

1926 with three hundred shares of stock at the par value of ten dollars (\$10.00) each. The Articles of Incorporation, among other things, provide:

"D. To furnish, sell, lease, give and supply water to be used only on lands owned by its stockholders within the County of Riverside, State of California, within outside boundaries to be fixed by the by-laws of this corporation for agricultural, domestic, or other purposes at cost and in such manner as it may seem best, or as may be prescribed by law."

The testimony of the Directors P.L. Mennes and D.W. Lewis indicates that the boundaries of this district were fixed to cover the subdivision known as Fortsite and First Addition to Fort Fremont comprising one hundred and sixty lots owned by the following subdividers:

P.L. Mennes-----91 lots
Charles W. White----28 lots
D.W. Lewis-----33 lots
Harris Kettering---- 8 lots

To each lot was assigned one share of stock and the balance of one hundred and forty shares was divided among the above mentioned parties in proportion to the money each advanced toward the construction of the water system. All the stock is outstanding and issued. Neither the Articles of Incorporation nor the By-laws provide that the stock shall be appurtenant to the land or lots. Parcels of land and lots have been sold and transfers made without including the water stock. The original subdividers seemed to be the chief offenders in this regard, retaining for themselves a large majority of the stock. At the present time the above subdividers own and control two hundred and thirty-eight shares of the stock of the defendant corporation although but three lots are now owned by the said subdividers.

The evidence shows that for several years defendant has

delivered water for compensation to consumers who were not stockholders in the corporation. No apparent effort has been made by the operators of this company to maintain the integrity of its status as a mutual concern. The Board of Directors of defendant company has indicated to the Commission that it now considers that it would be to the best interests of all parties concerned to operate in the future as a public utility rather than a mutual water company. It is clear that in its operations defendant has dedicated its service of water to the public generally and is therefore a public utility subject to the control and jurisdiction of this Commission. The following Order will require Fortsite Mutual Water Company to file with the Railroad Commission its rates, rules and regulations.

O R D E R

Complaint as entitled above having been filed with this Commission, public hearings having been held thereon, the matter having been duly submitted and the Commission being now fully advised in the premises,

IT IS HEREBY ORDERED that, within thirty (30) days from the date of this Order, Fortsite Mutual Water Company, a corporation, shall file with this Commission the schedule of rates now being charged by it for water delivered to its consumers within the area described as Fortsite and First Addition to Fort Fremont Subdivision, and in the vicinity thereof, in the County of Riverside.

IT IS HEREBY FURTHER ORDERED that Fortsite Mutual Water

Company, a corporation, shall file with this Commission, within thirty (30) days from the date of this Order, rules and regulations governing relations with its consumers, said rules and regulations to become effective upon their acceptance for filing by this Commission.

Dated at San Francisco, California, this 7th day of October, 1933.

C. L. Seavey
Leon Whitwell

W. J. Cunniff

M. B. Harris

Commissioners