

ORIGINAL

Decision No. 3236

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Decision No. _____

BEFORE THE RAILROAD COMMISSION OF
THE STATE OF CALIFORNIA.

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| In the Matter of the Application of |) | |
| HAPPY VALLEY LAND AND WATER COMPANY |) | |
| and HAPPY VALLEY IRRIGATION DISTRICT |) | |
| for an order approving lease and option |) | Application |
| agreement and authorizing the water |) | <u>No. 3236</u> |
| company to sell and convey its proper- |) | |
| ty to the irrigation district. |) | |

Roscoe D. Jones for Happy Valley Land and Water Company;
Carr & Kennedy by Francis Carr for Happy Valley Land
and Water District.

BY THE COMMISSION.

O P I N I O N .

The hearing in the above entitled application was held by Examiner Encell at San Francisco on October 8, 1917.

Happy Valley Land and Water Company asks authority to execute an agreement substantially in the same form as the amended agreement attached to the petition herein and marked "Exhibit A". Under this agreement Happy Valley Land and Water Company proposes to lease its properties described in Exhibit 1, attached hereto, to Happy Valley Irrigation District and give the District an option to purchase the same for \$89,570.00. The District is now taking the necessary steps to call an election to authorize an issue of bonds to obtain funds to acquire the

property and construct necessary improvements. It is reported that the district comprises some 18,240 acres of land in the vicinity of Happy Valley, Shasta County.

The lease agreement enables the District to take immediate possession of the properties. The lease terminates on October 1, 1919. The District, however, has an option to renew the lease from year to year to October 1, 1921. The rental during the first year is fixed at \$3,000.00, during the second at \$4,000.00 and during the third and fourth at \$6,000.00 per annum. As above stated, the Irrigation District has an option to purchase the properties at any time during the life of the lease.

The record in this proceeding indicates that the District is willing to enter into the aforementioned lease and sale agreement, which in effect requires it to adequately serve with water the mining lands of the lessor or vendor at a rate not in excess of the rate now charged by Happy Valley Land and Water Company for water used for mining purposes. The testimony shows that the Railroad Commission has no jurisdiction over the District so long as it confines the sale of water to patrons within its limits. It appears, however, that the District will sell water to consumers residing outside its boundaries. It is of course understood that as to such consumers service established by Happy Valley Land and Water Company will be continued under rates and rules established by the Railroad Commission. The proposed lease and sale agreement should be modified to this effect.

For a discussion of the value and cost of the properties of Happy Valley Land and Water Company, reference is here made to Decision Number 3212, dated March 30, 1916,

(Vol. 9, Opinions and Orders of the Railroad Commission of California, page 461.)

O R D E R

HAPPY VALLEY LAND AND WATER COMPANY having applied to the Railroad Commission for authority to lease and sell its properties to HAPPY VALLEY IRRIGATION DISTRICT pursuant to the terms of the amended agreement attached to the petition herein and marked Exhibit "A",

And a hearing having been held and the Railroad Commission being of the opinion that this application should be granted,

IT IS HEREBY ORDERED that HAPPY VALLEY LAND AND WATER COMPANY be, and it is hereby, granted authority to execute a lease and sell its properties described in "Exhibit 1", attached hereto, to HAPPY VALLEY IRRIGATION DISTRICT pursuant to the terms and conditions of the amended lease and option agreement attached to the petition herein and marked "Exhibit A", provided that said agreement be modified along the lines indicated in the foregoing Opinion and a revised copy filed with the Railroad Commission by the Happy Valley Land and Water Company within thirty days after its execution, and provided further that Happy Valley Land and Water Company file with the Railroad Commission a copy of the deed of conveyance

transferring its properties to Happy Valley Irrigation
District within thirty days after the execution of said
deed of conveyance.

Dated at San Francisco, California, this 20th
day of October, 1917.

H. H. Howard
W. L. Gordon
Edwin O. Edgerton

Commissioners.

EXHIBIT NUMBER ONE.

HAPPY VALLEY LAND AND WATER COMPANY in its "Exhibit Number 1" filed October 8, 1917, describes the properties which it desires to lease and sell as follows:

That certain mining and irrigating ditch and water right taking water out of North fork of Cottonwood Creek about 40 rods below the junction of the Post and Sweede forks of said creek, running thence south 24 miles to a point where was once the Old China Reservoir in Sec. 6 Tp. 31 N. R. 6 W.M.D.M.

Also that certain water ditch and water right taking water out of Eagle Creek about 30 rods below E.Read's house in the S.W. $\frac{1}{4}$ of Sec.25 Tp. 31 N.R.7 W. and running thence southerly about 2 miles and intersecting the main Cottonwood ditch in Sec.36 Tp.N.R. 7 W. at what is commonly known as Sandgate;

Also that certain water ditch and water right taking water out of the South fork of Clear Creek near the N.W.corner of Sec. 21 Tp.31 N. R.6 W. M.D.M.near the house of William Lee; and thence running Southerly about 2 miles intersecting the main Cottonwood ditch at a point in the N.E.corner of Sec.29 Tp.31 N. R.6 W.,M.D.M.

Also that certain mining ditch out of Hulen Creek at the point about 20 rods below where the County road crosses said Creek between the houses of William Richter and Mrs. A.Ruster in Sec.30 Tp. 31 N. R.6 W.and running thence about 4 miles to what is known as Geine's Flat in Sec.5 Tp.30 N. R.6 W. M.D.M.

Also that certain mining ditch and water right taking water out of Eagle Creek in Sec. 2 Tp. 30 N. R.7 W.about $\frac{1}{2}$ mile above where the County Road leading to the town of One crosses said Creek and running thence Southeasterly about 3 miles to the lands of A. La Bude in the N.W. $\frac{1}{4}$ of Sec.18, Tp.30 N. R.6 W. M.D.M.

Also that certain water ditch and water right taking water out of the Old China Reservoir and running about 2 miles Easterly to the Cloverdale Reservoir;

Also that certain water ditch and water right taking water out of the Cloverdale Reservoir and running Easterly about 8 miles to the lands of Anna Wightman on the line of the C.P.R.R.

Also that certain ditch taking water out of Cloverdale Reservoir and running thence N.E. about 2 miles to the land owned by George Kluman and known as the Kluman Ranch;

Also that certain ditch out of the ditch above Cloverdale Reservoir and running Easterly about 3 miles to Phillip Martin's Ranch.

Also that certain ditch from the P.Simonson places running Southeast about 5 miles to Epworth Lake Reservoir.

Also those certain reservoirs and reservoir sites used and operated in connection with the above mentioned system of ditches known as the Happy Valley Land and Water Company's ditches and known as and described as follows, to-wit:

The "Cloverdale" Reservoir situate in Sec.5, Tp.30 N.R.5 West, M.D.M.

The "Johnson" Reservoir, situate in Sec.2 Tp.30 N.R.5 W., M.D.M.

The "Anderson" Reservoir situate near the boundary line

between Sections 16 and 17, Tp.30 N.R.5 West M.D.M.
The "Olinda" Reservoir, situate in Sec.22 Tp.30 N.R.5 W. M.D.M.
The "Epworth Lake" Reservoir situated in Sec.23 Tp. 30 N.
R. 5 W. M.D.M.
The "Harbison" Reservoir, situate in Sec.1 Tp.30 N. R.6
West M.D.M.

The S $\frac{1}{2}$ of N.E. $\frac{1}{4}$ and S.E. $\frac{1}{4}$ of Sec. 4 Tp. 30 N. R. 7 W.
M.D.M. containing 150 acres of land, known as the Dry Creek Tunnel
& Flaming Co.'s ranch.

S. $\frac{1}{2}$ of N.E. $\frac{1}{4}$ and N. $\frac{1}{2}$ of S.E. $\frac{1}{4}$ of Sec. 1. Tp. 30 N.
R. 6 W. M.D.M. 160 acres.

5 $\frac{1}{2}$ acres more or less known as Olinda reservoir more
particularly described in deed of M.E. and G.W. Burtner to Happy
Valley Land and Water Company, dated May tenth, 1909.

3.9 acres part of Olinda reservoir particularly
described in deed of Ross Flintjer to Happy Valley Land and
Water Company, dated March twenty-six, 1914, recorded April 10,
1914, in Book 118, page 405, records of Shasta County.