

Decision No. 38816

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 :
 A. J. WOOLSEY, Administrator of)
 the Estate of WILLIAM JOSEPH)
 HOTCHKISS, deceased; RICHARD I.)
 STONE; and YOUNTVILLE WATER)
 COMPANY, a California Corporation,)
 :
 for permission to transfer the water)
 distributing system of Yountville)
 Water Company, also known as Napa)
 Ranch, for an order authorizing the)
 issuance of stock, and for an order)
 establishing reasonable rates.)
 -----)

ORIGINAL

Application
No. 26976

ALBERT A. AXELROD, for Applicants.

F. H. FRISCH, Assistant District Attorney, Napa County,
Interested Party.

O P I N I O N

In this application, the Commission is asked to make its order authorizing A. J. Woolsey, administrator of the estate of William Joseph Hotchkiss, deceased, to transfer the public utility water system constituting part of what is known as the Napa Ranch to Richard I. Stone, and authorizing Richard I. Stone to transfer said public utility water system to Yountville Water Company, a corporation. The Commission is also asked to authorize Yountville Water Company to issue such number of shares of its capital stock as the Commission deems proper in payment for the properties, and to fix reasonable rates for the sale of water.

A hearing was held on this application at Yountville on February 13 by Examiner Fankhauser. Notice of the application was filed on February 19 with the Office of Price Administration. That office has filed no representations in respect to this matter. Therefore, no further hearing will be had.

The Commission by Decision No. 19065, dated December 1, 1927, in Case No. 2195 (Volume 30, Opinions and Orders of the Railroad Commission of California, page 704) found that William Joseph Hotchkiss, then owner of the Napa Ranch, was operating a public utility water service in Yountville and vicinity. On or about August 7, 1944, the Napa Ranch, including the public utility water properties, was sold to Richard I. Stone. Through inadvertence, neither William Joseph Hotchkiss in his lifetime nor the estate of said William Joseph Hotchkiss, deceased, nor said Richard I. Stone, filed an application with the Railroad Commission for permission to transfer said water system to said Richard I. Stone, who has been operating the water system since August 7, 1944. Requests for the transfer of said water system are, as said, part of this application.

Owners of the Napa Ranch have since 1898 sold water to consumers residing in Yountville and vicinity. At present the water supply is obtained from two sources, namely, Hopper Canyon and the Cistern Springs. The main supply comes from Hopper Creek and is supplemented by springs in the canyon located about two miles west of Yountville. Water from the creek flows into the upper or new reservoir, which has an estimated storage capacity of about two million gallons. This reservoir is formed by a dam constructed across the stream bed by Richard I. Stone in 1944. The flow from the main spring, which is located in the

stream bed, is conveyed through 2,300 feet of two-inch pipe to the new reservoir. Water is conserved by the use of such pipe. The lower reservoir, constructed in 1898, has a capacity of about 163,000 gallons. It can be filled from the upper reservoir. A four-inch transmission main leads from the reservoirs to Yountville.

Another source of water supply is six springs which are located in a separate circular brick cistern near the Napa Ranch winery. Water from these springs is sold to eight customers in the lower end of Yountville. In the event of an emergency, water can be obtained from a well supplying the Napa Ranch winery.

The pipe system consists of about 15,190 feet of transmission mains, varying from two inches to four inches in diameter, and 5,505 feet of distribution mains ranging from one to two inches in diameter. At the end of 1945 the system was supplying water to 62 customers on a flat rate basis. The rate is \$1.25 per month for each dwelling house, store, or other place of business. The Yountville Water Company asks the Commission to establish both flat and metered reasonable rates. It is believed that the latter will eliminate the wasteful use of water.

On or about August 13, 1945, Richard I. Stone caused to be formed the Yountville Water Company, a corporation, for the purpose of acquiring said water system. He and his wife, Minerva Stone, propose to transfer to the Franciscan Farm and Livestock Company properties acquired from the estate of William Joseph Hotchkiss subject to and reserving therefrom unto the

grantors, their heirs, executors, administrators and assigns, the following rights and easements, to wit:

"(a) The right to take water from the source of supply heretofore and now used by said RICHARD I. STONE, one of the grantors, doing business as YOUNTVILLE WATER CO., in the operation of a water distributing system for the furnishing of water for distribution in or near Yountville, California, not exceeding the present requirements for such use and for the purpose of such distribution only, and subject to the right of grantee, its successors and assigns, to likewise obtain water from said source of supply and receive water from said distributing system, for use upon the property conveyed by the within Deed. Said source of supply is agreed to be HOOPER (HOPPER) CREEK, traversing portions of Parcels 3 and 5, and said water shall be taken only from the reservoir and its appurtenances and through the pipe lines and conduits, hereinafter referred to.

(b) The right to use, maintain, repair and replace the reservoir and appurtenances now located on Parcel 3, heretofore and now used by said RICHARD I. STONE as part of said water distributing system for the furnishing of water for distribution in or near Yountville, California, and for the purpose of such distribution only.

(c) The right to use, maintain, repair and replace in their present locations the cisterns and appurtenances on Parcel 1, heretofore and now used by said RICHARD I. STONE as part of said water distributing system for the furnishing of water for distribution in or near Yountville and for the purpose of such distribution only.

(d) The right of way to maintain existing pipe lines, conduits and equipment heretofore and now used by said RICHARD I. STONE as part of said water distributing system for the furnishing of water for distribution in or near Yountville and to install and maintain new pipes, conduits and other necessary equipment, all for such purpose only. Said right of way shall be over a strip of land four feet wide along the present location of said pipes, conduits and equipment over Parcels 1, 2, 3 and 5. Said pipes, conduits and equipment shall be laid and installed far enough below the surface so that they will in no way interfere with the cultivation of the soil or the use of said land.

(e) The right of ingress and egress for the foregoing purposes to and from said reservoir, cisterns and right of way.

The exact location of said reservoir and appurtenances, cisterns and appurtenances and the right of way for pipes, conduits and equipment, or any of them, may be hereafter determined of record by recorded agreement or agreements between the parties to this Deed or their respective heirs, executors, administrators, successors or assigns describing or identifying the location of said easements and referring to this Deed, and such description or identification shall thereupon limit, define and describe the easement or easements therein referred to, as those

intended to be hereby reserved.

The said rights and easements shall be used and enjoyed by the grantors, their heirs, executors, administrators and assigns, without interference with the full and peaceful possession and enjoyment by the grantee, its successors and assigns, of the property conveyed by the within Deed, and subject to said easements, the possession and use of said property shall be and remain in the grantee, its successors and assigns as fully as if said reservations of said rights and easements had not been herein made.

AND SUBJECT TO the following easements of record:

(1) Right of Way for a pipe line and water rights, as conveyed by Thomas B. Hopper to G. Groezinger by Agreement dated April 8, 1885, and recorded April 9, 1885 (E Misc Rec 282).

(2) Right of way and easement for roadway and uses incidental thereto, including the right to construct and maintain pole line thereon, and right to lay and maintain pipe lines and water rights, as conveyed to Andrea Bartolucci, by deed dated February 4, 1944, and recorded February 17, 1944, in 206 O. R. 467."

The testimony shows that none of the water now developed in Hopper Canyon is used on the ranch or in the winery premises. The Franciscan Farm and Livestock Company, however, does not want to preclude itself from at any time in the future increasing the source of supply and using the excess water over and above the present amount required to be furnished to the Town of Yountville for its own use in connection with its ranch and winery operations. Counsel for applicants states that they have no objection to limiting the use to the Livestock Company of water only so long as there is an excess of an amount sufficient to furnish the present requirements of Yountville Water Company.

In said Decision No. 19065 the Commission said: "The Commission requires each and every public utility water system to furnish an adequate and reasonable supply of water to its patrons at all proper times, and, when existing facilities and supply are inadequate, the utility is expected and required to

expend all reasonable efforts to improve conditions and obtain additional water". While it may be inequitable to require applicants to reserve water from Hopper Canyon to meet future requirements of Yountville, we do expect Yountville Water Company to discharge its public utility obligations. If it cannot do so by water available from present sources, it must obtain an additional supply elsewhere. Such supply can be obtained from wells and possibly from the City of Napa proposed transmission line from its Conn Valley reservoir.

The evidence (Exhibit "2") presented by a Commission engineer shows the historical cost of the water properties to be \$22,504 and the accrued depreciation \$5,904, leaving a net historical cost of \$16,600. He recommends that the company should forthwith expend about \$4,500 for installing meters and replacing pipes. To pay for the properties, install meters and make other improvements to which reference is made in said Exhibit "2", we will authorize Yountville Water Company to issue 211 shares of common stock with a stated value of \$100 per share.

The Commission's engineer in Exhibit "2" suggests a flat rate schedule which provides for a monthly charge of \$1.50 for a single dwelling and the irrigation of 1,500 square feet of garden or lawn. For areas in excess of 1,500 square feet a charge of three cents per 100 square feet is proposed. A measured schedule of rates is also suggested. It provides for a monthly minimum charge of \$1.50 with an allowance of 500 cubic feet of water. For the next 1,500 cubic feet of water used the rate suggested is twenty cents per 100 cubic feet, the the next 3,000 cubic feet it is fifteen cents per 100 cubic feet, and for quantities over 6,000 cubic feet it is ten cents per 100 cubic feet.

It is estimated that about 75 consumers will be served under the proposed rate schedules and that the company will have an annual operating revenue of \$1,500 segregated as follows:

50 flat rate customers	50 x \$1.50 x 12 =	\$ 900
25 measured customers	25 x \$2.00 x 12 =	<u>600</u>
Est. Revenues Per Year		\$1,500

The operating expenses, including depreciation and taxes, are estimated at \$1,041, leaving a net operating revenue of \$459.

No objection was made to the proposed rates by either the company or the consumers.

We find that the proposed rates are reasonable and that they should be put into effect.

O R D E R

The Commission having considered applicants' requests and it being of the opinion that the money, property or labor to be procured or paid for through the issue of 211 shares of common stock herein authorized, is reasonably required by the Yountville Water Company for the purposes herein stated, which purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income, and that this application should be granted as herein provided, therefore,

IT IS HEREBY ORDERED that A. J. Woolsey, as administrator of the estate of William Joseph Hotchkiss, deceased, be and he is hereby authorized to transfer to Richard I. Stone the public utility water system operated under the name of Yountville

Water Company, which is also known as the Napa Ranch, which water system Richard I. Stone and Minerva Stone, his wife, are hereby authorized to transfer to Yountville Water Company, a corporation. Such public utility water properties are more particularly described in this application and in exhibits filed at the hearing had thereon.

IT IS HEREBY FURTHER ORDERED that Yountville Water Company may, on or before December 31, 1946, issue in payment for said properties, 166 shares of its common stock at a stated value of \$100 per share, and issue and sell 45 shares of its common stock at a stated value of \$100 per share, and use the proceeds for the following purposes:

Acquire and install 25 - 5/8 inch x 3/4 inch meters,	about \$ 400
Replace about 1,600 feet of 2-inch pipe with 4-inch pipe,	about 2,400
Replace about 1,500 feet of 1-inch pipe with 2-inch pipe,	about <u>900</u>
Total	\$4,500

IT IS HEREBY FOUND AS A FACT that the flat rates now charged by Richard I. Stone for water supplied to his customers in Yountville and vicinity are unjust and unreasonable insofar as they differ from the rates herein established, and that the rates herein established are just and reasonable rates to be charged for the service rendered, and basing its order upon the foregoing findings of fact and upon further statements of fact contained in the opinion which precedes this order,

IT IS HEREBY FURTHER ORDERED that Yountville Water Company, a corporation, be and it is hereby authorized and

directed to file with the Railroad Commission, on or before April 20, 1946, the following schedule of rates to become effective on or after the first day of May, 1946:

SCHEDULE NO. 1 - GENERAL SERVICE AT FLAT RATES

Applicability

Applicable to service of water for business establishments, general household, and irrigation of lawns, shrubs, and gardens.

Territory

Within the entire residential area of Yountville and adjoining territory north of Southern Pacific railroad tracks.

Rates

Per Month

- | | |
|---|--------|
| (1) For one dwelling or other single unit, including necessary quantities of water to irrigate not over 1,500 square feet lawns and gardens, shrubbery or trees. | \$1.50 |
| (2) For irrigation of grounds planted to lawns, gardens, shrubbery, or trees in excess of the 1,500 square feet included in the dwelling rate, payable six (6) months of the year, from May to October, inclusive, per 100 square feet. | .03 |
| (3) For small business establishments. | 1.50 |

SCHEDULE NO. 2 - GENERAL METERED SERVICE

Applicability

Applicable to all domestic and commercial water service at option of either the customer or the utility.

Territory

Within the entire residential area of Yountville and adjoining territory north of Southern Pacific railroad tracks.

Rates

Quantity Charges

Per Meter
Per Month

First 500 cubic feet or less	\$1.50
Next 1,500 cubic feet per 100 cubic feet	.20
Next 3,000 cubic feet per 100 cubic feet	.15
Over 6,000 cubic feet per 100 cubic feet	.10

<u>Minimum Charges</u>	<u>Per Meter Per Month</u>
For 5/8 x 3/4-inch meter	\$1.50
For 3/4-inch meter	1.75
For 1 -inch meter	2.50
For 1 1/2-inch meter	3.50
For 2 -inch meter	5.00

The minimum charge will entitle the consumer to the quantity of water which that monthly minimum charge will purchase at the quantity rates.

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

IT IS HEREBY FURTHER ORDERED that Yountville Water Company be, and it is hereby, directed as follows:

1. Within sixty (60) days from the date of this Order, to file with this Commission for its approval, four sets of rules and regulations governing relations with its consumers, each set of which shall contain a suitable map or sketch, drawn to an indicated scale upon a sheet 8x11 inches in size, delineating thereupon in distinctive markings the boundaries of its present service area, and the location thereof with reference to the immediate surrounding territory; provided, 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. Within sixty (60) days from the date of this Order, to file with this Commission 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 territory presently served. This map should be reasonably accurate, show the source and date thereof, and include sufficient data to determine clearly and definitely the location of the property comprising the entire utility area of service, provided, however, that such map 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.

IT IS HEREBY FURTHER ORDERED that within thirty (30) days after the transfer of said properties to Yountville Water Company, a corporation, said Yountville Water Company shall file with the Railroad Commission a copy of the deed and bill of sale

under which it holds title to said properties.

IT IS HEREBY FURTHER ORDERED that Yountville Water Company, a corporation, shall file with the Railroad Commission copy of a report, or reports, required by its General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

IT IS HEREBY FURTHER ORDERED that this order become effective fifteen (15) days from and after the date hereof.

Dated at San Francisco, California, this 2nd day of April, 1946.

Harold Ruden
Justus F. Baer
Frank D. ...
... ..
Harold P. Hull
Commissioners