, the matter was submitted upon the receipt of a late-filed exhibit from defendants which was to set forth

description, timing and details of the plant to be installed to satisfy the complaint, comments by complainants and staff thereon and answer by defendant, or upon February 1, 1972, whichever was earlier.

Despite repeated efforts by the staff, defendants have not filed late-filed Exhibit No. 3. It also appears that defendants have not installed said improvements.

Findings and Conclusions

1. Pine Mountain Water Company has agreed for a consideration of \$900 to install a hydropneumatic system in the Rainbow Ranch area.
2. Pine Mountain Water Company has not installed said hydropneumatic system.
3. Said hydropneumatic system is needed to maintain adequate water pressures in said Rainbow Ranch area.

We conclude that Pine Mountain Water Company should be required to install promptly said hydropneumatic system as hereinafter ordered.

O R D E R

IT IS ORDERED that:

1. On or before September 15, 1972, Pine Mountain Water Company shall install a suitable hydropneumatic system in the Rainbow Ranch area. The pump and pressure tank shall be adequate to provide the maximum hourly water demand for approximately 30 customers. The pressure system's discharge line shall extend from the pump location near the existing 12,500-gallon storage tank to the distribution system and shall have a minimum diameter of two inches. The hydropneumatic system shall be equipped with adequate automatic pressure and electrical controls to effectively operate the system under maximum hourly demand and also to operate in conjunction with Pine Mountain storage in the event of a fire. The pump and all controls shall be

housed in a suitable structure that will provide for adequate maintenance and protection from inclement weather and vandalism. The facilities shall be designed and the construction shall be supervised by qualified personnel.

2. On or before October 2, 1972, Pine Mountain Water Company shall file with this Commission a verified report of compliance with the provisions of Ordering Paragraph 1. The report of compliance shall include two sets of "as built" plans and specifications of all the improvements included in Ordering Paragraph 1.

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

Dated at Los Angeles, California, this 18th day of JULY, 1972.

Verma L. Sturgeon  
President  
William Lyons Jr.  
J. P. Williams  
John M. [unclear]  
[unclear]  
Commissioners