

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

BEFORE THE RAILROAD COMMISSION OF THE  
STATE OF CALIFORNIA.

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In the matter of the Application of )  
COACHELLA WATER COMPANY )  
for permission to exchange certain )  
of its property at Coachella, with )  
John R. Holliday and Benjamin A. )  
Hook, for certain property owned by )  
them. )

ORIGINAL

Application

No. 2063.

Decision No. 311

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Frank L. Miller, for applicants.

BY THE COMMISSION.

O P I N I O N.

Applicant seeks authority of the Railroad Commission to exchange certain of its property for certain other property which it believes will enable it to better serve its patrons with domestic water at Coachella.

Applicant's system consists of a 4" artesian flowing well located on a ten acre lot over three-quarters of a mile from the business center of Coachella. The water issues from the ground at an elevation about 16' higher than the average elevation of the town. Applicant has no storage facilities. The water is not lifted before passing directly into the transmission and distributing pipes. The result is poor pressure and inadequate fire protection. Several disastrous fires have occurred.

The well was put down about 12 years ago to develop water for irrigation of the ten acre lot at a cost of about \$1052. About 1908 it was transferred to applicant, which was organized to furnish domestic water to the inhabitants of the town of Coachella. Originally the well flowed about 15 minor's inches but this flow has gradually decreased until now it is about 5 minor's inches.

Accurate information concerning the system is not available owing to the absence of those who constructed it, and the absence of complete records. Pipes are laid in the principal streets of the town and connected with the well. It is said the transmission pipe is 6" steel riveted dipped pipe while the distributing system consists of 6", 4" and 2" mains. Water is served through some forty to forty-five services without meters. Rates are \$1.50 per month for residences and \$2.00 per month for business establishments. The stock of applicant has been owned by non-residents, and for several years there has been no representative of applicant resident in Coachella looking after its affairs.

A number of fire hydrants have been installed but these have frequently been left open and the water wasted. They have also frequently been used for sprinkling the streets. The company has derived no revenue from them. A great deal of the revenue which it should have derived from private installations has been lost to the utility through lax collecting methods. For lack of data it has been found impossible to determine the earnings or expenses of the system.

The Coachella Water Company was incorporated March 28, 1908, for the purposes of supplying to the inhabitants of Coachella and other portions of Riverside County water for domestic, irrigation and manufacturing purposes. Its authorized capital stock is \$15,000, divided into 150 shares of the par value of \$100 each. All of its stock is issued and now outstanding. Through indebtedness of the former stockholders to the First National Bank of Banning, the stock has passed to the ownership of J. M. Westerfield, president of the bank, and others, by whom it is now held for the benefit of the bank. Neither the bank nor the present stockholders are so situated that they can properly or economically manage the water plant. It is too small to

justify much overhead expense in management.

John R. Holliday and Benjamin A. Hook, who join in the application, have resided for many years at Coachella where they are partners in the conduct of a machine shop and plumbing business. Mr. Holliday is also actively engaged in the business of drilling wells. After his house recently burned, with no water available, he determined to sink a well and put in a suitable water system. The well was finished about two months ago, on Lot 9, in the rear of the machine shop. It is 620 feet deep and about 200 feet is cased with 6 inch casing and the remainder with 4½ inch casing. The well flows from 4 to 6 miner's inches of water in the winter time but will not flow in the summer. It readily develops 15 miner's inches of water by pumping, and it was testified that by placing a 30" capacity pump in a pit 20 or 25 feet deep it would probably develop 45 miner's inches of water.

Messrs. Holliday and Hook offer to deed to the water company Lots 9, 10 and 11, described in the order, fronting 150' on Camebupe Avenue by a depth of 125', with the well; to construct thereon a tank tower not less than 30' high, which will equal or exceed the height of the tallest building in Coachella, strong enough to safely carry 10,000 gallons of water, anchor it to concrete footings, place on it a 10,000 gallon galvanized iron covered tank, and install a centrifugal pump size number 3 or larger, connect it with by-pass directly to the mains so that it can be used for increased pressure in case of fire, and to install an electric motor large enough to pump 30 miner's inches of water. They offer to take in payment, applicants' 10 acre tract described in the order, with its well, together with the transmission pipes leading from said well to Vine Avenue in Coachella.

The parties further agree that subsequently Messrs. Holliday and Hook will acquire from the present holders 100 shares of the water company's stock in exchange for the 10 acres of land and the pipe lines and will purchase the remaining 50

shares for \$1500 in cash, thus becoming sole owners of the plant and business. The plant will have the benefit of local active management.

All of the water company's stock has been offered for sale by its present holders at \$30 per share or \$4500. The value of the 10 acre tract with the present well is stated to be about \$3000. The value of the transmission pipe was not shown. The value of the three town lots and the estimated cost of the equipment is stated by Mr. Holliday as follows:

3 Lots.....	\$900.
Machine shop building (cost two years ago in April).....	800.
Cement floor later installed.....	250.
Mr. Hook's residence on lots (cost two years ago. - \$500 to \$600 ).....	500.
Well cost.....	750.
10,000 gal. tank (estimated).....	220.
Tower with foundation (estimated).....	150.
Pump 30" capacity with motor (estimated).....	150.
Total.....	<u>5720.</u>

The proposed exchange offers a good solution of an unfortunate situation. We therefore grant the application.

#### O R D E R.

COACHELLA WATER COMPANY having applied to the Railroad Commission of the State of California for authority to exchange certain of its property for certain other property to better enable it to serve the inhabitants of Coachella with domestic water,

And a public hearing having been held thereon and the Commission being now fully advised,

IT IS HEREBY ORDERED by the Railroad Commission of the State of California that authority be and it is hereby granted to the Coachella Water Company to execute and deliver a deed in the form of deed attached to the application as an exhibit, conveying to John R. Holliday and Benjamin A. Hook, or their assignees, free of encumbrance, the property described in said deed, as follows:

All that certain real property situate in the County of Riverside, State of California, and more particularly described as follows, to wit:

The East half (E.½) the East half (E.½) of the Southwest quarter(S.W.¼) of the Northeast Quarter (N.E.¼) of Section Six (6), Township Six (6) South, Range Eight (8) East, San Bernardino Base and Meridian, as shown by United States Government Survey: excepting therefrom the portion included in the public road on the North side thereof. Also excepting a strip twenty feet wide for road purposes, off the South side thereof.

Together with the well thereon located and the pipe line leading from said well to Vine Ave. in Coachella, Riverside County, California.

Provided said Coachella Water Company receive at or before the time of delivery of said deed, Grant Deed in the form of Deed attached to the application as an exhibit, but reciting the names of the respective wives of grantors, if married, and executed and acknowledged by said John R. Holliday and Benjamin A. Hook and their respective wives, if married, conveying good title to Coachella Water Company free of encumbrance, to the real property situated in the County of Riverside, State of California, described in said deed attached to the application as an exhibit, as follows:

All that real property situated in the County of Riverside, State of California, described as follows:

Lots Nine (9), Ten (10), and Eleven (11), in Block Twenty-four (24), of Coachella, as shown by Map on file in Book Six (6), on Page Forty-nine (49) of Maps, records of Riverside County, California, with appurtenances.

Provided further that at or before the time of delivery of said deed by Coachella Water Company conveying its property, there is constructed, erected and installed on said Lots 9, 10 and 11, or either of them, a tank tower not less than 30 feet high and strong enough to carry 10,000 gallons of water and firmly anchored to concrete footings; that there is placed thereon a galvanized iron, covered tank with a capacity of 10,000 gallons of water; that there is installed a centrifugal pump, size number 3, or larger, connected with a by-pass directly into the water mains now laid in the streets of Coachella; that there is also installed an electric motor large enough to pump at least 30 miner's inches of water into said tank when placed upon said tank tower, said pump, tank and mains to be connected by suitable pipes and fittings. The residence and machine shop building now upon said three lots are

to be conveyed with them and possession thereof delivered to the Coachella Water Company.

The authority hereby given is subject to the following conditions:

(1) There shall be no interruption of service of water owing to the exchange of said properties; said tank installed and by-pass to be connected with said mains in the streets of Coachella and water flowing therein from said tank installed upon said tower before the Company's well and transmission pipes are disconnected.

(2) Coachella Water Company shall satisfy itself before delivering deed to be executed by it that it is receiving good title to said Lots 9, 10 and 11.

(3) The authority hereby given to convey and acquire property shall not be considered before this Commission or any other public authority or tribunal, as representing for rate fixing or other purposes than this present application, the actual value of the property of the Coachella Water Company.

(4) The granting of application to convey and acquire property is for the purpose of this proceeding only and is not intended as an approval of said deeds or either of them as to any other legal requirements to which they may respectively be subject.

(5) The authority hereby granted shall continue only for a period of sixty (60) days from the date of this Order.

(6) Coachella Water Company shall report to the Railroad Commission in writing within twenty (20) days after the terms of this Order have been fully complied with, reciting the facts that said Lots 9, 10 and 11, have been conveyed to it together with the buildings thereon; that said tower, tank,

pump, motor and by-pass have been constructed, erected and installed and connected with the mains now installed in the streets of Coachella and the date when said deed was delivered to it; and also the fact of the execution and delivery of its deed to said Holliday and Hook and the date thereof.

Dated at San Francisco, this 21<sup>st</sup> day of February, 1916.

Max Thelen

Alfred Gordon

Edwin O. Edgerton

Frank R. Dehn

Commissioners.