

Decision No. 5071

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application  
of WILLIAM F. FOWLER, Receiver of  
the property of SACRAMENTO VALLEY  
WEST SIDE CANAL COMPANY for an  
order authorizing an increase in  
rates for water for irrigation.

Application No. 3369.

Frank Freeman for Petitioner.  
C. L. Donohoe, Claude F. Purkitt and W. T. Belieu  
for Protestants.

THEBLEN, Commissioner.

O P I N I O N.

William F. Fowler, Receiver of the property of Sacramento Valley West Side Canal Company, alleges that the existing rates charged by him for water sold in Glenn and Colusa Counties for irrigation are unreasonably low and petitions the Railroad Commission to authorize such increases in the existing rates as the Railroad Commission may find to be just and reasonable. No specific increases are asked.

Petitioner directs the attention of the Railroad Commission to the fact that the owners of at least ten thousand acres of additional land under this system will require water for the irrigation of rice in 1918, and alleges that in order to supply the necessary amount of additional water, it will be necessary for Petitioner to install additional pumping equipment and to make enlargements and do other work in a portion of the main canal of this system. Petitioner alleges that the cost of developing sufficient water to irrigate ten thousand additional acres of rice will be at least \$100,000.00 and avers that he will be able to secure enough machinery to irrigate only four thousand additional acres of rice land, in which event the aggregate cost necessary

to be incurred to supply said four thousand additional acres of rice lands, is alleged in the petition to be between \$50,000.00 and \$60,000.00. Petitioner asks the Railroad Commission, in establishing rates herein, to give appropriate consideration to the additional expenditures which it will be necessary for him to incur for construction and operation in connection with the additional acreage to be irrigated in 1918. The petition contains other allegations, to which reference, in so far as material, will hereinafter be made.

Land owners in the old Central Irrigation District, owning approximately twelve thousand acres of land under this system, filed herein a written protest. Protestants allege that there is no necessity for an increase in the existing water rates. They allege that they desire water during the irrigating season of 1918, for the irrigation of the land described in their protest, as amended at the hearing herein, being approximately twelve thousand acres of rice land and less than five hundred acres of general crops. Protestants ask the Railroad Commission to make its order herein requiring Petitioner to make the necessary expenditure to enable him to make delivery of water to the land described in the protest, in addition to all lands which received water during the irrigating season of 1917.

Public hearings herein were held in Willows on January 11 and 12, 1918.

It was stipulated that such documents as might be filed by the parties subsequent to the hearing should be considered as evidence in this proceeding. Subsequent to the hearing, petitioner filed a letter dated January 15, 1918, from Mr. W. F. Fowler, Receiver, enclosing list of applications filed with him, up to the date of the letter, for water for the irrigating season of 1918. This letter and the accompanying applications have been

marked Exhibit No. 5 of Petitioner and filed herein.

The affairs of this irrigation system were fully considered by the Railroad Commission in Decision No. 2483, made on June 14, 1915, in Case No. 597, Rogers v. Sacramento Valley West Side Canal Company, and Case No. 673, Sacramento Valley Realty Company v. Sacramento Valley West Side Canal Company (Vol. 7, Opinions and Orders of the Railroad Commission of California, p. 113). In these two proceedings, which were consolidated for hearing and decision, Sacramento Valley West Side Canal Company strongly urged that it was not a public utility and contested the right of the Railroad Commission to make any order compelling it to supply water to any additional lands or to establish rates to be charged by it. The Railroad Commission held that the company was a public utility, directed it to supply water to the lands of the complainants and established rates to be charged by the company for water sold to all its customers for the irrigation of rice and of general crops.

The acreage irrigated and the receipts and operating expenses of this system before and after the Railroad Commission's said decision were as shown in Table I, the years 1914 and 1915 being before the Railroad Commission's order and the years 1916 and 1917, thereafter.

Table I.

Operations of Sacramento Valley West Side Canal Company - 1914 to 1917, inclusive.

	1914	1915	1916	1917.
Acreage of General Crops	12,055	11,940	9,422	12,757
Acreage of Rice	210	?	8,805	16,556
Total Revenue	\$11,758	\$ 8,302	\$84,194	\$143,850
Total Operating Expenses	91,669	79,505	78,253	119,598
Net Operating Revenue	* 79,911	* 71,503	5,941.	24,252

\* Loss.

As appears from Table I, the acreage in general crops under this system was substantially the same in 1917 as in 1914. During the same period, the acreage in rice increased from 210 acres

in 1914, to 8,805 acres in 1916 and 16,556 acres in 1917. During the same period, the net earnings increased from a deficit of \$79,911 in 1914 to a profit of \$24,252 in 1917.

The testimony shows that in 1917, fifty-six million pounds of rice were produced under this system and that the delivery of water for the irrigation of ten thousand additional acres of rice, as proposed by the land owners under this system, will presumably result in the production of forty million additional pounds of rice in 1918.

Reference is hereby made to said decision No. 2483, and also to the following subsequent decisions of the Railroad Commission affecting this company:

1. Decision No. 2822, made on October 9, 1915, in Cases Numbers 597 and 673 (Vol. 8, Opinions and Orders of the Railroad Commission of California, p. 279), opinion and order on petition for rehearing.

2. Decision No. 3080, made on February 7, 1916, in Cases Numbers 597 and 673 (Vol. 9, Opinions and orders of the Railroad Commission of California, p. 143), supplemental opinion and order establishing rates, rules and regulations for the irrigating season of 1916.

3. Decision No. 4019, made on January 16, 1917, in Cases Numbers 597 and 673 (Vol. 12, Opinions and Orders of the Railroad Commission of California, p. 304), supplemental opinion and order establishing rates, rules and regulations for the irrigating season of 1917.

4. Decision No. 4460, made on July 14, 1917, in Application No. 2976, order authorizing the sale by Sacramento Valley West Side Canal Company of certain canals and laterals to Princeton-Cedora - Glenn Irrigation District.

5. Decision No. 4463, made on July 16, 1917, in Application No. 2977, opinion and order in application of Sacramento

Valley West Side Canal Company for increase in rates to reimburse Petitioner for contemplated expense of employing guards to protect its property.

6. Decision No. 4726, made on October 6, 1917, in Case No. 1117, Brown, et al., v. Fowler, Receiver, and Case No. 1118, Peterman v. Fowler, Receiver, opinion and order directing defendant to take steps to supply additional water for irrigation.

The present proceeding will be considered under the following heads:

1. New construction.
2. Rates.
  - (a) Rate base.
  - (b) Depreciation annuity.
  - (c) Maintenance and operating expenses.
  - (d) Rates established.
3. Rules and regulations.
  - (a) Filing of applications for 1918 water.
  - (b) Assignment of water for 1918.
  - (c) Time and amount of payment for water.
  - (d) Operation of laterals.
  - (e) Area for which payment is made.
  - (f) Drainage and wastage.

#### I. NEW CONSTRUCTION.

The Petitioner filed as Exhibit No. 1, an estimate of the expenditures required for the service of an additional ten thousand acres of rice land, which estimate appears as Table II.

TABLE NO. II

ESTIMATE OF EXPENDITURES REQUIRED FOR THE SERVICE OF  
AN ADDITIONAL 10,000 ACRES OF RICE LAND,  
PREPARED BY SACRAMENTO VALLEY WEST SIDE CANAL COMPANY.

Estimate of Cost of Temporary Pumping Equipment  
to Supply 250 cu. ft. per sec. Additional Water.

1, 50" B. J. Centrifugal Pump, without pulley, -	\$6,500
1, 50" " " " with " -	6,850
1, Suction discharge line, (Material on hand Fabrication cost only), -	800
1, Suction and discharge line, 36" - 60", -	2,000
1, 300 HP Motor, on hand, -	
1, 300 " " -	4,500
1, Belt, on hand	
1, Belt, -	500
1, Transformer, on hand,	
1, Transformer, -	3,300
2, Switchboards and Equipment, -	900
Freight, Hauling, Valves, Fittings etc., -	1,500
Installation, Housing, Foundations etc., -	1,700
Miscellaneous, Contingencies etc., say, -	<u>4,250</u>
TOTAL, -	\$32,800

Estimate of Cost of Improvement of Canal Between  
Pumping Plant and Stoney Creek.

No. 1	Cutting 28-foot opening through headgates and replacing same, -	\$5,000
No. 2	Excavating around Pumping Plant for pass- age of dredge and cleaning out Main Canal from Headgate to Stoney Creek, 5 months @ \$5,000, -	25,000
No. 3	Removing and replacing McIntosh, Orland Road and Walsh Avenue bridges, -	<u>3,000</u>
	(Forward) -	\$33,000

	Brought forward - - -	\$33,000
No. 4	Pulling trees, stumps and brush, 5 months @ \$1250,-	6,250

These estimates are of great approximation consequently no addition for miscellaneous and engineering seems justified.

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\$39,250

The above work is already under way and expenditures have been made during 1917, in the following approximate amounts:

Item (1) -	\$3,100	
" (2) -	7,200	
" (4) -	<u>2,000</u>	
TOTAL -		<u>12,300</u>
Balance required, say,-		\$27,000

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Estimate of Cost of Improvement of Canal Between Stoney Creek and Irrigated Farms Check.

70,000 Cu. yds. (Approx.) at \$0.40, -	\$28,000
26 Acres Right of Way, " \$150. -	3,900
Contingencies, Incidentals, etc., say-	<u>4,800</u>
	\$36,700

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SUMMARY of funds required to provide an additional supply of 250 Cu. ft. per Sec. required to serve an additional area of 10,000 acres in Rice:

Pumping Plant, -	\$32,800
Section Pumping Plant to Stoney Creek, -	27,000
Section Stoney Creek to Irrigated Farms, Check, -	<u>36,700</u>
TOTAL -	\$96,500

As will be observed, Petitioner estimates that in order to develop sufficient additional water to take care of ten thousand additional acres of rice land, it will be necessary to incur expenditures on three main projects, as follows:

1. Installation of additional pumping equipment to supply 250 cubic feet per second of additional water.
2. Improvement of canal between the pumping plant and Stoney Creek.
3. Improvement of canal between Stoney Creek and Irrigated Farms Check.

It will also be observed that Petitioner's estimate of expenditures for these three projects is as follows:

(1)	Additional pumping equipment,	\$32,800.00
(2)	Improvement of canal between pumping plant and Stoney Creek,	39,250.00
(3)	Improvement of canal between Stoney Creek and Irrigated Farms Check,	36,700.00

At the hearing, Petitioner presented testimony to show that it will be necessary to install three additional 400 K.V. transformers at its pumping plant for the purpose of taking care of the additional electric energy needed to pump the contemplated additional water for 1918. Petitioner testified that the sum of \$8,700.00 should be added to its estimate for this item, making a total estimate of \$41,500.00 for the additional pumping equipment.

Of the total of \$39,250.00 estimated in connection with the improvement of the canal between the pumping plant and Stoney Creek, the sum of \$12,300.00, without overhead, has already been expended in November and December of last year.

Although the petition herein recites that Petitioner will be able to secure enough additional machinery to develop water for only 4,000 additional acres of rice, Petitioner presented testimony at the hearing herein to show that it will undoubtedly be able to secure enough machinery to develop water for the proposed



10,000 additional acres of rice land.

The protestants accepted petitioner's estimate of the cost of additional pumping equipment.

With reference to the improvement of the canal between the pumping plant and Stoney Creek, protestants conceded that the entire expenditure as contemplated would be desirable but expressed some doubt as to whether it would be possible to do this entire work prior to the time when it will be necessary to withdraw the dredge from the canal and place it at work on the intake channel. For this reason, protestants suggested a figure of \$15,000.00 in lieu of the estimate of \$39,250.00 presented by petitioner.

With reference to the improvement of the canal between Stoney Creek and the Irrigated Farms Check, consisting principally in raising the backs of the canal, protestants took the position that it would be sufficient to permit a free board of one foot, while petitioner took the position that safe operation would require a free board of two feet. The estimate of protestants for this work was approximately one-half of the estimate presented by petitioner.

No one suggests that the entire expenditure contemplated by petitioner would not be desirable if the necessary funds were available. I shall assume herein that petitioner will incur the entire expenditure contemplated by it in connection with its proposed work.

The parties all agreed that the cost of the improvement of the canal between Stoney Creek and the Irrigated Farms Check will be chargeable to capital account. There was some disagreement with reference to the proper manner to account for the other two proposed expenditures. Petitioner took the position that the cost of the additional pumping equipment should be considered as an emergency item and charged against the operations of 1918, less assumed salvage. Protestants suggested that this cost be divided, a portion thereof to be charged to capital account

and the remaining portion amortized over a series of years. With reference to the improvement of the canal between the pumping plant and Stoney Creek, Petitioner took the position that this expenditure should be regarded as deferred maintenance and charged to operating expense for 1918, while Protestants contended that about 20 per cent thereof might be charged to deferred maintenance but that the remaining 80 per cent should be charged to capital account. After consideration, I shall recommend herein the adoption of the suggestions made by Mr. E. W. Hawley, the Railroad Commission's Hydraulic Engineer, who suggested that with reference to the pumping equipment, the assumed salvage value should be deducted and the remaining sum amortized over a period of four years and that with reference to the improvement of the canal between the pumping plant and Stoney Creek, the sum of \$5,000.00, being the estimated cost of cutting the opening through the headgates and of replacing the same, should be charged to capital account and the remaining expenditure amortized over a period of ten years. Additional transformers, representing an estimated cost of \$8,700.00 in addition to the estimate originally presented by Petitioner, will undoubtedly remain in use notwithstanding the possible changes hereafter in the pumping equipment and may fairly be charged to capital account.

Mr. W. F. Fowler, the Petitioner herein, testified that he has been authorized by the Federal Court in which the receivership proceeding is pending, to sell additional receiver's certificates amounting to \$40,000.00 and that the so-called Bondholders' Committee is willing to purchase said certificates in addition to permitting the \$25,000.00 of receiver's certificates heretofore issued to remain outstanding. Provision will be made in the order herein so that the receiver will secure in time the remaining funds necessary in connection with the proposed improvements.

## 2. R A T E S.

### (a) Rate Base.

On page 137 of Volume 7, Opinions and Orders of the Railroad Commission of California, will be found a table prepared by Mr. R. W. Hawley, showing the estimated cost of the public utility property of Sacramento Valley West Side Canal Company as of January 1, 1915, the total estimated cost being \$2,751,878.00. To this sum should be added the additions and betterments on this system in the years 1915 to 1918, inclusive, being approximately \$110,000.00. Attention should be directed to the fact that the foregoing estimate includes an item of approximately \$1,234,000.00, with overhead, for laterals which are apparently not owned by Sacramento Valley West Side Canal Company, an item of approximately \$123,725.00 for levees which may more properly be chargeable to the land system instead of to the irrigation system, and an item of \$504,920.00 expended by the old Central Irrigation District, which property would appear to be still vested in this District. This property is operated by the receiver of Sacramento Valley West Side Canal Company as assignee under a lease from the Directors of Central Irrigation District at a rental of \$50.00 per year.

Petitioner attached as Exhibit "A" to his petition herein a statement of the amount claimed to be invested in that portion of the property of Sacramento Valley West Side Canal Company which will be utilized to serve the lands within the boundaries of Central Irrigation District, exclusive of laterals and drains. The total investment thus claimed is \$1,468,856.35. Protestants challenged an item of \$504,920.00 representing the expenditures by the Central Irrigation District, hereinbefore referred to; an item of \$195,024.00 representing expenditures made by Central Canal and Irrigation Company, which expenditures Protestants claim should be reduced to \$123,000.00; and an item of \$87,116.65, being the

amount of the so-called Beckwith judgment, which is a prior lien against the property of Sacramento Valley West Side Canal Company.

Petitioner does not claim a return on the fair value of the so-called River Branch Canal, for the reason that it expects shortly to complete arrangements for the sale of the major portion of this canal to the recently formed Princeton-Codora-Glenn Irrigation District.

(b) Depreciation Annuity.

In Decision No. 2483, made on June 14, 1915, Mr. R. W. Hawley suggested an allowance of \$20,000.00 per year as depreciation annuity. There is nothing in the present record which would justify or require the allowance of any different sum. The rates herein established will ~~xxxx~~ allow for this item.)

(c) Maintenance and Operating Expenses.

Attached to the petition herein as Exhibit "B" is a statement showing maintenance and operating expenses as claimed by Petitioner during the first ten months of 1917, together with an estimate of the expenses for November and December, 1917, the total amount being \$109,904.82.

Petitioner filed herein as Exhibit No. 4 a statement purporting to show, among other matters, actual maintenance and operating expenses for 1917, which ~~xxx~~ statement appears in Table No. III.

TABLE NO. III

. OPERATING EXPENSES FOR 1917 AS  
REPORTED BY SACRAMENTO VALLEY WEST SIDE CANAL  
COMPANY.

PUMPING PLANT EXPENSE:

Power, -	\$28,227.36	
Superintendence,	2,400.00	
Attendance,-	2,052.87	
Other, -	<u>9,357.35</u>	\$42,037.58

<u>INTAKE CHANNEL,</u>	12,105.47
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CANAL OPERATION:

Ditch riders,	11,573.68	
Other,	<u>1,085.75</u>	12,659.43

MAINTENANCE AND REPAIRS:

Canal cleaning and repairs,-		
Earthwork,-	15,630.41	
Canal structures,	6,717.35	
Stoney Creek Weir,	2,245.31	
Other,	<u>311.08</u>	24,904.15

MAINTENANCE AND REPAIRS:

Laterals other than above		
Roads, Bldgs. Equipment,&c.,	6,350.08	

GENERAL EXPENSE:

Salaries and Expenses		
General Officers,	\$3,080.69	
Salaries, Clerks	3,543.25	
General office,	2,297.33	
Law,	46.60	
Railroad Commission,	261.10	
Insurance,	1,506.18	
Guards,	2,959.31	
Taxes,	7,385.78	
Stable and Garage,	50.49	
Forage and Mess,	<u>411.03</u>	21,541.76
		\$119,598.47

The maintenance and operating expenses as reported by Petitioner for 1917 were used by all the parties herein as a basis for an estimate of reasonable maintenance and operating expenses for 1918.

It appears that the sum of \$119,598.47 includes the sum of \$12,300.00, with additional overhead, expended in November and December, 1917, on the improvements which are being installed for the purpose of developing water for the additional rice acreage hereinbefore referred to. It also appears that this sum includes expenditures totalling approximately \$14,000.00 which may be regarded as abnormal and which may properly be amortized over a period of five years. It further appears that an additional expenditure of approximately \$7,000.00 will be incurred to pump the additional water in 1918, and that an additional expenditure of \$5,000.00 will be incurred to free the main canal throughout its entire length from water grass. On the other hand, an item of \$1750.00 incurred in 1917 for repairs to bridges will not recur in 1918, for the reason that the County has now taken over the maintenance and repair of these bridges. Allowance must be made for amortization of those portions of the expenses to be incurred in connection with the improvements hereinbefore set forth, not properly chargeable to capital account.

After careful consideration, I find that the sum of \$115,000.00 is a just and reasonable sum to be allowed for maintenance and operating expenses and amortization as hereinbefore set forth, on the assumption that this irrigating system will in 1918 deliver sufficient water for the irrigation of 26,000 acres of rice land and 15,000 acres of general crops.

(d) Rates Established.

The rates in effect under this system are as follows:

Flat Rates.

For rice,.....\$7.00 per acre per annum.  
For all other crops,----- 2.00 per acre per annum;

or

Measured Rates.

Where water is measured, the rate shall be \$2.00 per acre per annum for the use of 1 1/2 feet per acre during the irrigating season, with an additional charge of \$1.50 per acre-foot per annum for each acre-foot used in excess of 1 1/2 acre-feet.

These rates were originally established by this Commission by its order of June 14, 1915. Under these rates, the remarkable development of irrigation in Glenn and Colusa Counties hereinbefore referred to has taken place and under them the operations of Sacramento Valley West Side Canal Company have been changed from an operating deficit of \$79,911.00 in 1914 to an operating profit of \$24,252.00 in 1917.

The order herein will provide, as petitioned by Protestants and as, in effect, conceded by Petitioner, that Petitioner shall incur the necessary expenditures to develop enough additional water to irrigate in 1918, 26,000 acres of rice land and 15,000 acres of general crops.

At the rates herein set forth, Petitioner will derive from this water the following revenue:

Rice land - 26,000 acres at \$7.00 per acre,	\$182,000.00
General crops - 15,000 acres at \$2.00 per acre,	<u>30,000.00</u>
Total revenue,	\$212,000.00

Under an allowance of \$115,000.00 for maintenance and operating expenses and \$20,000.00 for depreciation annuity, there will be remaining the sum of \$77,000.00 as return on the fair value of the property of this irrigation system.

This return is equivalent to a return of 6 per cent on the sum of \$1,283,333.00, of 7 1/2 per cent on the sum of \$1,100,000.00, and of 8 per cent on the sum of \$962,500.00. Even though through some unforeseen contingency, the maintenance and operating expenses

for 1918 should exceed those herein allowed, the return to the Canal Company would nevertheless be a just and reasonable one. I find as a fact that the rates herein established by the Railroad Commission to be charged by this irrigation system are just and reasonable rates and I recommend that the request of the Petitioner that these rates be increased be denied.

The petition herein alleges, in part, that a number of land owners in the territory supplied by the Petitioner with water desire water before the maximum demand arises during the irrigating season, for the purpose of germinating grass seed in the rice fields. The petition further alleges that a number of land owners desire water ~~for~~ after the close of the period of maximum demand for the purpose of moistening the land for early fall plowing. Petitioner alleges that in either event, the rate of 75 cents per acre for 4 acre inches of water, or fraction thereof, to be served at one time, with a proportionate charge for any amount of water exceeding 4 acre inches, would be a fair and reasonable rate. Petitioner asks that he be permitted to establish such a rate in addition to the normal season rates. At the hearing, the representatives of the land owners agreed that it was desirable to have such a rate established and that the amount of the rate as suggested by the Receiver is just and reasonable. The order herein will establish this rate. The revenue to be derived therefrom will be in addition to the revenue hereinbefore estimated to be received by Petitioner in 1918.

While the rates now being charged for water served under this system are just and reasonable, the Receiver is entitled to assistance from the land owners, so that he may be enabled to make the expenditures necessary for the contemplated improvements hereinbefore set forth. Leaving out of consideration the payment of \$12,300.00 already made in November and December, 1917, the proposed improvements, if all the work contemplated is done, may reasonably be assumed to require an additional expenditure of \$105,200.00.



As already stated, the Receiver can readily secure from the sale of additional receiver's certificates the sum of \$40,000.00. This leaves the sum of \$65,200.00 which must be secured from some <sup>other</sup> source. The irrigators have heretofore accompanied their application for water with a payment of 10 per cent of the cost of the water, this payment being made ~~approximately~~ on February 15th.

It was suggested by the land owners at the hearing herein that it might be fair to increase the initial payment to 20 per cent. This would give the Receiver approximately \$42,400.00 from this source on or about February 15th. These funds, together with the proceeds from the sale of the contemplated receiver's certificates and the cash on hand should be sufficient to enable the Receiver to carry out the proposed improvements. It is entirely fair and reasonable, under the circumstances, that the initial payment to be made by irrigationists for the coming season should be thus increased and the order herein will so provide.

### 3. RULES AND REGULATIONS.

#### (a) Filing of Applications for 1918 Water.

Applications for water in 1917 were filed on or before February 15, 1917. It is desirable that similar applications for 1918 be filed as early as possible consistent with reasonable notice by Petitioner to the land owners under the system. The order herein will provide that applications for water during the season of 1918 must be filed on or before February 15, 1918. Upon receipt of a copy of the opinion and order herein, the Petitioner should immediately proceed to give notice of this date, both by mailing to its customers of 1917 and by one publication in a daily newspaper, published in Willows, so that all parties desiring water for 1918 may receive notice.

(b) Assignment of Water for 1918.

Petitioner's Exhibit No. 5 shows that applications for 44,854.93 acres of land for rice and general crops had already been made by January 15, 1918. This list includes an application by Mr. P. B. Cross for 8914.5<sup>acres</sup> of rice land, which application Petitioner assures the Railroad Commission will be withdrawn. Nevertheless, it is apparent from this list and from the fact that many of the land owners who received water in 1917 have not as yet made their applications for 1918, that demand will be made for the entire available water for 1918 and very possibly for more water than the Receiver can supply. Under these circumstances, reasonable provision should be made for assignment by Petitioner of its available water. Land owners who used water in 1917 and who make application on or before February 15, 1918, should receive without diminution the full amount of water for which they apply, provided that it does not exceed the amount used in 1917. If there is not enough water available to supply all applications made on or before February 15, 1918, the water remaining after the requirements of the 1917 users, as hereinbefore set forth, have been met, should be divided, pro rata, among all applicants for additional water. The land owner who used water on a certain portion of his land in 1917 and who desires to rotate his crop and to use water on not to exceed the same number of acres of another portion of his land, should be accorded the same rights as the land owner who desires to use water in 1918 on the same land on which he used it in 1917.

In view of the fact that Petitioner may not have available as much water as may be applied for, provision should be made to prevent a land owner from applying for more water than he really needs or intends to use, in the hope that his pro rata may nevertheless give him all the water which he really intends to use. In order to prevent any such abuse, Petitioner will be directed to post in his office in Willows, at a point conveniently available

for public inspection, a list of all <sup>applications</sup> ~~applications~~ for water, beginning immediately on receipt of a copy of the opinion and order herein, this list to have added thereto, day by day, the new applications received up to and including February 15, 1918. Final assignment of water for the irrigating season of 1918 shall not be made by Petitioner until advised by the Railroad Commission that such assignment may be made. Five days will be given to land owners under this system, subsequent to February 15, 1918, to protest to the Railroad Commission, if necessary, that any applicant has applied for more water than he, in good faith, intends to use. The Railroad Commission will promptly take action and will thereupon advise Petitioner that he may make final assignment of 1918 water in accordance with direction to be given by the Railroad Commission.

(c) Time and Amount of Payment for Water.

The order herein will provide that all applications for water, both for rice land and for general crops, shall be accompanied by a payment of 20 per cent of the cost of the water applied for, the balance to be pay in five equal monthly installments.

While some suggestion was made at the hearing that this provision should not apply to irrigationists producing general crops, the additional payment on the first installment will in no event be large and all land owners under this system should co-operate to make it possible for the Petitioner to make the improvements which will result in the development of a large additional acreage under this system and in the attendant enhancement of the prosperity of the community.

(d) Operation of Laterals.

Under the supplemental orders heretofore made by this Commission in Case No. 597 and Case No. 673, it has been provided that the cost of operating and maintaining the laterals should be

borne by the land owners and not by the Receiver.

Suggestion was made at the hearing herein that this arrangement has not in all respects proved satisfactory, for the reason that a number of the land owners have not properly maintained their laterals, causing inconvenience and loss to other land owners depending upon the same laterals for their water. It was suggested that as soon as possible, provision should be made for the maintenance and operation of all the laterals by the irrigation system and that such additional rate as might seem fair and reasonable be established to cover the additional cost to the utility. After some discussion, however, in which attention was drawn particularly to the fact that the entire situation may shortly be changed by the sale of the River Branch Canal, it was agreed by the utility and the land owners that such arrangement shall be deferred for another year and that in the meantime the cost of maintaining and operating the laterals shall continue to be borne by the land owners and not by the utility.

(e) Area for which payment is made.

Attention was directed at the hearing to the fact that there has been some confusion in the matter of determining the acreage for which payment for water is to be made by the irrigationists. As to large tracts of land, the utility's practice has apparently been to survey the exterior boundaries and to charge for the entire area, including all sloughs and similar areas on which water is not used for irrigation. Mr. R. W. Hawley testified that, in his opinion, payment should be made only for the net area of the crop. This course seems just and reasonable. The Petitioner's rules and regulations should be amended accordingly.

A number of land owners owning relatively small parcels of land drew attention to the fact that at times roads and laterals take off a substantial portion of the tract. These land owners suggested that it is not just that they should pay for the area

thus deducted. Mr. E. C. Mills, Petitioner's engineer, testified in response to this contention that the utility has never questioned the acreage for which the small land owner has applied for water and that on checking the properties of such land owners, the utility always leaves out the roads. There is apparently no necessity for an order on this point.

(1) Drainage and Wastage.

The orders heretofore in effect have provided that the utility is authorized to make rules and regulations by which the service of water to rice growers may be discontinued in any case where the owner or person growing rice has not provided for a proper levee surrounding the field of growing rice, so as to prevent the wastage of water and that the utility may provide rules and regulations which will prevent the users of water for rice growing purposes permitting water to escape from the bottom of the checks after the flood stage has been reached. It was suggested at the hearing herein that at times it is desirable to ~~have~~ drain checks to free them from alkali and that some provision ought to be made so that the rice growers may be permitted to perform such drainage. On the other hand, it was urged that a considerable amount of water has been wasted by certain rice growers and that other irrigationists, particularly small land owners growing general crops, suffer/severely during the last irrigating season by reason in part of such wastage. The utility clearly ought to be permitted considerable discretion in handling such situations. I am not convinced of the necessity of making any change, in this respect, in the rules heretofore in effect. If the request to drain the checks is made at a time when other irrigationists will not be injured thereby, I assume that the utility will permit such action to be taken. At other times, the utility may reasonably refuse permission to do so.

In any event, the matter may be drawn to the attention of the Railroad Commission if the parties cannot work out the situation between themselves.

I submit the following form of order:

O R D E R.

A public hearing having been held in the above entitled proceeding, the same having been submitted and being now ready for decision,

IT IS HEREBY ORDERED as follows:

I.

That WILLIAM F. FOWLER, Receiver of the property of SACRAMENTO VALLEY WEST SIDE CANAL COMPANY, be and he is hereby directed to make such improvements and incur such expenditures as may be necessary so that the irrigation system of Sacramento Valley West Side Canal Company will have developed during the irrigating season of 1918, sufficient water to irrigate at least 26,000 acres of rice land and 15,000 acres of land planted to general crops.

II.

That the petition of William F. Fowler, Receiver, for an increase of rates charged for water delivered and sold from the system of Sacramento Valley West Side Canal Company is hereby denied.

III.

The following rates, rules and regulations, which the Railroad Commission finds are just and reasonable rates, rules and regulations, are hereby established to be charged and observed by Sacramento Valley West Side Canal Company and by William F. Fowler, Receiver of the property of said company, during the irrigating season of 1918:

I. Sacramento Valley West Side Canal Company and William F. Fowler, Receiver of the property of said company, are hereby authorized to charge for water furnished at the bank of the Main and River Branch Canals during the irrigation season of 1918, the following rates:

Flat Rates.

For rice,.....\$7.00 per acre per annum;  
For all other crops,..... 2.00 per acre per annum;  
or

Measured Rates.

Where water is measured, the rate shall be \$2.00 per acre per annum for the use of one and one-half ( $1\frac{1}{2}$ ) feet per acre during the irrigating season, with an additional charge of \$1.50 per acre-foot per annum for each acre-foot used in excess of one and one-half ( $1\frac{1}{2}$ ) acre-feet.

The amount of water for which said rates shall be charged shall be the amount of water finally delivered at the private laterals of the land owners, the company bearing the loss due to evaporation and seepage between the Main and River Branch Canals and the land where the water is used.

Sacramento Valley West Side Canal Company and William F. Fowler, Receiver of the property of said company, are also authorized to deliver water before and after the maximum demand therefor during the irrigating season, for the purpose of germinating water grass seed in the rice fields or for moistening the land for early fall plowing, or otherwise, at the rate of 75 cents per acre for four(4) acre inches of water, or fraction thereof, to be served at one time, with a proportionate charge for any amount exceeding four (4) acre inches, payment to be made after each run of such water.

2. Such additional laterals as may be necessary to serve the land owners under the system of Sacramento Valley West Side Canal Company shall be constructed at the expense of the land owners and according to standard specifications of Sacramento

Valley West Side Canal Company.

3. The cost of operating and maintaining the laterals during the irrigation season of 1918 shall be borne by the land owners and not by the Receiver.

4. Where it is necessary to construct gates in the bank of the Main and River Branch Canals, through which the water is to be delivered, said gates shall be constructed and maintained by and under the supervision of the Sacramento Valley West Side Canal Company and the Receiver thereof, provided that the land owner shall advance the cost of the same.

5. Land owners desiring water for irrigation of lands during the season of 1918, apart from the special use before and after the maximum demand during the irrigating season hereinbefore referred to, shall make application to the utility in writing, describing the land desired to be irrigated and the kind of crops to be raised thereon, this application to be made on or before February 15, 1918, on the condition that a payment of 20 per cent of the cost of the water applied for shall accompany the application, the balance to be paid in five equal <sup>monthly</sup> installments. Where the flat rate is in excess of \$2.00 per acre, such payments may be evidenced by promissory notes dated the first day of each month, beginning May 1, 1918, all payable November 1, 1918, such notes to be secured by a crop mortgage, which shall be a first lien on the crop, or, in case such crop mortgage can not be given, then other security shall be given to the satisfaction of the utility, such notes to bear interest at the rate of 7 per cent per annum. Where the flat rate is not in excess of <sup>\$2.00</sup> ~~two dollars~~ per acre, cash shall be paid to the said Receiver in monthly payments in advance for the water to be furnished during the season of 1918, but said Receiver is authorized, in his discretion, in such cases to take security satisfactory to him for the payment of such water rates.



6. The utility, immediately on receipt of a copy of this order, shall post in its office in Willows, California, in a place accessible to the public, a list of applications for water theretofore made, and shall add thereto, from day to day, such additional applications as may be made to and including February 15, 1918. The data thus posted shall show the name of the applicant, the date of the application, the description of the property, the crop to be raised and the total acreage for which application is made.

The utility, immediately on receipt of a copy of this order, shall mail to each customer during 1917, a notice stating that application for water for the irrigating season of 1918 must be filed on or before February 15, 1918, and stating the information to be contained in such application. The utility shall also forthwith publish a copy of such notice in a daily newspaper published in Willows, California.

On or before February 20, 1918, any applicant for water for the irrigating season of 1918 may write a letter to the Railroad Commission, drawing attention to the fact, if it be a fact, that any other applicant has made application for an amount of water in excess of that which he, in good faith, intends to use in 1918. The utility shall not make final assignment of water for 1918 until authorized so to do by the Railroad Commission. In making such assignment, water users of 1917 will, if applied for by them, be assigned water up to the full amount used by them in 1917, without deduction by reason of any possible necessary proration of water. Water applied for by them in excess of that used in 1917 or applied for by other land owners will, if the water applied for should exceed that which is available, be pro rated after the 1917 users have had assigned to them the amount of water applied for by them for 1918, not exceeding the amount used in 1917.

7. If any land owner or consumer of water during the irrigation season of 1917 has not paid in full for water the rates authorized by the Railroad Commission to be charged for water, he shall be required to pay the entire season's rates in cash in advance at the time of filing his application.

8. The Receiver is authorized to make rules and regulations by which the service of water to those growing rice may be discontinued in any case where the owner or person growing rice has not provided for a proper levee surrounding the field growing rice so as to prevent the wastage of water, and is also authorized to provide rules and regulations which will prevent the users of water for rice growing purposes permitting water to escape from the bottom of the checks after the flood stage has been reached.

9. The rates, rules and regulations herein established shall remain in effect to and including October 31, 1918. These rates, rules and regulations are being established for the irrigating season of 1918 and the order heretofore made on June 14, 1915, in Cases Numbers 597 and 673 shall remain in effect except as modified by this order and shall again be in full force and effect on and after November 1, 1918.

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 25<sup>th</sup> day of January, 1918.

May Helen  
H. D. Toland  
W. H. Ford  
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Commissioners.