

ORIGINAL

Decision 93584 OCT 6 1981

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Tillie Creek Property Owners Association Tract #3141,
 Complainant,
 vs.
 Split Mt. Water Co.,
 Defendant.

Case 10950
(Filed February 13, 1981)

Kenneth L. Wilkerson, for Tillie Creek
 Property Owners Association Tract #3141,
 complainant.
Robert F. Buckalew, for Split Mt. Water Company,
 defendant.
Robert M. Mann, for the Commission staff.

O P I N I O N

Complainant Tillie Creek Property Owners Association Tract #3141 seeks an order requiring defendant Split Mt. Water Company to make certain improvements to ensure an adequate supply of water year round, or in the alternative, require the water system serving the Pala Ranches tract (Tract 3141) be turned over to the property owners.

Public hearing was held before Administrative Law Judge O'Leary at Lake Isabella on June 3, 1981, at which time the matter was submitted. Copies of the complaint and notice of hearing were served in accordance with the Commission's Rules of Practice and Procedure.

Evidence in support of the allegations was presented by the president of complainant. Evidence was also presented by the Commission staff (staff). Defendant was represented by its local maintenance man, who stated he could neither support nor refute the evidence presented by complainant.

Background

Under a certificate granted by Decision (D.) 76723 dated January 27, 1970 in Application (A.) 51203, defendant was authorized to construct and operate a public utility water system to serve Tract 3141 near Wofford Heights in Kern County. The tract comprises 41.81 acres of land divided into 101 lots. Subsequently, by D.80626 dated October 17, 1972 in A.53084, defendant was granted a certificate authorizing the construction of a public utility water system to serve Tract 3491 which is located across the road from Tract 3141. Tract 3491 contains approximately 123 acres divided into 110 lots.

Complainant's Evidence

The uncontroverted evidence of complainant discloses that during certain periods most of the residents of Tract 3141 were without water. Those who had water service had very little pressure during the periods July 15, 1980, 6 p.m to 9.p.m.; July 16, 1980, 10 a.m. to 12 noon; and July 26, 1980, 12 noon to 2:30 p.m. On July 22, 1980 Mr. Wilkerson, president of complainant, was advised that a resident of Tract 3141 had been in contact with Mr. Greene, president of defendant, and he offered to sell defendant water utility to the residents. The following data concerning the water system was submitted to complainant: The facilities of defendant serving Tract 3141 consist of one well 255 feet deep, one 10-horsepower well pump at 55 gallons per minute, one 75,650-gallon storage tank, and one 15,000-gallon storage tank; Tract 1491 consists of

one well 300 feet deep, one 10-horsepower pump at 55 gallons per minute, and one 210,000-gallon storage tank. At a board meeting called to consider the purchase, it was decided that the board did not have the authority to commit the property owners within the tract to pursue the possible purchase, which would include a water system part of which was outside the tract. At the same meeting, it was decided to file a complaint with this Commission.

During the period July 19 to August 12, 1980 Wilkerson checked the 75,650-gallon storage tank which measures 30 feet by 24 feet in the early morning each day with the following results:

<u>Date</u>	<u>Depth (Feet)</u>	<u>Date</u>	<u>Depth (Feet)</u>
7-19	8	8-1	5.5
7-20	6	8-2	5
7-21	4.5	8-3	4.5
7-22	5.5	8-4	5
7-23	4.5	8-5	6.5
7-24	6	8-6	7
7-25	4	8-7	8.5
7-26	2	8-8	9.5
7-27	3	8-9	12
7-28	3	8-10	13.5
7-29	3.5	8-11	11
7-30	3.5	8-12	11.5
7-31	6		

On July 27, 1980 Wilkerson contacted the Kern County Fire Department and advised them of the water problem. On July 28, 1980 Wilkerson contacted Mr. Weese of the Kern County Health Department concerning the water outage requesting a study be made to confirm or deny the findings of complainant, which were:

1. Water from Tract 3141 could be diverted by gravity to Tract 3491;
2. Water from Tract 3491 could not be diverted by any means to Tract 3141; and
3. Tract 3141 had no supplemental supply.

The record does not disclose whether the Kern County Health Department confirmed or denied complainant's findings; however, on or about August 1, 1980, the Kern County Health Department notified Greene to correct the water shortage problem. Weese advised Wilkerson that he would request the issuance of a hold on future building within the Split Mt. water service area if Greene did not respond. Apparently Greene did not respond, as a building moratorium was placed in effect on August 28, 1980. The moratorium was lifted on March 25, 1981 on information that a manually operated booster pump, capable of pumping water from the 210,000-gallon tank in Tract 3491 to the 15,000-gallon tank in Tract 3141, had been installed. From the 15,000-gallon tank the water is manually transferred to the 75,650-gallon storage tank. Complainant did not feel that the installation of the booster pump was a satisfactory solution to the problem. Complainant requests that defendant be ordered to install a pipeline between the 210,000-gallon storage tank in Tract 3491 and the 75,650-gallon storage tank in Tract 3141, in such a manner that water can flow by gravity between the two tanks.

Staff Recommendation

An engineer from the Hydraulic Branch of the staff recommended that defendant be required to take the following corrective action:

1. A new booster pump capable of pumping 20 gallons per minute be installed to pump water from the 210,000-gallon storage tank in Tract 3491 to the 15,000-gallon upper storage tank in Tract 3141;
2. All pumps should be modified to operate automatically;
3. Submit a proper description of present easements;
and
4. Connect the 210,000-gallon storage tank in Tract 3491 to the 150,000-gallon water tank in Tract 3141 by a six-inch connection at a

level below an elevation of 3,810 feet
in order that there be free gravity
flow between the two tanks.

Discussion

We are unable to determine from this record, because of defendant's election not to present any evidence in this matter, what action, if any, defendant has taken to prevent the situation from recurring in the future. We are convinced that Tract 3141 experienced a water shortage during July 1980. It appears that Tract 3491 did not experience such a shortage and indications are that Tract 3491 had sufficient water to not only meet its needs but also could have been used to supplement the supply of Tract 3141. The recommendation of the staff, if implemented, should in all likelihood correct the situation.

While the record in this proceeding does not include cost estimates for the improvements the Hydraulic Branch has recommended, the annual reports filed by this utility for the five years, 1976 through 1980, indicate that it has been operating with an out-of-pocket loss varying from \$100 to \$3,700 per year during the last five years. There has not been any change in the rates originally filed in March 1970 by Advice Letter No. 1.

Many service problems, relatively minor in the beginning, experienced by small water companies become major problems because of lack of funds to correct the problem. As noted above, the defendant's rates have been in effect for over 10 years. It is incumbent upon management of all utilities to apply for rate increases periodically in order that proper service may be provided. It is obvious that proper service cannot be maintained in 1981 at revenues realized from a rate schedule approved in 1970. Although customers receive the benefit of low rates they are deprived of the service they should be receiving. While we may sympathize that the

utility may not have the wherewithal to make the necessary improvements, we must ask ourselves, whose fault is that? The answer, of course, is apparent. The defendant here should immediately file an application or a draft advice letter for an increase which would bring the 1970 rates to a realistic 1981 level, which increased rates would result in a reasonable return on investment. Upon completion of the improvements ordered herein defendant may file for an additional increase should it believe such is warranted.

Findings of Fact

1. Most of the residents of Tract 3141 were without water, and those who had water had very little pressure during the periods July 15, 1980 from 6 p.m. to 9 p.m.; July 16, 1980 from 10 a.m. to 12 noon; and July 26, 1980 from 12 noon to 2:30 p.m.
2. Water from Tract 3141 can be diverted by gravity to Tract 3491.
3. Water from Tract 3491 cannot be diverted by gravity to Tract 3141.

Conclusion of Law

Defendant should be required to take the corrective measures set forth in the order which follows.

O R D E R

IT IS ORDERED that:

1. Within 60 days after the effective date of this order Split Mt. Water Company (defendant) shall install a booster pump capable of pumping 20 gallons per minute from the 210,000-gallon storage tank in Tract 3491 to the 15,000-gallon storage tank in Tract 3141.
2. Defendant shall install automatic pump actuating devices on all pumps.

3. Defendant shall connect the 210,000-gallon storage tank in Tract 3491 to the 150,000-gallon water tank in Tract 3141 by means of a six-inch interconnection at an elevation which will allow a free gravity flow between the two tanks.

4. On or before December 31, 1981 defendant shall file a detailed report with the Commission showing the data and manner in which it has complied with Ordering Paragraphs 1 and 2 of this order and a schedule for the completion of Ordering Paragraph 3 with a description of all easements acquired by the utility.

5. No new water connections shall be installed in Tract 3141 or Tract 3491 until defendant has complied with Ordering Paragraphs 1 through 4 of this order. ✓

This order becomes effective 10 days from today.

Dated OCT 6 1981, at San Francisco, California.

JOHN E. BRYSON
President
RICHARD D. GRAVELLE
LEONARD M. GRIMES, JR.
VICTOR CALVO
PRISCILLA C. GREW
Commissioners

*I certify that this decision
was approved by the above
Commissioners today.*

Joseph E. Dobson

