

BEFORE THE RAILROAD COMMISSION
OF THE STATE OF CALIFORNIA.

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ORIGINAL

Decision No. 1515

In the Matter of the Petition of the
CITY OF GLENDALE, a Municipal Corporation,
for the Railroad Commission to fix valu-
ations on certain water systems in said
City.

Application No. 936.

W. E. Evans for applicant.
Olin Wellborn, Jr., and Alfred H. McAdoo for
Verdugo Springs Water Company.
W. G. Cook for Title Guarantee & Trust Co., Glendale
Consolidated Water Company and Miradero Water Company.
G. B. Woodbury for Verdugo Canyon Water Company.
Frank L. Muhleman for Verdugo Pipe and Reservoir Company.

ESELEMAN, Commissioner.

O P I N I O N .

This is an application on the part of the City of Glendale to have a valuation fixed for the property of four certain water companies serving the City of Glendale.

The applicant asks that the value of water and water rights, reservoirs and reservoir sites, pumps, engines, flumes, pipes and ditches used in conveying and distributing water, all as outlined in detail, for each company mentioned, be included in the price to be fixed by the Commission as a just compensation to the companies.

An amended application was filed on March 26, 1914, in which amended application the City of Glendale asks to have included whatever rights each company has in the City of Glendale to lay mains, to eliminate the request for a valuation of the property of Verdugo Canyon Water Company and to acquire 116 shares of the stock in the Verdugo Canyon Water Company, now held by the Verdugo Springs Water Company. Stipulation was also made to include 0.55 acres of land upon which the reservoir of the Verdugo Springs Water Company is located.

In order clearly to show the relations of the various water companies whose property is concerned in this application a

brief outline of each will be necessary.

1. The Glendale Consolidated Water Company is now a defunct corporation and the title to its property has passed to the Title Guarantee and Trust Company, trustee, of Los Angeles. The district served by this utility is the south and west portion of the City of Glendale. This company represents a consolidation of various small companies serving the same district, made up principally of subdivisions placed on the market. It has about 1200 services and 30 miles of pipe system.

2. The Verdugo Springs Water Company is controlled by the Thom interests. The Thoms have owned a quarter interest in the flow of Verdugo Canyon water and have been able to supply their consumers from gravity water the greater part of each year, although they resort to pumping at certain times. This company delivers water in the central portion of the City, and about 620 service connections have been made on its approximately 16 miles of pipe system.

3. The Miradero Water Company serves the northwestern portion of the City, comprising the high portion along the foothills, some of which lies outside the boundary of the City property. Along the 8 miles of pipe system there are about 288 metered service connections.

4. The Verdugo Pipe and Reservoir Company serves the district east of the Childs tract and has about 150 consumers attached to its approximately 8 miles of pipe system.

5. The Verdugo Canyon Water Company was organized in 1884 for the purpose of distributing the water of Verdugo Canyon which, by court decree, had been apportioned to 3,333 acres of land and divided into 10,000 equal parts. It distributes no water to consumers but merely affords the pipe system for the distribution of the water to the land owners to which the water was distributed by the court decree mentioned.

The first hearing on this application was held at Glendale on March 10, 1914, at which time the valuations prepared by

the engineer for the Commission were submitted and the engineer subjected to cross-examination. The companies, likewise, each presented a general appraisal of their properties. A second hearing was held in Los Angeles on March 25th and 26th, at which time the question of water rights was given attention. At the request of the parties briefs were allowed to be filed, which should have been in in twenty days but the Commission has been delayed until a short time ago by reason of failure to file the briefs on time.

No serious controversy has arisen over the valuation of the property of any of these companies, except that of the Verdugo Springs Water Company, and the principal contested item in this valuation is that of the water rights. This company has title to .0666 of the flow in Verdugo Canyon, and it places a value of \$2500 per miner's inch on such water. It likewise contests certain conclusions of the engineer for the Commission on other items of valuation.

In the engineers' reports on the value of the property of the Verdugo Springs Water Company no serious discrepancies exist as to the reproduction cost of the system, but the depreciation applied by the engineer for the Commission is considerably greater than that applied by Mr. F. C. Finkle, representing the Verdugo Springs Water Company. Exclusive of water rights and pipe system, the reservoir constitutes the major portion of the property valued. Mr. Finkle allows from 50 to 66 years as the probable life of the pipe, depending upon the soil; while the Commission's engineer used about 30 years for the same class of pipe. I do not believe that the history of the pipe already in warrants the conclusion that 50 years is the proper life for it. There are places within the City where the pipe is now being removed and replaced after only 27 years of service. As to the pipe of smaller diameter there is the added element of obsolescence in that such pipe must be taken up by reason of the needs of consumers before it wears out.

The present value of the reservoir belonging to the Verdugo Springs Water Company was considerably greater in Mr. Finkle's opinion than in the opinion of the Commission's engineer. The latter allowed but 13 more years of useful life out of a possible useful life of 40 years in all. The adequacy of the reservoir was considered, and it is my opinion that Mr. Finkle is in error in his conclusion that only the pressure of population upon this reservoir will render it unfit for service. In a rapidly growing City like Glendale there can be no question that small reservoirs will become inadequate sooner than in more slowly growing communities.

Another question concerning which difference of opinion exists is that of scrap value. Mr. Finkle urges that scrap value should be added to the value of the system as an element to be considered in fixing a valuation. The attorney for the Verdugo Springs Water Company asked this Commission to pass upon this point, and I have no hesitancy in saying that I consider Mr. Finkle's theory absolutely untenable. If it is tenable then the annual amounts which are allowed by this Commission for depreciation are by so much too great, because it is attempted in every rate fixing inquiry to determine the life of the structures, calculate the annual depreciation therefrom and to allow a sufficient amount in the rates so that at the going out of service of the property its entire value is returned to the utility owner. If, in this case, the amount of accrued depreciation be deducted, this amount is either right or wrong dependant upon the correctness of the conclusion as to the life of the property in question. If it is right then that amount of depreciation has occurred, represented by the proportion between the entire life of the property and the number of years it has been in service.

The scrap value theory of Mr. Finkle is only another method of adding something after everything that can justly be contended for has been received. The practice of engineers representing utilities of resorting to every known method of adding to the value of

the property is one that does not appeal strongly to this Commission, and while we should always recognize every legitimate element of value and should under no circumstances attempt to be too close in our estimates or niggardly in the amounts allowed, yet the inevitable result of continually having presented to us exaggerated estimates will be a tendency to be very critical of all estimates, and unfortunately the one presenting a fair estimate may not receive as liberal treatment as should be accorded, by reason of the inevitable very critical attitude of the Commission which has resulted as I have herein suggested.

During the investigation and hearing, it occurred to the Verdugo Springs Water Company that it had certain easements for laying pipe in the streets of the City of Glendale, which easements were secured ~~by~~ or reserved before the dedication of the streets, and it is urged that they are of value.

When it is borne in mind that the evidence here shows that most of these systems were constructed on subdivisions, and that the rights of way as well as the pipes were often given by the subdivider to the company, it will appear that in this the company is asking for what seems to be the very limit of its rights. I believe that a careful analysis of this system would show and the evidence does tend to show that a considerable portion of the pipe in use in this system does not in reality belong to the companies involved, and certainly under these conditions, if a very strict adherence to bare considerations of law is to be urged, the Commission would be justified, in fairness to the applicant municipality, in making every deduction that could possibly be justified. I do not like to appraise property in this way. I believe that the Commission should be liberal to utilities whose property is being acquired by municipalities and fair to the municipalities, but substantial justice should be the thing aimed at.

The water used by the companies in this application comes from the Verdugo Canyon Creek, a perennial stream subject to

fluctuations in the season of the year's flow. From an inspection of the records which have been kept by Mr. Woodbury, the zanjero, we find that the years 1904 and 1910 have not been fully recorded, but that a general average of the summer flow in the months of May, June, July, August and September of the years since 1901 would be 107 miner's inches. During the summer just passed, which has been one of low flow, Mr. Bayley, engineer for the applicant, made a measurement of 142 miner's inches on October 16th. The lowest monthly average found by Mr. Woodbury in 1913 was 155 miner's inches. The low average flow over the 13 years' period is attributed to the effect of a pumping plant which was subsequently shut down, since which time the flow of the stream has increased. It seems to me that we are very safe in taking the minimum flow during the past summer, which is known to have been a low one, in determining the safe yield of this water course.

The City has sought to acquire the physical property and the water rights and privileges of every sort held by these companies which are necessary to the service of the City of Glendale. The evidence does not show that any water rights are owned by any of the companies involved, except the Verdugo Springs Water Company. The other companies do not exert any ownership or show any title in any water. They, however, own varying amounts of stock in the Verdugo Canyon Water Company which entitles them to have certain water, covered by the decree of 1871, delivered through the pipes of the Verdugo Springs Water Company. Therefore, in purchasing the water rights of the Verdugo Springs Water Company and the stock held by the various companies in the Verdugo Canyon Water Company, the City has all that it applies to purchase and apparently all that is necessary for it to be substituted in the place of the owners of this property in regard to the right to be in control of the water which is distributed in the City of Glendale.

In the original petition the City asked to have appraised the property of the Verdugo Canyon Water Company but subsequently

amended its petition so as to exclude that property, being satisfied to purchase the shares of stock owned by the other companies serving the City of Glendale in the Verdugo Canyon Water Company.

The property listed under the application and amended application of the City of Glendale for the various companies therefore is as follows:

1. Glendale Consolidated Water Company.

- 1 Reservoir site, 150 x 150, comprising 0.5 acres more or less.
- 1 Well site, comprising 0.53 acres and adjacent to reservoir.
- 1 Glassell Tract lot, comprising 1 acre, with equipment.
- 1 Reservoir, 128 x 128 x 8 $\frac{1}{2}$; complete with roof and fence.
- 1 Pumping house situate on the well site of 0.53 acres.
- 1 Well, situate upon the 0.53 acre piece of land.
- 500 lineal feet of $\frac{3}{4}$ " standard screw pipe.
- 1400 lineal feet of 1" standard screw pipe.
- 450 lineal feet of 1 $\frac{1}{2}$ " standard screw pipe.
- 43125 lineal feet of 2" standard screw pipe.
- 2235 lineal feet of 4" standard screw pipe.
- 2325 lineal feet of 8" standard screw pipe.
- 1790 lineal feet of 3" O. D. pipe.
- 11380 lineal feet of 4" O. D. pipe.
- 12685 lineal feet of 6" I. D. pipe.
- 800 lineal feet of 8" I. D. pipe.
- 40325 lineal feet of 4", riveted steel pipe.
- 760 lineal feet of 5", riveted steel pipe.
- 16905 lineal feet of 6", riveted steel pipe.
- 8250 lineal feet of 8", riveted steel pipe.
- 400 lineal feet of 10", riveted steel pipe.

All valves and specials now a part of the above described pipe system.

1346 Service connections.

1310 Meters, 5/8 by 3/4 inch, with boxes.

1 Gasoline Engine.

1 Pump head.

1239 1/3 shares of the Verdugo Canyon Water Company.

All water rights owned by said Company.

All other property owned by the Glendale Consolidated Water Company in the City of Glendale on February 1, 1914, and used and useful in the conduct of its water utility business.

2. Verdugo Springs Water Company.

- 1 Reservoir site, comprising 0.866 acres more or less.
- 1 Reservoir of 160 feet diameter and 7 feet deep.
- 250 lineal feet of $\frac{3}{4}$ " standard screw pipe.
- 14538 lineal feet of 2" standard screw pipe.
- 45595 lineal feet of 4" riveted steel and iron pipe.
- 3130 lineal feet of 5" riveted steel and iron pipe.
- 9690 lineal feet of 6" riveted steel and iron pipe.
- 1010 lineal feet of 6 $\frac{1}{2}$ " riveted steel and iron pipe.
- 3840 lineal feet of 8" riveted steel and iron pipe.
- 482 lineal feet of 10" riveted steel and iron pipe.

All valves and specials now a part of the above described system.

620 Service connections.
620 5/8 by 3/4 meters with boxes.

116 shares of the Verdugo Canyon Water Company.

$\frac{666}{10,000}$ ths of the flow of the stream of Verdugo Canyon.

All other property owned by the Verdugo Springs Water Company in the City of Glendale on February 1, 1914 and used and useful in the conduct of its water business.

3. Miradero Water Company.

1 Reservoir site comprising 1.9 acres more or less.
1 Reservoir 160 x 90 x 10', holding approximately $\frac{1}{2}$ mil. gals., together with cover, etc.
275 lineal feet of $\frac{3}{4}$ " standard screw pipe.
9430 lineal feet of 2" standard screw pipe.
16535 lineal feet of 4" O. D. screw casing.
950 lineal feet of 4" I. D. screw casing.
160 lineal feet of 6" O. D. screw casing.
2550 lineal feet of 4" riveted steel pipe.
9540 lineal feet of 8" riveted steel pipe.

All valves and specials now a part of the above described pipe system.

286 meters, 5/8 x 3/4 inch, with boxes.
2 meters, 1", with boxes.
4 meters, 2", with boxes.
288 service connections.

487 shares of the Verdugo Canyon Water Company.

All water rights owned by said Company.

All other property owned by the Miradero Water Company in and adjacent to the City of Glendale on February 1, 1914, and used and useful in the conduct of its water utility business.

4. Verdugo Pipe and Reservoir Company.

1 Reservoir site comprising 1 acre.
1 Site for pumping plant.
1 Well, 200 feet deep, and 10" diameter.
1 Pump house and derrick.
1 Electric motor, 20 Horse power.
2 Pump Jacks, etc.
Tools, etc. at pumping plant.
4775 lineal feet of 2" standard screw pipe.
1820 lineal feet of 4" standard screw pipe.
26055 lineal feet of 4" riveted steel pipe.
4100 lineal feet of 6" riveted steel pipe.
3980 lineal feet of 8" riveted steel pipe.
725 lineal feet of 10" riveted steel pipe.

All valves and specials now a part of the above described pipe system.

140 meters, 5/8 x 3/4, with boxes.
6 meters, 3/4 inch, with boxes.
4 meters, 1 inch, with boxes.
150 service connections.

3. VERDUGO WATER COMPANY

Mr. H. F. Clark, engineer for the Commission, made a complete valuation of all of the properties here outlined, except water stock and water rights. Other engineers representing the City made valuations of these properties, and Mr. F. C. Finkle representing the Verdugo Springs Water Company made valuation for the Verdugo Springs Water Company.

The following tables show the results obtained by the various engineers:

4. VERDUGO PIPE AND RESERVOIR CO.

1. GLENDALE CONSOLIDATED WATER CO.

ITEM	Clark for Commission	Present Values Bayley for City	Van den Heuvel for City
Real Estate	\$ 2545	\$ 2545	Agrees with Bayley
Reservoir	2547	725	
Buildings	180	180	
Pipe System	41391	36739	Agrees with Bayley
Specials	1222	1222	
Services	6076	6076	
Meters	11318	11318	
Well	682	682	
Gas Engine	664	664	
Pump Head	557	557	
Miscellaneous	22	22	
	\$67,304	\$60,730	

#These items were entered in the application the city presented but discarded in the valuation as scrap. Now re-entered to conform to application.

2. VERDUGO SPRINGS WATER COMPANY

ITEM	Clark for Commission	Finkle for Company	Bayley for City	Van Den Heuvel for City
Real Estate	\$1304#	\$1304#	\$ 1304#	agrees with Bayley
Reservoir	2603	5278	553	
Pipe	17116	21707	14995	
Specials	573	520	573	
Services	3069	2848	3069	
Meters	4129	4519	4129	
Paving	0	1158	0	
Intangibles	0	11690	0	
Street permits	0	310	0	
Easements	0	5000	0	
Total Phy-sical Prop.	\$28,794	\$54,324	\$24,623	
Water stock		.348		
Water Rights		25807		
		\$ 80479		

#This reservoir site has been added to the inventory, as per a stipulation to that effect. It was to comprise 0.55 acres, circular in shape, to include a reservoir of 165 foot diameter. Subsequent measurement by stipulation of the parties shows it to contain .869 acres instead of .55 acres.

Mr. Woodbury, Secretary of Verdugo Canyon Water Company, testified at the hearing that the shares of this company were worth \$2.00 each. He, however, subsequently wrote to the Commission, copy of which letter was sent to the attorneys for the companies involved, stating that when he so testified he had in mind that the cost of the submerged dam, amounting to \$17,500, was included in the value of the property. The testimony, however, shows that the parties here contend that the benefit from such dam goes to the owners of the water right and not to this company, and on such theory and assuming that the \$17,500 expenditure was not made for the benefit of the Verdugo Canyon Water Company, Mr. Woodbury states that the value per share of the stock of this company is 51¢. The shares held by the various companies sought to be acquired under the petition of the applicant are as follows:

Glendale Consolidated Water Company.....	1239 1/3 shares.
Verdugo Springs Water Company.....	116 "
Miradero Water Company.....	487 "

As has already been said, one of the strongly controverted items in the valuation is that of water rights. At the time this case was heard, the status of the water rights held by a public service water company was in doubt because of the opinion of the Federal court in the case of San Joaquin and Kings River Canal and Irrigation Co. vs. County of Stanislaus, 191 Fed. 875. In that case the Court held that no value should be allowed for such water rights. Just recently, however, the Supreme Court of the United States has reversed that decision and has held that a value must be put upon such water rights inasmuch as they are property under the decisions of the Court of California. Therefore, the Commission finds it necessary to place value upon the water right of the Verdugo Springs Water Company. This Company owns .0666 of the flow of the Verdugo Canyon which amounts, according to the best testimony, at low water to approximately 155 miner's inches.

Much and conflicting testimony was introduced as to the proper method of determining the value of a miner's inch of water.

I confess that it is very difficult for me to determine just how this shall be done because of the very nature of a public utility. The essential characteristic of a public utility is that it have certain attributes of monopoly. The warrant for regulating monopoly is found in the power of such monopoly to oppress its patrons. Therefore, since the Middle Ages it has been held to be proper to prevent a monopoly from saying to whom it shall furnish its commodity and for what price. In other words, a monopoly may not, as may an agency not a monopoly, take from its patrons all it can get for its service. The market value of a thing is determined by what the agency owning such thing can secure for it. Of necessity such a rule can not fix the value of a utility property or a utility commodity, and no amount of sophistical argument can avoid this conclusion. There is no competition in water and in the selling of water because the supply is always limited in an arid or semi-arid country and is seldom or never sufficient for the demand. Under such conditions if I have a supply of water and another man has land without water, which land will be increased in value \$100 per acre by the application of the water to it, then the man in control of the water may take practically all of the added value which the water gives to the land if he sells it to the owner of the land. I merely outline these difficulties in order to show the problem which confronts a tribunal such as this in determining fairly what shall be paid for the water right.

The following are the prices per inch urged by the various engineers testifying:

Finkle, \$3500 per miner's inch less \$1000 because of the fact that the water may be pertinent to the land in Glendale, leaving \$2500 per inch.

\$3500 per inch fixed by Judge Conrey for Sierra Madre where water was taken from the Baldwin Ranch for the use of the City.

\$2497, value arrived at by Finkle by capitalizing pumping cost.

\$3000 to \$3800, market value urged by Koebig.

\$2000, price reached by one Burr, near San Fernando in 1906.

\$2500, selling price at McClay Rancho in 1902.

\$1500 to \$1800, result of sales in this vicinity in 1902.

\$2800, selling price from West Los Angeles Water Company.

\$2012, cost of getting aqueduct water, suggested by City Engineer Bayley.

\$1680, cost of pumping 250 inches capitalized at 5%, estimate by Bayley.

\$2168, value by capitalizing at 5% the cost of pumping 100 inches; estimate by Bayley.

\$300 to \$400 value if actual cost of production in Verdugo Canyon is considered.

\$1100, value based on operating costs alone of pumping at Verdugo Canyon; estimate by Bayley.

It is my opinion that the cost of property used by a utility in serving the public is the largest and most important item to be considered in determining the basis upon which it should be allowed an earning. What one actually sacrifices for the public certainly should largely determine what the public owes to him. As a rule for the future this is always admitted to be correct by the utilities. As a rule for the past it is always admitted to be correct provided it gives as much as or a greater amount than some other theory will give. This Commission has often discussed the difficulties of valuation arising from the necessity of attacking the problem in the middle and considering a utility in its present condition without the possibility of knowing all of its history. Some of the problems of valuation are insoluble on any legitimate basis, and the only thing a public official can do is to attempt to arrive at that result which his conscience tells him is fair, always limited by what he thinks higher authority will permit, which higher authority in many instances, we are led to believe, does not give the conscientious thought to this subject which it should. Still I could find a value as low as \$1000 per inch and believe it would be justified from the evidence, as well as a value close to \$4000 per inch; and on the rule that where the evidence is conflicting the determination of the administrative body will not be upset either of

these valuations would stand, yet I believe from all the evidence in this case a valuation of \$2000 per inch is all, if not more, than justice demands and is amply supported by the evidence.

While Mr. Woodbury wrote a letter to this Commission correcting his testimony with reference to the value of water stock, still I believe it better practice and safer to stay with the price presented in the evidence of \$2.00 per share.

We then are ready to fix the valuations for the various properties involved.

1. Glendale Consolidated Water Company.

Mr. Clark, for the Commission, finds a present value, without the water stock, of \$67,304; 1239 1/3 shares of Verdugo Canyon Water Company stock at \$2.00 per share, \$2478.66, which added to the \$67,304 gives a total present value of \$69,782.66 for the value of the property of the Glendale Consolidated Water Company.

It is difficult for me to understand how this company urges anything as a going value under the decisions, when it actually is losing money to such an extent that it has been taken charge of by the trustee for the bondholders.

2. Verdugo Springs Water Company.

Mr. Finkle agrees generally with Mr. Clark, except on the items of paving, intangibles, street permits and easements; and on these four items he presents a valuation which represents a considerable portion of the entire amount found. I believe the intangibles are covered under his percentages, and the other elements are of doubtful propriety. However, I will find a value as a whole and will not specifically eliminate any particular element. Mr. Bayley, City Engineer, for the applicant finds a value of more than \$4000 less than that of Mr. Clark, due mainly to his different estimate as to the value of the pipe and the reservoir.

Taking all of the evidence before me and allowing what I think is legitimate for intangibles and easements, I find that \$30,000 is the present value of the physical property of this com-

pany; adding to this \$232.00 for the 116 shares of stock in the Verdugo Canyon Water Company and \$20,060 for the water right, we have a total value of \$50,292.

3. Miradero Water Company.

Mr. Clark finds a value of \$23,945 for the physical property of this company; Mr. Bstyley, for the City, \$22,672. Accepting Mr. Clark's value and adding thereto \$974 as the value for the 487 shares of water stock owned by this company, we have a total valuation of \$24,919.

4. Verdugo Pipe and Reservoir Company.

Mr. Clark finds a present value of \$14,241 for the property of this company, and I see no reason for rejecting this valuation.

Estimated valuations were presented to the engineers of this Commission, but not presented in evidence, made by engineers for the Glendale Consolidated Water Company and the Miradero Water Company. These engineers did not appear and submit themselves to examination and they put such an exaggerated value upon the water stock owned by these companies and such large going concern values that I feel, under all the circumstances, I should give little if any weight to these appraisals.

I submit the following findings:

F I N D I N G S .

CITY OF GLENDALE, a municipal corporation, having filed a petition with this Commission setting forth the intention of said City to acquire, under eminent domain proceedings, the lands, property and rights of every character whatsoever of certain named water companies furnishing water to the inhabitants of said City of Glendale, and asking that this Commission fix and determine the just compensation which shall be paid by said City of Glendale for such property and rights; and a hearing having been held and being fully

apprised in the premises:

The Commission makes the following findings with respect to the various companies involved:

1. Glendale Consolidated Water Company and Title Guarantee and Trust Company.

The property sought to be acquired belonging to this Company is described as follows:

REAL ESTATE:

Parcel 1 All that property in the County of Los A. commencing at a point on the W. line of Southern Pacific Company's strip of land in the Rancho San Rafael, S 22° 43' E, 995.05 ft. from a $\frac{3}{4}$ in iron pipe driven to the surface of the ground at the intersection of N. line of the Glassell and Chapman 669.08 acre allotment in Rancho San Rafael. Said point of commencement also being S 22° 43' E from a $\frac{3}{4}$ in. iron pipe at the NE cor. of land of Hugh Glassell in said 669.08 acre allotment from said point of commencement, S 67° 17' W 480 ft., thence S 22° 43' E, thence N 67° 17' E 480 ft. to a point on said Southern Pacific Company's strip of land, thence N 22° 43' W along said Southern Pacific's strip of land 90 ft. to the place of beginning, containing 1 acre more or less

Parcel 2 Also that parcel or tract of land in the Rancho San Rafael, County of Los Angeles, State of California, described as follows:-

Lot Thirty-seven (37) of Child's Tract, as per map recorded in Book 5, page 157, Miscellaneous Records of said County upon which is situated a cement reservoir, to include the reservoir and all ground upon which said reservoir is built, and grounds surrounding same for a width of 10 feet, with strip of ground 10 feet wide leading from road to reservoir ground for a means of access to same from said road, containing $\frac{1}{2}$ acre more or less.

Parcel 3 Also, that portion of 36.10 acres tract in Rancho San Rafael, in the County of Los Angeles, California, allotted to Maria Cataline Verdugo by decree in partition entered November 29, 1871, in Case Number 1621, District Court, entitled A. B. Chapman et al vs. Sepulveda, et al. described as follows:

Commencing at a post in East side of Lot 37 of Childs Tract, as per map recorded in Book 5, page 157 Miscellaneous Records, distant North 13.79 chains from Southeast corner of said lot; thence North along East line of said Lot 37, 5.14 chains to a stake on the Easterly line of County Road; thence North 32° 54' East along Easterly line of said County Road, 45 links to stake; thence South 59° 4' East, 1.93 chains to stake ten feet South-erly from outer edge of Verdugo Springs Reservoir; thence South 22° 34' West 4.91 chains to point of beginning, containing 53-100 acre;

PUMPING AND STORAGE

- 1 Reservoir 128' x 128' x 8½' roofed and fenced, located on Real Estate Parcel #2.
- 1 Pump Station building located on Parcel #3
- 1 12" Well, located on Parcel #3
- 1 Gas Engine
- 1 Pump head

Distribution System:

500	lineal feet of ¾"	standard screw pipe
1400	lineal feet of 1"	standard screw pipe
450	lineal feet of 1½"	standard screw pipe
431.25	lineal feet of 2"	standard screw pipe
2235	lineal feet of 4"	standard screw pipe
2325	lineal feet of 8"	standard screw pipe
1790	lineal feet of 3"	O. D. pipe
11380	lineal feet of 4"	O. D. pipe
12685	lineal feet of 6"	I. D. pipe
800	lineal feet of 8"	I. D. pipe
40325	lineal feet of 4"	Riveted Steel pipe
760	lineal feet of 5"	Riveted Steel pipe
15905	lineal feet of 6"	Riveted Steel pipe
8250	lineal feet of 8"	Riveted Steel pipe
400	lineal feet of 10"	Riveted Steel pipe

All valves and special fittings now a part of the above described pipe system.

- 1346 Service connections
- 1310 Meters, 5/8 by 3/4 inch, with boxes.

Miscellaneous:

1239-1/3 shares of stock of the Verdugo Canyon Water Co.,
a right to $\frac{3718}{30,000}$ of the stream flow in Verdugo Canyon.

All other property owned by the Glendale Consolidated Water Company in the City of Glendale on February 1, 1914, and used and useful in the conduct of its water utility business.

The Commission hereby finds as a fact that the fair compensation to be paid by the City of Glendale for this property is the sum of \$69,782.56

2. Verdugo Springs Water Company

REAL ESTATE:

That portion of the Rancho San Rafael described as follows, to-wit:

Beginning at a point which is reached by three courses, namely N 70° 52' 45" W 14.50 feet from the most Northerly corner of Lot 1 of Tract Number 840 as per map recorded in Book 16, Page 112 of Maps, Records of Los Angeles County, California. (Said course being measured along the Westerly prolongation of the Northerly line of said Lot), N 33° 13' 05" E. 1242.17 feet and S 58° 55' 10" E. 11.76 feet to the true point of beginning. Thence S 58° 55' 10" E 216.42 feet. (This last named course for a distance of 127.38 feet runs along the Northeasterly boundary of that certain tract of land containing 0.53 acres recorded August 9, 1901 in Book 1466, Page 310 of Deeds, Records of Los Angeles County, California. The most Northerly corner of said tract of land lying S 58° 55' 10" E 16.46 feet from the true point of beginning of this description): Thence N 33° 13' 05" E 182.91 feet. Thence N 58° 55' 10" W 192.41 feet to an intersection with a curve concave Easterly having a radius of 1190 feet, a radial line from said point of intersection having a bearing of S 44° 52' 03" E. Thence Southwesterly along said curve 185.57 feet to the point of beginning containing .869 acres.

STORAGE: 1 Reservoir, 7' deep, 160' in diameter located on the above described parcel of land.

DISTRIBUTION SYSTEM:

250	lineal feet of	2"	Standard screw pipe
14538	"	"	"
45595	"	4"	Riveted Steel & Iron Pipe
3130	"	5"	"
9690	"	6"	"
1010	"	6 1/2"	"
3840	"	8"	"
482	"	10"	"

All valves and special fittings now a part of the above described system.

620 Service connections
620 5/8 by 3/4 meters with boxes

MISCELLANEOUS:

116 shares of stock of the Verdugo Canyon Water Company

$\frac{666}{10,000}$ of the stream flow in Verdugo Canyon

All other property owned by the Verdugo Springs Water Company in the City of Glendale on Febr. 1, 1914 and used and useful in the conduct of its water business.

The Commission hereby finds as a fact that the fair compensation to be paid by the City of Glendale for this property is the sum of \$50,292.

3. Miradero Water Company.

REAL ESTATE:

The following is the legal description of the property now owned by the Miradero Water Company, and to be by it sold to the City of Glendale:-

Lot 1, Block 25, except an easement for right of way over the West 50 feet thereof, in Glendale Boulevard Tract, in the County of Los Angeles, State of California, as per map recorded in Book 6, page 184 of Maps, in the office of the County Recorder of said County, containing 1.93 acres, more or less.

STORAGE:

1 Reservoir 160' x 90' x 10' located on the parcel of land above described.

DISTRIBUTION

SYSTEM:	275	lineal feet	of	2"	Standard Screw Pipe
	9430	"	"	2"	"
	16535	"	"	4"	O. D. Screw Casing
	950	"	"	4"	I. D. " "
	160	"	"	6"	O. D. " "
	2550	"	"	4"	Riveted Steel Pipe
	9540	"	"	8"	" " "

All valves and special fittings now a part of the above described pipe system

286 Meters, 5/8 x 3/4 inch, with boxes
 2 " 1 inch, with boxes
 4 " 2 " " "
 288 Service connections.

MISCELLANEOUS:

487 Shares of the stock of the Verdugo Canyon Water Company.

$\frac{487}{10,000}$ ths. of the stream flow in Verdugo Canyon.

All other property owned by the Miradero Water Company in and adjacent to the City of Glendale on Febr. 1, 1914 and used and useful in the conduct of its water utility business.

The Commission hereby finds as a fact that the fair compensation to be paid by the City of Glendale for this property is the sum of \$24,919.

4. Verdugo Pipe & Reservoir Company

REAL ESTATE:

Parcel 1: That portion of Lot 85 of Watts' Subdivision of Rancho San Rafael, as per map recorded in Book 5, page 328, Miscellaneous Records of Los Angeles County, California, described as follows:

Commencing at point on Westerly line of said lot distant 584.76 feet Southerly from the Northwest corner thereof; thence Easterly at right angles with said Westerly line 198 feet; thence Southerly parallel with said Westerly line 198 feet; thence Westerly 198 feet to a point on Westerly line of said lot; distant 782.76 feet from the northwest corner of said lot; thence along west line of said lot Northerly 198 feet to point of beginning, containing 0.90 acre more or less.

Parcel 2: The Easterly 48.4 feet (extending 154.55 feet southerly) of Lot 9 Hackman and Lennox Tract, as per map recorded in Book 11, page 20, Miscellaneous Records of Los Angeles County, California.

PUMPING:

- 1 Well 10" diameter, 200' deep
- 1 Pump House with derrick
- 1 20 H.P. Electric Motor
- 2 Pump jacks

All located on Real Estate Parcel #2 above described.

DISTRIBUTION SYSTEM:

4775	Lineal feet of 2"	Standard Screw Pipe
1820	" " " 4"	" " "
26055	" " " 4"	Riveted Steel Pipe
4100	" " " 6"	" " "
3980	" " " 8"	" " "
725	" " " 10"	" " "

All valves and special fittings now a part of the above described pipe system.

- 140 Meters, 5/8 x 3/4, with boxes
- 6 Meters, 3/4 inch, " "
- 4 Meters, 1 inch, " "

150 Service connections

All other property owned by the Verdugo Pipe & Reservoir Company in and adjacent to the City of Glendale on Febr. 1, 1914 and used and useful in the conduct of its water utility business.

The Commission hereby finds as a fact that the fair compensation to be paid by the City of Glendale for this property is the sum of \$14,241.

