

Decision No. 83995

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

PAUL CLIFFORD MILLIKEN,

Complainant,

vs.

ANTELOPE VALLEY WATER COMPANY and
DOMINGUEZ WATER CORPORATION,

Defendants.

Case No. 9787
(Filed August 26, 1974)

Paul C. Milliken, for himself, complainant.

C. M. Brewer, for Antelope Valley Water Company,
defendant.

Ronald C. Catchings, for California Department
of Health; M. Jennifer Crandall, Richard M.
Crandall, and George E. Busby, for themselves;
interested parties.

Timothy E. Treacy, Attorney at Law, and Robert C.
Durkin, for the Commission staff.

O P I N I O N

Defendant Antelope Valley Water Company, an affiliate of Dominguez Water Corporation, filed Advice Letter No. 21 on August 1, 1974. It states that defendant will provide no additional connections to its Leona Valley water system due to a critical water shortage and to protect existing customers. Under the terms of Section 455 of the Public Utilities Code, this advice letter becomes effective on the expiration of 30 days from the time of filing if not suspended by the Commission. This complaint for service was filed on August 26, 1974, which did not give the Commission sufficient time to determine if the advice letter should be suspended. Advice Letter No. 21 is therefore still in effect and no new service

connections may be made by defendant Antelope Valley Water Company in its Leona Valley service area without prior Commission authorization. The complaint requests that defendant be ordered to supply complainant's property with water and that defendants be further ordered to develop additional sources of water for its customers. A public hearing was held in Lancaster on October 1, 1974 before Examiner Fraser.

Complainant testified he purchased a lot in Leona Valley served by defendants' water system after visiting the area and observing a power line and water main in front of the lot. He testified a workman from the Antelope Valley Water Company told him in August that his property would be connected to the system and he relied on this information. Several days later he was advised new connections were not being made because of a shortage of water. He stated that he does not live on the property which was purchased early this year. He was not informed of the water shortage prior to becoming a purchaser. Several local residents made statements in support of complainant's position. Two were denied building permits because defendants would not provide water service. On two occasions, land sales were canceled when the buyers became aware of the shortage of water. Each speaker was anxious to obtain water service from the defendants.

Defendants proved publication, posting, and mailing of the notice of hearing. A vice president testified that the system has been steadily improved since July 1965 when they provided water from five wells and a spring; 5,000 feet of pipe were replaced, pumps were removed for cleaning, and pumps were installed where needed; in 1966 some of the pumps had boosters installed to increase their efficiency; in 1967 three wells had to be abandoned due to low yield and solids fouling the water and pumps; in 1970 a sixth well was dug and never used due to low yield and unsuitable water; another well was sunk in 1973; it fell in and was never used; capital expenditures totaled \$130,800 from 1965 through 1973 and almost \$26,000 for the first eight

months of 1974; the present system originates from four wells and a spring with a total capacity of 295 gallons a minute or 427,000 gallons a day; present storage is 270,000 gallons, and the customers use over 388,000 gallons on an average day in a peak month; the water is chlorinated but not filtered; filtering plants are too expensive; defendants are constantly seeking new sources of water through contacts with old residents, research with the State Department of Water Resources, and professional engineering assistance; and wells are not dug unless the proposed location is likely to produce water, but no site is guaranteed. A resident of the area testified that his family has lived in Leona Valley since 1870; it is over an earthquake fault and the water moves; there are no natural underground reservoirs; some individuals have sunk individual wells; this is practical if the need is occasional, or if the water is exclusively for livestock; wells would have to be at least 80 feet and some would exceed 100 feet; cost is \$10.50 a foot for a 6-inch diameter well and \$12.00 a foot with a casing installed; wells in low areas do not produce; some wells provide water that animals will not drink and plants cannot tolerate; and some residents pay for water transported from other areas and stored in private tanks.

Defendants' vice president of finance testified that it will cost \$55,000 to install the required additional storage to eliminate instances where part or all of the system is out of water and an additional \$2,600 is required for yearly operation and maintenance. Those costs require an annual revenue of \$9,850, or an extra \$36 per year for every customer. Increasing service charges is the most practical way to obtain additional revenue as it is difficult for small water systems to obtain conventional loans. The Leona Valley superintendant testified that there are 275 connections on a minimum lot size of 2-1/2 acres; all are metered and all pay the same rates; he estimated 400 to 450 as the maximum possible in the valley; he said that water outage is caused by excessive demand, although the system now has

sufficient surplus to handle its present customers; some use their local homes only on weekends; he also said that he refused at least nine requests for water service between July 1 and August 31, 1974. The general manager of the Antelope Valley Water Company testified regarding the East Kern Water Agency, a water district created in 1959; it was formed to draw water from the California Water Project, but the necessary bond issue was not passed until 1974 and litigation is pending; an 8-inch feeder line will extend about three-fourths mile from the Antelope Valley Water Company, with a completion date of spring, 1978; and defendant could extend its system to this pipe for about \$5,000 and thereby insure an adequate supply for as long as needed. A sanitary engineer of the State Department of Health supported the moratorium. He testified that ground water is limited and sometimes not fit for human consumption, and no additional customers should be connected to the system until an adequate water supply is obtained.

Staff counsel recommended that those who applied prior to the effective date of defendants' advice letter receive water service and that the moratorium be continued as to all others until further order of this Commission. Defendants accepted the staff suggestion providing that the new connections be only to supply people living on the property served and that defendants be authorized to disconnect any service provided under this order when the premises served are permanently vacated by the current residents.

Findings

1. Defendants operate a water system in Leona Valley, California, which supplies 275 connections from four wells and a spring.

2. On August 1, 1974, Antelope Valley Water Company filed Advice Letter No. 21 with the Commission to impose a moratorium on water service connections due to a critical water shortage.

3. The advice letter became effective on August 31, 1974 and defendants agreed to connect all who applied for service to a residence prior to this date.

4. Defendants have agreed to connect complainant's residence to the water system, which will satisfy the principal prayer of the complaint.

5. Defendants spent \$130,800 to improve the system from 1965 through 1973 and almost \$26,000 during the first eight months of 1974.

6. Defendants have dug wells, hired experts, interviewed older residents, and promoted the California Water Project to obtain additional sources of water. This policy satisfies the remaining prayer of the complaint, which requests that defendant be ordered to develop water resources available to them.

7. The request in the complaint has been granted and the prayer has been satisfied.

8. The State Department of Public Health has recommended that the moratorium be continued because water is scarce and a portion of the supply is not fit for domestic use.

9. Defendants should connect to their system the premises of those parties who applied for service prior to August 31, 1974. The moratorium will remain in effect as to all others. The people entitled to service are listed in the order which follows.

Conclusions

1. The moratorium imposed by Advice Letter No. 21 should remain in full force and effect with the exception noted below.

2. The parties listed in the order herein, who applied for water service prior to August 31, 1974, should be connected to defendants' water system.

O R D E R

IT IS ORDERED that:

1. Defendants Antelope Valley Water Company and/or Dominguez Water Corporation will provide a water meter, water service connection, and a supply of water at the premises of each of the parties listed below within thirty days of the effective date of this order:

Constantino B. Albera

John Cosola

Paul Milliken

John L. Johnson

Mr. and Mrs. Daniel O'Brien

Doug Osborn (Busby)

Raymond Alfred Santana

S. L. Zundell

Howard Hawthorne

Ms. Rita Kennedy (Sally Discoe)

Ms. Wanda Secretan, Realtor Associate

Carl Rasmussen

Edward Minor

Gerald Horwedel

Richard Hetrick

Pacific Telephone

If occupied or to be occupied premises are connected to the system and later vacated, defendants may remove the connection and discontinue service prior to occupancy by a new tenant, if the moratorium is still in effect.

2. In all other respects the moratorium imposed by Advice Letter No. 21 will remain in full force and effect.

3. The defendants will report in writing to this Commission in March and September of each year progress in achieving a safe, reliable, and potable water supply.

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

Dated at San Francisco, California, this 21st
day of JANUARY, 1975.

Vernon L. Sturgeon
President
William Synnott, Jr.
Ed DeLeon

Commissioners