

CR.

Decision No. _____

ORIGINAL

Decision No. 3260

BEFORE THE RAILROAD COMMISSION OF THE
STATE OF CALIFORNIA.

In the matter of the application)	
of CARMICHAEL IRRIGATION DISTRICT)	
to fix the compensation to be)	<u>Application</u>
paid for the water distributing)	
system owned by D. W. Carmichael)	<u>No. 2102.</u>
in Carmichael Colony No. 2.)	

Frank K. Atkinson, of Elliott & Atkinson,
for Carmichael Irrigation District.

D. W. Carmichael in propria persona.

BY THE COMMISSION.

O P I N I O N

The petitioner herein is an irrigation district and makes application in accordance with Section 47 of the Public Utilities Act, as amended, to take, under eminent domain proceedings, the public utility system hereinafter described and to have this Commission fix a price upon the water distributing system supplying Carmichael Colony No. 2. A general description of the property is as follows:

All that certain steel pipe line and water distributing system in Carmichael Colony No. 2, in the County of Sacramento, State of California, constructed and laid in said Carmichael Colony No. 2 in 1915, by the Sacramento Pipe Works of Sacramento for D. W. Carmichael of the said City of Sacramento, being the same system and property referred to and described in Application No. 2102 filed with the Railroad Commission of the State of California by Carmichael Irrigation District on February 25, 1916.

The said lands on which said system is located are included in what is known as Carmichael Colony No 2, in the County of Sacramento, State of California, map of which said colony was filed in the office of the County Recorder of the said County of Sacramento on May 11, 1914.

At a public hearing at Sacramento, March 8th, testimony was introduced tending to show the value of different portions of the water distributing system.

The original cost of the system in 1915 was given as \$15,000. by D. W. Carmichael, the owner. This amount was paid to the contractors and there was no additional amount expended for interest during construction, legal, engineering or other overhead expenses.

A valuation of the physical properties of this system was presented at the hearing by the Commission's hydraulic engineers and amounted to the following:

Reproduction Cost	\$16,194.
Reproduction Cost less depreciation	\$14,965.

The stipulation was made, however, that for the full development of the tract the 8-inch main pipe con-

necting the Hilborn pipe system with the 12-inch pipe in this system would have to be replaced by a larger pipe. Taking up this main and relaying in another location would reduce the worth of the system to the extent of the cost thereof, which it was estimated would amount to \$774.

D. W. Carmichael testified that he had paid \$10. per acre to the American Canyon Water Company for certain water contracts, but that the price at which he had sold the land (about one-half of the acreage being sold) and the price at which he held the remainder, included as a basis not only the original cost of the land but the cost of the irrigation project, including the price paid for these water contracts, interest and a profit on the total investment. The owners of the land in the irrigation district, have, therefore, virtually purchased the water-contracts in the price paid for the land, so that Mr. Carmichael did not seek, nor does the Commission feel that he has in equity, any claim against the Irrigation District for those contracts beyond one, wherein only a nominal value is given them.

We find as a fact that \$14,200. is a just compensation to be paid by the Carmichael Irrigation District to D. W. Carmichael for the property listed and described in this opinion.

O R D E R

CARMICHAEL IRRIGATION DISTRICT having applied to this Commission to fix a just compensation to be paid to D. W. Carmichael for the water distributing system described in the opinion hereto, and a hearing having been held and being fully apprised in the premises,

THE COMMISSION HEREBY FINDS AS A FACT that Fourteen Thousand Two Hundred (\$14,200.) Dollars is a just and adequate compensation to be paid by the Carmichael Irrigation District to D. W. Carmichael for the property described in the opinion hereto.

Dated at San Francisco, California, this 17th day of April, 1916.

Max Thelen
H. Loveland
Alex Gordon
Edwin O. Edgerton
Frank R. Berlin

Commissioners