

Decision No. 80469

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of HILLVIEW #6 WATER CO., JOHN S.
CAVANAUGH & EVELYN CAVANAUGH for
authorization to transfer its
water system assets to the Rio
Del Mar Lodge Sites Mutual Water
Company, Inc., and to be relieved
of its obligations as a public util-
ity.

ELIZABETH A. DAVIS, HAROLD J.
MEADOWCROFT, FONTAINE W. RUSS,

Complainants,

v.

HILLVIEW #6 WATER CO., JOHN S. &
EVELYN CAVANAUGH, SANTA CRUZ LAND
& TITLE CO.,

Defendants.

HAROLD J. MEADOWCROFT, J.W.
MARQUISS, F.W. RUSS, MRS. ELIZABETH
A. DAVIS, EUGENE PAULY,

Complainants,

v.

JOHN S. CAVANAUGH, THOMAS P.
KENDRICK, MICHAEL PRIEST, GERALDINE
HAINES, KENNETH CAMPEAU,

Defendants.

Application No. 52887
(Filed September 24, 1971)

Case No. 8967
(Filed September 22, 1969)

Case No. 9278
(Filed October 1, 1971)

Appearances

Thomas P. Kendrick, Attorney at Law, for applicants in Application No. 52887, and for defendants in Case No. 9278, and for petitioners in Case No. 8967.

Michael Priest, Attorney at Law, in propria persona, as defendant in Case No. 9278.

H. E. Davis, Harold J. Meadowcroft and Fontaine W. Russ, in propria personae, as complainants in Case No. 9278, and as protestants in Application No. 52887.

L. Raynor Talley, for Santa Cruz County Environmental Health; James M. Ritchey, Attorney at Law, for Santa Cruz County; Robert G. Strand and Hugh Lee, for Pacific Gas & Electric Company, interested parties.

Walter H. Kessenick, Attorney at Law, for the Commission staff.

O P I N I O N

On September 24, 1971, John S. Cavanaugh and Evelyn Cavanaugh, doing business as Hillview #6 Water Co, requested authority to transfer a water system to the Rio Del Mar Lodge Sites Mutual Water Company, Inc.

On October 1, 1971, Harold J. Meadowcroft, J. W. Marquiss, Mrs. Elizabeth A. Davis and Eugene Pauly filed a complaint against John S. Cavanaugh, Michael Priest, Geraldine Haines and Kenneth Campeau^{1/} alleging that the Hillview #6 Water Co. system had been connected to the Rio Del Mar Lodge Sites Mutual Water Co. without prior authority of this Commission and without compliance with the provisions of General Order 103.

^{1/} With exception of the Cavanaughs, the defendants named in the complaint are the directors of the Rio Del Mar Lodge Sites Mutual Water Company and have no connection with the operation of the present system. The complaint will be dismissed in so far as it relates to said individuals.

On November 17, 1971, John S. Cavanaugh and Evelyn Cavanaugh filed a petition requesting modification of Decision No. 77059, dated April 7, 1970, in Case No. 8967, which restricted the Hillview #6 Water Co. from extending service to any parcels other than the 17 then served without prior authority of the Commission. By the petition authority is requested to extend service to 35 additional parcels.

Public hearings were held before Examiner Daly on March 14, 1972 and July 25, 1972, with the matters being submitted upon the receipt of late-filed Exhibit 11, which has been since filed and considered.

By Decision No. 77059, dated April 7, 1970, in Case No. 8967 the Commission found that John S. Cavanaugh and Evelyn Cavanaugh owned the water system herein considered and that they were operating as a public utility subject to its jurisdiction. The Commission further found that the water system did not conform with the minimum standards in General Order No. 103 and that service to additional users could adversely affect service to the existing 17 users.

Thereafter, a mutual agreement between the Cavanaughs and the customers was negotiated whereby the customers were to maintain the system, and the Cavanaughs were to pay the electric power bill for operating the pump. In consideration, therefore, no charge is made for water.

Prior to the hearing, a staff engineer conducted an investigation of the system and introduced the results thereof as Exhibit 5 which is summarized as follows:

1. The present operating system consists of one well, one small 6,500 gallon wooden tank and a steel pipe distribution system. There is a pump at the well which the customers have purchased in order that service could be continued.

2. As the result of a submersible pump having been accidentally dropped to the bottom of the well, reworking of the well is necessary.

3. A concrete seal around the well and sample tap have been removed.

4. The customers have had to repair five leaks in the system in the past year.

5. A report by the County Health Department indicates that the water should be chlorinated.

6. As of October 5, 1971, there was an outstanding electric bill covering the cost of power to operate the pump in the amount of \$224.38.

7. A used 65,000 gallon steel tank has been installed on the hill above the well and a 2-inch steel pipe has been laid in the ground from the well to the tank. The steel tank and pipe are the property of Cavanaugh's and not the mutual company.

8. Approximately 400 feet of 6-inch asbestos cement pipe has been laid underground from the steel tank to a point in the existing transmission line, but no connection has been made. The pipe was laid in a work road which was bulldozed out of the side of the hill. The grade of the road is steep, and the back fill over the pipe is soft and shows little compaction. The average coverage is 18 inches. In the event of a heavy rain, the back fill could be washed out and the pipe damaged.

The staff exhibit contained the following conclusions and recommendations:

1. The mutual is not capable of serving without a distribution system.

2. The 6-inch asbestos-cement pipe is not constructed according to General Order 103 standards.

3. The utility customers presently being served should be protected against loss of water service.

4. The capacity of the present well will not supply water to all of the area owned by the developer, which consists of approximately 290 lots.

5. The present system has a history of many leaks.
6. The 6-inch asbestos-cement line should be provided with sufficient cover and protection against washouts.
7. The well water should be approved by the health department and chlorinators should be installed if necessary.
8. Efforts should be made to find an additional source of supply.
9. A program of improving the present system should be commenced by either reconditioning it or replacing it.
10. An individual should be designated as the responsible party to call in the event of any problems.
11. The restrictions and agreement as set forth in Decision No. 77059 in Case No. 8967 should remain in force until improvements are made to the system.

The Cavanaughs, who own 216 of the lots within the subdivision, propose to transfer the system to the mutual company with the understanding that all expenses of improving the system will be paid for by the Cavanaughs and at no expense to the mutual. It was pointed out, however, that there were two hook-ups that are not within the subdivision, and the Cavanaughs believe that the mutual company would have a moral obligation to serve these customers. The Cavanaughs also indicated a willingness to drill a new well and to convey it to the mutual company without cost.

The complainants, who are also customers, oppose the transfer to the mutual company as well as the proposed extension of service to new customers until the system complies with the requirements of General Order 103.

Subsequent to the hearing on March 14, 1972, John S. Cavanaugh testified that he arranged for a 72-hour water well test, which was conducted by the Dougherty Pump & Drilling, Inc. The test indicated a yield of 11-1/2 gallons per minute with a draw down of 51 feet at the end of the 72-hour period.

Based upon the daily requirement of 450 gallons for each service connection it is contended that the existing well could provide service to 20 additional customers. The Cavanaugh's, therefore, request that in the event the application to transfer to the mutual company is denied that the restriction set forth in Decision No. 77059 limiting service to the existing customers be amended to permit the extension of service to 20 additional parcels rather than to 35 parcels as first requested. By late-filed Exhibit 11, the staff renewed its opposition to any extension until its recommendations with respect to the upgrading of the system has been complied with.

After consideration the Commission finds that:

1. The system herein considered does not comply with the requirements of General Order 103.
2. The water service of the system at the present time is insufficient to justify an extension of service beyond those presently served.
3. The mutual company formed by the Cavanaugh's does not reflect the wishes of many of the existing customers who oppose the transfer of the system to the mutual company.
4. Even if the application to transfer were approved the obligation of the mutual company to serve two nonmembers would again make it subject to the jurisdiction of this Commission.
5. The well water should meet the minimum requirements of the County Health Department and chlorinators installed if necessary.
6. The 6-inch asbestos-cement line should be provided with sufficient cover and protection against washouts.
7. An additional source of water should be provided.
8. A plan for improving the system by either reconditioning it or replacing it should be formulated and acted upon as soon as possible.
9. An individual should be designated for handling service problems.

The Commission concludes that the application to transfer the system to the mutual company and the petition to modify Decision No. 77059 should be denied.

O R D E R

IT IS ORDERED that:

1. Application No. 52887 and the petition to modify Decision No. 77059 are hereby denied.
2. Within ninety days after the effective date hereof, John S. Cavanaugh and Evelyn Cavanaugh shall commence a program of either reconditioning the present system or replacing it so as to comply with the requirements of General Order 103.
3. Within sixty days after the effective date hereof, John S. Cavanaugh and Evelyn Cavanaugh shall file with this Commission a written plan of the program required by ordering paragraph 2 hereof detailing the work to be performed and the expected time of completion.
4. Upon the filing of the plan required by ordering paragraph 3 hereof, John S. Cavanaugh and Evelyn Cavanaugh shall every sixty days thereafter file with this Commission a written progress report on the work performed until all work has been completed.
5. Unless otherwise ordered by this Commission the work required by ordering paragraph 2 hereof shall be completed within one year after the date hereof.

A. 52887 et al. mn

6. Case No. 9278 is dismissed as to Thomas P. Kendrick, Michael Priest, Geraldine Haines and Kenneth Campeau.

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

Dated at San Francisco, California, this 3/5
day of AUGUST, 1972.

Vernon L. Stinson
President
William Lyness
[Signature]
[Signature]
Commissioners

Commissioner J. P. Vukasin, Jr., being necessarily absent, did not participate in the disposition of this proceeding.