

ORIGINAL

Decision No. 4113-

Decision No. _____

BEFORE THE RAILROAD COMMISSION OF THE STATE
OF CALIFORNIA

In the Matter of the Application
of Lawrence Leo Johnson for an
order authorizing the sale of a
water plant, pipe-line and dis-
tribution system to Ida Jane
Barnett.

Application No. 2746

Anderson & Borton, for Applicant.
T. W. McMannus, for Consumers.
W. L. Mallot, for Highland Tract Improvement Club.
Floyd H. Barnett, for Ida Jane Barnett.

LOVELAND, Commissioner.

OPINION

Applicant in this proceeding is the owner of a small water distributing system at Oildale, near Bakersfield, California, which system serves the Highland and Dickinson Tracts with domestic water. The land upon which the system is located is owned by Mrs. L. S. J. Riley, mother of applicant.

The system consists of a well, engine and pump, and about 3000 feet of pipe, to which there are now attached about 30 active service connections. Applicant claims to have invested \$4000.00 in the system exclusive of the land. Storage of water is provided in a 30,000 gallon steel tank placed upon a 20-foot tower. The rates are under a flat schedule varying from \$1.50 per month in the winter months to \$2.00 per month during the summer. No

complaint is made as to the rates. Permission is sought to sell the plant other than the land upon which the well and pipes are located to Ida Jane Barnett for the sum of \$2500.00, applicant alleging as a reason for desiring to sell that he is no longer a resident of the community and cannot give the business his personal attention.

Ida Jane Barnett, who desires to purchase the system, was unable to be in attendance at the hearing, owing to illness, but was represented by her husband, Floyd E. Barnett, who testified that he was authorized, without reservation, to represent her.

T. W. McMannus, the owner of Highland Tract, and W. L. Mallot, President of the Highland Tract Improvement Club, appeared as representatives of the consumers, not with the desire of protesting against the transfer of the system, but asking assurance that leaks in the pipes would be repaired and better service rendered. Assurances were given at the hearing that Ida Jane Barnett, the purchaser, could and would repair the system and maintain good service, which assurances were satisfactory to the representatives of the consumers.

There was submitted with the application a form of lease, marked "Exhibit A", under which the one acre of land owned by Mrs. L.S.J. Riley, upon which the well, pump and reservoir are located, will be leased to the purchaser, Ida Jane Barnett, for the term of 20 years beginning February _____, 1917, at an annual rental of \$1.00. The one acre of land situated in the County of Kern, State of California, is particularly described as follows:

"One acre of ground in a square form situated near the Northwest corner of the Northwest quarter of the

Northeast quarter of the Southeast quarter Section Seven (7) in Township Twenty-nine (29) South, Range Twenty-eight (28) East, M.D.M."

Said lease also provides for a right of way for ingress and egress to the plant across the land owned by Mrs. Riley to the public highway, said right of way to be 10 feet wide, extending on both sides of and along the route of the 5-5/8 inch pipe line leading from the reservoir to the highway between the Highland Tract and the Dickinson Tract.

There was also submitted with the application a form of a bill of sale, marked "Exhibit B", under which the property is to be conveyed to the purchaser.

The receipts from this utility during 1916 were \$540.00 and the expenses were \$504.00. Due to the absence of the owner, an extra man had to be employed to run the plant, making the expenses more than they would have been had the owner operated the plant. Floyd H. Barnett testified that with the rapid growth of the district the number of services could be largely increased in the immediate and near future.

By stipulation of all parties to this proceeding it was agreed that the report of the Commission's engineer might be made subsequent to the hearing after an investigation had been made and considered a part of the record, such report to be considered and referred to in the decision herein. The engineer of the Commission reported that the following improvements should be made:

1. Roofing of the steel water tank.
2. Covering all exposed pipes by soil to a depth of at least 15 inches.
3. Permanent repair of the most evident leaks on the system.

I recommend that the purchaser of applicant's water system be required to carry out these suggestions and make these improvements.

The engineer of the Commission examined the vouchers showing expenses incident to the construction of the plant, and reported that the reasonable cost, less accrued depreciation, is not less than \$2500.00, the consideration of the transfer.

I recommend the following order:

ORDER

Lawrence Leo Johnson having applied for an order authorizing the transfer of a water utility serving the Highland and Dickinson Tracts, near the City of Bakersfield, to Ida Jane Barnett, and a hearing having been held and it being found to the interest of the community concerned that the transfer be made, and being fully apprised in all the circumstances,

IT IS HEREBY ORDERED that permission be granted to Lawrence Leo Johnson to sell to Ida Jane Barnett the water system now owned by him in furnishing service to residents of the Highland and Dickinson Tracts, near the City of Bakersfield, for the consideration of Two Thousand Five Hundred Dollars, but subject to the following conditions and not otherwise:

1. That the form of lease from Mrs. L.S.J. Riley to Mrs. Ida Jane Barnett of the one acre of ground and the right of way hereinbefore mentioned shall be the same as filed with the application and marked "Exhibit A".

2. That the bill of sale conveying the water plant, pipe line and distributing system herein conveyed shall be

in the form set forth in Exhibit "B" attached to the application.

3. That the purchaser of the system, Ida Jane Barnett, make certain improvements outlined in the opinion preceding this order, to-wit: putting a cover upon the tank, covering exposed mains and satisfactorily repairing the leaks in the pipe.

4. That the sum paid by Ida Jane Barnett to applicant, Lawrence Leo Johnson, for this system shall not be claimed before this Commission, or any other public authority, as evidence as to the value of the plant.

The foregoing opinion and order are hereby approved and ordered filed as the opinion and order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 19th day of February, 1917.

Max Thelen
H. J. Leland

Frank R. Devlin

Commissioners.