

Decision No. 6577

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

---oOo---

In the matter of the application
of CORTE MADERA WATER COMPANY to
increase rates.

) Application No. 4401.

TOWN OF CORTE MADERA,

Complainant,

vs.

) Case No. 1309.

F. A. WILSON, doing business under
the firm name and style of Corte
Madera Water Company, Doherty Com-
pany, a corporation, and Bradbury
Estate Investment Company,

Defendants.

John J. Mazza for complainant.
F. A. Wilson in propria persona.
E. L. Doherty, for Doherty Company,
Goodfellow, Eels, Moore & Orrick, by
J. C. Goodell, for Mary M. Bradbury.

BY THE COMMISSION:

O P I N I O N

The complaint alleges that defendant F. A. Wilson, doing business under the name and style of Corte Madera Water Company, is now and long has been operating a public utility water distributing system, furnishing water

for domestic uses within the town of Corte Madera, Marin County; that each of defendants own an interest in the system, the nature and extent of which interest is unknown to the complainant; that the tanks are broken and dilapidated, by reason of which it will be impossible during the summer months to furnish water; that when the springs now furnishing water become dry defendants intend to take water from wells in the Town of Larkspur, which during the dry season from May to November are polluted, unsanitary and not fit for domestic use; that the system is connected with the 18 inch mains of Marin Municipal Water District, passing through the Town of Corte Madera; that its water is wholesome and sufficient in quantity; that the neglect and lack of repair complained of is due to conflicting interests of the respective owners, and a lack of agreement between them as to the proportions in which the obligation to serve the public should be borne. The prayer is that the Commission determine which of defendants is chargeable with the duty of furnishing water; that it order the system repaired and put in condition to furnish a sufficient supply of wholesome water, and that it grant general relief.

The answer of Mary M. Bradbury alleges that defendant, the Bradbury Estate Investment Company, was formerly a corporation, but was dissolved by decree of the Superior Court December 20, 1917; that on April 24, 1917 it sold to E. L. Doherty all of its interest in the water system situated in the towns of Larkspur and Corte Madera, except the pipes and equipment on the property

occupied by Mrs. Bradbury in Corte Madera as her residence; that on August 1, 1910 said estate executed a lease of said system to defendant Wilson and that the estate has not operated said system at any time since said August 1, 1910. The prayer is that the complaint be dismissed as to Bradbury Estate Investment Company. At the hearing a motion to the same effect was submitted with the case. No answer was filed by defendants Wilson or Doherty Company, but at the hearing they practically admitted the allegations of the complaint.

The application to increase rates alleges that because of increased cost of labor, materials, power and water purchased from Marin Municipal District, applicant's revenue is insufficient to provide maintenance, operation and depreciation charges upon the system which consists of about five miles of mains, varying from 3/4 inch to 4 inches in diameter, and supplying about 85 services.

A public hearing in both proceedings was held before Examiner Westover at San Francisco, at which by stipulation both matters were consolidated for hearing and decision.

Most of the services in question are located in what is known as Corte Madera Woods, a subdivision placed on the market in 1911 by E. L. Doherty, who installed pipes and services at his own expense as part of the improvement of the subdivision. He did not directly operate the system, but arranged orally with Mr. Wilson to supply water to purchasers of lots in his subdivision and collect rates.

He has operated the system ever since, except that it was operated by the town for three months expiring September 20, 1918. Both Wilson and Doherty have made improvements and additions to the system.

The Bradbury system, as alleged in Mrs. Bradbury's answer, was leased to Mr. Wilson August 1, 1910; title is at the present time in Mary M. Bradbury; neither she nor her husband during his lifetime operated the system after August 1, 1910; but the pipe system, together with 1.8 acres of land on which is located the well complained of, is under contract of sale to E. L. Doherty, dated April 24, 1917, under which Mr. Doherty received and retains possession of the property.

It appears from the testimony and from the admission of the parties that the service at times has been poor, particularly during the summer season when it is most needed because of shortage of water and large influx of summer visitors. There are times when some of the consumers at the higher elevations are entirely without water. This condition must be effectively corrected at once.

The system involved in the present proceedings lies to the westerly of the Northwestern Pacific Railroad, a large portion of it being upon abrupt wooded hills and serving consumers at elevations ranging from nearly sea level to about 900 feet above sea level. Water during the winter is developed from springs and stored in three 10,000 gallon wood stave tanks at an elevation of about 443 feet above sea level, from which most of the system is served by gravity; and from which water for the remainder of the system is pumped to a wood stave tank at an elevation of about 920 feet above sea level.

- The Marin District serves in this territory at present by gravity only, and its water can be supplied by

gravity only at elevations 260 feet above sea level and lower. From this point Marin water must be pumped to the tanks at about 443 feet elevation, and from that point again pumped to the tank at about 920 feet elevation.

The testimony concerning the group of three tanks shows that foundations of two of them are in very bad condition so that one is entirely out of service and the other will hold only about two feet of water; and that the one on the highest elevation will hold but little water because the staves are badly shrunken through lack of pumping facilities to keep the tank filled.

The pump used to lift water to the three tanks is in such a poor state of repair that it supplies only a small part of its capacity. The parties all agree that the foundations for the tanks should be reconstructed and the tanks repaired, that the pumping capacity should be increased and that automatic/^{electric}control should be installed so that the tank will always be kept filled. It was estimated that these installations and repairs would cost about \$800 to \$1000.

These improvements have not been made heretofore because the parties were uncertain as to who was responsible for them, and lack of means to pay for them. The order herein provides rates which will justify the necessary investment, and upon which we anticipate that the needed money therefor can be procured.

The Public Utilities Act by Sections 2 (w), 2 (x), 2 (bb), 13 and other sections, places the obligation to render high class service upon owners of water systems as well as those controlling, managing and operating them.

If it is the desire of the parties that the public utility property or parts thereof should be conveyed or leased, suitable application for such authority should be made to the Commission

under Section 51 of the Public Utilities Act, which makes unauthorized transfers void.

It was agreed at the present hearing by the parties that water would not in the future be served from the wells complained of, or any wells at Larkspur, but that water which could not be supplied by the springs would be supplied from the mains of Marin Municipal Water District, as demanded by consumers. In the spring of 1919, the rates of the Marin District were increased about 25 per cent, which complaint and consumers realize will increase the cost of water purchased by defendants and be reflected in their rates.

The present monthly rates which were established by Decision No. 4190 of March 19, 1917, (See Volume 12, Opinions and Orders of the Railroad Commission, page 704), are approximately those which were in force by Marin Municipal Water District at the time of the hearing in 1917, with which all parties expressed satisfaction at that time. The rate schedule is as follows:

Minimum monthly charge, including 280 cu.ft. or less	\$ 1.00
For the next 220 cu. feet per 100 cu.ft. .	.35
For the next 500 cu. feet per 100 cu. ft. .	.25
For amounts over 1000 cubic feet per 100 cubic feet.20

The following tabulation of the operating expenditure and income of the system is taken from the annual reports filed with the Commission:

	1915	1916	1917	1918	1919*
**Lease	\$372.00	\$572.00	\$219.00	\$183.00	\$180.00
Power	80.10	66.45			65.00
Water Purchased	25.00	180.00	510.00	465.72	500.00
Miscellaneous	130.00	145.00	150.00	159.69	190.00
Superintendent	<u> --</u>	<u> --</u>	<u> --</u>	<u>300.00</u>	<u>360.00</u>
	\$657.10	\$763.45	\$879.00	\$1108.41	\$1295.00
Income	1529.15	1587.05	1747.75	\$1158.40	

*Estimated

**This item reported by Mr. Wilson as above has heretofore been considered by the parties as rental of the system.

In 1919 expenditure is estimated and represents the annual charges properly chargeable against the present consumers. The present cost of superintendence can be reduced by installation of automatic devices for the control of pumping machinery. The amount estimated for this item is based on such an installation. The Marin Municipal Water District increase in rates will increase expenditure for water purchased except for a few months during the winter when spring water is available. Allowance has been made for the increased use and cost.

The rates set out in the order are estimated to return to applicants at least the annual charges estimated above, and are based upon the water use of 1918, as submitted by applicant. They can only be justified by excellent service, which must be assured before they become effective.

O R D E R

Public hearings having been held in the above entitled case and the matter having been submitted and now ready for decision,

IT IS HEREBY FOUND AS A FACT that F. A. Wilson, Doherty Company, E. L. Doherty and Mary M. Bradbury own, and F. A. Wilson operates the water system at Corte Madera, Marin County, known as Corte Madera Water Company.

Basing its order upon the above finding of fact, and upon all the findings of fact contained in the opinion preceding this order,

IT IS HEREBY ORDERED THAT F. A. Wilson, Doherty Company, E. L. Doherty and Mary M. Bradbury, owing and operating the said water system, within thirty days repair all their storage tanks and foundations thereof, increase pumping capacity by repairing present pumps or installing additional or substituted pumping equipment, and install automatic electric control for regulating the water level in all storage tanks.

IT IS HEREBY FURTHER ORDERED that until the further order of the Commission, the water hereafter served through said system be obtained only from Marin Municipal Water District or the springs of applicants.

IT IS HEREBY FOUND AS A FACT, that the rates hereinafter set forth are just and reasonable rates, and that the present rates of said Corte Madera Water Company are non-compensatory and unreasonable; and basing its order upon the above findings of fact and upon all the findings of fact contained in the opinion preceding this order,

IT IS HEREBY ORDERED that said F. A. Wilson, Doherty Estate, E. L. Doherty and Mary M. Bradbury, owning and operating

the water system at Corte Madera, Marin County, under the fictitious name of Corte Madera Water Company, be and they are hereby authorized and empowered to hereafter charge and collect the following schedule of monthly rates for water served from said system, upon compliance with the conditions hereinafter set forth:

RATE SCHEDULE

Initial annual charge, per year per service, including 200 cu.ft. per month for the first six months,	\$ 6.00
Monthly minimum for subsequent months, including 200 cu.ft. of water per month . . .	1.00
For next 800 cu.ft. per 100 cu.ft.40
All over 1000 cu.ft. " 100 " "30

MONTHLY FIRE HYDRANT RENTAL

For service through 20 hydrants or less, . . .	\$22.50
For service through each additional hydrant installed50

This authority to increase rates is granted upon the condition that the improvements herein ordered be first installed, that supplemental order be entered herein reciting that fact; and that schedule of said rates be first filed, as required by law.

Dated at San Francisco, California, this 16th day of August 1919.

Edmund G. Edgerton
H. D. Lytard
Frank H. Kelly

Commissioners.