

# **DONNER LAKE WATER COMPANY**

## **REASON FOR THE INVESTIGATION**

An article appeared in the *SIERRA SUN*, dated August 12, 1999 expressing concern about the quality of water being delivered to Donner Lake residents by the Donner Lake Water Company. This same issue also published a letter written to the California Public Utilities Commission (PUC) by a Donner Lake resident asking the Commission to investigate the Del Oro Water Company of Chico, CA, owner of the Donner Lake Water Company.

## **PROCEDURE FOLLOWED**

The Grand Jury interviewed:

Jess Morehouse, District Engineer, State of California, Department of Health Services, Division of Drinking Water and Environmental Health  
Tim Snellings, Nevada County CDA, Director Environmental Health  
Kathy Polucha, Nevada County Health Department, Truckee Office  
Norm Greenberg, Nevada County Health Department, Supervisor, Environmental Health  
Peggy Zarriello, Nevada County Health Department, Water Specialist  
Robert Fortino, President Del Oro Water Company, Chico, CA  
Janet Brady, Tahoe Forest Hospital, Director of Health Promotions  
Dave Bottemiller, Chief Financial Officer, Truckee Forest Hospital

The Grand Jury reviewed correspondence covering the past two years between the State, Nevada County, and the Del Oro Water Company. It also studied the State of California Compliance Order No. 06-001 issued August 13, 1993, revised Compliance Order No. 01-09-99-ORD-002 dated September 24, 1999, and technical information supplied by Ludorff & Scalmanini, Consulting Engineers under contract to Del Oro Water Company.

## **FINDINGS**

1. The Del Oro Water Company purchased the Donner Lake Water Company in August, 1993. It also owns six other water companies/districts in California, and is in the process of buying others.
2. The Donner Lake Water Company supplies approximately 1200 customers in the Donner Lake area with water from Donner Lake, wells, and from Greenpoint Springs, the latter under influence of surface water. The water is chlorinated prior to distribution.

3. Donner Lake Water Company was notified by the State of California on October 30, 1991 and again on July 22, 1992 that it must provide a plan and schedule for modification of its existing treatment facilities by June 29, 1993. The company failed to meet this deadline, and as a result, was issued Compliance Order No. 06-001 on August 13, 1993.
4. The existing treatment did not, and does not, comply with California Code of Regulations (CCR), Title 22, Chapter 17 Surface Water Filtration and Disinfection Treatment Regulations.
5. Del Oro Water Company purchased Donner Lake Water Company immediately following issuance of the Order.
6. The new owner was granted a rate increase from the PUC on September 25, 1995 to pay for a feasibility study to evaluate alternate options in meeting the conditions of the Compliance Order, and at the same time was given an extension to December 1, 1997 for compliance.
7. The new owner was granted a second rate increase on September 3, 1997 by the PUC to pay for engineered plans and specifications, and construction of system improvements necessary to meet the Regulations, and was given another compliance extension to December 1, 1998 to complete construction.
8. The plans for system improvements included moving the treatment facility site to a more esthetic (owner's opinion) location. This resulted in local (Town of Truckee Planning Commission) opposition and legal action to prevent right-of-way easements for intake pipes from Donner Lake. The new owner has filed condemnation action which is now working its way through the courts.
9. Del Oro Water Company applied for a low interest (2.8%) loan from the State Revolving Fund for construction of the new treatment plant as well as repairs to existing storage tanks and delivery pipes. Approval of the loan has been delayed due to challenges of the environmental data supplied by the company. A May 10, 2000 hearing, called by the Town of Truckee Planning Commission, was scheduled to resolve this issue, but didn't. The State was represented at this meeting but refused to comment.
10. Under the revised compliance order, issued September 24, 1999 Del Oro Water Company was granted another extension to December 1, 2000 to provide a treatment facility that will comply with Chapter 17 of the CCR mentioned in Finding No. 4.
11. Until such time as the water system is in full compliance with the Regulations, this Compliance Order requires that Del Oro Water Company must:
  - a. Notify, on a quarterly basis, the State and Donner Lake Water Company customers that it remains out of compliance using mandatory language required in CCR Section 64666, and describe the Company's program and time table for complying with the Regulations.
  - b. Collect twice-weekly samples of raw water on separate days, and report the analysis for total and fecal coliform organisms to the State on a monthly basis.
  - c. Measure and report the turbidity of the water entering the system from the surface water intake source at four-hour intervals as required by the Regulations.

- d. Continuously maintain a free chlorine residual minimum of 3.0 mg/l in the water entering the system from the surface water intake system.
  - e. Maintain a chlorine residual analyzer to monitor the surface water intake source and to shut off the surface water intake source in case of a chlorinating failure.
  - f. Adhere to the construction schedule of all facilities necessary to meet the regulations. The Company must notify the State immediately if the time schedules established by this Order will not be met and explain the reason for the delay. Failure to do so may subject the Company to additional enforcement action, including civil penalties as specified in Section 116725 of the California Health and Safety Code.
12. A Tahoe Forest Hospital spokesman stated that the hospital has no experience on record that would attribute any reported illness directly to the drinking water supplied to Donner Lake residents by the Del Oro Water Company.
  13. A customer of the Donner Lake Water Company wrote to the State on April 10, 2000 urging the State and the Nevada County Health Department to take firm action to resolve the water quality issue. While the letter mentions 25 to 30 customer complaints, information supplied by Del Oro Water Company shows that during calendar year 1999, the California Department of Health received 18 complaints covering chlorine odor, dirty water, low pressure, and taste. Del Oro Water Company responded to each complainant..
  14. On April 26, 2000 Del Oro Water Company was notified that their quarterly notice of non-compliance to customers did not meet the requirements of CCR Title 22, Article 8, Section 64666 "Consumer Notification". Del Oro Water Company is revising their notices to bring them into compliance.

## CONCLUSIONS

1. Donner Lake Water Company has been out of compliance with State Water Regulations for over seven years.
2. Neither the California Department of Health Services, the Nevada County Health Department nor the owner, Del Oro Water Company, has demonstrated a sense of urgency in resolving this matter:
  - a. The California Department of Health Services has maintained a lenient position by excusing the company for missed deadlines and non-compliance and continuing to grant it excessive time extensions to complete the new water treatment facility without fines or penalties.
  - b. Until recently, the Nevada County Health Department played a passive role because the company fell under the jurisdiction of the State and not the County. The County did not consider the matter as a public health issue, and, in fact, has not as yet permanently filled the vacant position of Public Health Officer who could be addressing the matter on a continuing basis.

- c. The Company has shown an attitude of indifference in keeping its customers properly informed on a timely basis that it continues to be in non-compliance. The language of the quarterly notices minimizes the potential health risk to its customers and does not comply with the State regulations mentioned in Finding 14.

## **RECOMMENDATIONS**

1. The California Department of Health Services should take a more rigid position with Del Oro Water Company regarding compliance with deadlines and should refrain from granting further extensions for completion of the new water treatment facility. Further violations of the compliance schedule should be dealt with under Section 116725(b) of the California Health and Safety Code and maximum penalties levied as allowed under the Code.
2. The Nevada County Health Department should be more assertive in its responsibility for protecting the health of Nevada County residents. It should bring maximum pressure to bear both on the California Department of Health Services and on the Company to assure full compliance with the construction schedule included in the Compliance Order for the new water treatment facility.
3. Del Oro Water Company should do a better job of keeping its customers informed of the construction progress, and assure them that it is fully meeting the conditions of the Compliance Order. Until such time as the new water treatment facility is operational, it should do everything possible to make certain that the present system supplies its customers without interruption, adequate, dependable, pure, wholesome, safe, and potable water.

## **REQUIRED RESPONSE**

Nevada County Health Department, September 30, 2000

## **REQUESTED RESPONSES**

State of California, Department of Health Services, September 30, 2000

Del Oro Water Company, September 30, 2000

State Of California, Public Utilities Commission, September 30, 2000