

Decision No. 88335 JAN 17 1978

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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**Donald W. Chapman, D.V.M.,**  
**Complainant,**

**Rosella Water Company,**  
**Defendant.**

Case No. 10228  
(Filed January 10, 1977)

**Robert T. Holman,**  
**Complainant,**

**Donald G. Carter, doing**  
**business as Rosella Water**  
**Company,**  
**Defendant.**

Case No. 10234  
(Filed January 11, 1977)

- Robert T. Holman, for himself, complainant.
- Donald G. Carter, for defendant and Carter Enterprises, Inc.
- Horace R. White, for himself, interested party.
- Robert M. Mann, for the Commission staff.

**O P I N I O N**

The Rosella Water Company (defendant) serves the community of Ponderosa in Tulare County. The service area is an enclave within the Sequoia National Forest. Elevations

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within the service area exceed 7,000 feet. Service is provided to 53 customers including eight year-round occupants.

D.66304 dated November 12, 1963 authorized Donald G. Carter and Rosella M. Carter, dba Rosella Water Company, 1/ to serve water to the initial tract in the service area. Service was subsequently extended to three other tracts and to other properties located on the access road to the subdivision. Mr. Carter has subdivided and sold lots within the service area.

C.10228 involves service problems caused by defendant's main freezing because the main was not buried below the frost line. The lack of normal winter snow cover, which provides some ground insulation, and heat transfer through a boulder adjacent to the main contributed to the freezing problem. The complaint states that (a) the interruption of water service to the Chapman property caused great inconvenience and created a fire hazard; (b) defendant was billing Dr. Chapman for service which it did not provide; (c) that in response to an informal complaint filed with the Commission when a freeze interrupted his service during the winter of 1975-1976, defendant falsely stated that all of defendant's water lines were buried four feet underground and well below the frost line, and that Dr. Chapman was responsible for defendant's main freezing (due to his failure to drain his service line); and (d) recurring water service problems potentially contributed to depreciation of local property values.

1/ Defendant's annual reports to the Commission show that defendant is owned by Carter Enterprises, Inc. Any transfer of defendant's assets is void since defendant's owners did not secure authorization to do so under Section 851 of the Public Utilities Code.

In C.10234 Mr. Holman complained that:

- (a) Defendant had failed to install a booster pump at an upper tank site as promised on or about May 30, 1975;
- (b) Water outages to his property occur frequently due to pump failures;
- (c) Water outages have caused hot water to siphon back into the water main from his water tank which resulted in a burnout of the tank heater element; and
- (d) A booster pump is necessary at the upper tank site to provide satisfactory water service to his property.

Complainants request the Commission to order defendant to clear up their respective problems. The two complaints were heard on a consolidated basis on September 6, 1977 in the city of Porterville before Administrative Law Judge Jerry Levander. The matter was submitted on that date.

Mr. Holman testified that (a) he bought a lot in the service area in 1966 after reading a Division of Real Estate report which said that defendant would provide water to each lot; (b) after he built a home in 1970 there was no water available for several months; (c) after his complaint to the Commission, defendant installed the Peppermint Drive booster which provided a trickle of water to his lot; (d) the Department of Real Estate issued a cease and desist order in January 1972 (Exhibit 1) preventing lot sales in the service area<sup>2/</sup> until proof was furnished<sup>3/</sup> to the Commissioner of Real Estate that an adequate supply of domestic water (from defendant) is available;

<sup>2/</sup> For one and one-half years according to Mr. Carter.

<sup>3/</sup> The order was sent to Carter Enterprises, Inc., Herbert A. Kramer, and Anna H. Kramer.

(e) defendant did not make the necessary further improvements recommended in a staff report in C.9434 (Exhibit 2 in this proceeding), which were adopted by the Commission in D.81122 dated March 13, 1973; (f) the existing booster equipment was overloaded and frequently malfunctioned resulting in an interruption of water service to the upper portion of the service area; and (g) Mr. Carter did not live up to his promise to him and to other customers located on the upper portion of the service area to install and operate a pressure pump to solve their water supply problems.

Dr. Chapman did not appear at the hearing.

Mr. Loo, staff engineer, reviewed the complaints, made a field investigation, prepared Exhibit 8, and testified that (a) Dr. Chapman's service was unobstructed while defendant's 4-inch main was still frozen; (b) contrary to defendant's claim that this was its only frozen main problem, mains serving four other residences were frozen during the winter of 1976-1977; (c) the depth of cover over the main serving Dr. Chapman varied from 24 to 30 inches; (d) this frozen main was subsequently repaired, lowered, and insulated, but dug-up paving had not been repaired; (e) a billing adjustment was appropriate for Dr. Chapman; (f) service was restored to other homes affected by the freeze by installing a temporary connection, by digging out and heating a 2-inch main, and by subsequently lowering this main from an original depth of 13 to 18 inches to 40 inches; (g) the malfunctioning 5 hp Peppermint Drive booster pump (cited by defendant as the cause of the lack of pressure to the Holman residence) had been reinstalled at the time of his investigation; (h) the pump, supplied from a 6-inch main, pumps into an undersized 140-gallon vertical pneumatic tank which has no air charging unit; (i) a larger sized hydropneumatic tank was needed to

supply the ultimate needs of 12 residences on Summit Drive; (j) the wear and tear on the booster caused by excessive cycling could be cut down with a larger hydropneumatic tank<sup>4/</sup> and a much smaller hydropneumatic tank could be installed if an air compressor charged the tank; and (k) the design engineer for the water system recommended a site for the main water tank supplying the system which was above the Holman residence but defendant shifted the site to another lot 20 feet below the Holman residence without the engineer's approval.

He recommends that defendant should (a) provide sufficient local mechanical equipment and labor to restore service if its mains freeze; (b) lower or reroute mains where necessary to avoid freezing; (c) credit Dr. Chapman with a \$30 bill adjustment; (d) repave roads over repaired areas; and (e) retain a professional engineer to analyze and redesign the Peppermint Drive booster station to meet the ultimate needs of the upper area and to provide pressure meeting the requirements of this Commission's General Order No. 103. He requested that the preliminary plans, specifications, and design calculations should be reviewed by the staff prior to installation of the necessary facilities. He did not recommend installing a small booster pump at the upper tank for supplying the system.

An upper tank booster might be a feasible alternative if the upper system loop were isolated from the rest of the system.

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<sup>4/</sup> Mr. Loo estimates the required size of the hydropneumatic tank would be from 625 gallons to 875 gallons for estimated per customer demands between 2.5 gpm and 3.5 gpm if an air compressor was operated to provide air to the hydropneumatic tank. Absent the compressor, a 3,960 to 5,550-gallon hydropneumatic tank would be required.

Mr. Carter testified that:

(a) He had spent approximately \$42,000 in system improvements in 1972 which resulted in the lifting of the lot sales restriction;

(b) He had directed that all installations be made in accordance with Commission requirements;

(c) The above described problems were isolated problems and service was generally good;

(d) The Peppermint Drive booster pump had been repaired and reinstalled;

(e) He was expecting a county road department delivery of paving materials and he would repave the dug-up area near Dr. Chapman's residence within a month;

(f) A \$30 credit to Dr. Chapman's unpaid water bill was reasonable;

(g) He was not familiar with the functioning of a hydropneumatic tank and relied on the advice of an electric company pumpman;

(h) He desired to install a pump near the upper tank to provide an alternate supply to the upper portion of his system;

(i) Defendant was losing \$4,000 to \$5,000 per year;

(j) He was holding a used hydropneumatic tank for future use; and

(k) His ability to make improvements was limited because he was bankrupt.

5/ On August 4, 1971 Mr. Carter filed a petition for bankruptcy under Chapter XI of the Bankruptcy Act.

Discussion

The recurring water system problems, flow from Mr. Carter's lack of expertise in water system operations; his failure to exercise proper supervision of system installations; his failure to follow the recommendations of the engineer who designed the system; and his failure to install an adequate installation to serve the upper portion of the service area. The recommendations of the staff engineer are generally reasonable. However, consideration may be given to boosting water from the upper storage tank into the upper system loop. We note that \$42,000 of system improvements were made after Mr. Carter's bankruptcy proceedings had been initiated.

Certain valves and fire hydrants in defendant's system are inoperative. Defendant should have a preventive maintenance program to eliminate these deficiencies.

Findings

1. The present installation serving the upper loop of defendant's service area is inadequate.

2. Mains within defendant's service area have been installed with inadequate cover to prevent freezing. A main was installed adjacent to a boulder, which contributed to the freezing of the main. These construction practices are deficient.

3. Defendant's president-owner is not expert in water system operations.

4. Defendant should retain a registered engineer to design the facilities necessary to provide an adequate supply of water, at pressures meeting the requirements of the Commission's General Order No. 103, in the upper loop of the service area. The design calculations and the preliminary plans and specifications for these facilities should be submitted to the Commission staff for review prior to construction and installation of these facilities.

5. Defendant should make available mechanical equipment and personnel to expeditiously eliminate service interruptions caused by freezing, by lowering mains, replacing mains, and/or rerouting mains. Any new or replacement mains should meet the minimum size requirements contained in General Order No. 1033 and

6. Defendant's president has indicated that excavated pipe paving adjacent to Dr. Chapman's residence would be replaced by October 6, 1977. Defendant should certify that this repaving has been completed.

7. Defendant should advise the owners of all unoccupied lots fronting on the upper loop of the system along Summit Drive that water service will not be available to the lot pending completion of the facilities discussed in Finding 4.

8. Defendant should show the correct names of its owners in its annual reports to the Commission.

9. Defendant should credit Dr. Chapman's water bill in the amount of \$30 for service interruptions.

10. Defendant's preventive maintenance program to eliminate nonoperative valves and nonoperative fire hydrants is inadequate.

11. There is a need for defendant to expeditiously undertake the corrective measures and preventive maintenance described above.

Conclusions

1. The service deficiencies in the upper loop of the service area should be promptly corrected.

2. The preventive measures to promptly eliminate extended interruptions of service caused by freezing and to keep the system in good operative order should be implemented.

The Commission's General Order No. 1033 and the preliminary plan and specifications for these facilities should be submitted to the Commission staff for review prior to construction and installation of these facilities.



O R D E R

IT IS ORDERED that:

1. Rosella Water Company (defendant) shall submit two copies of the recommendations of a consultant engineer to implement the improvements described in Finding 4 within thirty days after the effective date of this order. One of these copies shall be directed to the Hydraulic Branch of the Commission's Utilities Division for staff review and approval of the suggested design and specifications.

2. Defendant shall install the recommended facilities within sixty days after staff approval of the recommended design and specifications.

3. Defendant shall file two copies of a report with the Commission, describing the equipment and personnel it will make available to implement Finding 5 and to eliminate nonoperative valves and nonoperative fire hydrants, within thirty days after the effective date of this order. One of these copies shall be directed to the Hydraulic Branch of the Commission's Utilities Division.

4. Defendant shall notify the Commission, in writing, within five days after the new facilities are placed in service.

5. Defendant shall credit Dr. Chapman's water bill in the amount of \$30.

6. Defendant shall certify the completion of the paving repair described in Finding 6.

7. Defendant shall send out the notification to lot owners described in Finding 7 within fifteen days after the effective date of this order. Defendant shall advise the Commission that this notification has been made within five days after the completion of the notification.

8. Defendant shall show the correct names of its owners in its annual reports to the Commission.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 17<sup>th</sup> day of JANUARY, 1978.

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*William Lyons, Jr.* President  
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*Raymond L. Stinson*  
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*Richard P. Howell*  
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*Clare T. DeWick* Commissioners

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