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DECISION NO. 33711 CASE NO. _____ APP. NO. 23607

Decision No. 33727

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application of
EMMA TOLSON for permission to lease
her real property and water works
system thereon in the Town of Arbuckle,
California, to Applicant, W. D. BRADFORD.)

ORIGINAL

Application No. 23607.

Emma Tolson, for Applicant.

W. D. Bradford, for Applicant.

CRAEMER, COMMISSIONER:

O P I N I O N

In this proceeding Emma Tolson requests the Railroad Commission to authorize the leasing for a term of two years of her water system in the Town of Arbuckle, in the County of Colusa, to W. D. Bradford, who joins in the application. Mr. Bradford has been operating a public utility supplying water for domestic and other purposes to the majority of the inhabitants of the unincorporated Town of Arbuckle since 1897. Shortly prior to 1930 Emma Tolson commenced the sale and distribution of water for domestic use to a limited number of residents in the easterly portion of this community.

A public hearing in this matter was held in Arbuckle.

The Tolson water system consists of a well, pipe lines, a small storage tank and other facilities for serving some thirty inhabitants. The consideration stated in the lease is ten dollars, payable upon the execution thereof and the further sum of ten dollars due and owing on the 1st day of January, 1941.

Mrs. Tolson's pumping plant recently broke down, whereupon she made arrangements with Mr. Bradford to take over and serve all

her consumers, the main supply furnished through an existing inter-connection between the two systems. Mrs. Tolson claims that the financial burden of plant rehabilitation placed upon her by reason of the failure of the pump and the inadequacy of the storage and other facilities, together with the restricted possibilities of new business through existing competition in the small area, has made it impossible to reconstruct the plant and resume service to her consumers upon a profitable basis. She therefore desires to retire permanently from all further public utility water business in this community.

For some time, Mr. Bradford has been serving quite a few consumers in Mrs. Tolson's service area, without objection on her part, because the Tolson equipment is wholly inadequate to meet the demand. At present Mr. Bradford has only a single 2" connecting pipe line supplying this territory. In the event that he is authorized to assume the obligation of supplying the entire Tolson district, he has agreed to install at least one additional and larger main for this purpose. As a temporary expedient, the old Tolson pumping unit has already been replaced with a new jet pump driven by an electric motor, and a 225-gallon galvanized welded steel pressure tank also has been installed to replace the existing old wooden tank. The new pump discharges into the tank. Pressures are increased to a maximum of 40 pounds per square inch. The Tolson system now is connected with the 10,000-gallon storage tank of the Bradford plant, the tank being upon a tower 51 feet above ground level at the Bradford well field.

The Arbuckle Public Utility District was formed early in 1939 and the directors thereof are considering the construction of a more elaborate water works and a sewage disposal system for this

community. Said District intends to hold a bond election in the near future to raise funds to reconstruct either or both of the existing water works. Until the outcome of this election is determined, Mr. Bradford hesitates to make any further improvements to or extensions of his facilities, which accounts for the proposal in this proceeding to lease rather than purchase the Tolson plant.

The schedules of meter rates filed in 1930 by Mrs. Tolson, and now in effect, are identical with the present charges established for the Bradford plant in 1928 by Decision No. 19954. The flat rates on both systems are practically the same. Mr. Bradford intends to continue the Tolson flat rates in effect to her consumers until such time as there arises a need for meters, which may be installed either at the option of the utility or upon the request of any consumer.

In the event that failure of a bond election to carry, or other cause should prevent Arbuckle Public Utility District from assuming the duties and obligations of providing adequate water service to the consumers now supplied by Mrs. Tolson on or before the date of expiration of the lease involved herein, Mr. Bradford will take whatever steps may be reasonably necessary to extend his leasehold interest as required, or to purchase outright the Tolson system as it then exists. Nothing in the order following this opinion, however, is intended to be construed to prevent this Commission from holding Mrs. Emma Tolson responsible for public utility water service to her consumers in Arbuckle, subject, however, to the terms of said lease as herein provided, unless and until she is otherwise relieved therefrom through formal order of this Commission.

No protests were received and from the evidence presented it appears that under the proposed lease arrangements all consumers

formerly served by Mrs. Tolson will receive a more dependable supply of water at considerably better pressure under the proposals herein and that the application herein should be granted. The following form of order is recommended.

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 being now fully advised in the premises,

IT IS HEREBY ORDERED that Emma Tolson be and she is hereby authorized to lease to W. D. Bradford that certain public utility water system supplying water for domestic purposes to a portion of the inhabitants of the unincorporated Town of Arbuckle in Colusa County, substantially in accordance with the terms and provisions of the proposed lease agreement, a copy of which is attached to the application herein and which is hereby made a part of this Order by reference, subject to the following terms and conditions:

1. The authority herein granted shall apply only to such lease as shall have been completed on or before the thirty-first (31st) day of January, 1941, and a certified copy of the final indenture of lease shall be filed with this Commission by Emma Tolson not later than fifteen (15) days after said date.
2. Neither the cost nor the value of the said water system as stated in the application herein, nor the consideration for the lease herein authorized shall be urged before this Commission or any other public body as a finding of value for rate fixing or for any purpose other than the transfer herein authorized.

The authority herein granted shall become effective on 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 10th day of November, 1940.

Ray & Piny
Stuart D. Allen
M. B. Allen
Justin J. Casner
COMMISSIONERS.