

Decision No. 599

BEFORE THE RAILROAD COMMISSION
OF THE STATE OF CALIFORNIA.

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: In the matter of the application of :
: W. W. WILCOX, DAN JOHNSTON and O. L. :
: EMERY for an order authorizing them :
: to sell a certain water system near :
: Colton, California, to the CLARA VISTA :
: WATER COMPANY, a corporation, and author- :
: izing said corporation to purchase said :
: water system and to issue in exchange :
: therefor \$30,000 par value capital stock :
: and \$60,000 par value bonds. :
:

Application No. 321

Arthur Wright for applicants.

GORDON, Commissioner:

O P I N I O N .

W. W. Wilcox, Dan Johnston and O. L. Emery each own an undivided one-third interest in a water system supplying water for domestic and irrigation purposes to a small community adjacent to and just east of the City of Colton, California. This water system, at present, supplies approximately fifty domestic consumers and twenty-five irrigation consumers. The three gentlemen who now jointly hold this water system have formed the Clara Vista Water Company, incorporated in September, 1912, with an authorized capital of 300 shares of the par value of \$30,000. This corporation has an authorized bond issue of 120, 20 year, six per cent (6%), gold bonds of the par value of \$60,000, which bonds are to be secured by a deed of trust executed substantially in accordance with the form of a deed of trust attached to the application in this proceeding and marked "Exhibit C." The present application requests, first, an order of the Commission authorizing the three individuals who now jointly own the water system which is the subject of this application to transfer the ownership of the water system to the Clara Vista Water

Company, also authorizing said company to purchase this water system, and, secondly, for an order of this Commission authorizing said Clara Vista Water Company to issue all of its capital stock of the par value of \$30,000, and all of its authorized bonds of the par value of \$60,000 in exchange for the water system so received.

The property, real and personal, comprising the water system to be transferred is set forth in "Exhibit F" attached to the application in this proceeding as follows:

The west one seventh (1/7) of lots ten (10) and eleven (11) in Block fourteen (14) of San Bernardino Rancho and in the County of San Bernardino, State of California, as per map of the San Bernardino Rancho, as per plat recorded in Book 7 of maps at page 2, of the Records of said County.

That portion of Block two (2) of the Colton Terrace Citrus Tract in the County of San Bernardino, State of California, a map of which is of record in Book 1, at page 30 of maps, of the Records of said County and which portion of said lot is more particularly described as follows: Beginning at a point on the north line of said Block two (2) distanced one hundred eighteen (118) feet west of the Northeast corner of said Block two (2); thence running south thirty (30) degrees East two hundred feet (200); thence at right angles Southwesterly ninety (90) feet; thence at right angles Northwesterly to the North line of said Block two (2); thence Easterly to the point of beginning.

All franchises, rights, privileges, wells, machinery, pumping plants, engines, pumps, pipe lines, reservoirs, equipment, aqueducts, ditches, irrigation plant and system, domestic water plant and system, water and water rights, tools, fittings, implements and all other personal property of whatever kind and nature now connected with said water system and more particularly described in part as follows:

Wells, Machinery and Equipment.

1 Well,	diameter	20 in.,	depth	400 ft.
1 Well,	"	15 "	"	500 "
1 Well,	"	12 "	"	96 "
1 Well,	"	12 "	"	665 "
1 Well,	"	12 "	"	700 "

Pumping Plant No. 1.

1 Pit, 10 x 10 feet, depth 40 ft.
1 No. 6 Centrifugal Pump.
1 - 50 H.P. Electric Motor, complete with all necessary appliances.
1 Building 10 x 40 feet.

Pumping Plant No. 2.

- 1 100 H. P. Electric Motor.
- 1 Ingersoll and Rand Air Compressor, with all necessary pipes and appliances.
- 1 Building 12 x 40 feet.

4 Room cottage

- 25 Miners inches of water, continuous flow.
- 300 Miners inches of pumped water.

Pipe Lines.

Domestic System.

2900	Ft.	Steel Riveted Pipe,	24 in.	Dia.
1600	"	"	"	9 "
1320	"	"	"	6 "
1000	"	"	"	5 "
7500	"	"	"	4 "

Fittings.

- 3 - 9" Hub end gate valves
- 3 - 6" " " " "
- 1 - 10" " " " "
- 3 - 4" " " " "

Irrigating System.

3650	Ft.	Vitrified Pipe,	14 in.	Dia.
1320	"	"	12 "	"
1100	"	"	10 "	"
14860	"	"	6 "	"
1660	"	"	4 "	"

Fittings.

- 700 - 1 1/2" Stand Pipes with valves
- 15 - 6" Hub end Gate Valves
- 10 - 4" " " " "
- 1 - 14" " " " "

The Commission's engineer has made a valuation of the property comprising the water system to be transferred. The three gentlemen who now own this water system have, subsequent to the filing of this application, been making extensive improvements in the water system, which improvements are being paid for in cash. I find that the value of the physical properties to be transferred is entirely adequate to warrant the issuance by the Clara Vista Water Company of the stock and bonds herein applied for.

I, therefore, recommend that this application be granted, and submit herewith the following form of order:

O R D E R .

W. W. Wilcox, Dan Johnston and C. L. Emery having applied for an order of this Commission authorizing them to sell a certain water system near Colton to the Clara Vista Water Company, and the Clara Vista Water Company having applied for an order of this Commission authorizing it to purchase said water system and to issue in exchange therefor its capital stock of the par value of \$30,000 and bonds of the par value of \$60,000, and a public hearing having been duly held upon this application, and the Commission finding that the purposes for which said stock and bonds herein applied for are to be used are not in whole, nor in part, reasonably chargeable to operating expenses, or to income,

IT IS HEREBY ORDERED That W. W. Wilcox, Dan Johnston and O. L. Emery be and they are hereby authorized to sell, and that Clara Vista Water Company be and it is hereby authorized to purchase all the real and personal property comprising that certain water system now owned by said individuals and situated adjacent to and just east of the City of Colton.

IT IS FURTHER ORDERED That Clara Vista Water Company be and it hereby is authorized to issue 300 shares of its capital stock of the par value of \$30,000 and 120 first mortgage, 20 year, 6% gold bonds of the par value of \$60,000, secured by a deed of trust executed substantially in the form of the deed of trust attached to the application in this proceeding and marked "Exhibit C," upon the following conditions, and not otherwise, to-wit:

1. The stock and bonds herein authorized to be issued shall be issued so as to net Clara Vista Water Company the equivalent of the par value thereof.
2. The stock and bonds herein authorized to be issued shall be issued only in exchange for all the real and personal property comprising the water system adjacent to the City of Colton and now jointly owned by W. W. Wilcox, Dan Johnston

and O. L. Emery. Reference is hereby made to the enumeration in the foregoing Opinion of the real and personal property to be given in exchange for the stock and bonds herein authorized.

3. Applicant shall keep separate, true and accurate accounts showing the receipt and application in detail of the proceeds of the sale of said bonds hereby authorized to be issued, and on or before the 25th day of each month the company shall make a verified report to the Commission, in accordance with the Commission's General Order No. 24, stating the sale or disposition of such bonds during the preceding month, the terms and conditions of such sale or other disposition, the moneys realized therefrom and the use and application of such moneys.

4. The authority hereby given to issue stock and bonds shall apply only to capital stock or bonds issued by Clara Vista Water Company on or before November 1, 1913.

5. The payment of the minimum fee prescribed in Section 57 of the Public Utilities Act shall be a condition precedent to the effectiveness of this order.

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 24th day of April, 1913.

Railroad Commission State of California

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APR 30 1913
BY H. W. Hutchinson
Assistant Secretary

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H. D. Loggins
Alvin Gordon
Max Shelton
Edwin O. Edgerton
Commissioner