

Decision No. 38460

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
BURL WATSON DOMESTIC WATER CO. for  
permit to operate pumping plants and  
to sell water for domestic use.

**ORIGINAL**

Application No. 26632

Eldred E. Wolford, for Applicant.

Paul Overton, for San Gabriel Valley Water Service.

BY THE COMMISSION:

O P I N I O N

In this proceeding, Burl Watson asks the Commission for a certificate of public convenience and necessity to construct and operate a public utility domestic water system under the fictitious firm name and style of Burl Watson Domestic Water Company in two separated areas, one-quarter of a mile apart, located about three miles east of the City of El Monte, Los Angeles County. The Commission is also asked to approve a schedule of monthly flat rates providing for a charge of \$1.50 for a lot of 10,000 square feet or less in area, with or without a residence, and a charge of \$1.75 where the lot area exceeds 10,000 square feet. An extra charge of \$1.00 is to be made for each additional residence on a lot. The application was amended at the hearing by request that a measured rate also be established providing for a minimum monthly charge of \$1.50 for the first 1,000 cubic feet or less, water use in excess thereof to be charged for at a rate of 10¢ per 100 cubic feet.

The Commission is also asked to approve an agreement by and between Burl Watson and certain landowners in the proposed service area providing for the advances of funds for the installation of mains and for the refunding of

the sums so advanced upon the basis of one-half of the revenues received from the sale of water delivered through such mains during a period of seven years.

A public hearing in this proceeding was held in Los Angeles before Examiner Stava.

The two service areas as proposed comprise approximately 220 acres of land originally subdivided into acreage lots, now to be resubdivided into residential property. Applicant and his real estate associates own most of the land within these two tracts. The other owners, excepting those residing in a portion of Lot No. 48, hereinafter referred to, have arranged with applicant to resubdivide and market their properties along with his own and request that he be granted a certificate to supply the water service thereto. Applicant therefore proposes to combine and resubdivide all said acreage lots into three tracts, being Tract Nos. 13211, 12441 and 12445, Los Angeles County.

The water supply will be obtained from wells. A 12-inch cased well, 120 feet deep and located on Tract No. 13211, heretofore used for agricultural irrigation purposes, will be equipped with a deep-well turbine and the water distributed through pressure tank control. A second well will be drilled in Tract No. 12445 and connected with the present irrigation well through installation of about one mile of water main. The distribution system as planned consists of 22,500 feet of mains, varying from 1 to 6 inches in diameter. The water production and distribution facilities are estimated to cost \$16,369 installed. The water mains will be laid largely in reserved easements and private rights-of-way.

Baldwin Park County Water District, a public corporation, serves water in territory adjacent to and adjoining certain of the territory for which applicant desires a certificate. From the record it also appears that all of Tract No. 12441 and the northerly portion of Tract No. 12445, comprising 55 acres, more or less, are located within the boundaries of said district. While the district has no mains installed in either of these two tracts, it

has a 10-inch pipe line running along Ramona Boulevard which is the north-westerly boundary line of applicant's service area and of Tract No. 12441.

Although duly notified of the hearing to be held in this proceeding, no representative of the district appeared in its behalf. Since the submission of this matter, however, applicant has consented to the filing of a brief by the district in which a protest was made against the inclusion in applicant's service area of any of the lands lying within the district's boundaries. It was furthermore agreed by applicant that said brief should be considered as part of the record in this matter.

The protest of the district was based upon the grounds that it now has available a sufficient amount of water and ample facilities to serve the lands involved herein and stands ready and willing to make the necessary extensions for all service upon application; that in view of the taxing power of the district on the lands within its boundaries, there would result a discrimination against the consumers of water who may have to pay a tax to the district while receiving water from another utility source. However, the owners of the land in this over-lap area which lies within the boundaries of the County Water District, testified that they did not want water service from the district, but desired to have their property served by applicant on the flat rate basis proposed rather than be required to pay the higher costs for metered service in effect throughout the district's system.

Another protest was entered by R. H. Nicholson, President of the San Gabriel Valley Water Service, (1) who claimed that the territory proposed to be served by applicant herein immediately adjoins the service area boundaries of the San Gabriel Valley Water Service, a corporation, which already had production and distribution facilities installed and operating in said adjoining territory and that his public utility can and is willing to provide a higher quality of service at lower rates than proposed by applicant; that his offer to extend service upon reasonable terms to the lands proposed to be certificated by applicant has been refused.

(1) - Corporate name changed, since submission of this case, to San Gabriel Valley Water Company, Dec. No. 38235, dated September 25, 1945.

Mr. Nicholson further protested that in his proposed service area applicant has included a portion of Lot No. 48, lying south of Walnut Creek, which land lies within the service area boundaries of and is now being served by the San Gabriel Valley Water Service. In connection with this latter reason for protest, the record shows that this particular portion of Lot No. 48 was made a part of the service area of the San Gabriel Valley Water Service in Decision No. 32390, issued by this Commission on September 26, 1939.

It appears, furthermore, that the flat rates charged by protestant in this area are slightly lower than the rates proposed by applicant. In connection with this protest, applicant has agreed to the exclusion from his certificated area the 12 acres of Lot No. 48 in Tract No. 13211, lying south of Walnut Creek, which territory is now being served by San Gabriel Valley Water Service. Applicant also has consented to modify and reduce his proposed rate schedule to the same as charged by San Gabriel Valley Water Service in adjacent territory, or to any other schedule which the Railroad Commission may deem reasonable and proper under the circumstances and conditions obtaining.

The testimony of the landowners within the over-lap area disputed by the Baldwin Park County Water District is unanimous to the effect that they desire and request that the water service be supplied by applicant herein and that furthermore they are satisfied with the arrangements and agreements heretofore made and to be entered into with Mr. Burl Watson for the piping and serving of water to their respective properties: The evidence clearly indicates that the convenience and expressed desire of that portion of the local public most directly involved and vitally interested will best be served at this time by the inclusion of these lands within the certificated area as requested by applicant herein. Such authorization will not abridge or restrict in any way the legal rights and privileges of the district in its operations within the protested territory.

A certificate of public convenience and necessity will be granted applicant excluding from the service area that portion of Lot No. 48, Tract No. 13211, lying southerly of the north bank of Walnut Creek, containing 12 acres, more or less.

The schedule of rates established in the following Order will be a modification of the one heretofore proposed and in accordance with the offer made by applicant. The schedule of rates will be the same as fixed by this Commission and now effective on the adjacent and adjoining public utility system operated by San Gabriel Valley Water Service.

The certificate of public convenience and necessity issued herein is subject to the following provisions of law:

That the Commission shall have no power to authorize the capitalization of this certificate of public convenience and necessity, or the right to own, operate or enjoy such certificate of public convenience and necessity in excess of the amount (exclusive of any tax or annual charge) actually paid to the State as the consideration for the issuance of such certificate of public convenience and necessity or right.

Applicant asks the Commission to approve an agreement to be entered into by and between himself and certain landowners, providing for the advance of funds to install the distribution mains on their respective properties and for the refunding of such advances.

The Commission will direct applicant to file standard rules and regulations governing the service of water to consumers which will provide for advances in aid of construction and the procedure for refunding the same. These rules provide, however, for a refunding period of ten years rather than seven as proposed. No other action in this proceeding, therefore, is necessary in connection with these agreements.

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 requires, and will require, the operation of a public utility water system by Burl Watson, under the fictitious firm name and style of Burl Watson Domestic Water Company, in those certain two subdivided areas hereinabove referred to as Tracts Nos. 13211, 12441 and 12445, located two and one-half miles east of the City of El Monte, Los Angeles County, said tracts comprising approximately 220 acres and more particularly delineated on a map filed as Exhibit No. 1 in this proceeding and which map is hereby made a part of this Order by reference, excluding therefrom that portion of Lot No. 48, Tract No. 13211, Los Angeles County, lying southerly of the north boundary of Walnut Creek and containing 12 acres, more or less.

IT IS HEREBY ORDERED as follows:

1. That a certificate of public convenience and necessity be and it is hereby granted to Burl Watson to construct and operate a public utility for the distribution and sale of water within the territory hereinabove described.
2. That Burl Watson is hereby authorized and directed to file in quadruplicate, within thirty (30) days from the date of this Order, in conformity with the Commission's General Order No. 96, the following schedule of rates to be charged for all water service rendered to his customers on and after January 1, 1946, which schedule of rates is hereby found to be just and reasonable for the service to be rendered:

Schedule No. 1

FLAT RATE SERVICE

Applicability:

Applicable to all domestic and commercial flat rate water service.

Territory:

Within Tracts Nos. 13211, 12441 and 12445, as set out in the certificate and as delineated on the map included in the tariff schedules as Map No. 1.

Schedule No. 1 - Continued

FLAT RATE SERVICE

<u>Rates:</u>	<u>Per Month</u>
For each residence, including one lot, of one-half acre or less, per service connection .....	\$1.50
For each additional lot of one-quarter acre or less .....	.50
For each additional residence on a lot .....	1.00

Schedule No. 2

GENERAL METERED SERVICE

Applicability:

Applicable to all domestic and commercial metered water service.

Territory:

Within Tracts Nos. 13211, 12441 and 12445, as set out in the certificate and as delineated on the map included in the tariff schedules as Map. No. 1.

Rates:

Per Meter  
Per Month

Monthly Minimum Charges:

For 5/8 x 3/4 inch meter . . . . .	\$1.00
For 3/4 inch meter . . . . .	1.50
For 1 inch meter . . . . .	2.00
For 1 1/2 inch meter . . . . .	3.00
For 2 inch meter . . . . .	5.00

The foregoing "Monthly Minimum Charge" will entitle the consumer to the quantity of water which that minimum monthly charge will purchase at the following Monthly Quantity Rates:

Monthly Quantity Rates:

First 1,000 cubic feet or less . . . . .	\$1.00
Next 1,000 cubic feet, per 100 cubic feet . . . . .	.075
Over 2,000 cubic feet, per 100 cubic feet . . . . .	.05

A meter may be installed on any service at the option of either the consumer or the utility.

Schedule No. 3

FIRE HYDRANT RATES

Applicability:

Applicable to all service rendered for fire hydrant use.

Territory:

Within Tracts Nos. 13211, 12441 and 12445, as set out in the certificate and as delineated on the map included in the tariff schedules as Map No. 1.

Rates:

Per Month

For each fire hydrant connected to a 4-inch main or larger . . . . .	\$1.50
For each fire hydrant connected to a main of less than 4 inches in diameter . . . . .	1.00

Schedule No. 4

CONSTRUCTION RATE SERVICE

Applicability:

Applicable to all service for street paving, curb and sidewalk construction where service is temporary during period of construction.

Territory:

Within Tracts Nos. 13211, 12441 and 12445, as set out in the certificate and as delineated on the map included in the tariff schedules as Map No. 1.

Rates:

Street Paving:

For street paving 5 inches thick, per 100 square feet . . . . .	\$.19
For street paving 6 inches thick, per 100 square feet . . . . .	.22

Curb Construction:

For street curb, per 100 lineal feet . . . . .	.30
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Sidewalk Construction:

Per 100 square feet of sidewalk . . . . .	.15
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Trench Settling:

For each lineal foot of section of trench 2 feet x 4 feet . . . . .	.01
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Street and Roadway Construction:

For sprinkling sub-grade in application of oil or any form of patented oil paving or surfacing, or for rolling and/or settling sub-grade, per 3,000 square feet of roadway	1.60
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3. That Burl Watson, within thirty (30) days after the effective date of this Order, shall file 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 of about 8 1/2 x 11 inches in size, indicating thereon the service area and the location thereof with reference to the surrounding territory. Such filing shall not be construed as a determination or establishment, in whole or in part, of the dedicated area of service.
  
4. That Burl Watson, within sixty (60) days after the effective date of this Order, shall file four copies of a comprehensive map or sketch, drawn to an indicated scale of not less than 400 feet to the inch, delineating correctly thereon by appropriate markings, the various tracts of land in the territory served. Such map should be reasonably accurate, show the source and date thereof, and include sufficient data to determine clearly and definitely the location of the various properties comprising the entire area of service. Such filing shall not be construed as a determination or establishment, in whole or in part, of the dedicated area of service.

The effective date of this Order shall be twenty (20) days from and after the date hereof.

Dated at <sup>San</sup> ~~San Francisco~~, California, this 10<sup>th</sup> day of December, 1945.

David Anderson

Frank W. Davis

Ernest Powell

Harold Kula

Commissioners.