

Decision No. 81372

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Investigation on the Commission's own)
motion into the status, rates, rules,)
regulations, operations, service,)
facilities, equipment, contracts and)
practices of ELBERT A. LAND and)
MINNIE THELMA LAND, individuals, do-)
ing business as Land Water Company.)

Case No. 9173
(Filed January 13, 1971)

Elbert A. Land, for Land Water
Company, respondent.
John A. Gromala, for himself,
interested party.
James J. Cherry, Attorney at Law,
for the Commission staff.

O P I N I O N

By Interim Opinion (Decision No. 79142) dated September 8, 1971, the Commission staff was ordered to conduct an investigation into the financial ability of the respondents to comply with prior Commission orders.

Public hearing was held on October 24, 1972 at Fortuna at which time the matter was submitted.

A memorandum filed in this case revealed that Mr. Land does not maintain any books of accounts as required in accordance with the Uniform System of Accounts for Class D Water Utilities. Mr. Land did furnish the staff with his personal income tax returns for the years 1964, 1965, 1967, and 1968 and stated that he had not filed any income tax return for 1969, 1970, and 1971.

A review of the tax returns indicates that for the past few years Mr. Land has been conducting his combined real estate, rentals, and water company operations at a loss of between \$2,000 and \$3,000.

Mrs. Land testified that it would cost approximately \$15,000 to bring the water system up to standard and that they had no cash.

The Land Water Company's 1970 annual report filed with the Commission shows an operating loss of \$8,000.

In Decision No. 77045 dated April 7, 1970 in Case No. 8938, respondents were ordered, among other things, to do the following:

"1. Elbert A. Land and Minnie Thelma Land, defendants, on or before October 1, 1970, shall complete the construction and rehabilitation of the 150,000-gallon reservoir, including new roof, screens, and piping and valves to form a settling basin.

"2. Defendants shall, on or before June 1, 1970, rearrange the service of all customers being served through a common water service pipe so that all customers have an individual service pipe.

"3. Defendants shall continue to set and maintain water pressure switches to provide adequate pressure to all customers."

In this proceeding we have found that the respondents are not financially able to comply with all of the ordering paragraphs of Decision No. 77045. However, as respondents' service is still inadequate and as respondents may obtain the required financing in the future, we will reaffirm part of our order from Decision No. 77045, and in addition, we will order respondents to file quarterly reports concerning their water service and financial condition until further order of the Commission.

Findings

1. Elbert A. Land and Minnie Thelma Land are not financially able to comply with the Commission's prior orders.
2. Land Water Company is not providing adequate water service to its present customers.
3. No additional service connections should be made to the Land Water Company's system.

O R D E R


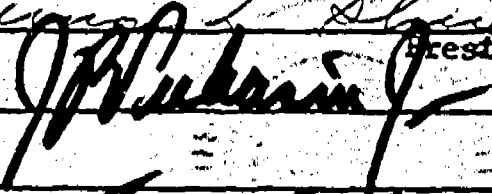
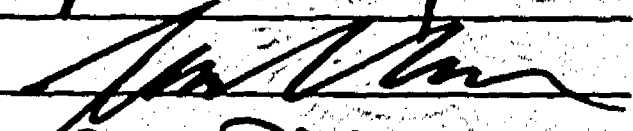
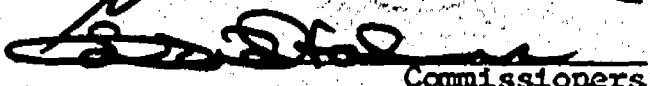
IT IS ORDERED that:

1. No additional water service connections shall be made to the respondents' water system after the effective date of this order.
2. The Secretary of the Commission is directed to give appropriate notice to state or local agencies in an effort to place prospective buyers on notice of the above restriction.
3. Respondents shall complete the construction and rehabilitation of the 150,000-gallon reservoir, including new roof, screens, and piping and valves to form a settling basin.
4. Respondents shall rearrange the service of all customers being served through a common water service pipe so that all customers have an individual service pipe.
5. Respondents shall continue to set and maintain water pressure switches to provide adequate pressure to all customers.

6. Respondents shall file quarterly reports commencing July 1, 1973 concerning improvements to their system, adequacy of water service, and the financial condition of the system until further order of the Commission.

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

Dated at San Francisco, California, this 15th day of MAY, 1973.


President



Commissioners

Commissioner William Symons, Jr., being necessarily absent, did not participate in the disposition of this proceeding.