

Decision No. 81182

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Investigation on the Commission's
own motion into the operations,
service, facilities, equipment,
contracts and practices of COAST
WATER COMPANY, a California
corporation.

Case No. 9489
(Filed December 19, 1972)

Mervin L. Hecht and Irving J. Levin, Attorneys at
Law, for Coast Water Company, Respondent.
George W. Miley, Attorney at Law, for California
Department of Public Works and Division of
Highways, William W. Franklin, for Southern
California Water Company, interested parties.
William D. Figg-Hoblyn, Attorney at Law, and
Robert C. Durkin, for the Commission staff.

INTERIM OPINION

On December 19, 1972 the Commission issued its Order of Investigation into the operations and practices of Coast Water Company. Public hearing was held on January 9, 1973 in the city of Bell Gardens before Examiner Jerry Levander.

Respondent's 320-acre service area is located in portions of the cities of Bell and Bell Gardens. The integrated water system supplies the territory east of a Los Angeles County flood control channel, south of Gage Avenue and E. Agra Street, north of Florence Avenue, and west of S. Joboneria Road.

Respondent serves approximately 950 residential and commercial customers. Respondent states that it has a program to meter its service connections and has metered approximately 85 percent of its services.

The existing sources of supply consist of two wells, approximately 100 feet apart, located next to a grammar school near the northeast corner of respondent's service area.

Each well is capable of producing approximately 1,000 gallons per minute. Each well feeds into a 220,000-gallon storage tank. Water is pumped from this tank to a 550,000-gallon tank by means of Booster Pump No. 2 which was tested by the Southern California Edison Company at 862 gallons per minute. Booster Pump No. 1 and Booster Pump No. 3 may operate individually or in parallel to pump water from the large storage tank to a 3,500-gallon pressure tank. The combined capacity of Booster Pump No. 1 and Booster Pump No. 3 when operating in parallel is approximately 750 gallons per minute.

The distribution system is essentially a grid system composed of four-inch laterals fed by a five-and-one-half-inch main which rings the system. A second five-and-one-half-inch main also feeds the grid along the northern boundary of the system.

The staff summarized complaints of some of respondent's customers concerning low pressures during summer peak periods and analyzed the factors contributing to the low pressure problems including inadequate booster capacity, inadequately sized mains feeding the grid system, and inadequately sized laterals within the grid system.

The staff concluded that respondent's current rates do not generate sufficient revenue to cover operating expenses; additional water production capacity and/or transmission capacity of the system was needed; respondent should take immediate action to correct its service deficiencies or sell its system to a larger utility which can provide reasonable service; the customers billed on flat rate schedules should be billed on metered rate schedules; respondent's records indicate that the system peak approximates 1000 gallons per minute; due to the age and condition of the mains there is concern that increased pressure at the source would create leaks and maintenance problems.

The need for increased minimum pressures^{1/} is confirmed by late-filed Exhibit No. 10 showing pressure checks recorded by respondent; testimony by a resident engineer employed by the California Division of Highways as to pressure measurements, including a reading of 15 psi; and testimony by the ex-mayor of Bell Gardens.

Respondent generally makes several pressure checks at various locations on the same day(s) in a given month. Respondent's lists of pressure checks do not indicate the time the tests were made or their duration. They are apparently spot checks. Respondent recorded pressures of 56 to 58 psi at a location near its pressure tank in each of the past three years.

Pressures at a given point in the system are governed by the pressure control settings for the pressure tank, the amount of water being delivered to the system at a given time, and pressure losses in the system. During periods of minimal water usage pressures throughout the system would be at a maximum approaching those at the pressure tank within respondent's relatively flat service area.

The staff recommended that respondent engage a consulting engineer to determine the improvements needed in its system; the needed improvements be constructed in time to obtain adequate pressures throughout the system during the periods of peak demand in the summer of 1973; recording pressure gauges be utilized for pressure surveys; all services be metered; and an up-to-date system map be filed with the Commission.

The record shows that an interconnection with Southern California Water Company's (SoCal) system at Florence Avenue and Eastern Avenue would be the most suitable immediate improvement in respondent's system capacity.

^{1/} The Commission's General Order No. 103 provides for "normal operating pressures of not less than 25 psig...". In Decision No. 80116 our order provided for a minimum pressure of 40 psi.

Respondent agreed with the recommendations in the staff report. It intends to implement them before the peak summer season to the extent feasible, and it will meter flat rate services. After obtaining an engineering report to obtain costs of needed improvements respondent will file an application for a rate increase to enable it to make the improvements.

Early in 1973 the Division of Highways (Highways) completed landscaping of a portion of the Long Beach Freeway located in the western portion of respondent's service area. Due to inadequate pressures and water delivery capabilities from respondent, Highways hauls water to irrigate the freeway landscaping from SoCal rather than respondent because water truck rental with a driver was approximately \$150 and the truck could be filled faster from SoCal's system.

Highways is opposed to respondent's proposal that it pay for the installation of an in-line booster pump to meet its quantity and pressure requirements. The installation of the booster pump as proposed by respondent would aggravate service problems on the rest of the system. Highways requested that it be authorized to obtain water from another company, probably SoCal, until respondent could meet Highways' requirements. This request is reasonable as it would properly give preference to existing domestic and commercial requirements. Since respondent is incapable of providing the service requested at this time, there would be no duplication of service.

Bell Gardens was interested in getting adequate supplies of water at adequate pressures for its commercial and residential areas. Bell Gardens would not oppose rate increases to upgrade respondent's system, which in turn would facilitate the upgrading of commercial areas beginning with the Eastern Avenue area.

SoCal has instituted an action in the Superior Court in the County of Los Angeles, Docket No. C-46448, against respondent which seeks among other things to order respondent to perform the agreement contained in Application No. 52919 for the sale to SoCal of respondent's operating facilities, which do not include water rights. SoCal offered to provide standby service to respondent, at the latter's cost, if required.

Findings

1. Respondent is not meeting its primary obligation to deliver a sufficient supply of water under adequate pressure to meet the needs of its existing consumers.
2. Respondent's sources of supply and storage are adequate to meet its peak demands. The capacities of respondent's booster pumps and its water transmission and distribution main capability are inadequate. Properly located alternate supplies of water, as described in Exhibit No. 1, could be utilized to improve respondent's service.
3. In order to meet its service obligations respondent must make additions and improvements to its system.
4. The solution proposed by respondent to meet Highways' requirements to the detriment of its other customers illustrates respondent's need for engaging a professional engineer to evaluate respondent's service requirements and recommend needed system improvements.
5. Respondent cannot presently supply water in the quantity and pressure required by Highways, a major potential customer.
6. It is not reasonable to require Highways to advance or contribute funds for an in-line booster pump.

7. Respondent should not undertake to supply Highways until it can provide sufficient quantities of water at reasonable pressures to all of its existing residential and commercial customers and to Highways at all times.

8. Respondent should retain a consulting professional engineer, proficient in the design of water systems, to review the operations of its water system and to make recommendations as to the improvements necessary to increase the quantity of water which can be delivered to the system and to increase minimum pressures in the system. This report should take into consideration the potential requirements of Highways and the changes in water requirements within the commercial zones of its service area which would result from the water system improvements.

9. Respondent should submit a timetable for expeditiously implementing the improvement program recommended by its engineer.

10. Respondent should submit a program for metering all of its active services.

11. Respondent should file an up-to-date water system map.

12. Respondent should make pressure surveys of its system using a recording pressure gauge(s).

13. The staff request for an interim order to permit a further review of the proposed improvement program and of the timetable for implementation so that the Commission can issue additional orders as may be required is reasonable.

Conclusions

1. Respondent should submit plans for improving its system and a program for implementing these plans in the manner set forth in the following interim order.

2. Respondent should not supply Highways until it has been authorized to do so by further order of the Commission, after its showing as to the adequacy of its system improvements.

INTERIM ORDER

IT IS ORDERED that:

1. Until authorized by further order of the Commission, respondent, Coast Water Company, shall not supply water to the State of California Division of Highways for irrigation of the landscaping within the Long Beach Freeway right-of-way.

2. On or before May 30, 1973 respondent shall file with the Commission:

- a. A report prepared by a consulting professional engineer, proficient in the design of water systems, with his recommendations as to improvements necessary to deliver the quantity of water needed to meet the peak demands on the system at adequate pressures. This report shall take into consideration the irrigation requirements of the landscaping within the Long Beach Freeway right-of-way and any additional 1973 requirements within the commercial zones in respondent's service area. This report shall provide for an interconnection between respondent's system and the Southern California Water Company system at Florence Avenue and Eastern Avenue by July 1, 1973 if alternate facilities to effect the necessary quantity and pressure requirements cannot be constructed by respondent as of that date.
- b. A schedule for beginning and completing the items recommended in the report.
- c. A schedule for metering the balance of its system.
- d. Two copies of a current system map required by paragraph I.10.a. of General Order No. 103. The proposed improvements and scheduling shall be indicated on the map.
- e. A pressure survey utilizing a recording pressure gauge(s) as set forth in paragraphs II.3.b. and II.3.c. of General Order No. 103. This survey shall include measurements at 6509-15 S. Ajax Avenue and 5412 Gage Avenue.

3. Beginning on June 15, 1973 respondent shall file with the Commission monthly progress reports concerning the improvement program, the metering program, and monthly pressure surveys.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 20th day of MARCH, 1973.

Vernon L. Sturgeon
President
William J. ...
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Commissioners

Commissioner Thomas Moran, being necessarily absent, did not participate in the disposition of this proceeding.