

**Sent:** Monday, April 15, 2002 12:48 PM

**Subject:** BAD BOY REPORT; MUNICIPAL WATER SUPPLIERS FALSIFY REPORTS

*Dear Aquathin Dealer OnLine and Splash Member;*

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Legal Briefs - 4/15/2002 11:53:00 AM

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## Violations leads judge to order sale of water companies

SAN JOSE, CA — A family that has owned and operated water companies in Monterey County since 1932 has been ordered to give up control of eight of its nine companies because of water quality monitoring violations, a federal judge ruled.

The ruling by Judge Jeremy Fogel, the latest event in a lawsuit filed in 1997 by the US Environmental Protection Agency (EPA), orders a receiver to be appointed to operate the companies and look into the feasibility of their sale, the [Monterey County Herald](#) reported.

According to the suit, the Adcocks' water companies failed to tell health officials or customers about lab tests that detected unsafe levels of bacteria in the water, the article said.

The Adcocks will be allowed to keep a ninth company, the Alco Water Service in Salinas — the family's largest — which serves around 18,000 East Salinas customers.

But the judge's order stipulates that the Adcocks must make several improvements in Alco's operation and maintenance.

Jon Merkle, senior environmental scientist with the Drinking Water Office for the EPA's Region 9 office, San Francisco, said the problems cited in the lawsuit were in the other eight systems and not Alco, the article said.

The Adcocks face another federal trial beginning 25 April regarding a government allegation that they fraudulently transferred corporate and personal assets to several trusts at about the time the 1997 lawsuit was filed in order to avoid paying penalties in case of a judgment against them.

In September 2000, Robert and Patricia Adcock were found guilty of a three-count federal indictment that alleged they deliberately falsified lab reports for public water systems submitted to the state and Monterey County from 1991 to 1994 to hide violations.

The decision marked the first time that corporate owners of a drinking water system were found personally liable for violations under the public water system provisions of the Safe Drinking Water Act, the newspaper claimed.