

ORIGINAL

Decision No. 86780

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Investigation on the Commission's )  
 own motion into the rates, rules, )  
 charges, operations, practices, )  
 contracts, services and facilities )  
 of Ramona Water Company. }

Case No. 9975  
 (Filed September 23, 1975)

Michael Dunn, for Ramona Water Company,  
 defendant.  
Mary Carlos, Attorney at Law, and  
Robert C. Durkin, for the Commission  
 staff.

O P I N I O N

By Decision No. 81097 dated March 6, 1973 in Case No. 9400, the Commission found Ramona Water Company (Ramona), a small water utility in Anza, Riverside County, to be a public utility subject to its jurisdiction. That decision ordered Ramona to file maps of its service area, file tariffs and depreciation schedules, apply to appropriate agencies for water permits, refund hook-up charges previously assessed, and discontinue further customer connections.

After Decision No. 81097 and after receiving numerous complaints from customers, the Commission staff conducted a field investigation which disclosed Ramona to be in violation or partial violation of every provision of the Commission's order. On September 23, 1975 we instituted this investigation into Ramona's rates, rules, charges, operations, practices, contracts, services, and facilities.

Public hearing was held August 31, 1976 at Anza before Examiner Banks.

The staff report, introduced at the hearing as Exhibit 1, recommended that Ramona be allowed to serve new customers providing the following criteria be met and approval of the Commission is obtained.

- (a) That the utility modify its water system by providing a well pump on the existing well located on Lot No. 24. That the pump be connected to the existing 6-inch diameter pipeline located in Table Mountain Road. That the pump be adequate to produce approximately 30 gallons per minute with a discharge head which will fill the existing 64,000-gallon storage tank. That these facilities be utilized to supply water to a portion of the service area which is to be operated as a pressure zone. That this zone be created by placing gate valves in the distribution system at points of elevation which will provide a minimum water pressure of 40 psi and a maximum water pressure of 150 psi.
- (b) That the utility maintain its existing pressure zone to those customers adjacent to the 64,000-gallon storage tank.
- (c) That the utility create another pressure zone utilizing the "Alexander Well" for production and including the 18,000-gallon tank as storage by means of placing gate valves in the distribution system which will provide a pressure range of 40 psi to 150 psi to the customers in the zone.
- (d) That the utility maintain the two pumping facilities adjacent to Red Shank Road and create a pressure zone which will supply adequate pressures to those customers west of Terwilliger Road.
- (e) That the utility maintain the existing services to the ARCO Service Station and to the Anza Realty Office by means of the individual production facilities.

- (f) That the preliminary plans be approved by the Hydraulic staff of the Commission and that the water system be inspected after the modification has been completed and in operation.
- (g) That all new facilities proposed to be installed either comply with General Order No. 103 or approval be obtained for any deviation to these minimum requirements.

In compliance with Decision No. 81097, the staff report discloses that Ramona filed appropriate rate schedules, a service area map, and sample forms which are now a part of the tariff. Also filed was a water system map showing the pipeline sizes and location of facilities.

The staff report states that Ramona has not furnished a copy of the historical cost appraisal of the physical properties as required by Decision No. 81097, nor has it obtained a water supply permit from the Riverside County Health Department. Ramona is also serving new customers in violation of Decision No. 81097 and has not refunded monies collected for service connections.

Finally, the report states that customers who advanced money for service connections are presently receiving a credit on their monthly bill for water used. Refunds are currently made to 45 customers totaling \$400 per month. Since total refunds and monthly expenses exceed revenues, Mr. Michael Dunn has been supplying the necessary operating funds. While this is not the most desirable method of operation, the staff concludes that it provides an equitable means of refunding available funds while allowing the utility to continue operations.

The hearing was attended by 35 members of the public, 10 of whom made statements for the record. Those customers making statements all admitted to having complained about service in the past but stated they were now satisfied with the quality of water

and the service. Mr. Dunn testified that he was the sole owner of Ramona having taken possession a few days prior to the issuance of Decision No. 81097. He stated that when he began operating the utility, it had no meters, very little water, and only ten dollars in the bank.

Since Decision No. 81097 was issued customers have experienced water outages and low pressure. Two wells have been abandoned because of earthquake damage, but to improve service four wells have been drilled and a 64,000-gallon storage tank and new distribution mains have been installed.

Ramona alleges that on the effective date of Decision No. 81097 there were more customers than the company's records indicated; that when it was discovered a party was receiving service, billing was commenced. All customers now receiving service are accounted for. Ramona alleges that metering all customers requires additional capital while reducing gross income. To date there are approximately 28 meters installed for permanent resident customers and, as Mr. Dunn testified, more are being installed as fast as funds allow. ✓

Since Decision No. 81097 was issued, as disclosed by the staff report, Ramona has increased water production and added storage and distribution pipelines to the water facilities. At the present time sufficient water is available and the distribution system can be modified to serve additional customers adequately if maximum use is made of the existing facilities. Accordingly it appears that the improvements made since Decision No. 81097 was issued have allowed Ramona to improve and maintain its continuity of service. The staff's recommendations should be adopted.

Findings

1. The Commission determined in Decision No. 81097 that Ramona was a public utility subject to its jurisdiction.
2. Pursuant to Decision No. 81097 Ramona, as ordered, filed the appropriate rate schedule, a service area map, sample forms, and a water system map showing the pipeline sizes and location of facilities.
3. Ramona has not filed a copy of the historical cost appraisal of the physical facilities.
4. Ramona has made new service connections without Commission authorization.
5. A water supply permit has not been obtained from Riverside County.
6. The money advanced for service connections has not been refunded.
7. Money collected for service connections is being refunded by crediting each customer the amount of the monthly bill for water service.
8. The method now used by Ramona to refund advances is an equitable distribution of the money available and should continue.
9. Ramona is presently financially unable to meter all customers.
10. Installation of meters should continue on the same basis now used by Ramona.
11. Since Decision No. 81097, Ramona has abandoned two wells due to earthquakes, drilled four new wells, and installed a 64,000-gallon storage tank and distribution mains.
12. The staff recommendations set forth in Appendix A to improve service of Ramona are reasonable and should be adopted.

O R D E R

IT IS ORDERED that:

1. Ramona Water Company shall continue to refund advances by crediting the amount of the monthly bill to the amount advanced.

When all advances are refunded the company shall notify the Commission within twenty days.

2. Subject to the conditions in Appendix A herein, Ramona Water Company may provide service to new customers.

3. Ramona Water Company, within sixty days from the effective date of this order, shall file a copy of the historical cost appraisal of the physical facilities and shall obtain a water supply permit from the county of Riverside.

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

Dated at San Francisco, California, this 21<sup>st</sup> day of DECEMBER 1976.

President  
William J. ...  
...  
...

Commissioners

Commissioner Robert Batnovich, being necessarily absent, did not participate in the disposition of this proceeding.

APPENDIX A  
Page 1 of 2

Additional customers may be served provided the following criteria have been met and approval has been obtained from the Commission:

- (a) That the utility modify its water system by providing a well pump on the existing well located on Lot No. 24. That the pump be connected to the existing 6-inch diameter pipeline located in Table Mountain Road. That the pump be adequate to produce approximately 30 gallons per minute with a discharge head which will fill the existing 64,000-gallon storage tank. That these facilities be utilized to supply water to a portion of the service area which is to be operated as a pressure zone. That this zone be created by placing gate valves in the distribution system at points of elevation which will provide a minimum water pressure of 40 psi and a maximum water pressure of 150 psi.
- (b) That the utility maintain its existing pressure zone to those customers adjacent to the 64,000-gallon storage tank.
- (c) That the utility create another pressure zone utilizing the "Alexander Well" for production and including the 18,000-gallon tank as storage by means of placing gate valves in the distribution system which will provide a pressure range of 40 psi to 150 psi to the customers in the zone.
- (d) That the utility maintain the two pumping facilities adjacent to Red Shank Road and create a pressure zone which will supply adequate pressures to those customers west of Terwilliger Road.
- (e) That the utility maintain the existing services to the ARCO Service Station and to the Anza Realty Office by means of the individual production facilities.

APPENDIX A  
Page 2 of 2

- (f) That the preliminary plans be approved by the Hydraulic staff of the Commission and that the water system be inspected after the modification has been completed and in operation.
- (g) That all new facilities proposed to be installed either comply with General Order No. 103 or approval be obtained for any deviation to these minimum requirements.