

Decision No. 14387.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
A. B. SHAW and MIRA LOMA MUTUAL WATER)
COMPANY, a corporation, for an order) Application No. 9740.
permitting the sale and transfer of)
Pasadena Glen Water System.)

ORIGINAL

A. B. Shaw, Jr. for applicants.

George Beebe, for protestants.

BY THE COMMISSION:

O P I N I O N

This is an application for authority to transfer the Pasadena Glen Water System to Mira Loma Mutual Water Company, a corporation. A. B. Shaw is the owner of this public utility, which supplies water for domestic purposes to consumers living in Tract No. 2927, commonly known as Pasadena Glen, in Los Angeles County. The Mira Loma Mutual Water Company is now operating in the same territory and in the immediate vicinity, serving water at cost for both irrigation and domestic use to its stockholders.

The application in this proceeding alleges that there are several small independent water systems operating in this community which have agreed to consolidate their interests and water resources with those of the Mira Loma Mutual Water Company for the promotion of the public welfare. It is further alleged that stock in this mutual company will be issued to the consumers

now receiving water from the Shaw system without cost to them, and that the transfer of the property as contemplated will provide these consumers with a greater and more dependable water supply and will result in the rendering of vastly improved service at cheaper rates. The Commission is therefore asked to authorize the proposed sale and transfer.

Pasadena Glen Improvement and Protective Association, which comprises a number of the utility consumers, filed a written protest against the granting of this application, alleging that no tangible evidence has been presented to show the ability of Mira Loma Mutual Water Company to render good and adequate service. The protest also calls attention to the complaint in Case No. 1933, filed by certain consumers against this utility and now pending before the Commission, and particularly to the fact that all public utility property of A. B. Shaw is not included in the proposed transfer. It is desired that this application be denied or held in abeyance until the Commission shall pass upon the merits of the above complaint.

Public hearings in this matter were held at Los Angeles before Examiner Satterwhite, after all interested parties had been duly notified and given an opportunity to be present and be heard.

The plans and proposals presented by applicants at the first session did not satisfy protestants that their water requirements would be properly insured and adequately provided for by the granting of the application as then constituted. Arrangements accordingly were made whereby negotiations would be entered into by the various interested parties to adjust the differences and submit to the Commission a plan for the transfer of the properties which would be acceptable to all. As a result of these efforts an amended application was filed under the provisions of which said

protestants and consumers consented to the sale of the utility properties.

Mr. George H. Woodruff, a member of the Board of Directors of Mira Loma Mutual Water Company, gave considerable important testimony in regard to the proposed methods of operation and the service to be rendered by the utility water system in the event the transfer is authorized. It appears that this mutual company was formed for the purpose of acquiring a number of small water companies, individual water plants and water rights and consolidating them into one operating unit. It was considered that such a combination would result in the production of additional water by making possible the full development of the water resources of the entire district in one comprehensive scheme. In addition to this advantage operations could be simplified and conducted more efficiently and economically and the class of service rendered materially improved.

It is now proposed that this mutual company shall take over the Shaw system and that the present consumers shall receive stock in the mutual company without cost to them. In consideration of the transfer of these properties it is agreed that A. B. Shaw shall receive a sufficient number of shares of stock in Mira Loma Mutual Water Company to enable him to give, free and clear of any incumbrance, to each lot owner one and one quarter shares for each lot. These plans, including the delivery of stock as outlined above, have the approval of the consumers.

The practices and methods of operation and the service rendered by the A. B. Shaw Water System have not always been satisfactory in the past. The evidence and exhibits in this proceeding indicate that an adequate supply of water and its proper distribution will be insured the consumers of this utility by the authorization of the transfer requested herein. It therefore

appears that the conveyance should be authorized, subject to the provisions and conditions as set out in the following order and in the exhibits filed in connection with this application.

ORDER

A. B. Shaw having made application for authority to transfer the Pasadena Glen Water System, a public utility, to Mira Loma Mutual Water Company, a corporation, which joins in the application, public hearings having been held thereon, and the Commission being now fully informed in the matter,

IT IS HEREBY ORDERED that A. B. Shaw be and he is hereby authorized to transfer on or before April 30, 1925, to Mira Loma Mutual Water Company, a corporation, for stock of such corporation and other considerations, that certain public utility water system commonly known as the Pasadena Glen Water System, more particularly described in Exhibits A, B, C and D attached to the amended application filed on October 15, 1924, in the above entitled matter.

IT IS HEREBY FURTHER ORDERED that A. B. Shaw shall deliver to each lot owner other than himself, in Tract No. 2927, Los Angeles County, one and one quarter shares of stock of Mira Loma Mutual Water Company for each and every lot in said tract, Lot No. 123 being considered the equivalent of seven lots. This stock shall be delivered concurrently with the transfer of the properties or placed in escrow with the Mira Loma Mutual Water Company, to be delivered, free and clear, upon demand by the parties equitably entitled to such stock.

IT IS HEREBY FURTHER ORDERED that A. B. Shaw shall within thirty (30) days after the date hereof file with the Railroad Commission the names and addresses of all parties entitled to receive stock of the Mira Loma Mutual Water Company under the order

contained herein. Copies of receipts representing stock delivered by A. B. Shaw shall be filed with the Railroad Commission on or before April 30, 1925.

The authority herein granted is also subject to further conditions as follows:

1. Within thirty (30) days after the execution of the instruments of conveyance transferring the title to said properties, A. B. Shaw shall file with the Railroad Commission certified copies thereof.
2. The consideration for which the public utility properties referred to herein are authorized to be transferred shall not be urged before this Commission or any other public body as a finding of value of said properties for rate fixing or for any purpose other than for the transfer herein authorized.
3. Within ten (10) days after A. B. Shaw actually relinquishes control and possession of the properties herein authorized to be transferred to Mira Loma Mutual Water Company, said A. B. Shaw shall file a statement with the Railroad Commission indicating the date on which such possession and control was actually relinquished, provided that such control and possession may not be relinquished until the properties have been actually transferred to the Mira Loma Mutual Water Company and such company has undertaken to serve with water all consumers now being served by A. B. Shaw.

For all other purposes, the effective date of this or-

der shall be twenty (20) days from and after the date hereof.

Dated at San Francisco, California, this 22^d day
of Decombor, 1924.

C. C. Leamy

Irving Mastacia
Egerton Shore

J. H. Whittey
Commissioners.