

Decision No. 28346

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
THE SAN JOAQUIN & KINGS RIVER CANAL  
& IRRIGATION COMPANY, INCORPORATED,  
a corporation, to acquire certain  
canals and ditches within its service  
area.

ORIGINAL

Application No. 20023.

J.E. Woolley, for Applicant.

BY THE COMMISSION:

O P I N I O N

The San Joaquin & Kings River Canal & Irrigation Company, Incorporated,<sup>(1)</sup> a corporation, is engaged in the public utility business of supplying water principally for agricultural irrigation purposes and also, to a limited extent, for domestic, industrial and municipal uses in the counties of Fresno, Merced and Stanislaus in a gross service area of approximately 146,700 acres extending about seventy-one miles from the Mendota Dam on the San Joaquin River to a point approximately three miles north of the Town of Crows Landing.

In this petition, The Canal Company asks the Commission to approve the acquisition by it of the distribution canals now owned by the Poso Canal Company, a mutual water company which ob-

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1. Applicant hereafter will be referred to as The Canal Company.

tains its water supply from The Canal Company but distributes it directly to consumers for irrigation of lands in territory embracing approximately 45,000 acres lying at the extreme head of The Canal Company's system at Mendota Dam and extending northwesterly to a point approximately midway between the towns of Los Banos and Dos Palos. Permission also is asked to acquire the Sullivan Extension of the Outside Canal, a ditch taking out of The Canal Company's Outside Canal at a point near Los Garzas Creek running northerly approximately five miles in the vicinity and west of the Town of Gustine, near the extreme lower end of the system. The Extension is owned by a large number of private parties through whose land it passes.

POSO CANAL COMPANY'S SYSTEM:

Poso Canal Company owns the following canals:

Helm Canal,  
Poso Canal,  
Riverside Canal,  
Parsons Ditch,  
Central Canal,  
Santa Rita Ditch,  
Helm Ditch,  
Lucerne Ditch.

It also owns and operates an extensive drainage system composed of canals, ditches, sloughs, and certain pumping plants. The 45,000-acre territory served by the Poso Canal Company is generally designated as the "Poso area." Water supplied to the various land-owners and tenants in said area is billed directly to the users by The Canal Company at its regular public utility rates. In addition to this, said users have been assessed by the Poso Canal Company for the charges of maintenance and operation of the mutual canal system as well as for maintenance and operation of the drainage facilities. There is therefore an

added burden upon these water users for irrigation costs in excess of that borne by the other and regular consumers of The Canal Company throughout the remainder of its system. The record indicates that the total extra expense for irrigation water in recent years has varied between eleven thousand and sixteen thousand dollars per annum.

The Poso Canal Company owns no water rights and has paid its out-of-pocket expenses by assessments levied against its stockholders. There appears at this time to be no large outstanding indebtedness. Each acre of land within the Poso area has appurtenant to it and running with the land one (1) share of stock in the mutual company.

The Canal Company proposes to acquire title to the above canals which is to be granted by the mutual company for no cash consideration. Thereafter, said company will maintain and operate all the above irrigation canals and distribute the water through them to consumers' ditches at its own expense and in conjunction with the operation of its utility canal system. Poso Canal Company is to maintain its existing organization, hereafter to be devoted mainly to the operation and maintenance of existing drainage works in the Poso area.

#### SULLIVAN EXTENSION OF THE OUTSIDE CANAL:

The Sullivan Extension throughout its five miles in length serves a large number of consumers in the area west of Gustine. It was built by private capital and obtains its water from The Canal Company at the end of its Outside Canal. Prior to 1928, the consumers on this extension were given but a secondary right to water, receiving only excess or surplus waters after the demands of the regular public utility consumers had been satis-

fied. Since 1928, as a result of instructions from the Railroad Commission, these consumers were placed upon an equal basis with all regular irrigators throughout the utility system. Although The Canal Company at its own expense for a period of several years last past has distributed water to the various users under this canal, it has spent little or no money in its maintenance and improvement. All the owners of the lands through which this canal now runs have agreed to grant to the utility, without charge, clear title thereto and additional rights of way if necessary, provided it will thereafter maintain and operate the canal as a part of its own system. In view of the multiplicity of ownership of the various portions of this canal under present operating methods, it is clearly to the best interests of all concerned that The Canal Company acquire and assume the responsibility of its maintenance in the future. Although some cleaning, repair and replacement work will be necessary, the expense will not be great. The Canal Company also asks authority to extend this canal from its present terminus to connect with its Main Canal at a point in or near Section 26, Township 7 South, Range 8 East, M.D.B. & M. As this is necessary in order to take care of tail, or waste, waters, this request will be approved.

In Decision No. 22228, issued the nineteenth day of March, 1930, 34 C.R.C. 473, in which the rates and territory of service for The Canal Company were established by this Commission, the Poso area was considered as a part of the gross service area of The Canal Company. The proposal to acquire the Poso canals therefore will not increase the acreage to be supplied by said company. Although the question arose during the hearings in connection with the above rate case as to the advisability of

the utility serving lands in the Poso area directly, nothing definite was determined at that time. The additional expenses for the operation of the Poso canal system and the Sullivan Extension should not result in any demand or necessity for an increase in the rates now charged for public utility irrigation service. No objection was made by any consumers or other interested parties to the granting of the request of applicant. It appears therefore that the existing unfair discrimination in the rates paid by the water users in the Poso area should be eliminated and that said users should be placed on a basis of equality with other irrigators throughout the system.

C R D E R

The San Joaquin & Kings River Canal & Irrigation Company, Incorporated, a corporation, having made application to acquire certain canals and ditches within its present service area, a public hearing having been held thereon before Examiner MacKall at Los Banos, the matter having been submitted and the Commission being now fully advised in the premises, now, therefore,

IT IS HEREBY ORDERED that The San Joaquin & Kings River Canal & Irrigation Company, Incorporated, a corporation, be and it is hereby authorized:

1. To acquire from the Poso Canal Company and thereafter operate the following canals and ditches:

Helm Canal  
Poso Canal  
Riverside Canal  
Parsons Ditch  
Central Canal  
Santa Rita Ditch  
Helm Ditch  
Lucerne Ditch

as said canals and ditches are more specifically described in Exhibit "A" attached to the application herein and hereby made a part of this Order by reference.

2. To acquire and operate the Sullivan Extension of the Outside Canal as said canal is more particularly described in Exhibit "A" attached to the application herein.
3. To extend and operate said Sullivan Extension of the Outside Canal from its present terminus to a point in or near Section 26, Township 7 South, Range 8 East, M.D.B. & M.

IT IS HEREBY FURTHER ORDERED that, upon the acquisition of the above properties, two (2) certified copies of the final instrument of conveyance of the canals in the Poso area shall be filed by The San Joaquin & Kings River Canal & Irrigation Company, Incorporated, with this Commission within sixty (60) days of the date of execution thereof.

The authority herein granted shall become effective upon the date hereof.

Dated at San Francisco, California, this 12th day of November, 1935.

Leon A. Wells

W. J. Cunn

W. J. Cunn  
Frank R. Cunn