

ORIGINAL

Decision No. 85540

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

JAMES R. WHITMAN, et al.,
Complainants,

vs.

GOLDEN HILLS WATER COMPANY, a
partnership,

Defendant.

Case No. 9957
(Filed August 8, 1975)

James R. Whitman and Ronald A. Fernandes, for
themselves, complainants.
Robin G. Kennedy, for Golden Hills Water Company,
defendant.
John W. Linder, for Placer County Health Department,
interested party.
Eugene M. Lill, for the Commission staff.

O P I N I O N

Complainants are 19 of the 31 customers served by Golden Hills Water Company, a partnership composed of Robin G. Kennedy and Kathryn F. Lovejoy (defendants) who were authorized to construct the water system to serve Golden Hills Estates, located approximately 4 miles east of Loomis, Placer County, in 1958 by Decision No. 56570. Complainants are residents of Golden Hills Estates. Their complaints against defendants allege, in synopsis form, as follows:

1. Adequate quantities of water have not been provided to the customers since purchase of ditch water was discontinued.
2. Flocculation and filtration equipment is not used to effectively remove the particulate matter and turbidity from the water.

3. The open storage reservoir is not kept clean, thereby creating bad taste and odors in the water.
4. There are numerous water outages caused by lack of water, poor system design, and poor management.
5. Water is served to homes at the higher elevations at inadequate pressures.

Defendants' summarized answer alleges as follows:

1. Purchase of ditch water was discontinued because customers continually complained about dirty water and the Health Department would have required filtration.
2. The cost of filters would be \$9,000, an amount not available to the utility.
3. The proper algaecide or herbicide cannot be determined.
4. The water outages were caused by lack of water.
5. If the pressure is raised, customers' plastic service pipes begin to leak.

A hearing was held on the matter at Roseville on December 11, 1975 before Examiner Pilling.

The Commission's staff witness who investigated the complaints as well as the involved water system testified that Golden Hills Water Company obtains its water from three wells located on a parcel within the service area. These wells are rated at 5, 25, and 35 gallons per minute, respectively. The water is pumped into either a 620,000-gallon capacity earth fill reservoir, or a 1,280-gallon concrete basin. In any event, the water can flow freely between the two. The water is then pumped by a 7-1/2 horse-power booster pump into the distribution system through a 2,200-gallon steel hydropneumatic tank. At the time of the staff investigation, there were ducks swimming in the uncovered reservoir. The reservoir had growths of algae in the water and the area around the reservoir was covered by reeds and other weeds. One of the wells is located in an area where the weeds are so thick that it is virtually

impossible to find the well. In addition, there is a possibility that the water pumped from the wells could be surface water, as overflow water from the ditch flows on top of the ground. Wiring for the pumps is run haphazardly along the ground and on the fences and is easily accessible. The water is chlorinated as it is pumped into the hydropneumatic tank. The booster pump maintains pressures between 25 and 60 psi. The defendants claim that if pressures were to be increased, the customers' pipes would not withstand the increase. However, the latest enacted provisions of the Commission's General Order No. 103, even though they are not retroactive, recognize that a minimum pressure of 40 psi is more appropriate for operation of the newer appliances and for fire protection than the 25 psi previously required. The water supply from the three wells is minimal and an additional source is needed. If the utility were to comply with the current water supply requirements of General Order No. 103 it would have to be able to provide a minimum flow of 500 gallons per minute. Defendants originally obtained water for their service area from a ditch owned by Pacific Gas and Electric Company. The ditch has since been sold to the Placer County Water Agency. Defendants allege that customers complained of dirty water continually so that it was decided to drill wells rather than install expensive filtering equipment. The pipeline to the ditch has deteriorated over the years and would be expensive to replace. Inasmuch as the defendants have only part ownership in the pipeline and the other owners are not interested in replacing the main, it appears that there is little chance this will be accomplished in the near future.

According to the defendants' annual report, the distribution system consists of 1,000 feet of 6-inch, 3,974 feet of 3-1/2-inch, and 435 feet of 2-inch or smaller diameter mains. There are 7 fire hydrants on the system. The southern portion of the system is looped while the northern portion is a dead-end main. Most of the mains are steel. Service is provided to customers on a meter rate

basis and all meters are 1-inch. Defendants installed these large size meters because the area of each of the lots in the subdivision is approximately one acre. Only 8 percent of the monthly bills during 1974 were for 500 cubic feet or less, the quantity of water which the 5/8 x 3/4-inch meter will purchase for the minimum rate.

Defendants' 1974 annual report indicates that gross revenues during that year amounted to \$2,693; approximately \$1,934 was spent for out of pocket expenses such as purchased power, office supplies, ad valorem taxes, etc., and that depreciation expense was \$483. This does not reflect any allowance for salaries, vehicle expense, or rental allowance. A water use tabulation prepared by the staff substantiates the recorded revenues.

Defendants have indicated that they do not intend to improve the facilities unless the funds are generated through revenues or unless the customers advance funds. The customers feel that the original subdivider and/or contractor constructed facilities that were necessary for the sale of lots and construction of homes and then decided the operation and maintenance of the water system constituted a headache. At any rate, the system has been allowed to deteriorate.

The present rates applicable in the Golden Hills system became effective March 3, 1959. Since that time one attempt to secure a rate increase was made in 1973 but defendants did not follow through. A recent request for a rate increase which will amount to an approximate 81 percent increase has been received by the Commission which is now processing the request.

Six customers of defendants' service appeared and testified about the inadequacy of defendants' water service particularly the filthy water constantly being furnished and the frequent water outages. Two witnesses from the Placer County Health Department appeared and gave testimony that defendants' water supply has been contaminated from time to time with coliform bacteria and foreign matter resulting

from the unprotected earthen reservoir, that defendants' water plant has been shut down from time to time due to inadequate water supply, that many times the water pressure has fallen below 25 psi, and that the existing storage reservoir is not covered and is overgrown with weeds, all in violation of various sections of the California Health and Safety Code.

One of the partners of defendants stated at the close of the hearing as follows:

"Mr. Kennedy: Yes, I think I'm pretty well in agreement with what the health department wants done and with what the Public Utilities Commission wants done as far as improvements. And I've got no objections with them at all except where do we get the money to pay for it. And that summarizes everything."

Findings.

1. Defendants are a public utility water company subject to the jurisdiction of the Commission.

2. Defendants' water sources - three wells - are inadequate to serve the reasonable needs of their customers and such inadequacy results in frequent water outages and insufficient pressures.

3. The open earthen storage reservoir is not lined, covered, or kept in a clean condition as a result of which the water tastes bad, has an offensive odor, and contains excessive particulate and foreign matter.

4. Water from the open earthen reservoir can flow freely between the reservoir and the concrete basin.

5. Defendants in the past have been lax in failing to seek rate increases so that their revenue adequately covers their costs of operation, replacement, and improvement.

Conclusions

1. Defendants are providing deficient water service to their customers.

2. To overcome the deficiencies in service defendants should:
 - a. Drill and bring on line additional producing water wells capable of supplying adequate water, along with present wells, to satisfy customer peak demand.
 - b. Rewire their pumps and facilities in such a manner that all wiring will meet appropriate local and state codes.
 - c. Rid their pump station and reservoir property of all weeds and refuse.
 - d. Physically separate the concrete basin from the earth fill reservoir so that all water from existing wells will be pumped into the concrete basin and the reservoir will be filled only by the overflow therefrom.
 - e. Allow the flow of water from the earth fill reservoir into the distribution system only in the event of dire emergency.
 - f. Install ground level storage of not less than 20,000 gallons to replace the open earth fill reservoir and cover the existing reservoir.
 - g. Periodically review their cost of operation and submit timely requests for increases in their rates so that their revenues will keep pace with its costs.

O R D E R

IT IS ORDERED that:

1. Within thirty days after the effective date of this order, defendants shall rid their pump station and reservoir property of all weeds and refuse.
2. Within ten days after the effective date of this order, defendants shall rewire their pumps and facilities in such a manner that all wiring will meet appropriate local and state codes.
3. Within thirty days after the effective date of this order, defendants shall physically separate the concrete basin from the earth fill reservoir so that all water from the existing wells will be pumped into the concrete basin and the reservoir will be filled only by the overflow therefrom.

4. Defendants shall not allow the flow of water from the earth fill reservoir into the distribution system except in event of dire emergency.

5. Defendants shall drill and equip additional wells capable of supplying adequate water, along with present wells, to satisfy customer peak demand.

6. Defendants shall install ground level storage of not less than 20,000 gallons to replace the open earth fill reservoir or the existing reservoir shall be lined and covered.

7. Defendants shall periodically review their cost of operation and submit timely requests for increases in rates and charges so that their revenues will keep pace with their costs.

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

Dated at San Francisco, California, this 9th day of MARCH, 1976.

President
William J. Hayes
Vernon L. Sturgeon
H. L. ...
Robert ...
Commissioner

Commissioner D. W. Holmes, being necessarily absent, did not participate in the disposition of this proceeding.