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Decision No. \_\_\_\_\_

ORIGINAL

Decision No. 3000-

BEFORE THE RAILROAD COMMISSION OF  
THE STATE OF CALIFORNIA.

In the matter of the application	)	
of AMOS E. STINSON, MABEL IDELLA	)	<u>Application</u>
SKINNER and NEWMAN L. FITZHENRY,	)	
for an order fixing water rates	)	<u>No. 1961.</u>
at Stinson Beach, Marin County.	)	

George E. Harlan, for applicants.

A. H. Upton, for the consumers.

BY THE COMMISSION.

O P I N I O N

This is an application by AMOS E. STINSON, MABEL IDELLA SKINNER and NEWMAN L. FITZHENRY for an order fixing the rates for water furnished to the inhabitants of the sub-divisions of land within the boundaries of what is known as "Stinson Ranch", being the most southeasterly portion of the Rancho Las Baulines, in Bolinas Township, Marin County. This community is generally known as "Stinson Beach".

and consists of 35 or 36 consumers, including two small hotels and four or five families who live there throughout the year, the remainder being families who are there a few weeks or months in summer and who may or may not go there for their week-ends throughout the rest of the year.

Applicants are the joint owners of the water plant which serves the above described community. From the evidence it appears that this plant was originally installed by applicants' predecessors in order to make their land available for purposes of subdivision, and that the plant has been somewhat extended by the present owners, who are also the owners of most of the unimproved property in the immediate vicinity.

The water is obtained direct from a perennial stream flowing through the Stinson Ranch. Most of the water-shed is comparatively inaccessible, and although stock range over a portion of it at times there is no human pollution, and apparently the water is at present of good quality.

The plant was first built in 1906 and amplified in 1910. The present system consists of some 6,800 feet of wrought iron pipe, a large portion of which is galvanized, conveying the water to each house on the tract. From the intake a short four inch pipe carries the water to a small redwood

tank of about 1,100 gallons capacity. The water is conveyed from the tank by means of a two inch transmission main. None of the distribution pipes exceed two inches in diameter, the greater portion of them being three-quarter inch or one inch. The evidence further shows that the pipes have not been buried to a proper depth and they occasionally appear exposed, the result being that some of the consumers cannot obtain cool water in warm weather.

An examination of the property was made by one of this Commission's assistant engineers, Mr. H. F. Clark, and it was stipulated by all parties at the hearing that his figures as to the value of the physical properties of the plant, irrespective of the value of the land connected therewith, might be considered in evidence. No other estimate of the value of the plant or its cost new was offered. The figures submitted in Mr. Clark's report for the estimated cost new of that portion of the plant above-mentioned are as follows:

Pipe system.....	\$1,122
Tank .....	<u>54</u>
Total.....	\$1,176

Applicants also have approximately \$50.00 worth of tools and implements used and useful in connection with their plant.

A public hearing was held on this matter in San Francisco on December 13, 1915, at which the

general manager of the water plant, Mr. Newman L. Fitzhenry, testified on behalf of the applicants, and the following witnesses testified on behalf of the consumers:

Frank V. Airey  
Mrs. Thomas Spencer  
Jules Hoff  
Mrs. G. D. Harper  
F. Worrall  
Joseph Dunn  
A. E. Anderson  
A. H. Upton, and  
George H. Harlan

These witnesses represented every class of consumer, from the proprietor of one of the hotels to the owner of a one-room cottage, and all of them, while willing to pay whatever rates might be determined by this Commission to be reasonable, expressed their preference for flat rates by the year rather than rates by the month.

Several of the witnesses testified that they had bought the land from applicants' predecessors upon an oral assurance that their water rate would not be more than \$6.00 per year, and applicants frankly stated that this plant was installed in order to assist the owners of the Stinson Ranch in selling the lots of their subdivision. Applicants further stated that they did not ask at the present time for interest upon any of the land reserved by them for their water-shed or for alleged water rights connected therewith, but that all they

desired at this time was enough income to cover reasonable maintenance and operating expenses and interest and depreciation on their pipe, tank and tools.

Evidence was introduced as to a portion of the pipe having been second-hand and somewhat depreciated at the time of installation, but this constituted only a small portion of the whole and was considered by this Commission's engineer in arriving at the estimate above referred to.

It further appeared that in the past there has been more or less trouble with the supply, owing to the intake having occasionally become clogged with leaves and twigs. Mr. Fitzhenry testified, however, that several months ago applicants installed a new screen at the intake, and that under the plant's present management he felt confident conditions would be considerably improved.

In authorizing the rates hereinafter set forth, we have allowed a certain increase in the item for maintenance and operation over what applicants have devoted to this item in the past, in order to enable them to prevent in the future the interruptions of service similar to those complained of at the hearing.

It also appears that on Sundays and holidays during the Summer months there is often a shortage of water for the consumers on the higher levels.

This shortage is due to the small storage capacity of the plant and to the large drafts upon the supply by certain of the consumers. There are three possible remedies: First, the installation by applicants of larger storage facilities, which, however, is impracticable on account of the large outlay required and the heavy additional burden which this would entail upon the consumers. Second, the establishment by this Commission of rules for the prevention of the excessive use of water at such times, but rules which are not enforced are worse than useless. The most practicable method of avoiding this trouble is for each consumer to realize that during the times of a large demand for water if one uses more than his share some other consumer must suffer, and accordingly to be as considerate as possible of others. We should suggest that all consumers during meal hours should do as little irrigating as possible, and that whenever there is a large influx of people, as during Sundays and other holidays, they should either stop irrigating entirely or, if any consumers wish to irrigate at this time, they should provide themselves with individual tanks from which they can irrigate without affecting the general supply. If the consumers refuse to adopt some such system as suggested above, and if any number of them continue to use water extravagantly when the demand is greatest, this Commission may have to enforce the third possible remedy, which will be to order the installation of meters throughout the system. This would unquestionably check the waste of water, but, on the other hand, it would materially increase not only the fixed capital but also the

maintenance and operating expenses, and which would in turn materially increase the cost of water to all of the consumers.

The rates hereinafter authorized will, in the opinion of this Commission, be sufficient to cover applicants' maintenance and operating expenses and yield seven per cent. interest upon the value of the pipe, tank and tools, together with the annual depreciation upon the same computed by the sinking fund method. As above stated, applicants did not ask us to consider, and this Commission has not considered, the value of the 250 or 300 acres which applicants claim are used and useful in connection with their water plant.

#### O R D E R

AMOS H. STINSON, MABEL IDELLA SKINNER and NEWMAN L. FITZHENRY having filed with this Commission an application for an order fixing the rates for water at Stinson Beach, Marin County.

And a public hearing having been held on said application and the matter having been submitted and being now ready for decision, this Commission hereby finds as a fact that the existing rates insofar as they differ from the rates hereinafter authorized are non-compensatory and unreasonable and that the rates hereinafter authorized are just and reasonable rates to be charged by said applicants.

Basing its conclusion upon the foregoing findings of fact and on other findings which are contained in the Opinion which precedes this Order,

IT IS HEREBY ORDERED that applicants be, and the same are hereby, authorized to publish and establish the following rates for water to be furnished:

1. For cottages of one room, where the land occupied by the cottage and the land irrigated together do not exceed 1,500 square feet, per annum ..... \$4.00
2. For all other residences, where the land occupied by the house and the land irrigated together do not exceed 7,500 square feet, per annum ..... \$6.00
3. For each additional 1,000 square feet of land irrigated, per annum ..... \$ .30
4. For hotels the following schedule:
  - For the dining room, per annum ..... \$5.00
  - For the bar-room, per annum ..... \$3.00
  - For each bed-room (which term shall include rooms in cottages connected with the hotel and which are not supplied with house-keeping facilities), per annum ..... \$ .50
5. For stage or livery stables, per annum . \$6.00

IT IS FURTHER ORDERED that the rates herein authorized shall be payable for each calendar year, annually in advance.

IT IS FURTHER ORDERED that the rates herein authorized shall become effective upon January 1, 1915, provided that applicants shall, within thirty days from the date of this Order, publish and file with the Railroad Commission its schedule of rates in duplicate.

Dated at San Francisco, California, this 24th day of December, 1915.

Max Thelen  
Attest  
Wm. G. ...  
Frank R. ...  
Commissioners.