

ORIGINAL

Decision No. 86880

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

THE SLIDE INN IMPROVEMENT ASSOCIATION,)

Complainant,

vs.

MR. IRVIN COOPER, SLIDE INN, SNOBOWL
WATER CO.,

Defendants.

Case No. 10195
(Filed October 22, 1976)

Investigation on the Commission's own
Motion into the rates, operations,
practices, service, equipment, facil-
ities, contracts, rules, regulations
and water supply of IRVIN N. and
MARYLYNN S. COOPER individually and
doing business as SLIDE INN WATER
COMPANY and SNOBOWL WATER COMPANY.

Case No. 10215
(Filed November 30, 1976)

Richard L. Newacheck, for complainant.
Richard J. Rosasco, Attorney at Law, for
James R. Mills, interested party.
Thomas J. MacBride, Jr., Attorney at Law,
and Eugene M. Lill, for the Commission
staff.

INTERIM OPINION

Complainant alleges:

1. That the defendant is Mr. Irvin N. Cooper, doing business as the Slide Inn Water Company and the Sno-Bowl Water Company, Long Barn, Ca. 95335.

"2. That the Slide Inn Improvement Association represents the homeowners of the Long Barn Area.

"3. That the Commission has issued regulations to Mr. Cooper regarding up-keep and care of said water companies.

Order #74633 concerning tank levels, automatic controls, or daily monitoring.

Order #51985 concerning the sealing of well #3 and the treating of the water.

Order #51985 concerning an established office in Long Barn, with a serviceman and an emergency call number.

"4. That the upper elevation of Long Barn was out of water on the long weekends during the 1976 summer season (and several other times). When the water returned, it was very dirty and unfit to use.

"5. That there is no office established in Long Barn, nor are there any numbers to call for service. Mr. Wray no longer represents Mr. Cooper and no one has been appointed as his replacement as caretaker of the system.

"6. That the 40,000 gallon tank has dirt and debris against the tank.

"7. That the maintenance work and replacement of equipment promised by Mr. Cooper to meet minimum standards has not been done and no action is underway. (File #U-29311-H)

"8. That P.G.&E. has advised us of their intention to stop electrical service to the pumps unless back bills are paid. No payments have been made for 4 months."

Complainant requested the Commission to note an enclosed letter sent to them by the Commission dated February 4, 1976 and also requested the Commission to "take action" and grant them "immediate authorization to assume interim operation of the water system".

On October 22, 1976 the Commission served a copy of the complaint on the defendants and ordered them to satisfy the complaint or answer the complaint. No answer has been filed, nor has the complaint been satisfied.

On November 30, 1976 the Commission filed the following:

"ORDER INSTITUTING INVESTIGATION

"It appearing that Irvin N. and Marylynn S. Cooper, (hereinafter referred to as respondents), were authorized by Decision 82642 dated March 26, 1974 to purchase the Slide Inn Water Company (Slide Inn) and the Snobowl Water Company (Snobowl); and

"It further appearing that while the respondents indicated at the time of said authorization that they intended to reside in the Slide Inn-Snobowl service area in Tuolumne County, that they subsequently moved to Montana where they reside at P.O. Box 37, Lakeside, Montana 59922; and

"It further appearing that the Utilities Division of the Commission has received numerous complaints concerning the deteriorating level of service provided by Slide Inn and Snobowl indicating that said service is now substantially inferior to the level of service required by General Order No. 103; and

"It further appearing that the respondents have neglected to pay certain debts the payments of which are essential to the continued operation of the Slide Inn and Snobowl water systems; and

"It further appearing that the debtors described above, including the Pacific Gas & Electric Company and the Tri-City Pump Company remain unpaid despite respondents' practice of billing their customers annually in advance of service; and

"It further appearing that efforts by the Commission staff to encourage respondents to make necessary repairs and replacements have met with no success; and

"It further appearing that absent immediate Commission action, actions by the above-described debtors and the effects of the respondents' neglect will combine to render the Snobowl and Slide Inn systems inoperative, and good cause appearing,

"IT IS HEREBY ORDERED that an investigation on the Commission's own motion is hereby instituted into the rates, operations, practices, service, equipment, facilities, contracts, rules, regulations and water supply of respondents for the purpose of determining:

"1. Whether respondents are currently providing the level of service required by General Order No. 103;

"2. What measures, if any, respondents should be ordered to take in order to conform said service to the requirements of General Order No. 103;

"3. Whether the Staff should be directed to impound the revenues of Slide Inn and Snobowl for the purpose of making debt payments essential to the continued operation of those systems;

"4. Whether the Staff should be directed to encourage the formation of a mutual water company by the current customers of Slide Inn and Snobowl;

"5. Whether the Staff should be directed to assist the Tuolumne County Water District No. 2 in the acquisition of the Slide Inn and Snobowl systems;

"6. Whether respondents should be declared to have abandoned the Slide Inn and Snobowl systems;

"7. Whether a receiver should be appointed to operate the Slide Inn and Snobowl systems until the Commission is satisfied that the respondent is willing and able to operate said systems in conformity with the requirements of General Order No. 103; and

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"8. Whether any other order or orders that may be appropriate should be entered in the lawful exercise of the Commission's jurisdiction.

"This matter shall be consolidated for public hearing with Case No. 10195 and said public hearing shall be held before Examiner Gillanders at 10:00 a.m., December 29th and 30th, 1976 in the Council Chambers, City Hall, 94 N. Washington Street, Sonora, California.

"The Executive Director shall cause a copy of this order to be served on the respondents by registered mail."

Hearing was held on December 29, 1976. Neither Mr. Cooper nor Mrs. Cooper was present in the hearing room. No representative appeared on their behalf. The examiner read into the record the fact that the formal file in Case No. 10195 contains a return receipt for certified mail signed by Irvin N. Cooper, Jr., on October 28, 1976, and the formal file in Case No. 10215 contains a return receipt for registered mail signed by Irvin N. Cooper Jr., dated December 20, 1976.

The allegations of the complaint were substantiated by the testimony of three homeowners, PG&E's local manager, a representative of the County Health Department, and the report and testimony of a staff engineer.

No one came forward to state that he could and would operate and maintain the systems. Mr. Mills, the former owner of the systems and the holder of a deed of trust on the systems, stated that he would immediately send one of his employees to make the necessary repairs specified by the staff engineer and concurred by the Health Department. He asked that he be paid only his costs, and he estimated such repairs would take about two weeks. He stated he could not make the required daily operational checks of the pumps and tanks. The examiner suggested that the complainant association

undertake to find a resident who could and would make such operational checks to assure the tanks being supplied with water. The president agreed to obtain such service.

In Aztec Water Company, Decision No. 84568 dated June 17, 1975 in Case No. 9923, we were faced with a similar situation. The owner of the utility had apparently abandoned the water system and customers were complaining about service problems and water outages. Fortunately a local resident indicated an interest in continuing to maintain the system and this Commission authorized him to manage and operate the system. He was authorized to collect all revenues due the utility and to pay all liabilities from these revenues. We are informed by our staff that the local resident is still operating the system. On January 18, 1977 the Commission received a telegram from Mr. J. R. Mills as follows: "Dear Sir: This is to inform you that I am willing and able to take over the operation of the Slide Inn and Snobowl water systems at Long Barn." This telegram has been admitted into evidence as late-filed Exhibit 9.

In this proceeding, as we have previously stated, the former owner, Mr. Mills, has indicated an interest in operating the two systems. The Slide Inn Improvement Association has agreed to work cooperatively with Mr. Mills. We will therefore authorize Mr. Mills to manage and operate both Slide Inn Water Company and Snobowl Water Company until further order of this Commission. Customers of the utility are authorized to pay their bills to Mr. Mills in equal monthly or bimonthly installments providing they are established customers (on the system one year or longer). All other customers are to be billed annually.

Based on the record in this proceeding, which reveals that there is an emergency and that without prompt action the systems cannot operate properly, we will authorize J. R. Mills to immediately begin operating said systems. The effective date of this decision will, therefore, be the date hereof.

INTERIM ORDER

IT IS ORDERED that:

1. J. R. Mills is authorized to manage and operate Slide Inn Water Company and the Snobowl Water Company until further order of the Commission.

2. In performance of his management duties he may collect all revenue from water service of both utilities and may pay all current liabilities to the extent that he has revenue from the operation of each system. He may endorse all checks made out to each utility and shall deposit all checks in two separate accounts, one for each utility. He may draw against each of these accounts to pay current expenses.

3. J. R. Mills shall keep books and records of the operation of each system and may request assistance from the Finance and Accounts Division of the Commission in setting up the books and records of each system. A separate set of accounts shall be maintained for each utility and expenditures benefiting one utility shall not be made from funds received from the customers of the other utility.

4. The customers of Slide Inn Water Company are authorized to pay their annual charge for water to Mr. J. R. Mills. The schedule for payment shall be as previously stated in the opinion portion of this decision.

5. The Acting Executive Director of the Commission shall serve by mail this order on complainant, defendants, interested parties, and on any customers of the Slide Inn Water Company and Snobowl Water Company whose addresses are in the Commission's files.

Due to the emergency nature of this order, the effective date of this order is the date hereof.

Dated at San Francisco, California, this 25th day of JANUARY, 1977.

Robert Belmont
 President

William J. ...

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Commissioners