

ORIGINAL

Decision No. 18025

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of
John Rentz and The Capitola Company
for an order permitting John Rentz
to discontinue selling water in favor
of his customers hereafter being
supplied by The Capitola Company.

) Application No. 18791.

John Rentz, in propria persona.
Thos. W. Mellon, for The Capitola Company.

BY THE COMMISSION:

O P I N I O N

John Rentz, owning and operating a small water system serving a subdivision known as Camp Fairview, adjoining Capitola in Santa Cruz County, has applied for authority to discontinue water service and to transfer a portion of the system to The Capitola Company, a corporation, which joins in the application.

A public hearing was held at Capitola before Examiner Satterwhite after due notice thereof had been given to the consumers that they might be present and be heard.

This water system consists of a well, pump, tank and distribution mains supplying about twenty-nine consumers. The evidence shows that applicant Rentz has operated the system for a number of years at a loss; that the present distribution system requires replacement with new and larger mains; that the tank should be raised to give more pressure and that there has been

considerable complaint by the consumers regarding low pressure and inadequate service. In order to avoid rebuilding the system and continuing the water service, applicant Rentz desires to sell the distribution system to The Capitola Company for a consideration of \$100., but also wishes to retain the well, pumping plant, tank and that portion of the connecting pipe lines necessary to supply two parcels of property which he owns.

The Capitola Company is a public utility engaged in the business of distributing and selling water and electricity in and in the vicinity of Laurel, Soquel and Capitola and has a four-inch main, a tank and a well installed adjoining the area now served by Rentz. This utility has an ample water supply from Bates Creek and Soquel Creek and is financially able and ready to install a new distribution system of sufficient capacity to provide adequate service to all of the consumers whom Rentz has obligated himself to serve.

The consumers of the Rentz system entered a protest against the transfer of the system to The Capitola Company upon the ground that its water supply is diverted from a stream and subject to possible contamination and that the water is hard and has an unpleasant odor and taste, making it undesirable for domestic use; whereas the Rentz supply is obtained from a well producing a soft water of such good quality that many of the The Capitola Company's consumers carry it away in bottles and jugs for drinking purposes. Certain of the protestants also claimed that there was another water system adjoining the Fairview tract which was supplied with water of as good quality as that produced by the Rentz well. According to the testimony, this water was also more desirable than that from the system of

The Capitola Company. However, no representative of this other water system appeared at the hearing and, as far as the evidence discloses, there is nothing in the record of this proceeding indicating that the owner of the water system referred to above desires or is willing to take over the service of water in the territory now served by Rentz.

Regular tests which have been made of The Capitola Company's water supply by the Board of Health have all shown the water to be free from contamination and harmful bacteria. As a further precautionary measure, the supply is chlorinated. The testimony indicates that the undesirable taste sometimes present in the water is probably due to moss and vegetable matter in the stream from which the water supply is diverted, which taste could probably be removed by aeration. However, it appears that nothing has been done to remedy this objectionable feature, other than the regular cleaning of the reservoir at the diversion dam.

From a consideration of the evidence, it appears that it would be unfair to require applicant Rentz to continue the service of supplying water at a considerable financial loss and, in view of the fact that The Capitola Company is the only utility that stands ready and willing to supply the area with a dependable water service, it appears that the application should be granted. The Commission suggests, however, that The Capitola Company fully investigate the possibility of utilizing its well on the Fairview tract in supplying water to Rentz' consumers in order that they may be furnished with a quality of water that compares favorably with the present supply. In the meantime, steps should be taken to eliminate, as far as possible, the undesirable features of its present supply.

C R D E R

John Rentz having made application to this Commission for authority to discontinue the service of water to consumers in Camp Fairview tract, Capitola, Santa Cruz County, and to transfer the distribution system to The Capitola Company, a corporation, which joins in the application, a public hearing having been held thereon and the Commission being fully informed in the matter,

IT IS HEREBY ORDERED that John Rentz be and he is hereby authorized to discontinue the service of water and to transfer to The Capitola Company, a corporation, the distribution system serving consumers in Camp Fairview tract, Capitola, Santa Cruz County, subject to the following conditions:

1. The consideration being paid by The Capitola Company for the property herein authorized to be transferred shall not be urged before this Commission or any other public body as a measure of value of the properties for the purpose of fixing rates or any purpose other than the transfer herein authorized.
2. The authority herein granted shall apply only to such transfer and discontinuance as shall have been made on or before January 1, 1928, and a certified copy of the instrument of conveyance shall be filed with this Commission by John Rentz within thirty (30) days from the day on which it is executed.
3. Within ten (10) days from the date on which John Rentz actually relinquishes control and possession of the property herein authorized to be sold, he shall file with this Commission a certified statement indicating the date on which such control and possession was relinquished.
4. The authority granted to John Rentz to discontinue service to his consumers shall take effect only if and when all of the consumers now being supplied with water by him are being supplied with water by The Capitola Company, or may be so supplied without interruption, should they so desire.

For all other purposes the effective date of this order

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

Dated at San Francisco, California, this 8th
day of November, 1927.

Ernest J. Smith
W. J. Sawyer
Leon Whitell
Thos. B. Lawrence
W. J. Sawyer
Commissioners.