

Decision No. 40254

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 SUTTER BUTTE CANAL CO.,
 a Corporation, for an Order prescribing
 a rate for water furnished by Applicant
 for irrigation of Ladino Clover and
 similar clovers, and for an over-all
 increase in all rates.

ORIGINAL

Application No. 27950

Seth Millington, for Sutter Butte Canal Co.

J. J. Deuel, by Edson Abel and Chas. A. Rummel,
for California Farm Bureau Federation and
Butte County Farm Bureau.

Busick and Busick, by Chas. O. Busick, for the
growers of alfalfa, and Ladino and
other clovers.

Rich, Weis, Carlin and Fudge, by Alvin Weis,
for V. C. Vanderford, G. C. Shannon,
A. C. Koehn, George Fenn, Clem Riley,
J. D. Lay, Lee Brubeck, A. R. Waybur
and E. E. Metzger, rice growers and
consumers.

O P I N I O N

Sutter Butte Canal Co., a corporation, is a public utility engaged in the business of selling and distributing water for agricultural irrigation purposes in Butte and Sutter Counties in the general vicinity of the communities of Biggs, Cridley, Live Oak, Sutter City and Yuba City. The territory served by the utility through 141.57 miles of canals and lateral ditches embraces a gross area of approximately 80,000 acres, lying between the Feather River and the Marysville Buttes, and extending from the northerly boundary near Biggs about 29 miles southerly beyond Yuba City to the Sutter Bypass Levee.

The Canal Company in this application alleges that its present rates are inadequate and non-compensatory, that it is operating at a loss, and requests a

general rate increase of not less than 25 per cent for the irrigation of all crops other than Ladino clover. It further alleges that the irrigation of Ladino clover requires considerably more water than general crops and approximately 80 per cent as much as rice and that the irrigation season for Ladino clover is longer than that for rice, requiring many separate deliveries. It asks that the Commission establish an increased rate for this class of service equal to approximately 80 per cent of the rate to be charged for the irrigation of rice.

Public hearings in this proceeding were held at Gridley.

The present rates charged by the Canal Company were authorized as interim rates by the Commission in Decision No. 22109, dated February 11, 1930, and made permanent in Decision No. 24431, issued the 25th day of January, 1932. The present rates provide for both flat and metered service, in part, as follows:

Service Charge Discounts

	<u>Gross Charge</u>	<u>Net Charge if Paid on or Before Feb. 1 of 1st Year</u>
First year charge	\$1.25	\$1.25
Second year charge	1.25	1.10
Third year charge	1.25	1.00

Rice - Flat Rates

	<u>Gravity</u>	<u>Pumped</u>
Service charge per acre	\$1.25	\$1.25
First installment, per acre	1.75	2.45
Second installment, per acre	6.00	6.70
Total charge per acre	\$9.00	\$10.40

Rice - Metered Rates

Service charge	\$1.25 per acre
Plus, for three acre feet or less	2.50 per acre
Additional water	1.50 per acre foot
Pumping charge, if pumped	.30 per acre foot

Grain and Double Cropping - Flat and Metered Rates

	<u>Gravity</u>	<u>Pumped</u>
Service charge (includes two irrigations)	\$1.25 per acre	\$1.25 plus 30¢ per acre foot
For each additional irrigation	1.20 per acre	1.20 plus 30¢ per acre foot

Rates - ContinuedGeneral Crops - Flat Rates

	<u>Gravity</u>	<u>Pumped</u>
Service charge, per acre	\$1.25	\$1.25
First installment, per acre	.50	.90
Second installment, per acre	<u>2.10</u>	<u>2.50</u>
Total charge per acre	\$3.85	\$4.65

General Crops - Metered Rates

Service charge	\$1.25 per acre
Plus for 1 $\frac{1}{2}$ acre foot or less	1.75 per acre
Additional water	1.50 per acre foot
Pumping charge, if pumped	.30 per acre foot

In 1931 the company sold a portion of its canal system, including an interest in its diversion dam and water rights to the Richvale Irrigation District, a public corporation. Further sales to this district were made in 1937 and 1939. This district now owns an undivided 26.65 per cent interest in the diversion works, water rights, exclusive of Sunset pumping rights, and those canals used jointly with the company. Richvale Irrigation District also acquired a total of 26,891 acres of lands formerly served by the utility, planted almost entirely to rice.

The Canal Company in 1942 sold another portion of its transmission and distribution system, together with an interest in its diversion dam, certain water rights, and canals, to the Biggs-West Gridley Water District, a public corporation, supplemented by a further sale in 1944. This water district now owns an undivided 28.0 per cent interest in the original water rights, and an undivided 30.0 per cent interest in the diversion works, together with varying proportionate interests in several canals used jointly with the Canal Company and Richvale Irrigation District. The service area transferred to Biggs-West Gridley Water District was approximately 30,000 acres, over half now planted to rice, some 2,500 acres devoted to Ladino clover, and the balance used for raising alfalfa, grain, orchard, and other general crops.

The Sutter Butte Canal Co. now holds an undivided 45.35 per cent interest in the original water rights, exclusive of Sunset pumpage rights which it owns in

entirety, an undivided 43.35 per cent interest in the diversion works, and certain fixed undivided interests in those portions of the several canals used jointly with one or both districts.

Reports setting forth details of the annual operations of this utility for a number of years past were submitted by C. M. Gilleece for applicant, and by E. Ronald Foster, one of the Commission's hydraulic engineers. The report of the Commission's engineer included an analysis of the recorded operating expenses of the company for the year 1946. It also contained certain recommended adjustments in those expenses for the purpose of normalizing some extraordinary charges not recurring annually, such as expenses incurred in cleaning ditches and damages arising from flood and fire. These reports reveal a substantial increase in operating expenses during the last three years, attributable largely to the recent and considerable rises in the costs of labor and material.

The following table in the report submitted by the Commission's engineer shows the recorded results of operations for the years 1930 to 1946, inclusive. The fixed capital as shown in this table is based upon the findings of the Commission in decisions rendered prior to 1926, after adjustment for annual additions and betterments, credits, retirements, and sales of properties. The annual revenues reflect the company records of revenues receivable, less a fixed deduction of 2 per cent for uncollectible bills, an arbitrary percentage adopted to facilitate accounting. The expenses are the recorded book figures, substituting, however, an annuity calculated by the sinking fund method at 6 per cent, in lieu of the company's straight line annual depreciation charge. The fixed capital is exclusive of value for water rights other than for costs incurred in acquisition of diversion and pumpage rights in the Feather River and certain litigation costs in connection therewith.

SUTTER BUTTE CANAL CO. PERFORMANCE

1930 to 1946

Year	Fixed Capital	Operating Revenues	Operating Expenses	Net Operating Revenues	% Rate of Return
1930	\$1,884,471	\$225,500	\$124,761	\$100,739	5.3
1931	1,508,213*	154,700	112,949	41,751	2.8
1932	1,510,644	150,200	95,427	54,773	3.6
1933	1,510,083	124,460	84,046	40,414	2.7
1934	1,510,606	123,382	85,879	37,503	2.5
1935	1,515,167	128,730	85,849	42,881	2.8
1936	1,518,885	141,926	96,053	45,873	3.0
1937	1,512,552*	147,741	99,282	48,459	3.2
1938	1,527,388	152,905	118,106 a	34,799	2.3
1939	1,505,882*	139,511	105,639	33,872	2.2
1940	1,516,171	123,252	102,335 b	20,927	1.4
1941	1,563,438	134,189	123,762 c	10,427	0.7
1942	1,215,555**	190,186	123,494 d	66,692	5.5
1943	1,218,801	163,053	136,895	26,158	2.1
1944	1,222,654**	148,819	159,388	(10,569)	(0.9)
1945	1,233,581	150,418	183,320 e	(32,902)	(2.7)
1946	1,239,786	153,720	157,193	(3,473)	(0.3)

Notes: (Red Figures)

- *-Years portions of properties sold to Richvale Irrigation District.
- ** -Years portions of properties sold to Biggs-West Gridley Water Dist.
- a-Includes flood damage \$17,463.
- b-Includes flood damage \$4,510.
- c-Includes flood damage \$16,928.
- d-Includes flood damage \$2,715.
- e-Includes injuries and damages of \$36,725 resulting from company warehouse fire.

The revenues obtained from the several service classifications were analyzed in Mr. Foster's report to determine the yield in revenues under any new rate structure. The following table shows for the year 1946 the various crops irrigated and the revenues obtained from each, both at the present rates and after applying the rates requested by the company:

WATER CHARGES AND REVENUES UNDER PRESENT AND REQUESTED RATES
YEAR 1946

Classification	Acres	Present Rate	Amount	Requested Rate	Amount
<u>RICE</u>					
Flat rate	5,560	\$9.00	\$50,039	\$11.50	\$63,940
Pump rate	85	10.40	887	13.00	1,105
Serv. chg. disc. 1945	2,304	8.85	20,391	11.35	26,150
Serv. chg. disc. 1944	<u>1,805</u>	8.75	<u>15,787</u>	11.25	<u>20,306</u>
Total rice	9,754		87,104		111,501
<u>GENERAL CROPS</u>					
Alfalfa	1,505	3.85	5,794	4.80	7,224
Ladino clover	3,640	3.85	14,014	9.00	32,760
Ladino clover	66	3.70*	243	8.85	584
Ladino clover	308	3.60**	1,109	8.75	2,695
Total Ladino	<u>4,014</u>		<u>15,366</u>		<u>36,039</u>
Corn	9	3.85	35	4.80	43
Corn	222	3.60**	799	4.55	1,010
Total corn	<u>231</u>		<u>834</u>		<u>1,053</u>
Pasture	303	3.85	1,167	4.80	1,454
Pasture	50	3.60**	180	4.55	227
Total pasture	<u>353</u>		<u>1,347</u>		<u>1,681</u>
Beans	893	3.85	3,438	4.80	4,286
Beans	28	2.45 ^φ	68	3.00	84
Beans	10	3.65 ^φ	36	4.50	45
Total beans	<u>931</u>		<u>3,542</u>		<u>4,415</u>
Sudan	456	3.85	1,755	4.80	2,189
Trees (fruit)	5,624	3.85	21,656	4.80	26,995
Trees (nut)	974	3.85	3,750	4.80	4,675
Beets; etc.	1,132	3.85	4,358	4.80	5,434
Beets, etc.	119	3.60**	428	4.55	541
Total beets, etc.	<u>1,251</u>		<u>4,786</u>		<u>5,975</u>
Other crops	43	3.85	166	4.80	206
Total general crops	15,382		58,996		90,451
Total crops	25,136		146,100		201,953
<u>SERVICE CHARGE ONLY</u>					
Flat rate	3,720	1.25	4,650	1.50	5,580
Discounted in 1945	898	1.10	987	1.35	1,212
Discounted in 1944	<u>5,120</u>	1.00	<u>5,120</u>	1.25	<u>6,400</u>
Total serv.chg.only	9,738		10,757		13,192
Total	34,874		\$156,857		\$215,145

Notes: *Service charge discounted in 1945.
**Service charge discounted in 1944.
^φInterplanted with grain.

Above tabulation is Table 3, Exhibit No. 11.

The total gross revenues receivable during 1946 under the present rates amounted to \$156,857. Under the rates requested by the company, the gross revenues would have totalled \$215,145, an increase of \$58,288, or 37.16 per cent on gross.

From a practical standpoint it should be pointed out that the gross operating revenues under the requested rates, while resulting in an increase of \$58,288, actually yield only \$39,521 net, attributable to the increase in federal income taxes of \$17,601, and uncollectibles at \$1,166, making a total deduction of \$18,767. The revenues under the requested rates are based upon a general increase of 25 per cent for all crops other than Ladino clover, which was taken at 80 per cent of the new rate for rice. The rate requested for Ladino clover, therefore, results in a flat rate charge of \$9.00 per acre compared with the present \$3.85.

The Canal Company claims that the present value of its physical and intangible properties, including water rights devoted to the public service, is in excess of \$2,500,000 as of December 31, 1946. It presented an adjusted rate base in the amount of \$1,252,888, this being the historical cost of the physical properties built up from the rate base established by the Commission in 1930, including for water rights only the costs and expenses incurred in connection with the acquisition of certain diversion and pumpage rights. It declares, however, that it is not seeking a return on the value of its water rights in addition to tangible capital value at this time.

While there are several differences between the figures submitted on behalf of the company and the Commission in capital accounts, as well as in the treatment accorded certain operating charges, principally the items of extraordinary expenses and depreciation, yet these differences are not sufficiently great to affect the over-all results of operation under present conditions. Using the rate base as of December 31, 1946, set up by the Commission's engineer, amounting to \$1,258,182, which includes \$13,590 for additional consumer advances repaid by the company between 1926 and 1946, and \$4,806 for material and supplies, the operations of this utility for the year 1946 resulted in a loss in net revenues of \$477, or a net return of minus 0.04 per cent. Applying the rates proposed by

the company to the water use for 1946, the net rate of return would be 3.10 per cent. These results are shown in the following table:

Classification	Under Present Rates	Under Requested Rates
OPERATING REVENUES		
Revenues from sales of water	\$156,857	\$215,145
OPERATING EXPENSES		
Source of water supply	\$ 19,270	\$ 19,270
Pumping expense	14,446	14,446
Transmission & distribution expense	63,756	63,756
Commercial expense	1,057	1,057
General & Miscellaneous expense	20,311	20,311
Extraordinary expense	2,188	2,188
Taxes	18,513	36,114
Depreciation expense	14,656	14,656
Uncollectibles	<u>3,137</u>	<u>4,303</u>
Total	\$157,334	\$176,101
Net Operating Revenue	(477)	39,044
Rate Base	1,258,182	1,258,182
Rate of Return	(0.04%)	3.10%

Note: (Red Figures)

Protests against increased irrigation charges were entered by many water consumers, particularly against the reasonableness of the company's proposed rate for Ladino clover and other permanent pasture crops of a similar nature. The major issue in this proceeding revolved around the net duty of water on Ladino clover land and the reasonable water requirements in the field for maximum economic yield of Ladino and similar mixed clovers used for permanent pasture crops.

Although the utility's rates now on file and in effect include a schedule of metered rates, water is not measured to the customers on the Sutter Butte Canal System, all present service being under flat rates with unmeasured deliveries. The testimony on the net duty of water for Ladino clover presented by both the utility and consumer witnesses was generally based on assumptions and on estimates from observation or comparison with other crops irrigated rather than on actual field measurements. The evidence presented on this important matter, therefore, was

somewhat indefinite and inadequate. However, the relative testimony given by many irrigators, and supported by evidence submitted by the Commission's witness, seemed to crystalize around a net water requirement for Ladino clover of approximately 50 per cent of the net rice requirement and about twice the amount of water used for general crops, exclusive of alfalfa. Compared with the latter crop, the testimony indicated that Ladino clover requires more water. In any event, the record does not substantiate the company's contention that the average necessary economic water requirement for clovers is 80% of that for rice.

The testimony on the use of water does reveal, moreover, a considerable waste of water on this system and inefficient irrigation practices, apparently inherent in all irrigation systems where water is not sold on a measured basis. This situation is most serious in view of the subnormal stream-flow prevailing this year. The low gross duty of water on the Sutter Butte Canal System, shown to have been somewhat over 12 acre feet per acre during the past three years, is one of the major factors forcing this company to procure water by pumping and purchase to supplement its natural flow, gravity supply. This means that the company must obtain an average of 12 acre feet of water for every acre of land irrigated, an unusually large gross water requirement. Water purchased by the Canal Company became a major item of expense when the increased plantings to rice began seriously to show its effect in 1943, as shown in the following tabulation:

PURCHASED WATER AND SUNSET PUMPING PLANT EXPENSE

: Year :	: Quantity :	: Cost :	: Sunset Pumping Plant Expense :	: Combined Costs :
1941	-	-	\$ 6,473	\$6,473
1942	-	-	4,377	4,377
1943	6,361 Ac. Ft.	\$4,771	14,775	19,546
1944	28,438 Ac. Ft.	21,329	13,759	35,088
1945	26,082 Ac. Ft.	19,561	16,115	35,676
1946	25,257 Ac. Ft.	18,943	14,446	33,389

It appears that the major cause of the comparatively large use of water on this system, and the resulting necessity to pump and purchase water arises from the high prices prevailing for rice which has led growers to plant this crop even on

unsuitable gravelly and sandy soils in certain sections of the service area. The evidence shows that the estimated average net duty of water for rice on this system is not less than 13.5 acre feet per acre, whereas the average net duty for rice on the system of the Western Canal Company immediately adjoining the Richvale Irrigation District on the north was for the years 1945 and 1946 but 6.34 acre feet per acre.

The testimony also shows that for crops other than rice, irrigation practices are frequently characterized by wasteful and uneconomic methods and by a general failure to recognize the present necessity of conserving water. The normal water supply of this utility not only should adequately serve its present acreage, but in all except years of serious subnormal rainfall and snow pack, could amply meet the demand of considerably more irrigated acreage within the present service area. It is evident that unless excessive uses of water for the irrigation of some crops can be avoided in the future, it may become necessary to place all water deliveries upon a measured rate basis.

The record in this proceeding clearly indicates that when Ladino and other clovers are planted on old rice checks, or on uneven and improperly leveled land, the amount of water required is so far in excess of the maximum economic water requirements that service to such lands at the same rates charged for the irrigation of properly prepared fields, places an unfair burden on all other consumers and creates unnecessary waste. The record shows that in many cases the irrigation of permanent pasture crops such as Ladino clover, planted in old rice checks, probably takes as much water as rice because of the frequency of clover

irrigations, the extended season and general failure to prevent drainage characteristic of rice irrigation practice. To reduce such economic waste of water in the irrigation of clover crops, the company will be authorized to charge a higher rate for Ladino and other clovers where the lands are improperly leveled, or unprepared, for such crops. This higher rate will be made effective commencing with all irrigation water delivered subsequent to the 1947 season. This interval will give consumers due notice to put their clover fields in proper shape to obtain the advantage of the lower rate for their irrigation.

In considering any general revision of the present flat rate structure to reclassify certain crops more in line with their recognized water requirements, it is readily apparent that the requirement for alfalfa is in excess of that for vines and orchards, yet somewhat less than for Ladino and other similar clovers. Alfalfa, therefore, should bear its fair and proper burden which indicates a separate classification for this crop.

The record presented herein completely substantiates the conclusion that the applicant is entitled to an upward revision of its rates for irrigation water service to provide increased revenues. The requested rate for rice irrigation, representing somewhat more than 25 per cent increase, is fully justified and will be authorized. However, the requested increase in the rate for Ladino and similar clovers, namely, 80 per cent of the rate for rice, can only be justified in the case of improperly prepared lands; such a rate will be authorized as a means of effecting a reduction in the unnecessary waste resulting from such practice. For the irrigation of Ladino and similar clovers planted on properly leveled and checked fields, the authorized rate will be 50 per cent of the rice rate. The evidence presented in this matter developed the fact that the irrigation of alfalfa requires more water than for general crops, although less than for Ladino clover, warranting a different rate for this crop which will amount to about 30 per cent increase over the present rate. The rates for orchards, vineyards, and general crops, including grain, will be increased an amount somewhat less than 25 per cent. The following order will establish these rates which will provide for

increased revenues which are found to be just and reasonable under the existing circumstances and conditions. The resulting increase in the company's revenues is necessary to insure adequate and satisfactory service, as well as to avoid continuing losses in operation. In the design of this rate structure the attempt has been made to assess the charges for water as equitably and as uniformly as possible under a flat rate schedule and in conformity with the use of water for the respective classifications. Assuming all Ladino clover land charged at the more favorable rate, it has been computed that had the rates which will be authorized herein been in effect during the 1946 irrigating season, the operating revenues would have amounted to \$201,533 which would result in a net operating revenue of about \$34,750 or a rate of return of approximately 2-3/4 per cent on the adjusted rate base of \$1,258,182, excluding water rights. The computed income in operating revenues of \$44,676 over the amount of \$156,857 actually received in 1946 represents an over-all increase of about 28 1/2 per cent.

No water has been sold by applicant during the past two years at the metered rate and the revenues previously derived under the measured rate schedule have been relatively insignificant. Therefore, it appears unnecessary to consider any increase in the metered rates, except to make the service charge in that schedule the same as that in the flat rate schedule, which will be done in the following order. The metered rate schedule will also be made to include Ladino and similar clovers, and alfalfa, on a basis comparable with crops other than rice and grain.

For those consumers whose land conditions and irrigation methods are such that the quantity of water required for any crop can be obtained for less under the metered rate than under the corresponding flat rate, it may be pointed out that the company's rules and regulations permit any consumer to exercise an option to obtain water service on the measured basis, thus favoring water conservation.

O R D E R

Sutter Butte Canal Co., a corporation, having made application to the Commission for authority to make a general increase in its rates, with particular reference to the rate for irrigation of Ladino and similar clovers, public hearings having been held thereon, the matter having been duly submitted and the Commission being now fully advised in the premises:

IT IS HEREBY FOUND AS A FACT that the present rates of Sutter Butte Canal Co., in so far as they differ from the rates herein established, are unjust and unreasonable and that the rates herein established are just and reasonable rates to be charged by said company for water service rendered its consumers; and, basing its order upon the foregoing findings of fact and upon the other statements of fact in the Opinion preceding this Order,

IT IS HEREBY ORDERED that the Sutter Butte Canal Co. be and it is hereby authorized and directed to file with this Commission the schedules of rates for irrigation water service set forth in Exhibit "A" attached hereto, said rates to apply for service rendered commencing with the 1947 irrigation season.

IT IS HEREBY FURTHER ORDERED as follows:

1. That Sutter Butte Canal Co. shall file in quadruplicate with this Commission, on or before May 31, 1947, in conformity with the Commission's General Order No. 96, the rates set forth in Exhibit "A" attached hereto.
2. That Sutter Butte Canal Co. shall, by July 1, 1947, adjust its bills for service due and payable under the rates so that the total charges in each particular case shall be equal to amounts chargeable under the rate schedules herein established.
3. That Sutter Butte Canal Co. shall modify its rules and regulations to make them consistent with the rates established herein and to comply with the following provisions:
 - (a) Revise Rule and Regulation Nos. 2(b) and 3(b) to omit specific mention of amount of service charge.
 - (b) Revise Rule and Regulation No. 2(d) to read:
"Application for water under any schedule for purposes of plowing or for sprouting water grass, weeds, etc., shall not require any renewal of agreement."
 - (c) In Rule and Regulation Nos. 4(c), 5(d), 5(e), and 6(d) change rate of interest from 8% to 5%.

- (d) Incorporate in Rule and Regulation No. 5 substantially the following:

"To secure discount on service charge, payment must be made on or before February first of the first year of three-year period.

"Service charge and first installment of annual water charges are due and payable on or before February first and second installment is due and payable on or before July first. Thirty days are allowed in which to make payment. Interest at the rate of 5% per annum from date due will be charged on all accounts not paid within 30 days from date due.

"All rates are for delivery of water at canals owned by the Company. Consumers whose lands are not adjacent to canals owned by the Company must provide and maintain a service ditch from the Company's canal to their lands.

"Additional rate for pumping applies only to such areas to which water cannot be delivered by gravity flow from canals owned by the Company. Pumping at Sunset Plant or from drainage ditches into Company's canals does not involve the pumping rate."

4. That Sutter Butte Canal Co., within sixty (60) days from the date of this Order, shall submit to 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 8½ x 11 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.
5. That Sutter Butte Canal Co., within sixty (60) days from the date of this Order, shall 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 to be 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 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 6th day of May, 1947.

Harold P. Auld

Walter Powell

P. J. ...

... ..
Commissioners.

EXHIBIT "A"

SCHEDULE OF RATES

SUTTER BUTTE CANAL CO.

Application No. 27950

EXHIBIT "A"

Schedule No. 1

FLAT RATES

This rate schedule is applicable where the water user signs a three-year contract for service, which shall be renewed or extended with each seasonal application for water service. Application for water for irrigation must be made on forms supplied by the company, in accordance with its rules and regulations.

Prepayment Discount on Service Charge:

For tenant water users not leasing land for more than one year and/or where guarantors satisfactory to the company are not obtained, or where landowners or tenants desire to avail themselves of the discounts, the second and third years' service charge will be subject to the following discounts, if paid on or before February 1st of the first year of any three-year contract period:

	<u>Gross Charge</u>	<u>Discount</u>	<u>Net Charge</u>
Second-year charge	\$1.50	\$0.15	\$1.35
Third-year charge	<u>1.50</u>	<u>.30</u>	<u>1.20</u>
	\$3.00	\$0.45	\$2.55

A - FOR IRRIGATION OF RICE

Service Charge:

\$1.50 per acre per year for contract period, first yearly payment payable at time of application and subsequent payments payable on or before February 1st of succeeding years.

Additional Charges for Water Delivered:

\$2.50 per acre, plus 75 cents per acre where water is pumped, payable on or before February 1st, plus

\$7.50 per acre, plus 75 cents per acre where water is pumped, payable on or before July 1st.

Special Conditions:

1. Water users are entitled, under the service charge payment on years where rice is not irrigated, to one flooding for purposes of sprouting water grass or weeds, or for plowing; provided, that where water is pumped, a further charge of 30 cents per acre-foot will be added. Additional charges for this purpose will be on the basis of 75 cents per acre plus 30 cents per acre-foot where water is pumped for second and each subsequent flooding.

EXHIBIT "A" - Continued

Schedule No. 1 - FLAT RATES

A - For Irrigation of Rice (Cent.)

Special Conditions - Continued:

2. Application for water for summer plowing or sprouting water grass, weeds, etc., will not cause a renewal or extension of the three-year contract.

B - FOR IRRIGATION OF GRAIN (OTHER THAN RICE)

(Including irrigation for double cropping such as for beans or similar crops),

Service Charge:

\$1.50 per acre per year for contract period, first yearly payment payable at time of application and subsequent payments payable on or before February 1st of succeeding years, which entitle consumer to two irrigations for the grain crop only, plus additional charge of 30 cents per acre-foot where water is pumped.

Additional Charges for Water Delivered:

\$1.50 per acre for each subsequent irrigation during continuance of service for the purpose of the second cropping, plus 30 cents per acre-foot where water is pumped, payable before each irrigation.

C - FOR IRRIGATION OF LADINO AND SIMILAR CLOVERS

Service Charge:

\$1.50 per acre per year for contract period, first yearly payment payable at time of application and subsequent payments payable on or before February 1st of succeeding years.

Additional Charges for Water Delivered:

1. Applicable for the 1948 irrigation season and thereafter on all new plantings where land is not properly leveled and checked for irrigation of this crop and also on all new or old fields last planted to rice and where land has not been properly leveled and re-checked for irrigation of Ladino and similar clovers.

\$1.75 per acre, plus 60 cents per acre where water is pumped, payable on or before February 1st, plus

\$5.75 per acre, plus 60 cents per acre where water is pumped, payable on or before July 1st.

EXHIBIT "A" - Continued

Schedule No. 1 - FLAT RATES

C - For Irrigation of Ladino and Similar Clovers (Cont.)

Additional Charges for Water Delivered - Continued:

2. Applicable to all existing fields and to all new plantings, where land has been properly leveled and checked for the irrigation of Ladino and similar clovers in accordance with good practice as recommended by qualified farm advisers.

\$1.25 per acre, plus 50 cents per acre where water is pumped, payable on or before February 1st, plus

\$3.00 per acre, plus 50 cents per acre where water is pumped, payable on or before July 1st.

D - FOR IRRIGATION OF ALFALFA

Service Charge:

\$1.50 per acre per year for contract period, first yearly payment payable at time of application and subsequent payments payable on or before February 1st of succeeding years.

Additional Charges for Water Delivered:

\$1.00 per acre, plus 50 cents per acre where water is pumped, payable on or before February 1st, plus

\$2.50 per acre, plus 50 cents per acre where water is pumped, payable on or before July 1st.

E - FOR IRRIGATION OF ORCHARDS,
VINEYARDS AND OTHER GENERAL CROPS

Service Charge:

\$1.50 per acre per year for contract period, first yearly payment payable at time of application and subsequent payments payable on or before February 1st of succeeding years.

Additional Charges for Water Delivered:

\$0.75 per acre, plus 45 cents per acre where water is pumped, payable on or before February 1st, plus

\$2.50 per acre, plus 45 cents per acre where water is pumped, payable on or before July 1st.

EXHIBIT "A" - Continued

Schedule No. 2

METERED RATES

This rate schedule is applicable where water user signs three-year contract for service, which shall be renewed or extended with each seasonal application for water service. Application for water for irrigation must be made on forms supplied by the company, in accordance with its rules and regulations.

Prepayment Discount on Service Charge:

For tenant water users not leasing land for more than one year and/or where guarantors satisfactory to the company are not obtained, or where landlords or tenants desire to avail themselves of the discounts, the second and third years' service charge will be subject to the following discounts if paid on or before February 1st of the first year of any three-year contract period:

	<u>Gross Charge</u>	<u>Discount</u>	<u>Net Charge</u>
Second-year charge	\$1.50	\$0.15	\$1.35
Third-year charge	<u>1.50</u>	<u>.30</u>	<u>1.20</u>
	\$3.00	\$0.45	\$2.55

F - FOR IRRIGATION OF RICE

Service Charge:

\$1.50 per acre per year for contract period, first yearly payment payable at time of application and subsequent payments payable on or before February 1st of succeeding years.

Additional Charges for Water Delivered:

\$2.50 per acre for 3 acre feet or less per acre, plus 30 cents per acre-foot if water is pumped, payable on or before February 1st, plus

\$1.50 per acre-foot, plus 30 cents per acre-foot if water is pumped, for water used in excess of 3 acre feet per acre, same to be paid at the end of the month of use.

Special Conditions:

1. Water users are entitled, under the service charge payment on years where rice is not irrigated, to one flooding for purposes of sprouting water grass or weeds, or for plowing; provided, that where water is pumped, a further charge of 30 cents per acre-foot will be added. Additional charges for this purpose will be on the basis of 75 cents per acre plus 30 cents per acre-foot where water is pumped for second and each subsequent flooding.

EXHIBIT "A" - Continued

Schedule No. 2 - Metered Rates

F - For Irrigation of Rice (Contd.)

Special Conditions - Continued:

2. Application for water for summer plowing or sprouting water grass, weeds, etc., will not cause a renewal or extension of the three-year contract.

G - FOR IRRIGATION OF GRAIN (OTHER THAN RICE)

(Including irrigation for double cropping such as for beans or similar crops).

Charges for this service according to the flat rates indicated in Schedule No. 1.

H - FOR IRRIGATION OF LADINO AND SIMILAR CLOVERS, ALFALFA, ORCHARDS, VINEYARDS, AND OTHER GENERAL CROPS

Service Charge:

\$1.50 per acre per year for contract period, first yearly payment payable at time of application and subsequent payments payable on or before February 1st of succeeding years.

Additional Charges for Water Delivered:

\$1.75 per acre for $1\frac{1}{2}$ acre feet or less per acre, plus 30 cents per acre-foot if water is pumped, payable on or before February 1st, plus

\$1.50 per acre-foot, plus 30 cents per acre-foot if water is pumped, for water used in excess of $1\frac{1}{2}$ acre feet per acre, same to be paid at the end of the month of use.