

Decision No. 62484

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Investigation on the Commission's own motion into the rates, charges, contracts, rules, regulations, classifications, operations, practices, services, or any of them of BEN STEFFEN, operating under the fictitious firm name and style of CENTRAL VALLEY WATER COMPANY in the distribution and sale of water for domestic and other purposes in the vicinity of Central Valley, Shasta County, State of California.

ORIGINAL

Case No. 4449

E. L. Boles, W. S. Price, Ray Blanchard, A. O. Foley, K. C. Apperson, F. R. Williams, Leslie Pancake, N. S. George, T.E.McShane, E. W. Ware, Ralph Shockley, Charles Walters, Mrs. R. C. Anderson, A. A. Lopus, Guy A. Bray, Chris Moskoff, Henry W. Snyder, Geo. F. Hammond, Wimpy's Cafe, (J. Steele), C.B. Aikin, F.M. Keith, David I. Jamison, Mrs. J.B. Howell, Mrs. R.H. Barton, C.W. Lotspeich, Mrs. Blanche Jamison, Evans Martin, Dee Sherwood, T.E. Newman,

Complainants

Case No. 4455

vs.

Ben Steffen, doing business as Central Valley Water Company,  
Defendant.

E. L. Boles, for Complainants.

Ben Steffen, for Defendant.

RILEY, COMMISSIONER:

O P I N I O N

The Town of Central Valley, located in Shasta County a few miles north of the City of Redding, is an unincorporated community originally known as "Boomtown" which recently was founded and came into being as a result of the proposed erection of the new Shasta Dam, the

major impounding structure of the Central Valley Project now in course of construction under the control and supervision of the United States Department of the Interior, Bureau of Reclamation. This settlement is composed principally of people attracted by the opportunity for employment on the project and engagement in various and sundry business enterprises connected therewith and catering to the needs and requirements of the new residents. Originally the vanguard of early settlers in this district simply "camped out" in temporary habitations all located, however, within a fairly well defined territory about six miles north of the City of Redding and lying between the Pacific Highway (U.S.No. 99) and the Shasta Dam site on the Sacramento River. As the influx of newcomers steadily increased there arose a most serious need for a water distribution service and for necessary sanitary measures. The insistent demand for proper water service resulted in the Railroad Commission ordering an investigation upon its own motion into the condition of water service in this area with specific reference to the water operations of one Ben Steffen who had dug a few wells in the community and was selling water to certain of the inhabitants. Immediately thereafter a formal complaint was filed against this same Ben Steffen by a large group of the inhabitants of Central Valley under the chairmanship of E. L. Boles.

A public hearing in these two matters was held in Redding and by stipulation among all interested parties thereto, both proceedings were combined for the taking of evidence and for final decision.

The early history of this settlement, according to the record in these proceedings, shows that as soon as definite knowledge became public as to the approximate time of beginning of construction of the Shasta Dam, together with its various allied projects and units, both temporary and permanent, a large number of real estate operators entered the City of Redding and various real properties adjacent to the Dam site. Several parcels of land were acquired and subdivided

into lots of various shapes and sizes and placed on the market for sale in and about the district now called the town of Central Valley. No particular thought or concern was given to the water problem, which, by reason of the general scarcity of live streams and springs, and the negligible underground water supply in this territory resulted in an acute water shortage crisis throughout the summer months especially during 1939.

In May of the year 1938 Ben Steffen installed a few pipe lines in the Central Valley area, obtained from Elmer H. Johnson, the subdivider of a tract designated as "Boomtown Unit No. 2," the use of a shallow well located almost in the middle of two intersecting streets or roadways and commenced the distribution of water for compensation under the fictitious firm name of Central Valley Water Company. This Street Well or Town Well, as it is sometimes called, has since been abandoned by Steffen, but is equipped with a hand pump and is still available for public use when not dry in the summer. Steffen also received from various real estate promoters a new site for a well and a parcel of ground for storage facilities. Thereafter he acquired other lots for another storage tank and additional wells.

During the same month of May in 1938 Mr. Steffen obtained from the County Board of Supervisors permission to lay and maintain water pipes in, on, or across all or any of the public roads or streets in the original "Boomtown Subdivision" and in four other adjoining subdivisions, Boomtown Units No. 2, No. 3, No. 4 and No. 5. It appears in the record, however, that water service is now being supplied outside of the above subdivided areas. Under the circumstances Mr. Steffen should take immediate steps to acquire the necessary permission from the County authorities to construct and maintain water pipes covering all of the service area now involved and to be covered by his water operations in this immediate vicinity.

The present water supply is obtained from five shallow dug

wells, varying in depth from 12 to 32 feet, including a well leased at \$50 per month from Mrs. Ethel Grigsby, for a period expiring January 1, 1940. Electrically-driven pumps deliver water from the wells directly into the distribution mains and into the two 10,000-gallon storage tanks. A 2,000-foot transmission main of secondhand  $3\frac{1}{2}$ -inch O.D. casing connects the Grigsby well with the town water mains at El Cajon Avenue. The distribution pipes consist of approximately 11,800 feet of reconditioned 3 and 4-inch O.D. casing and about 4,000 feet of secondhand standard pipe from one inch to  $2\frac{1}{2}$  inches in diameter. In July of 1938 there were 15 consumers, while on August 31, 1939, there were 141 service connections, of which 110 were active.

A report was submitted by E. L. Clark, one of the Commission's engineers, which sets forth the estimated original cost of the used and useful properties of the Steffen system at \$11,928, as of September 18, 1939. This report gives the total revenues as \$2,825 for the 12-month period ending August 31, 1939, and the estimated future annual operation and maintenance expenses at \$1,867, including a depreciation annuity of \$247 computed by the sinking fund method at 5%.

In the formal complaint filed by the water users in this proceeding it was alleged that the Central Valley Water Company had never provided an adequate water service, that there were frequent and protracted interruptions in water deliveries, at times covering a period of several consecutive days; that the rates were unreasonable and not uniform as between users of the same general class of demand; that some water users had been unfairly discriminated against through the imposition of charges for pipe installations. The major cause of complaint, however, was that the water supply was wholly insufficient to supply the reasonable needs and requirements of the users and that Mr. Steffen had made no serious efforts to develop or obtain a proper quantity of water for his consumers.

From the evidence it appears that there are now no particular or serious objections to the general basic charges when water is available, but that dissatisfaction has arisen because of the lack of uniformity in the application of rates between various users for the same or similar classes of service, especially among domestic residential consumers. The schedule of rates established in the following Order and the provision set forth therein for the adoption of the Commission's standard classification of rules and regulations should eliminate in the future all further unreasonable discrimination among the consumers on this system.

There remains then the major problem of water supply which from all evidence available appears to be most serious. The service area of this water works lies well up on the ridge above the left or easterly bank of the Sacramento River. Bed rock is not far beneath the ground surface at any point in this general vicinity, and the overburden, while retentive of rainfall and stream percolation, yields water very slowly. The wells in this district are only shallow dug wells incapable of producing any large volume of water or standing up under sustained pumping. A most serious hazard to developing underground waters arises from the wide-spread use of outdoor privies and cess-pools.

The summer and early fall months in this part of the country are usually dry and at times excessively hot, producing a heavy demand for water among all classes of users at the time of the year when the available water supply unfortunately is at the point of lowest yield. During the abnormal drought of the summer and fall of 1939 conditions of water supply in Central Valley soon became almost unbearable, almost bordering upon a water famine. While this latter season was probably the most serious dry spell of record for many years last past, the evidence nevertheless clearly and conclusively shows that even in normal years the water available on this system will be entirely

inadequate.

Mr. Steffen testified that he had deepened existing wells in an attempt to procure additional water and that well No. 1 had been deepened to 32 feet at which point a cross or intercepting tunnel about forty feet in length had been driven in an effort to capture all possible underground seepage at this point. These measures, however, resulted in a production not in excess of 2,000 gallons per day which appeared to be typical of the yields obtained by lowering or deepening the other wells. As a matter of fact during the latter part of September the wells had failed to such an extent that it became necessary for this Commission to direct Mr. Steffen to haul in water from outside sources which was done by means of tank wagons delivering water into well No. 4 which at that time was producing only a few hundred gallons daily.

The testimony shows that to obtain water directly from the Sacramento River would require the pumping of water against an elevation of 685 feet and some five or six miles of pipe line at a cost of approximately \$24,000, an amount wholly out of the question as far as financing by this defendant is concerned. Another possible and suggested source of supply was from a tank located near the construction camp owned by one of the contracting firms building the Shasta Dam. There is a lift of 450 feet from the Sacramento River to this tank where a booster pumping plant would have to be installed to work against an additional 250 feet of elevation, together with about  $3\frac{1}{2}$  miles of pipe line, to deliver water into the town of Central Valley. There appeared, however, little possibility of receiving permission from this contracting firm to obtain water from its plant. Apparently there remains a possibility of developing water upon the adjacent ranch properties of Mrs. Ethel Grigsby, who has already leased the use of one of the wells on her property to the Central Valley Water Company for a period of months ending on the last day of December of 1939. There is a considerable likelihood of developing some substantial increase in water supply by intercepting under-

ground water at a point on the said Grigsby ranch where surface seepage indicates the presence of subsurface drainage channels. The testimony indicates that acquisition of the right to develop this proposed source of supply can be obtained for \$1,000. This particular area is claimed to be far enough beyond the present zone of surface contamination to eliminate any serious danger in the use of water therefrom for domestic purposes.

The testimony of all witnesses concerning the development of more water in this area shows definitely that there are no other possibilities economically feasible either to the operator of this waterworks or to the consumers and residents in the area served. A further obstacle to the expenditure of any large sum of money to obtain water for this territory and one which is entitled to and must be given due consideration is the uncertainty of the permanence of this community in the future. As conditions now exist it is not possible to determine what the fate of the town of Central Valley and adjacent settled areas will be after completion of construction work on the Shasta Dam and on the necessarily allied projects including highway construction and reconstruction, railroad relocation, and building of the power house.

Heretofore some speculation had arisen as to the status of the water service of the Central Valley Water Company's plant. The dedication of its service to the public use generally, is now fully conceded by its owner. No controversy any longer exists on this issue. This system is operating as a public utility and as such is under the control and jurisdiction of the Railroad Commission.

Review of the record in these proceedings shows conclusively that the existing water supply facilities of the Central Valley Water Company are wholly inadequate and that immediate steps must be taken to provide additional storage facilities and more water in order to prevent the recurrence of a serious water shortage during the coming summer and fall.

This utility now has reached the limit of its capacity to meet present demands. No further consumers of water can be served without injuriously withdrawing the supply wholly or in part from those who are now entitled to water. Therefore, under Section 5 of the Act For Regulation Of Water Companies, Statutes of 1913, Chapter 80, Page 84, and as amended, it becomes necessary and incumbent upon this Commission to forbid the extension of service to any new consumers until such time as an adequate and proper supply of water has been obtained by this utility.

O R D E R

Based upon the conclusions and findings set forth in the foregoing Opinion, it is hereby found as a fact that the water works owned by Ben Steffen in and in the vicinity of the town of Central Valley in the County of Shasta, and operated under the fictitious firm name and style of Central Valley Water Company, is a public utility, and as such is under the control and jurisdiction of the Railroad Commission of the State of California.

IT IS HEREBY ORDERED that Ben Steffen be and he 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 his consumers residing in and in the vicinity of the town of Central Valley in the County of Shasta for all water delivered on and after the 18<sup>th</sup> day of March, 1940, which schedule of rates is hereby found to be just and reasonable for the service to be rendered:



FLAT RATES

|  | <u>Per Month</u> |
|--|------------------|
| Residences or Apartments of 3 rooms<br>with bathroom and toilet,.....                              | \$2.00           |
| Restaurants and cafes,.....  | 2.50             |
| Stores, shops, garages, lumber yards, service<br>stations, and other business establishments,..... | 2.00             |

All other users not provided for above shall be placed upon a metered basis.

METER RATES

Monthly Minimum Charges:

|                            |      |
|----------------------------|------|
| 5/8 x 3/4 inch meter,..... | 2.00 |
| 3/4 inch meter,.....       | 2.50 |
| 1 inch meter,.....         | 3.00 |
| 1 1/2 inch meter,.....     | 4.00 |
| 2 inch meter,.....         | 6.00 |

Each of the foregoing "Monthly Minimum Charges" will entitle the consumer to the quantity of water which that monthly minimum charge will purchase at the following monthly quantity rates:

Monthly Quantity Rates:

|  |      |
|--|------|
| First 1,000 gallons or less,.....          | 2.00 |
| Next 3,000 gallons, per 100 gallons,.....  | .15  |
| Next 6,000 gallons, per 100 gallons,.....  | .10  |
| Over 10,000 gallons, per 100 gallons,..... | .05  |

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IT IS HEREBY FURTHER ORDERED as follows:

1. That Ben Steffen be and he is hereby ordered to file with this Commission within thirty (30) days from the date of this Order detailed plans and specifications for increased storage facilities and for an additional water supply for the water works owned and operated by him under the fictitious firm name and style of Central Valley Water Company in the town of Central Valley in the County of Shasta, said plans and specifications to be subject to the approval of this Commission and the improvements to be installed and connected with the said water system and in operation in a manner satisfactory to this Commission on or before the thirty-first (31st) day of May, 1940.

2. That Ben Steffen be and he is hereby directed to submit, within thirty (30) days from the date of this Order, to this Commission for its approval, rules and regulations covering the service of water to his consumers.
3. That Ben Steffen be and he is hereby forbidden to connect any new or additional water consumers to any part of his water system or to supply, or cause to be supplied, water to any such new or additional consumers by any means whatsoever, until further order of this Commission.
4. That commencing the first month immediately following the date of this Order Ben Steffen shall file monthly not later than the tenth day of each month, a statement showing the true and correct number of active water consumers served by his system as of the first day of such month.

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

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 27<sup>th</sup> day of February, 1940.

Ray & Riley  
Francis Murphy  
Robert W. ...  
...  
Justice J. ...  
COMMISSIONERS.