

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

WATER DIVISION

Agenda ID # 23753
RESOLUTION W-5302
October 9, 2025

R E S O L U T I O N

**Resolution W-5302 Terminating CPUC Jurisdiction Over
Macdoel Water Works**

PROPOSED OUTCOME:

- Macdoel Water Works' request to no longer be subject to the California Public Utilities Commission's jurisdiction, control, and regulation pursuant to Public Utilities Code Sections 216(b) and 2704.
- The Water Service Tariffs for Macdoel Water Works previously authorized by the Commission are cancelled.

SAFETY CONSIDERATIONS:

- There are no safety considerations.

ESTIMATED COST:

- There are no costs associated with this resolution.

By Advice Letter 12 filed on July 21, 2025.

SUMMARY

By AL No. 12 filed on July 21, 2025, by Macdoel Water Works (Macdoel), Macdoel requests California Public Utilities Commission (Commission or CPUC) approval to be removed from Commission jurisdiction.

Pursuant to Public Utilities (PU) Code sections 216(b) and 2704, the Commission finds that Macdoel does not satisfy the statutory definition of a public utility under California law. Accordingly, Macdoel is not subject to Commission jurisdiction, control, and

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regulation as it is a privately owned water system delivering water to its community as a matter of accommodation without receiving any compensation or payment.

This Resolution formally terminates the Commission's jurisdiction, control, and regulation of Macdoel and cancels the utility's Commission-authorized Water Service Tariffs.

BACKGROUND

Water Division, in its compliance outreach efforts, contacted Macdoel. Macdoel indicates that it provides water service without compensation as an accommodation to its neighbors. Water Division advised Macdoel that it does not satisfy the requirements for being a public utility subject to the Commission's jurisdiction and regulation. Water Division further advised that Macdoel should submit an advice letter requesting termination of the Commission's jurisdiction and regulation, and requests that the Certificates of Public Convenience and Necessity (CPCN) be revoked.

Following submittal of Macdoel advice letter, Water Division researched the history of the Commission's regulation of this utility. A search of the Commission's records indicates that Macdoel initially came under Commission jurisdiction in the 1940s without having been granted a CPCN. As such, Macdoel's request to have its CPCN revoked is not germane to the matter before the Commission in this Resolution as Macdoel has no CPCN that can or needs to be revoked in the Commission's consideration of terminating its jurisdiction and regulation of Macdoel.

Macdoel is a Class D Water Utility¹ originally authorized under Commission jurisdiction by Decision No. 39444, effective October 1, 1946, wherein the Commission authorized the transfer of the water system from the estate of Gloria Johanson, deceased, to George A. Gerber and Martha L. Gerber. The water system is located at the corner of Old State Highway 97 and Juniper Knoll Rd in Macdoel, Siskiyou County, California. Water is pumped from a 132-foot deep well, originally built in 1925,² into a 200-gallon hydropneumatics tank. The system currently provides water service to between 6 to 9 non-metered residential customers through its distribution system.

¹ Macdoel is regulated by Siskiyou County as a state small water system (5-14 connections).

² Well redrilled and relined in 2011. Entire wellhouse was rebuilt in 2011.

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Macdoel intends to continue operating its water system following the termination of the Commission's jurisdiction and regulatory oversight.

The ownership of Macdoel has changed hands over the years. As of 2018, the owner on record was Dennis Bennett who has since passed away leaving ownership to his wife, Terry Bennett. The Commission's Fiscal Office indicates that there is no record of Macdoel ever having paid the annual Public Utilities Reimbursement Fee as required by PU Code section 433(a). A review of the one Annual Report submitted for 2020 by Macdoel³ shows that Macdoel is not generating any revenue.

Macdoel is classified as a State Small Water System (SSWS).⁴ The State Water Resources Control Board (SWRCB), through the Division of Drinking Water (DDW), is responsible for permitting and regulating SSWS to ensure they provide safe and reliable drinking water. In many cases, the SWRCB delegates this authority to counties through Local Primacy Agency (LPA) agreements. Since 2017, Macdoel has been under the jurisdiction of the Siskiyou County Environmental Health Department (SCEHD),⁵ which serves as the LPA for the area. SCEHD's oversight ensures that public health and safety would be maintained following revocation of the Commission's jurisdiction. It is the responsibility of Macdoel's ownership to coordinate with SCEHD to determine and fulfill any applicable permitting requirements going forward.

NOTICE AND PROTESTS

Advice Letter 12 was served in accordance with General Order 96-B on July 24, 2025, to adjacent utilities and all parties on the general service list. Customers of Macdoel were also notified of Macdoel's request to have the CPUC terminate its jurisdiction and regulation of the utility. The Commission received no protests to AL 12.

³ For the period 2010 to 2024, Macdoel filed only one Annual Report: 2020 Annual Report.

⁴ The Health and Safety Code §116275 defined state small water system (SSWS) as a system for the provision of piped water to the public for human consumption that serves at least five, but not more than 14, service connections and does not regularly serve drinking water to more than an average of 25 individuals daily for more than 60 days out of the year. Macdoel has 9 service connections per Schedule I (Service Connections at End of Year) of the 2020 Annual Report.

⁵ The SCEHD conducts annual inspections and performs quarterly bacteriological sampling for Macdoel (Email on June 4, 2025, of Dan Wessell, Deputy Director, Siskiyou County Environmental Health Division) to ensure compliance with applicable health and safety standards.

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DISCUSSION

Requests to have the Commission terminate its jurisdiction are reviewed under the applicable provisions of the Public Utilities Code. Macdoel requests release from CPUC regulation on the basis that it no longer qualifies as public utilities under Public Utilities Code Sections 216(b)⁶ and 2704.⁷ Specifically, Macdoel does not provide water service for compensation⁸ and instead provides water service as a matter of accommodation to nearby residents, to whom no other water supply is reasonably available. Because Macdoel does not charge its customers for water service and therefore generate no revenue, the requirement under Public Utilities Code Section 433(a) to remit an annual Public Utilities Reimbursement Fee does not apply. As a non-revenue-generating utility, Macdoel is not subject to this fee, which further supports its request for removal from CPUC jurisdiction. Macdoel has not remitted this fee in over twenty years.⁹

Based on Macdoel's request and the Water Division's (WD) review, the Commission concludes that its continued jurisdiction and regulatory oversight authorized in Public

⁶ Public Utilities Code Section 216(b) states: "Whenever any common carrier, toll bridge corporation, pipeline corporation, gas corporation, electrical corporation, telephone corporation, telegraph corporation, water corporation, sewer system corporation, or heat corporation performs a service for, or delivers a commodity to, the public or any portion thereof *for which any compensation or payment whatsoever is received*, that common carrier, toll bridge corporation, pipeline corporation, gas corporation, electrical corporation, telephone corporation, telegraph corporation, water corporation, sewer system corporation, or heat corporation, *is a public utility subject to the jurisdiction, control, and regulation of the commission and the provisions of this part.*"(emphasis added)

⁷ Public Utilities Code Section 2704 states: "Any owner of a water supply not otherwise dedicated to public use and primarily used for domestic or industrial purposes by him or for the irrigation of his lands, who (a) sells or delivers the surplus of such water for domestic or school district purposes or for the irrigation of adjoining lands, or (b) in an emergency water shortage sells or delivers water from such supply to others for a limited period not to exceed one irrigation season, or (c) *sells or delivers a portion of such water supply as a matter of accommodation to neighbors to whom no other supply of water for domestic or irrigation purposes is equally available, is not subject to the jurisdiction, control, and regulation of the commission.*"(emphasis added)

⁸ The Annual Reports of GBWC for the 5-year period 2019 to 2023 showed \$0 operating revenue. Macdoel has submitted only one Annual Report, i.e., the 2020 Annual Report which also showed \$0 operating revenue.

⁹ The Commission's Fiscal Office indicates that Macdoel Water Works has never made an annual Public Utilities Reimbursement Fee payment. GBWC has not made an annual Public Utilities Reimbursement Fee payment since 2003.

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Utilities Code Sections 216(b) and 2704 is no longer warranted for Macdoel. Macdoel intends to continue operating its water system following the termination of the Commission's jurisdiction and regulatory oversight. Ending the Commission's jurisdiction of Macdoel will not affect water service to existing customers.

CONCLUSION

Pursuant to Public Utilities Code Sections 216(b) and 2704, the Commission finds that Macdoel no longer meets the statutory definition of a public utility and therefore should no longer be subject to Commission jurisdiction. As Macdoel does not charge for water service, serve fewer than 15 service connections, provide water service as a matter of accommodation to nearby residents to whom no other water supply is reasonably available, continued regulation by the Commission is not required. This Resolution formally relieves Macdoel of its duties to provide regulated utility water service under CPUC jurisdiction, control, and regulation.

COMMENTS

PU Code section 311(g)(1) provides that resolutions must generally be served on all parties and subject to at least 30 days public review and comment prior to a vote of the Commission.

There were no protests or comments received in response to Advice Letter 12. This is an uncontested matter that pertains solely to water corporations in which the resolution grants the relief requested.

Accordingly, pursuant to PU Code section 311(g)(3), the otherwise applicable 30-day period for public review and comment is being waived.

FINDINGS AND CONCLUSIONS

1. By AL 12 filed on July 21, 2025, Macdoel Water Works (Macdoel) requests to withdraw from Commission jurisdiction.

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2. Macdoel Water Works is a Class D Water Utility providing water to 6-9 non-metered residential homes located on the corner of Old State Hwy 97 and Juniper Knoll Rd, in Macdoel, Siskiyou County, California.
3. Macdoel does not charge customers for water service and has no formal rate base or revenue stream.
4. The Commission's records indicate that Macdoel initially came under Commission jurisdiction in the 1940s without having been granted a Certificate of Public Convenience and Necessity (CPCN).
5. Macdoel's request in AL 12 to have its CPCN revoked is not germane to the matter before the Commission in this Resolution as Macdoel has no CPCN that can or needs to be revoked in the Commission's consideration of terminating its jurisdiction and regulation of Macdoel.
6. AL 12 was served in accordance with General Order 96-B, on July 24, 2025, to adjacent utilities and persons on the general service lists. Macdoel customers were notified of the utility's request to withdraw from CPUC regulation. No protests were received.
7. Macdoel no longer meets the statutory definition of a public utility pursuant to PU Code Sections 216(b) and 2704.
8. Continued operation of Macdoel's water system is subject to local oversight by Siskiyou County's Environmental Health Department, acting as the Local Primacy Agency (LPA) under delegated authority from the State Water Resources Control Board (SWRCB). It is the responsibility of the owner to coordinate with Siskiyou County to determine any applicable permit or reporting requirements.
9. Pursuant to Public Utilities Code sections 216(b) and 2704, the Commission concludes that Macdoel should no longer be subject to CPUC regulation and should be released from Commission jurisdiction. Macdoel should formally be

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relieved of its duties to provide regulated water service under the Commission's jurisdiction, control, and regulation.

10. The Commission-authorized Tariffs for Macdoel should be cancelled effective as of the date of this Resolution

THEREFORE, IT IS ORDERED THAT:

1. Pursuant to Public Utilities Code Sections 216(b) and 2704, this Resolution approves the removal of Macdoel Water Works from the Commission's jurisdiction, control, and regulation, as Macdoel no longer meets the statutory definition of a public utility. Macdoel Water Works shall be formally released from California Public Utilities Commission jurisdiction, control, and regulation effective as of the date of this Resolution.
2. Macdoel Water Work's presently effective Tariffs on file with the Commission shall be cancelled effective as of the date of this Resolution.

This resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed, and adopted at a conference of the Public Utilities Commission of the State of California held October 9, 2025; the following Commissioners voting favorably thereon:

ALICE REYNOLDS
President

DARCIE L. HOUCK
JOHN REYNOLDS
KAREN DOUGLAS
MATTHEW BAKER
Commissioners

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Macdoel Water Works

**627 N 5th Street
Klamath Falls, OR 97601**

ADVICE LETTER 12 SERVICE LIST

Tony Vercelloti
P.O. Box 155
Macdoel, CA 96058

Siskiyou County
Environmental Health Department
Dan Wessell, Deputy Director
806 South Main Street
Yreka, CA 96097