

Decision No. 28087

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
OAKS WATER COMPANY OF HILLSBOROUGH,
for a certificate of public convenience
and necessity to sell and distribute
water to residents of CAROLANDS, in the
City of Hillsborough, San Mateo County,
California.

ORIGINAL

Application No. 19555.

W.O. Lang, for Applicant.

Damian L. Reynolds, for
Brewer Improvement Association.

BY THE COMMISSION:

O P I N I O N

In this application Oaks Water Company of Hillsborough, a corporation, asks the Commission for a certificate of public convenience and necessity to operate a water system in the Carolands subdivision to the Town of Hillsborough, County of San Mateo, and asks for the approval of a schedule of rates for this area.

A public hearing was held in this proceeding before Examiner MacKall at Hillsborough.

The present "Carolands" subdivision lies wholly within the city limits of Hillsborough and consists of a 554-acre tract of land, being a portion of the estate of Mrs. Harriett Pullman Schermerhorn. This property was first placed on the market in 1929 by Lang Realty Corp. The water system supplying the prop-

erties is now operated by Oaks Water Company of Hillsborough, a corporation controlled by W.O. Lang and his brothers. This company also owns and operates two other water works, both public utilities serving in adjacent territory, one called the Brewer Tract Plant and, the other, the Hillsborough Oaks System, the former being tied in with the Carolands distribution mains.

A small portion of the water supply is obtained from wells on the Schermerhorn property but practically all of the water must be purchased either through the Brewer Tract Plant or from the municipal system of the City of San Francisco, indirectly through the Crystal Springs Country Club. According to the testimony of W.O. Lang, the company intends in the near future to install a direct line to the San Francisco transmission conduit which will require booster equipment to serve the Carolands tract. Storage facilities are adequate for present demands and, as water is available from two independent sources other than the wells, continuous service should be assured. The tract at present is in the initial development stage, there being but six consumers besides the Schermerhorn buildings and adjacent grounds and gardens.

The streets and roadways in the subdivision have not been dedicated to the public. All necessary rights of way and easements for pipe lines and other water works facilities have been reserved to the water company in all sales made within the tract. No protest was made against the granting of this certificate except to the extent that Damian L. Reynolds, appearing in behalf of the Brewer Improvement Association, requested assurance that this new system would not interfere with the water service which the same company furnishes to consumers in the Brewer tract. As the Carolands plant is tied in with the San Francisco water

system, the residents of said Brewer tract will be afforded greater security against possible water shortage than prior to interconnection of these two company units.

Carolands lies along rolling foothills and the parcels are sold in acreage plots under rigid building restrictions and require large quantities of water, most of which must be purchased by applicant at rather high rates. No other water is available in sufficient quantities in any of the adjacent territory. The terrain makes distribution costs higher than the average and for this reason the rates to consumers necessarily must be above normal charges. Although the company's present earnings are far less than its operating expenses, it desires to place in effect the same rates charged in the Brewer tract. These rates, being just and reasonable at this time for the service rendered to consumers in Carolands, will be established in the following Order. It should be noted here that each of the three units now operated by this applicant is treated as an independent plant in so far as rates are concerned, their operating costs being completely segregated although owned and managed by the same company.

At the time of the hearing of this matter, applicant was unable to show sufficient evidence of right to install and maintain all of the pipe lines, pumping plants, reservoirs and other appurtenances and facilities necessary for proper operation of the water works throughout the entire Schermerhorn estate. W.O. Lang was requested to obtain such authorization as would be reasonably necessary therefor and acceptable to the Commission. Applicant has now filed with the Commission a copy of an unexecuted instrument in which Wells Fargo Bank and Union Trust Co., a corporation, purports to grant to applicant the right to use and maintain ex-

isting facilities and necessary rights of way and easements, etc., for the operation of this plant. The above grant is sufficient for the requirements herein and upon final execution thereof the certificate will become effective as provided in the following Order. Under the circumstances, no municipal franchise will be required for the purposes of this proceeding.

O R D E R

Oaks Water Company of Hillsborough, a corporation, having made application as entitled above, a public hearing having been held thereon, the matter having been submitted and the Commission being now fully advised in the premises,

The Railroad Commission of the State of California hereby declares that public convenience and necessity require that Oaks Water Company of Hillsborough, a corporation, operate a water system for the purpose of supplying water for domestic and other uses in Carolands, a subdivided tract of land situate within the corporate limits of the Town of Hillsborough, as more particularly shown and delineated upon a map attached to the application herein which is hereby made a part of this Order by reference, subject to the following conditions:

1. The Oaks Water Company of Hillsborough, a corporation, shall file with this Commission, within sixty (60) days from and after the date of this Order, a duly executed instrument granting to said company, its successors and assigns the right and privilege of installing, operating, maintaining and using water transmission distribution facilities within the said Carolands subdivision, together with whatever additional rights and privileges, easements and rights of way over and across the lands of the estate of Harriett Pullman Schermerhorn, in and/or adjacent to said subdivision, as may be necessary and required for

the proper operation of the public utility water system supplying the said Carolands subdivision, said instrument to be substantially in the same form as that unexecuted instrument proposing to grant said rights, privileges, etc., which was filed with this Commission on the twelfth day of June, 1935, in behalf of Oaks Water Company of Hillsborough in connection with the instant proceeding.

2. Upon the acceptance for filing by the Railroad Commission of a certified copy of such an instrument, the certificate herein above provided for will become effective.

IT IS HEREBY ORDERED that Oaks Water Company of Hillsborough, a corporation, be and it is hereby authorized and directed to file with this Commission, within thirty (30) days from the date of this Order, the following schedule of rates to be charged for all service rendered to consumers in Carolands subdivision to the Town of Hillsborough subsequent to the date upon which the certificate herein granted becomes effective.

METER RATES

To apply to all metered service.

Monthly Service Charge:

5/8-inch meter-----	\$0.50
3/4-inch meter-----	0.75
1-inch meter-----	1.25
1½-inch meter-----	1.75
2-inch meter-----	3.00
3-inch meter-----	4.50
4-inch meter-----	6.00

Monthly Quantity Rates:

To apply to all water used.

From 0 to 50,000 gallons, per 1,000 gallons-----	\$0.42
Over 50,000 gallons, per 1,000 gallons-----	.40

Municipal Use

Fire hydrants owned and installed by Oaks Water Company
of Hillsborough, each, per month-----\$1.50

Fire hydrants owned and installed by the Town of
Hillsborough, each, per month----- 1.00

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IT IS HEREBY FURTHER ORDERED that Oaks Water Company of Hillsborough, a corporation, be and it is hereby directed to file with the Railroad Commission, within thirty (30) days from the date of this Order, rules and regulations governing relations with its consumers in Carolands subdivision to the Town of Hillsborough, said rules and regulations to become effective upon their acceptance for filing by this Commission.

For all other purposes, the effective date of this Order shall be twenty (20) days from and after the date hereof.

Dated at San Francisco, California, this 28th day
of June, 1935.

M. B. Lewis
W. H. [unclear]
Frank P. [unclear]
Commissioners.