

Decision No. 22757

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
ARVIN RICHARDSON for a certificate
of public convenience and necessity
to operate a public utility water
system and for authority to charge
consumers for domestic and irriga-
tion service.

Application No. 22757

ORIGINAL

Arvin Richardson, in propria persona

BY THE COMMISSION:

O P I N I O N

In this proceeding Arvin Richardson, operating a water system under the fictitious firm name and style of Mesa Acres Water Company, asks the Commission to grant him a certificate of public convenience and necessity to operate as a public utility in a territory comprising some 1,500 acres, situate five miles easterly of the City of Bakersfield in Kern County. The Commission is also asked to establish rates.

A public hearing in this matter was held before Examiner Stava at Bakersfield.

The evidence shows that in 1929 a water system was installed by L. P. Sorensen in a portion of this district, in connection with the subdivision of a ten-acre tract of land and operated as a mutual plant by water users until the year 1934. In that year applicant acquired and operated the system under a written agreement entered into with the stockholders and consumers. Thereafter from time to time the water system was extended by applicant to adjoining and nearby subdivisions upon the request of the owners thereof. The water works now consists of three wells, a concrete

reservoir, 120,000 gallons in capacity, three small pressure tanks, and 27,000 feet of distribution mains, ranging in size from 2 to 8 inches in diameter. Owing to the variations in elevation of the district served, the distribution system is divided into two zones. The upper zone is supplied with water from two of the three wells and is distributed to the consumers by a pressure tank system. The surplus water yielded by these wells flows into the concrete reservoir and thence to the lower zone by gravity. Water from the upper wells is very soft in quality, but the third well located in the low zone produces a water so hard as to be unsatisfactory without blending, for which reason it is used for domestic purposes only when the demand for water exceeds the supply from the soft water wells. Surplus water, when available, is furnished for field irrigation from the hard water well.

There are now 140 consumers. The properties served vary from average residential lots to parcels of several acres. Water is furnished primarily for domestic purposes. The charges are largely on a flat rate basis of three dollars per month for premises consisting of one house and a lot frontage of 60 feet or less, and four dollars per month for a house upon a lot of greater frontage. A further charge of one and one-half dollars per month is made for each additional house on the lot. Meters have been installed on a few services. The system as a whole is poorly designed. The efficiency of pumping operations is unreasonably low. Applicant has agreed to remedy these conditions and testified that he also intends to drill a new well at a lower elevation in an attempt to intercept the soft water strata.

Applicant had no records of the plant investment or the operating expenditures. Mr. J. C. Luthin, one of the Commission's engineers, presented a report which showed the estimated original cost of the system to be \$28,353 as of December 22, 1939, and the estimated annual operating expenses under present conditions for

the immediate future as \$4,200, including an allowance for depreciation of \$570. Revenues for the year ending December 31, 1939, amounted to \$4,135.

The existing flat rate charges do not provide for the present diverse classes of demand and have resulted in inequalities and discrimination in charges. The new flat rate schedule established in the following Order will distribute the costs more uniformly in accordance with actual water consumption. Water in large quantities has been furnished for irrigation use to some of the acreage parcels when not required for domestic use. This water comes from the hard water well and not being available at all times upon demand is not considered or intended to be provided as a regular class of service. However, the evidence shows that the present charge of 15 cents per hour's run of the pump for crop irrigation actually results in the sale of this water at a charge actually less than its cost of production. A more reasonable rate for this type of service would be 30 cents to 35 cents per hour. It is not the intent of this decision to prevent the sale of surplus water; however, irrigation water should not be furnished either at the expense or to the detriment of the domestic consumers. As soon as the additional water is developed and the main capacities are properly increased, an irrigation rate should then be filed to cover such service.

The area for which a certificate is requested embraces 1,500 acres of land. The character of these properties varies from sage brush lands to cultivated fields, citrus groves and homesites. Applicant's system now extends over approximately 300 acres. Five mutual water companies, or associations, also operate within the 1,500 acres and generally furnish both domestic and irrigation water to a total of 370 acres. These mutual concerns operate in tracts which have been subdivided into parcels of from one to ten acres, devoted mainly to walnut and citrus culture. Set out below is a list showing these mutual organizations, the acreage and number of consumers served by each:

<u>Name of Company</u>	<u>Service Area in Acres</u>	<u>Number of Consumers</u>
Kern Mesa Mutual Water Company	40	25
Garden Acres Tract Water Company	80	7
Sunshine Tract Water Company	80	20
Loma Park Water Company	160	25
Magunden Water Company	<u>10</u>	<u>22</u>
Total	370	99

At the hearing held in this proceeding protest was made by representatives of the Kern Mesa Mutual Water Company, Sunshine Tract Water Company, and Loma Park Water Company, against granting to applicant a certificate embracing their respective operating districts, mainly upon the grounds that adequate service is already being provided therein. However, representatives of the Garden Acres Tract Water Company and Magunden Water Company asked that the tracts supplied by them be included in applicant's certificated area and requested applicant to extend its domestic service to the residents of their tracts as soon as possible. The owners of 295 acres of land, now in acreage but about to be subdivided, testified that their properties will require water from applicant in the near future as soon as subdivided and placed upon the market for sale.

In reviewing the evidence and testimony presented in this proceeding it is clear that public convenience and necessity has been established throughout the requested territory except as to those areas now provided with water by the protesting mutual water companies and within that certain other district comprising approximately 300 acres of land now under cultivation for the production of agricultural crops for which no present nor immediate future desire for domestic water service was indicated.

Under the circumstances, therefore, applicant will be granted a certificate of public convenience and necessity to cover the lands now being served by him, together with the additional lands for which water service has been requested by the landowners or the

mutual water companies, but excluding, however, those lands now supplied with water by the three protesting mutual water companies,-- Kern Mesa Mutual Water Company, Garden Acres Tract Water Company, and Sunshine Tract Water Company, and also excluding the aforesaid 300 acres more or less of cultivated agricultural lands for which no domestic water service is desired at this time.

Applicant presented evidence that he has procured the necessary operating permits for pipe line construction and maintenance from the County of Kern.

The schedule of rates established in the following Order provides for a drastic reduction in the existing charges which were conceded to lack uniformity and to be basically too high. The following schedule is fair and just under existing conditions and compares favorably with similar charges for the same general classes of service in this section of the state.

O R D E R

Application as entitled above having been filed with the Railroad Commission, a public hearing having been held thereon, the matter having been duly submitted and the Commission now being fully advised in the premises,

The Railroad Commission of the State of California hereby declares that public convenience and necessity require the operation of a water system by Arvin Richardson in those certain portions of Sections 25, 26, 35 and 36, Township 29 South, Range 28 East, M. D. B. & M., located about five miles east of the City of Bakersfield and more specifically described as follows:

Beginning at the northwest (NW) corner of the south half (S $\frac{1}{2}$) of the north half (N $\frac{1}{2}$) of Section 26, Township 29 South, Range 28 East M.D.B.& M., and running east along the center line of the quarter section to the center line of Sterling Road, thence south along the center line of Sterling Road to the northwest (NW) corner of the

southeast quarter (SE $\frac{1}{4}$) of said Section 26, being the intersection of Sterling and Nile Streets, thence east along the quarter section line (center line of Nile Street), to the northwest (NW) corner of the southeast quarter (SE $\frac{1}{4}$) of said Section 25, (being the intersection of Nile and Sunset Drive); thence south (S) along the quarter section line (center line of Sunset Drive) to the south (S) boundary of said Section 25 (Center line of Pioneer Drive); thence east (E) along the section line (center line of Pioneer Drive) to the center line of Park Drive; thence south (S) along the center line of said Park Drive to the northeast (NE) corner of the southwest quarter (SW $\frac{1}{4}$) of the northeast quarter (NE $\frac{1}{4}$) of Section 36; thence west (W) along the center line of the quarter section to the northwest (NW) corner of the southeast quarter (SE $\frac{1}{4}$) of the northwest quarter (NW $\frac{1}{4}$) of Section 36; thence north (N) along the center line of the quarter section to the center line of Pioneer Drive; thence west (W) along the center line of Pioneer Drive to the center line of Fairfax Drive thence south (S) along the center line of Fairfax Drive to the north boundary of the right of way of the East Side Canal; thence in a northwesterly direction along the north boundary of the right of way of the East Side Canal to the center line of Sterling Road; thence north (N) along the center line of Sterling Road to the north boundary of the right of way of the Southern Pacific Railroad; thence northwesterly along the north boundary of said Southern Pacific Railroad right of way to the west boundary of Section 35; thence north (N) along section lines to the point of beginning. And, in addition thereto will include that parcel of twenty-five (25) acres more or less, delineated as follows:

Beginning at a point on the quarter section line and approximately 660 feet east of the center point of Section 36,--being the northeast corner of the property of the Southern California Edison Company, and thence east (E) along the quarter section line approximately 1,320 feet to the east boundary of the ten-acre lot and thence south (S) along the east boundary of the said ten-acre lot to the north (N) boundary of the right of way of the Southern Pacific Railroad and thence in a northwesterly direction along the north boundary of the right of way of the Southern Pacific Railroad to the east boundary of property of the Southern California Edison Company and thence north (N) along the east boundary of the Southern California Edison Company to the point of beginning.

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be and it is hereby granted to Arvin Richardson to operate a public utility under the firm name and style of Mesa Acres Water Company for the sale and distribution of water within the territory hereinabove described.

IT IS HEREBY FURTHER ORDERED that Arvin Richardson 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 for all water service rendered to his consumers subsequent to the 31st day of May, 1940.

RATE SCHEDULE

FLAT RATES

	<u>Per Month</u>
Each house, flat, apartment or cabin of three rooms or less*.....	\$1.30
Each house, flat, apartment or cabin of more than three rooms, for each additional room.....	.10
Each bathtub or toilet.....	.15
Restaurants.....	\$2.00 - \$5.00
Stores.....	\$1.50 - \$2.50
Riding Academy.....	\$2.00
Desert coolers (charges to be made during months of use which will be considered as being the months of June to September inclusive unless the cooler is disconnected and the company is so notified):	
Circulating type.....	.20
Non-circulating type.....	.40
Irrigation of lawns, shrubs, flowers and gardens, charged each month of the year..	
First 500 square feet or less.....	.20
Next 4,500 square feet, per 100 square feet...	.025
Over 5,000 square feet, per 100 square feet...	.015

Note:*Excludes auto courts or camps which shall be served under meter rates.

METER RATES

<u>Monthly Minimum Charges:</u>	<u>Per Month</u>
5/8 inch meter	\$1.75
3/4 inch meter	2.00
1 inch meter	2.25
1 1/4 inch meter	3.00
2 inch meter	4.00

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	700 cubic feet or less.....	\$1.75
Next	5,300 cubic feet, per 100 cubic feet..	.20
All over	6,000 cubic feet, per 100 cubic feet..	.15

IT IS HEREBY FURTHER ORDERED as follows:

1. That within thirty (30) days from the date of this Order, Arvin Richardson be and he is hereby directed to submit to this Commission for its approval four sets of rules and regulations governing relations with his consumers, each set of which shall contain a suitable map or sketch, drawn to an indicated scale, upon a sheet approximately 8 1/2" x 11" in size, delineating thereupon in distinctive markings the boundaries of the authorized service area hereinabove described and the location thereof with reference to the surrounding territory, provided further, however, that such map or sketch shall not thereby be considered by this Commission or any other public body as a final or conclusive determination or establishment of the dedicated area of service, or any portion thereof.
2. That Arvin Richardson shall file with this Commission, within sixty (60) days from the date of this Order, four copies of a comprehensive map, drawn to an indicated scale of not less than 600 feet to the inch, upon which shall be delineated by appropriate markings the various tracts of land in the territory for which the certificate is granted herein; this map should be reasonably accurate, show the source and date

thereof, and sufficient data to determine clearly and definitely the location of the various properties comprising the entire utility area of service.

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 21st day of May, 1940.

Ray H. Riley
Frank W. Kelly
Robert W. Kelly
W. H. Kelly
Justus J. Cravener
COMMISSIONERS.