

Decision No. 22077

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

ORIGINAL

In the Matter of the Application of the JURUPA HEIGHTS WATER COMPANY, a corporation, for an order of the Commission establishing applicant as a public utility and permitting it to operate as such in the sale and distribution of water, as per Section 50-B of the Public Utilities Act of the State of California.

Application No. 15525.

In the Matter of the Investigation upon the Commission's own motion into the rates, charges, contracts, rules, regulations, classifications, operations, practices, service, determination of service area, or any of them, of JURUPA HEIGHTS WATER COMPANY, a corporation engaged in the sale and distribution of water in the County of Riverside.

Case No. 2756.

C.L. McFarland, for Applicant.

Victor T. Watkins, for W.S. Sparr.

J.J. Deuel, for Consumers.

BY THE COMMISSION:

O P I N I O N

Jurupa Heights Water Company, a corporation, in the above entitled proceeding asks the Railroad Commission to grant to it a certificate of public convenience and necessity authorizing the operation of a public utility water system to supply domestic and irrigation water to the residents of those certain subdivided tracts of land located near the City of Riverside and known as Sparrland Poultry Colony and Sparrland Units Nos. 2,

3, 4, 5 and 6.

Public hearings in the above entitled matters were held before Examiner Satterwhite at Riverside.

According to the evidence, several years ago one W.S. Sparr subdivided certain parcels of a large tract of land situated near the City of Riverside. These parcels were designated as "Units" and were laid out in plots ranging from one-half to two and one-half acres, more or less, and were intended mainly for combined residential and poultry and rabbit-raising uses on a small scale. In the development of this project, the lands involved were encumbered under deeds of trust to raise the funds required to install the necessary improvements which included a water system for both domestic and irrigation purposes. Accordingly, a water plant was installed which obtained its supply from wells adequate for the purpose and had distribution pipe lines of both steel and cement. Concrete reservoirs and booster equipment were installed. The original intention was that, as soon as the project arrived at the proper stage, a mutual water company would be formed and the entire water system would be turned over to such a mutual company; in fact, in sales contracts and the deeds to the plots of land in the so-called Poultry Colony (one of the units), there were definite provisions set forth therein whereby the seller agreed to form a mutual water company and give to the plot purchaser and owner an interest in the physical properties of the water plant.

The successful consummation of the project was interrupted by many unforeseen obstacles and, by reason of certain financial reverses suffered by the promoters, the mutual water company was never formed but water service, however, was and has

been continuously rendered by Mr. Sparr at a nominal charge of two dollars per month, flat rate, for a combined domestic and irrigation service. There is now a total of 103 consumers. As the situation exists at present, there are legal obstacles in the way of forming a mutual water company and the consumers themselves are too few in number to successfully operate it as such and do not care to undertake the responsibility. Furthermore, under present flat rate use and the low charges, the bare operating costs amount to \$9,268. per annum for the twelve-months' period ending November 30, 1929, while the gross annual revenues are not in excess of \$3,244. for the same period. The status of the water system is complicated by the recent sale of the water plant to the Jurupa Heights Water Company by Mr. Sparr in consideration of the transfer to him of certain water stock in the Meeks and Dailey Water Company and the La Sierra Water Company. Mr. Sparr, it appears, owns ninety per cent of the outstanding stock of the said Jurupa Heights Water Company. In addition to this, the evidence clearly shows that this water system serving these various units has been and is now being operated as a public utility and from the inception of its operations, its water supply and service have been dedicated to the public use. It was in order to straighten out the tangled affairs of this water system and insure a continuation of water service to the consumers that the Commission upon its own motion issued its order instituting an investigation into the affairs of the Jurupa Heights Water Company.

The Jurupa Heights Water Company has asked that it be given a certificate of public convenience and necessity to operate this water system as a public utility. Mr. Sparr has re-

requested at one of the hearings held herein that the Commission authorize the transfer of the water system to the Jurupa Heights Water Company. Those consumers having any actual or purported interest in or rights to any part of the water properties have voluntarily released all such legal claims as they may have or hold against the water system and all consumers have agreed to the transfer of the property to the Jurupa Heights Water Company and its operation as a public utility under the jurisdiction of the Railroad Commission at such rates as said Commission may establish in this order and hereafter from time to time. It appears therefore that these requests should be granted and a rate will be established in the following order which should yield operating and maintenance expenses, together with a fair allowance for depreciation. No provision will be made for a return upon the investment as it was the consensus of opinion of all interested parties that no such allowance be made at this time under the circumstances.

O R D E R

Jurupa Heights Water Company, a corporation, having made application as entitled above and the Commission having, upon its own motion, instituted an investigation into the affairs of said company, public hearings having been held thereon, the matters having been submitted and the Commission being now fully advised in the premises,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA
HEREBY DECLARES that public convenience and necessity require that Jurupa Heights Water Company operate a water system to supply water for domestic and irrigation purposes to consumers residing in those certain tracts of land known as Sparmland Poultry

Colony and Sparrland Units Nos. 2, 3, 4, 5 and 6, County of Riverside.

IT IS HEREBY ORDERED that W.S. Sparr be and he is hereby authorized to transfer to Jurupa Heights Water Company such title, rights and interests as he may have in and to the water system supplying consumers residing in those certain tracts of land known as Sparrland Poultry Colony and Sparrland Units Nos. 2, 3, 4, 5 and 6, County of Riverside, subject to the following terms and conditions:

1. The authority herein granted shall apply only to such transfer as shall have been made on or before the thirty-first day of March, 1930, and a certified copy of the final instrument of conveyance shall be filed with this Commission by W.S. Sparr within thirty (30) days from the date on which it is executed.
2. Within ten (10) days from the date on which said W.S. Sparr actually relinquishes control and possession of the property herein authorized to be transferred, he shall file with this Commission a certified statement indicating the date upon which such control and possession were relinquished.
3. The consideration for the transfer herein authorized shall not be urged before this Commission or any other public body as a finding of value for rate-fixing or any purpose other than the transfer herein authorized.

IT IS HEREBY FURTHER ORDERED that Jurupa Heights Water Company, a corporation, be and it is hereby authorized and directed to file with this Commission, within thirty (30) days from the date of this order, the following schedule of rates to be charged for all service rendered subsequent to the 31st day of January, 1930.

DOMESTIC AND IRRIGATION RATES

Monthly Minimum Charges

Meter Service:

For 5/8-inch meter-----	\$ 1.50
For 3/4-inch meter-----	2.00
For 1-inch meter-----	2.50
For 1 1/2-inch meter-----	4.50
For 2-inch meter-----	6.00
For 3-inch meter-----	12.00
For 4-inch meter-----	20.00
For 6-inch meter-----	35.00

Weir Service:

Water measured by weir-----	\$ 2.00
-----------------------------	---------

The foregoing "Monthly Minimum Charges" will entitle the consumer to the quantity of water which that monthly minimum charge will purchase at the following "Monthly Quantity Rates".

Monthly Quantity Rates

From 0 to 600 cubic feet, per 100 cubic feet-----	\$ 0.25
From 600 to 1,000 cubic feet, per 100 cubic feet-----	.12
All over 1,000 cubic feet, per 100 cubic feet-----	.08

Note: The above monthly quantity rates apply to all service whether measured by weir or meter.

Monthly Flat Rates

Existing flat rate charge of two dollars per month to remain in effect temporarily until measuring devices can be installed by the utility, but in no case beyond December 31, 1930.

IT IS HEREBY FURTHER ORDERED that Jurupa Heights Water Company, a corporation, be and it is hereby directed to file with the Railroad Commission of the State of California, within thirty (30) days from the date of this order, rules and regulations governing its relations with its consumers, said rules and regulations to become effective upon their acceptance for filing by the

Railroad Commission.

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 1st day of February, 1930.

C. J. Seawey
Wm. B. ...
Leon ...
Thos. ...
M. P. ...
 Commissioners.