

Decision No. 34883

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application of)
R. G. KANN, as Trustee, to Sell and)
Convey to Rock Creek Water District)
the Salt Springs Valley Reservoir)
in Calaveras County, California,)
and Appurtenant Property.)

Application No. 24208

A. L. Cowell, for Applicant.

Virgil M. Airola, for Smile Pacheco.

BY THE COMMISSION:

O P I N I O N

In this proceeding, R. G. Kann, as Trustee for the former stockholders of The California Company, engaged in the business of supplying water for irrigation, mining and the watering of livestock in Calaveras and Stanislaus Counties, asks the Railroad Commission for authority to sell the Salt Spring Valley Reservoir and certain appurtenant property to Rock Creek Water District, which joins in the application. With the sale of the said reservoir and property connected therewith, R. G. Kann proposes to transfer such obligations as he may have as a public utility with respect to said properties.

A public hearing in this matter was held in San Andreas before Examiner M. R. MacKall.

The applicant R. G. Kann is acting as trustee for the former stockholders of The California Company which for a considerable number of years last past has operated a system supplying water for agricultural irrigation purposes from Salt Spring Valley Reservoir. This reservoir is located on Rock Creek, some six miles, more or less, east of Milton, Calaveras County, was originally built in 1857

for mining purposes, and in its present condition has an impounding capacity of 10,900 acre feet. Since the decline of the early mining activities in this area practically all water service has been used for agricultural irrigation purposes, including stock water for sheep, cattle and horses. During the past few years a considerable amount of water has been supplied for gold-dredging operations. For a more detailed history of this utility and its operations, see this Commission's Decision No. 34086, issued April 8, 1941.

Rock Creek Water District is duly organized and exists under the provisions of the California Water District Act. Voting under this type of Water District is in accordance with ownership and valuation of the lands within said District. The lands in this District are all in Stanislaus County, and are situate about six miles southwesterly from Salt Spring Valley Reservoir, in Sections 34 and 35 in Township 2 North, Range 10 East, and in Sections 2, 3, 10, 11 and 12 in Township 1 North, Range 10 East, Mount Diablo Base and Meridian. Exhibit No. 3, filed at the hearing in this proceeding, shows the ownership of lands in the District to be as follows:

Annie Moran	511 Acres
Charles Bruce Orvis	638 Acres
Charles B. Rhodes	320 Acres
Marguerite A. Rhodes	341 Acres
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Total	1,810 Acres

These lands within the District's boundaries include, in general, those areas owned by the said parties which have been planted to Ladino clover or other forage crops and which heretofore have been furnished with irrigation water by the Utility under written contracts and comprise the bulk of Applicant's service demand.

Exhibit "B" of the application is a copy of an agreement made May 12, 1941, between R. G. Kann, as Trustee for the former stockholders of The California Company, and the Rock Creek Water District wherein it is proposed to transfer to the District, subject to the approval of the Railroad Commission, the Salt Spring Valley Reservoir with water rights appertaining thereto and certain property described in said agreement, including the North Hill Ditch and the right of way therefor. The purchase price is set forth as thirty thousand dollars (\$30,000), less certain specified credits, which the District agrees to pay in installments, without interest.

The officials of the District agreed to continue the supply of water to all present consumers and any others entitled to demand water service from present utility and at reasonable rates, rules and regulations, and furthermore expressed their willingness to have the Railroad Commission establish the rates and charges and conditions of service or any of them to all water users outside the District boundaries as now constituted.

The Commission was asked to establish rates and operating rules and regulations for service of water from and through the North Hill Ditch. At present there is but one regular consumer on this canal, Smile Pacheco; an occasional user of stock water, Willard B. Tower; and the possibility of sporadic demand by gold-dredging operators. None of these classes of demand are large.

Charges, reasonable provision for seepage and transit losses, ditch maintenance and upkeep covering service through the North Hill Ditch should be placed upon fair and equitable bases as suggested in the Commission's Decision No. 34086, supra.

All parties present at the hearing whether landowners or water users within or without the District boundaries were agreeable to the transfer of this utility property to the District. There was no objection to such transfer from any other source. It appears, therefore, that authority to sell should be granted.

ORDER

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 R. C. Kann, as Trustee for the former stockholders of The California Company, be and he is hereby authorized to sell and transfer to Rock Creek Water District, a district duly organized and existing under the California Water District Act, the public utility water system embracing the Salt Spring Valley Reservoir and certain property appurtenant thereto located in Calaveras County in the State of California and as more particularly described in Exhibit "D" attached to the application herein, said transfer to be made substantially in accordance with the terms and conditions of the agreement filed as Exhibit "B" of said application, said Exhibit "D" and Exhibit "B" being 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 transfer as shall have been made on or before the first day of April, 1942, and a certified copy of the final instrument of conveyance of the aforesaid properties shall be filed with this Commission by R. C. Kann within thirty (30) days after the execution and delivery of said conveyance.

2. Within ten (10) days after the date on which said R. G. Kann actually relinquishes control and possession of the property herein authorized to be transferred, he shall file with this Commission a certified statement indicating the date upon which such control and possession were relinquished.

IT IS HEREBY FURTHER ORDERED that upon due compliance with the above terms and conditions said R. G. Kann, as Trustee for the former stockholders of The California Company, shall thereupon and thereby stand relieved of all further public utility obligations and liabilities in connection with the Salt Spring Valley Reservoir and the appurtenant properties herein authorized to be transferred.

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 23rd day of December, 1941.

[Signature]
[Signature]
Justus J. Casner
Francis D. Havenor
[Signature]
COMMISSIONERS.