

ORIGINAL

Decision No. 3439

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BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

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In the matter of the application of )  
BALDWIN & HOWELL for permission to ) Application No. 2296.  
lease the SAN MATEO PARK WATER SYSTEM. )

A. S. Baldwin and Vernard O. Davis  
for applicants.  
C. K. Melrose for certain consumers.

BY THE COMMISSION:

O P I N I O N.

Applicant seeks authority of the Railroad Commission to execute a lease by Baldwin & Howell, owners of the domestic water system supplying the residents of San Mateo Park Tract, San Mateo, to Vernard O. Davis as lessee at a rental of \$900 per year. Mr. Davis, who joins in the application, has been lessee and operator of the system for about eight years.

Applicant primarily constructed this water plant in three installments in 1902, 1904 and 1906, as an incident to the development of a 275 acre tract for residence purposes. Some four or five years ago the tract became part of the city of San Mateo.

The owners are unable to state the original cost of the system, owing to the fact that all records pertaining to it were destroyed in the San Francisco fire of 1906.

The system consists of two pumping plants, with a combined capacity of 4000 gallons per hour, some seven miles of distribution mains, principally 3", and two storage tanks having a total capacity of 50000 gallons. There are 165 consumers, all metered. The rate for service is identical with that in the City of San Mateo, 22 $\frac{1}{2}$ ¢ per 100 cubic feet, with a \$1.00 minimum. No increase in rates is contemplated. Except in the winter months, the combined capacity of the pumping plants is not sufficient to meet the demand and additional water is purchased from Spring Valley Water Company at the regularly established San Francisco rates of that company.

At the hearing Mrs. A. R. McCullough, Mrs. H. Manley and Messrs. C. K. Melrose, A. Berbert and J. A. Rutherford gave information concerning service conditions. They stated that in certain sections of the tract the pressure was very inadequate, and for short periods during heavy use in the summer days, the supply entirely failed at times. They stated this to be their only criticism of the service, and offered no objection to the lease if it would not hinder improvement in service.

Mr. Davis, manager of the property, admitted that in the past, due to inadequate pumped supply in conjunction with insufficient storage at a comparatively low level and small distribution pipes, service to some consumers, particularly in the higher portions of the tract, had not been of the best, but stated that certain improvements to be completed in about ten days would undoubtedly eliminate these conditions.

James Armstrong, one of the Commission's hydraulic engineers, who investigated this/<sup>property</sup> estimates the repro-

duction cost new of the system at \$26,000 with annual depreciation on a 4% sinking fund basis at \$586. These figures are stated to be only approximate, as no complete inventory of the property is in existence. While at the present time there are only 165 consumers, service connections have been installed for 300, indicating that the system is capable of supplying at least that number, and that its operative service value is only about 50%. Concerning service conditions, he reports that the recent installation of double the previous amount of storage at an elevation 40 feet higher, together with the construction and connection with the system of a 1500 gallon per hour pumping plant, the personal property of Mr. Davis, and a proposed automatic connection with the mains of Spring Valley/<sup>Water Company</sup> should result in greatly improved service.

In view of the fact that the terms of the lease are not unreasonable or burdensome, and do not relieve the water system of its public utility obligations, and that a decidedly improved service seems assured, the application will be granted.

#### O R D E R.

BALDWIN & HOWELL, a corporation, having applied to the Railroad Commission for authority to execute a lease of the water system supplying San Mateo Park, San Mateo, with domestic water, to Vernard O. Davis as lessee, who joins in the application, and a public hearing having been held thereon and the Commission being now fully advised,

IT IS HEREBY ORDERED that Baldwin & Howell, Incorporated, and Vernard O. Davis, be and they are hereby authorized and empowered to execute and deliver lease of the water system supplying domestic water to the residents of San Mateo.

Park, San Mateo, said lease to be in form of that attached to the application as Exhibit "A".

This order is upon the following conditions and not otherwise, to-wit:

1. The authority hereby given to lease said property shall not be considered before this Commission or any other public authority as representing for rate making purposes or for any purposes other than those of the present application the actual value of the property authorized to be leased.

2. The authority hereby granted shall apply only to such lease as shall have been executed and delivered on or before thirty (30) days after the date hereof.

3. Within twenty (20) days after said lease shall have been executed, applicants shall report said fact to this Commission in writing and supply copy of said lease in the form in which it is executed.

Dated at San Francisco, California, this 16<sup>th</sup> day of June, 1916.

Max Thelen  
H. D. Woodland  
Alvin G. Gordon  
Edwin O. Edgerton  
Commissioners.