

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the matter of the application of RIVERSIDE WATER COMPANY for an order authorizing it to sell to the City of Riverside a portion of its water system.

Application No. 716.

W. A. Purington for Riverside Water Company.
W. G. Irving for City of Riverside.

THELEN, Commissioner.

O P I N I O N.

This is one of three applications made by three water companies to sell and by the City of Riverside to purchase water systems or portions of water systems used in whole or in part to supply water to the inhabitants of the City of Riverside. The other applications are No. 723, Henry P. Kyes, and No. 724, Riverside Artesia Water Company. These applications will be considered in detail in the opinion in each proceeding.

For more than a year, the City of Riverside has been negotiating with the Riverside Water Company, the Riverside Artesia Water Company and Henry P. Kyes for the purchase of their water distributing systems within the city limits and certain of their property outside of the city limits, as will hereinafter appear in greater detail. The city employed competent engineers to appraise each of these systems, in so far as the city contemplated the purchase thereof. After these appraisals had been made, agreements were entered into between the city and each of these water companies, by which the city was given options to purchase at prices specified in the respective agreements. On May 17, 1913, at a special election, the electors of Riverside voted five per cent bonds in the total amount of \$1,160,000 for the purpose of acquiring designated portions of these three water systems and of making certain improvements and extensions, as will

hereinafter appear. The city paid the prices respectively agreed upon to each of these three companies, received deeds from the companies and is now in possession of the property. Under the provisions of Section 51 of the Public Utilities Act, this Commission's consent must be secured before the title to these properties may legally be conveyed from the respective water companies to the city. The three proceedings hereinbefore referred to were brought to secure this consent.

Mr. W. L. Peters, Mayor of Riverside, testified that the city still has on hand bonds of the face value of \$342,000.00, the proceeds whereof will be used to make certain improvements and extensions to the water systems purchased by the city. The city, among other improvements, intends to build a pipe line to connect the present supply with a proposed new supply, to build a new reservoir, having a capacity of 3,000,000 gallons, to improve the present fire protection system, to supply with water a considerable section of the town situated on high lands and at present supplied by no water system, to increase the size of existing mains, and to give an improved service to the villages of Arlington and Casa Blanca. It is evident that as a result of the purchase of the existing water systems by the city and the completion of the contemplated improvements the water situation in Riverside will be materially improved.

The Riverside Water Company owns an irrigating system and also a separate domestic system through which latter system it has supplied the major portion of the City of Riverside. The property purchased by the city is the so-called domestic system, consisting of a distributing system within the city, certain water bearing lands located in the County of San Bernardino, the right to take water from designated lands, two main pipe lines leading from the source of water supply to the city and other property, all of which is described in two certain deeds and a bill of sale from the Riverside Water Company to the City of Riverside, to which reference will be made in the order.

Reference will also be made in the order to a fourth conveyance, by which the Riverside Water Company conveyed to the City of Riverside the right to develop water on what is known as the Garner Tract in San Bernardino County. ^{protects the city during certain months for} The water company/~~to the extent of~~ to the extent of the period of five years/an average daily flow of 500 miners' inches measured under a four inch pressure. The water company is to retain all of its property except that which it deeds to the city and to continue to operate it to supply water for irrigation.

The valuation fixed by the city's engineers for that portion of the property of the water company which the city desired to acquire was, in its depreciated condition, the sum of \$596,397.39. The price agreed upon and for which the property was finally sold was \$575,000.00.

It appears that a portion of the system which the city has acquired is devoted to serving domestic water outside of the city limits, and that the city intends to continue to serve these people. As is usual in cases of this kind, this Commission's approval to the sale will be conditioned upon the entry by the city of Riverside into a stipulation and the filing of a certified copy thereof with this Commission, to the effect that the city takes the property subject to all legal claims for water which might have been enforced against the Riverside Water Company, including such claims as may exist in territory outside of the city limits of Riverside. Upon the filing of a certified copy of such stipulation, the consent given in the order which follows this opinion will be complete and effective.

I find that the public convenience and necessity will be served by the sale by Riverside Water Company to the City of Riverside of the property to be sold as hereinbefore indicated, and recommend that the application of the Riverside Water Company to sell said property be granted.

I submit herewith the following form of order:

O R D E R.

RIVERSIDE WATER COMPANY having filed with this Commission its application for authority to sell to the City of Riverside for the sum of \$575,000.00 that portion of its water system which is described in the deeds and the bill of sale hereinafter referred to and also to sell to the City of Riverside for the sum of ~~\$12,300.00~~ ^{\$12,300.00} the right to develop water on what is known as the Garner Tract in San Bernardino County, as will appear from the deed last hereinafter referred to, and a public hearing having been held on said application, and the Commission finding that public convenience and necessity will be served by such sale of said property,

IT IS HEREBY ORDERED that Riverside Water Company is hereby authorized to sell to the City of Riverside on the terms specified in the application in this proceeding, those portions of its water system which are described in the following deeds and bill of sale, to-wit:

1. Deed from Riverside Water Company to City of Riverside, dated June 16, 1913, and recorded on the same day in Book 377 of Deeds, at page 157, Records of Riverside County, ^{California,} conveying that portion of the real property intended to be conveyed which is located in Riverside County.

2. Deed from Riverside Water Company to City of Riverside, dated June 16, 1913, and recorded on the same day in Book 531 of Deeds at page 81, Records of San Bernardino County, California, conveying that portion of the real property intended to be conveyed which is located in San Bernardino County.

3. Bill of sale from Riverside Water Company to City of Riverside, dated June 16, 1913, on file among the official records of the City Clerk of Riverside, conveying all the personal property intended to be conveyed, including tools, stock on hand, vehicles and equipment.

4. Deed from Riverside Water Company to City of Riverside, Dated July 2, 1913, and recorded on July 15, 1913, in Book 529 of Deeds

at page 356, Records of San Bernardino County, California, conveying the right to develop water on a thirty-acre tract of land known as the Garner Tract, adjacent to what is known as the Cooley Tract in San Bernardino County.

The authorization hereby given shall be operative only when the City of Riverside shall have filed with this Commission a certified copy of a stipulation to the effect that the city takes the property conveyed by the foregoing deeds and bill of sale subject to all legal claims for water which might have been enforced against the Riverside Water Company, including such claims as may exist in territory outside of the city limits of Riverside.

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 8th day of October, 1913.

John W. Eschleman
W. L. ...
...
Max ...

Commissioners.