

Decision No. 18289.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Joint Application of
 EL DORADO WATER CORPORATION, a corporation,
 and El Dorado Irrigation District, for an
 order from the Railroad Commission of the
 State of California to authorize the for-
 mer to sell and convey and the latter to
 purchase and acquire the properties here-
 inafter described; and for an order author-
 izing the El Dorado Water Corporation to
 cease furnishing water to the public use.

ORIGINAL

Application No. 13615

Stephen F. Otis of Einsdale, Otis & Johnson,
 for El Dorado Water Corporation.
 Raymond A. Leonard and Thomas Maul,
 for El Dorado Irrigation District.

LOUTTIT, COMMISSIONER:

O P I N I O N

In this proceeding, El Dorado Water Corporation, a corporation, engaged in the public utility business of selling water for domestic, irrigation and commercial purposes in El Dorado County, asks authority to sell its properties to El Dorado Irrigation District, which joins in the application.

A public hearing in this proceeding was held at Placerville after all interested parties had been duly notified and given an opportunity to appear and be heard.

From the evidence it appears that El Dorado Water Corporation is now delivering water to approximately 6000 acres of land planted principally to young pear orchards, and that because of the limited water supply of the utility, it is practically impossible to extend service to other lands in the area served and now desiring water.

The present water supply is obtained from Western States Gas and Electric Company, a corporation, under the terms of a written agreement providing for the delivery of 40 second feet of water for agricultural purposes and 5 second feet for mining use during the irrigation season. The utility also receives a small additional supply from the natural flow of Webber Creek upon which it has a dam providing a small amount of storage.

In order to meet the demands for more water, which could not be met by reason of the financial condition of the utility, the El Dorado Irrigation District has been formed which now includes some 30,700 acres of land of which about 20,000 acres are susceptible to irrigation. This District proposes to develop an additional water supply by means of storage on Sly Park Creek, a tributary of the Consumnes River, which under the first step of the proposed development will provide sufficient water to irrigate 4,000 acres in addition to those now served by the utility. More water can be developed on other branches of the Consumnes River as the future demands require until the whole irrigable area within the District boundaries is supplied. A bond issue of \$1,300,000. has been voted by the District, out of which it is proposed to pay \$365,527.63 for the properties and rights of the El Dorado Water Corporation, provided the transfer is made as of June 1st, 1927. The remainder of the bond issue is to be used to cover the cost of the first storage unit on Sly Park Creek.

The District boundaries include all the lands now served by the El Dorado Water Corporation. However, about six land owners, representing some 200 acres of land, elected to stay out of the District, and their lands were excluded. Of the above 200 acres, 86 are now under irrigation. However, according to the testimony, these lands will be admitted to the District upon proper application, and the District will continue to serve these land owners with water at reasonable rates and in the amounts they had used in the past.

In order to protect the present water consumers and assure them a continued supply of water in the quantities now being delivered, the Commission was asked to include in its order a provision which will insure the present consumers the right to the water now supplied. Owing to the limited quantity of water available and possible damage that might result to the present users in case the additional supply of water should not be available, the following order will provide for the delivery of water to the present consumers in the amounts established by use in the past.

Applicants further requested that the terms of the option providing for the transfer of the property to take place in the months of October, November and December of any particular year be amended in accordance with a stipulation entered into by and between the utility and the District which provided for the transfer to be made as of June 1st, 1927, and that the consideration be \$365,527.63. This amendment was proposed for the purpose of expediting the transfer, and appears reasonable, as the bonds have already been sold and it is expected that the funds therefrom will be available on June 1st of this year. This arrangement will permit the District to enter immediately into its construction program for the development of additional water supply and will result in making it available for use within the District at a correspondingly earlier date.

The Commission is also asked to authorize the El Dorado Water Corporation to cease furnishing water for public use in El Dorado County. As the testimony shows that the District will take over all the corporation's existing obligations as to service, this permission will be granted.

The following order is suggested:

O R D E R

El Dorado Water Corporation, a corporation, having made application to transfer its properties in El Dorado County to El

Dorado Irrigation District, which joins in the application; a public hearing having been held thereon; the matter having been submitted, and the Commission being now fully informed in the matter,

IT IS HEREBY ORDERED that El Dorado Water Corporation, a corporation, be and it is hereby authorized to transfer to El Dorado Irrigation District, its irrigation system and water properties as more particularly described in and subject to the terms and conditions of Exhibit "A" attached to the application herein and made a part hereof, and upon the following further conditions:

1. That portion of the option entered into by and between El Dorado Water Corporation and the El Dorado Irrigation District, providing for the transfer of the properties of said corporation during the months of October, November and December, may be amended to permit the transfer to take place as of June 1st, 1927 in accordance with the stipulations filed by both parties to the option.

2. The indentures of transfer to be executed by the El Dorado Water Corporation for the properties herein authorized to be conveyed shall provide among other things that upon and after the transfer to it of said properties, the El Dorado Irrigation District shall serve and continue to serve with water the lands now served by said Water Corporation with water; and that the people therein, or any thereof, shall be entitled upon and after such transfer to obtain water from the said District to at least the same extent as the said Water Corporation was obliged to furnish water, provided, further, that any tolls or charges that may be charged or fixed for such water or services by said District shall be fair and equitable.

3. The authority herein granted shall apply only to such transfer as may have been made on or before December 31, 1927, and a certified copy of the final instrument of conveyance shall be filed with the Commission by El Dorado Water Corporation, a corporation, within thirty (30) days from the date on which it is executed.


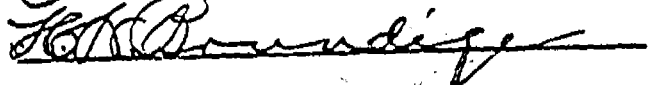
4. Within ten (10) days of the date upon which El Dorado Water Corporation, a corporation, actually relinquishes control and possession of the property herein authorized to be transferred, it shall file with this Commission a certified statement indicating the date upon which such control and possession was relinquished.

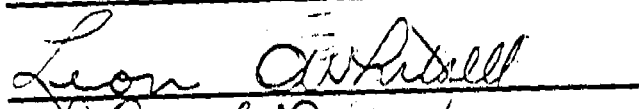

IT IS FURTHER ORDERED that upon the completion of the transfer herein authorized and upon the compliance by El Dorado Water Corporation, a corporation, with the foregoing terms and conditions, the said corporation shall stand relieved of its obligations and liabilities as a public utility to supply water to its consumers.

For all other purposes the effective date of this order shall be twenty (20) days and after the date hereof.

The foregoing opinion and order are hereby approved and ordered filed as the opinion and order of the Railroad Commission of the State of California.

Dated at San Francisco, California this 28th day of April, 1927.



Commissioners