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ORIGINAL

Decision No. 90426 JUN 19 1978

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

THOMAS M. KINT, et al., )  
 Complainants, )  
 v )  
 PENNGROVE WATER COMPANY, )  
 Defendant. )

Case No. 10466  
(Filed November 23, 1977)

PENNGROVE FIRE PROTECTION )  
 DISTRICT, )  
 Complainant, )  
 v )  
 PENNGROVE WATER COMPANY, )  
 Defendant. )

Case No. 10468  
(Filed December 2, 1977)

Thomas M. Kint, for himself and other complainants  
 in C.10466.  
V. Laurance Grube, Fire Chief, for Penngrove Fire  
 Protection District, complainant in C.10468.  
John B. Downey, Assistant Manager, for defendant.  
Robert Bennett, for the Commission staff.

FINAL OPINION

We previously issued an interim decision in this proceeding because of an immediate need to correct rate design and rate level problems (Decision No. 88661 dated April 4, 1978). That decision was, and is, intended as final regarding rates for this proceeding. In this decision we deal with the issues of service and facilities raised at the hearing and in the briefs.

The Evidence

Several domestic water users of the Penngrove Water Company (company) testified that while the water quality was satisfactory, the pressure at many locations was not. The consensus appeared to be that there had been an overall drop in pressure over the last several years, aggravated along certain streets by the installation of inadequate mains.

There was also testimony regarding slow response to water pressure and other service complaints. In one instance a temporary shutoff for construction resulted in one customer having no water for three days, since no other temporary connection was arranged for him.

V. Laurance Grube, Chief of the Penngrove Fire Protection District (Fire District), testified that as a result of continued water pressure problems resulting in inadequate fire flow, he has now switched entirely to the use of tank trucks. He cited a situation on April 1, 1977, which involved a serious structural fire. He found that the hydrants had insufficient fire flow pressure to fight the fire and he (and Cotati fire units which responded to a mutual aid call) had to rely entirely on tank trucks for water pressure.

Chief Grube introduced Exhibit 6 which showed the results of fire flow tests on January 30, 1978. The results were as follows:<sup>1/</sup>

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<sup>1/</sup> We have omitted pressure readings regarding the Canon Manor area, since this area is the subject of Case No. 9706, a general investigation of the water systems of James J. Downey, owner of the Penngrove system. Matters relating to Canon Manor should be presented to us in that proceeding.

<u>Hydrant Location</u>	<u>Flow Pressure</u>
Penngrove Ave. #227	no pressure
Palm Ave. #690	no pressure
Palm Ave. #291	no pressure
Old Redwood Highway at New Redwood Highway	5 lbs.
Redwood Highway and Ronsheimer Road	5 lbs.
417 Oak Street	no pressure
Petaluma Hill Road and Woodward Ave.	60 lbs.

On cross-examination (by John B. Downey, appearing for the company), the witness conceded that the Fire District had previously declined to share in certain costs intended to result in fire flow improvement.

John B. Downey took the stand to answer any questions. He stated that fluctuating pressure was largely traceable to the greatly varying pressure in the aqueduct supplying water to the system. The company has attempted to regulate the problem by boosting pressure, he said. For example, Mr. Downey pointed out that at times, there has been as much as 250 gpm at the fire hydrants.

Recommendations of Kint, et al.

Thomas M. Kint and others filed a brief in the proceeding containing detailed recommendations for improving the system, which briefly summarized, are:

1. Cease adding new service connections until fire flow is up to General Order No. 103 (G.O. 103) standards.
2. The company should provide Fire District with system layout.
3. Provide an alternate source of supply with an elevated storage of approximately 60,000 gallons.

4. Automate the valve on the Sonoma County Aqueduct.
5. Survey complaints of domestic low pressure during the summer.
6. Provide a minimum fire flow of 500 gpm through existing or future hydrants.
7. Provide local personnel to handle complaints.

The brief also states that capital improvements in the form of main replacements should be undertaken, and that the company should explore for possible new wells, thus reducing dependency upon purchased water from Sonoma County. The brief includes a recommended schedule for various actions and improvements running to the end of 1981.

Staff Recommendations

Staff witness Clifford Bowen testified he did not make a formal engineering study of the system, and submitted suggested improvements as a result of discussions with the company. The improvements which the witness believes necessary to bring the system up to standard are listed in Exhibit 8. (See table later in this decision entitled "Schedule of Improvements to Penngrove System" which is the same as the list of recommended improvements in Exhibit 8 except for a more extended time schedule and the requirement for replacement of a substandard one-inch main on Ronsheimer Road under item "b".)

The exhibit suggests the following schedule for the system improvements:

- "a. Within one month replace half of the 2-inch temporary main aboveground on Petaluma-Hill Road with 6-inch main buried to standard specifications.
- "b. Complete replacing of the temporary 2-inch aboveground main with 6-inch by the end of the year.

- "c. Have all plant additions and main replacements to meet G.O. 103 fire flow standards in approximately 5 to 10 years. Timetable depends on financing for system improvements and additions.
- "d. If financing is available the improvements and additions can be completed possibly in 2 to 3 years."

The exhibit concludes by recommending a formal engineering study of the system and investigation of alternatives for financing improvements.

The staff had recommended the conversion of flat rate customers to meters. The company has now completed this conversion and no further action on our part is necessary.

#### Company Presentation

The company made no detailed direct presentation at the hearing. Its brief states that: (1) all main extensions since April 1975 have been made pursuant to G.O. 103; (2) Chief Grube's recommendations are an attempt to impose retroactively the higher fire flow requirements of G.O. 103; and (3) adequate alternate sources of water are available.

#### Discussion

Had this system been built after the present G.O. 103 became effective, it would be a simple matter to decide what parts of it do not measure up to G.O. 103 and to order improvements. However, much of the system is so old that it predates not only our present G.O. 103, but any G.O. 103. The earliest parts of the system, in the center of Penngrove, were constructed in the late 1940's. The first G.O. 103 was adopted on June 12, 1956 and became effective July 1, 1956. It was amended in 1960 and again in 1967. The 1967 version remained in effect until April 15, 1975. That version, and the older versions, did not contain fire flow requirements, required

smaller mains, and were intended to require enough pressure for domestic water use only. The great bulk of the Penngrove system was installed before April 15, 1975.

We can require new installations or replacements of existing installations to be up to present standard, but in our opinion we cannot order the premature retirement of lawfully installed parts of the system that are still functioning as originally intended, for this would impose a stricter standard retroactively. At the same time, we recognize that we must regard a system as a system. It is unlikely, for example, that we can order pressure in a part of the system built after April 1, 1975 to be improved without there being an effect on some older parts -- an effect which may require prompt improvements in the older areas to withstand the greater pressure.

The only reasonable solution to the problem is to order gradual improvement of the system as a whole, balancing the interests of the users against the costs to the owners of the system. In doing so we will observe the following principles: (1) parts of the system built on or after April 15, 1975 should be brought to present G.O. 103 standards as soon as possible; (2) older parts of the system should be made to work at least adequately for domestic usage; and (3) when mains and equipment in the older areas may reasonably be retired as their useful life is exhausted, they must be replaced according to present G.O. 103 standards. This will result in eventual, rather than immediate, systemwide fire flow compliance under the present G.O. 103. However, as we have stated, we cannot apply such standards retroactively by forcing the premature retirement of used and useful plant lawfully installed under the standards in force at the time of the installation.

The improvements suggested by the staff resulted from discussions with the company. We will approve a modified form of these recommendations, the principal change being a longer time for completion. It must be remembered that as of 1977 the depreciated rate base of the company was only \$136,320, and the testimony of John B. Downey indicated the necessity for seeking government financing to pay for some of the proposed improvements.

Adopted Schedule of Improvements to Penngrove System

<u>Item</u>	<u>Plant Addition</u>	<u>Deadline</u>
a.	Approximately 1,700 feet of 2-inch temporary main aboveground on Petaluma Hill Road to be replaced with a 6-inch main.	December 31, 1979
b.	Replacement of approximately 900 feet of 2-inch main on Oak Street between Woodward Avenue and Adobe Road. Replace 1-inch main on Ronsheimer Road with at least a 2-inch main.	December 31, 1980
c.	Complete loop of Adobe Road, Grove Street, Woodward Avenue, and Oak Street. Requires replacement of 1-inch and 2-inch mains on Grove Street with 6-inch, install 6-inch mains on Adobe Road between Oak Street and Grove Street. Approximately 1,500 feet of mains to be installed.	December 31, 1981
d.	Complete loop of East Street, Grove Street, Woodward Avenue, and Oak Street. Requires replacement of 1-inch and 2-inch undersized mains on East Street and Grove Street. Approximately 1,200 feet of mains to be installed.	December 31, 1982
e.	Two 15- to 20-hp booster pumps to be connected into the system with the two present booster pumps. The two additional booster pumps will be activated by drop of pressure from the opening of a fire hydrant.	December 31, 1983

<u>Item</u>	<u>Plant Addition</u>	<u>Deadline</u>
f.	Continue the 6-inch main on Dutch Lane from Brand Lane to Petaluma Hill Road. Approximately 1,600 feet of main to be installed.	December 31, 1984
g.	Replace approximately 700 feet of 2-inch and 3-inch mains along sections of Old Redwood Highway and Hatchery Road.	December 31, 1985

It may seem that we should give installation of the booster pumps more priority. We urge the company to install them ahead of schedule if at all possible, but we are reluctant to order their installation prior to the replacement of the old, small mains in items "a" through "d", above, since excessive leaks and other pressure disruptions might result.

Regarding Ronsheimer Road, exactly what sort of development (if any) will take place there is uncertain; therefore, we have only ordered the substandard one-inch main replaced with at least a two-inch main. However, at such time as the street is further developed, the main should be brought to full G.O. 103 standards and looped to the main on Old Redwood Highway.

The above schedule includes many of the items recommended by the complainants. We will not order a moratorium on new connections at this time. We deem our other orders regarding system improvements to be sufficient to remedy the problems disclosed by the record.

The staff and the company apparently concur that if the aforementioned schedule of improvements is followed, it will result in bringing the water system up to present G.O. 103 standards for fire flow purposes. Based upon the schedule, we expect such fire flow compliance by December 31, 1985; and, of course, any additions to the system made hereafter should comply with G.O. 103 requirements in all respects.



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We will not order the installation of a large storage tank as a substitute for water purchased via the Sonoma County Aqueduct. Exact methods of achieving the proper total water supply are within the managerial judgment of the company, at least when two or more reasonable alternatives are available. (East Bay Water Co. (1918) 15 CRC 99.) In our opinion, there is no clearly demonstrable long-range saving to the ratepayers from such an installation. While the cost of purchased water would be reduced or eliminated, there would be a substantial addition to the rate base for which the company would have to be compensated. (See Exh. 7, p. 12.) The company should, however, continue its present well program and continue investigating new areas for a well because the Sonoma County Water Agency has informed the company that cancellation of the purchased water contract is possible in the future. (Exh. 7, pp. 8-11.)<sup>2/</sup>

In view of the possible cancellation of the purchased water contract in the future, and in view of the fire flow problems, we agree with the staff that a formal engineering study of the system should be undertaken. This should be completed within three years of the date of this order, and a copy furnished the staff.

There is apparently no system map available for the use of the Fire District. The company will be ordered to furnish one to the Fire District within 90 days of the date of this order, and to provide the Fire District with information by which it can keep its map up to date.

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<sup>2/</sup> This has reference to the Penngrove system only. Canon Manor is not the subject of this proceeding. See Footnote 1.

Finally, we agree with complainants that greater responsiveness to complaints is necessary. The company should institute a program of periodic checks for low pressure (which it may have already done) and should provide access to a licensed plumber or equally qualified service person, with an office located as close to the system as possible, whenever company personnel are unavailable to respond to complaints.

Findings of Fact

1. The Penngrove Water Company system was first begun in the late 1940's and was gradually constructed from that time to the present. Most of the system was built prior to April 15, 1975, when we first imposed fire flow requirements by amending G.O. 103.

2. The adopted schedule of system improvements (pages 7 and 8) is reasonably designed to accomplish systemwide fire flow compliance under G.O. 103 by December 31, 1985, without forcing premature replacement of plant items lawfully installed under standards in effect at the time of their installation.

3. The record does not demonstrate that a moratorium on new connections should be ordered.

4. Response to complaints is at times inadequate.

5. Water quality is satisfactory.

Conclusions of Law

1. The Commission should order gradual improvement to the system which will not force premature replacement of plant items lawfully installed under standards in effect at the time of installation, but will eventually result in systemwide compliance with the present G.O. 103.

2. The Commission should not order the company to stop purchasing water from the county of Sonoma; however, in view of possible future cancellation by the county of its agreement with the company concerning the purchase of water, the company should be ordered to continue with its well development program.
3. When Ronsheimer Road is developed, the main should be brought to the current standard and looped to the main on Old Redwood Highway.
4. The company should be ordered to achieve fire flow compliance with current G.O. 103 standards on or before December 31, 1985. Any additions to the Penngrove system made hereafter should comply with G.O. 103 standards.
5. The company should be ordered to complete a formal engineering study of its system within three years.
6. The company should be ordered to furnish the Fire District with an up-to-date system map within 90 days, and with supplementary information by which the map may remain current.
7. The company should be ordered to make available qualified local service persons to deal with complaints when company personnel are not readily available.

FINAL ORDER

IT IS ORDERED that:

1. The Penngrove Water Company (company) shall complete improvements to the system in accordance with the table in the opinion section of this decision entitled "Adopted Schedule of Improvements to Penngrove System".
2. When Ronsheimer Road is developed, the Ronsheimer Road main shall be brought to full General Order No. 103 standards and looped to the main on Old Redwood Highway.

3. The company shall continue with its well development program.

4. Systemwide fire flow compliance with General Order No. 103 shall be achieved on or before December 31, 1985.

5. Future improvements and additions to the Penngrove system shall fully comply with General Order No. 103 standards in force when such improvements are made.

6. The company shall complete a formal engineering study within three years of the date of this order. A copy of such study shall be furnished to the Commission staff.

7. The company shall furnish the Penngrove Fire Protection District (Fire District) with a current system map within ninety days of the effective date of this order, and shall thereafter furnish supplementary information which will allow the Fire District to keep the map current and accurate.

8. Whenever company personnel are not available to respond to complaints of inadequate pressure or system outages within 24 hours, or sooner in case of an emergency, the company shall provide its users with the name and address of a licensed plumber or equally qualified person, located reasonably close to the service area, which they can contact and who is available to respond to such complaints.

9. The company shall institute a program of periodic checks for low pressure.

10. The improvements and programs ordered in this decision are intended as minimum and not as a bar to making other additional improvements.

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

Dated at San Francisco, California, this 19th day of JUNE 1, 1979.

John E. Bryan  
President  
James J. [unclear]  
Robert D. [unclear]  
Clair T. [unclear]  
Samuel M. [unclear]  
Commissioners