

Decision No. 38097

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application of
INDEPENDENCE ACRES WATER WORKS
for permission to abandon water service.

Application No. 25639
(First Supplemental)

In the matter of the investigation on the
Commission's own motion into the service,
reasonableness of rates, methods and
practices of the Independence Acres Water
Works located in the unincorporated town
of Agoura, Los Angeles County, California.

Case No. 4724

SUPPLEMENTAL OPINION

In 1927, I. Colodny and L. L. Colodny were authorized to operate a water system (Independence Acres Water Works) at Agoura, Los Angeles County. In 1943 authority to abandon service was requested because of alleged operation at a loss. After hearing, and on February 15, 1944, such application was denied without prejudice. (Decision No. 36874, Application No. 25639.) Although it was found that the system had been operated at a loss for many years, such action was taken because applicant was willing to continue operation for a reasonable time to enable the customers to form a mutual organization and take over and operate the system. If applicant and the customers could not arrive at an agreement within a reasonable time, the decision indicated that applicant might renew the request to abandon operation.

A supplemental application was filed on March 20, 1944, alleging that the customers had declined to conduct meetings or to form a mutual organization, and that applicant had been unsuccessful in attempts to have the community take definite steps to acquire the system. A Commission investigation was instituted

on May 31, 1944, and after hearing in both matters, the application to abandon service was again denied on September 13, 1944. (Decision No. 37334.

The second 1944 decision noted that there had been a series of voluntary and involuntary conveyances of property necessary for rendering water service; that in 1931 a deed executed by the Colodnys purported to convey lots upon which the only producing wells were located; that in 1932 there had been a foreclosure of certain property (upon which the storage tank was located) to satisfy a judgment of some \$100,000; that in 1940 L. L. Colodny filed a voluntary petition in bankruptcy; and that in 1941 the distribution system was sold to the State for delinquent taxes. Recognizing that the customers could not proceed safely in acquiring the properties until they were able to ascertain what title and rights they could obtain, it was suggested that the customers explore the various possibilities. Under the circumstances the request to abandon service was denied, but it was declared that both proceedings would be subject to reopening at any time by Commission order or upon the petition of applicant or the customers.

Although no request for a reopening has been filed in the more than ten months' period since the last decision, it appears appropriate to reopen these matters for the purpose of issuing a final order therein. It also seems proper to issue such an order at this time without a further hearing.⁽¹⁾

The utility has been involved in seven formal proceedings before the Commission,⁽²⁾ including requests to extend service to increase rates, to limit the number of customers served, to abandon service, and a complaint alleging inadequacy and failure of water supply, interrupted service, and insufficient water deliveries.

(1) - Any party affected by the order may petition for a rehearing, but such petition must set forth good and sufficient cause for the granting of a rehearing before such action will be taken.

(2) - App. No. 13384, Dec. No. 18250, dated April 18, 1927.
App. No. 15760, Dec. No. 21839, dated November 29, 1929. (34 C.R.C. 7)
Case No. 2789, Dec. No. 22163, dated February 26, 1930.
App. No. 18125, Dec. No. 25481, dated December 27, 1932. (38 C.R.C. 333)
App. No. 22736, Dec. No. 32168, dated July 18, 1939. (42 C.R.C. 53)
App. No. 25639, Dec. No. 36874, dated February 18, 1944.
Dec. No. 37334, dated September 13, 1944.
Case No. 4724, Dec. No. 37334, dated September 13, 1944.

The utility owners have never operated the system at a profit, and usually at a serious out-of-pocket loss. At various times groups of customers or individual water users have attempted to operate the system, and water users have advanced funds to pay power and repair bills. Years of deferred maintenance and almost complete depreciation of pipelines, wells and equipment make continued operation rather futile without a rehabilitation of the entire system. A large number of former customers now depend upon private shallow wells. An adequate water supply can be obtained only from foreign sources at a prohibitive cost. In 1930 the residents of the area formed a county water works district, issued bonds, and after spending some \$12,000 in digging a 350-foot shaft and running a 500-foot tunnel in search of water, abandoned the project. The district was dissolved in 1933.

Over the years the Commission has endeavored to aid the residents and the utility in devising means to provide the community with a satisfactory public utility water service. Because of continued operation at an out-of-pocket loss, coupled with the other factors already stated, no action now appears possible other than to authorize the abandonment of utility service.

O R D E R

Good cause appearing, IT IS ORDERED that the above proceedings be and they are hereby reopened for the purpose of issuing this supplemental Order, and

I. Colodny and L. L. Colodny are hereby authorized to abandon and discontinue all public utility water service in Tract 8451, Agoura, Los Angeles County, within thirty days after notifying all present customers of such intended abandonment, and all tariffs now on file covering such service are hereby cancelled as of the date of such abandonment, subject to the following conditions:

1. That a copy of an appropriate notice to customers be filed with the Commission at or before the time that such notice may be served upon present customers.
2. That an affidavit be filed with the Commission showing that such notice of abandonment has been served upon present customers, and listing the names of and the date of service of the notice upon each such customer.

Case No. 4724 is hereby discontinued.

This Order shall become effective on the thirtieth day after the date
hereof.

Dated at San Francisco, California, this 27th day of
July, 1945.

Harold Anderson
Justin F. Cassin
Howard Carr
Irving D. Powell
Commissioners.

CERTIFIED AS A TRUE COPY

Secretary, Railroad Commission
of the State of California.