

Decision No. 40424

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**ORIGINAL**

In the Matter of Application of  
APPLE VALLEY RANCHOS WATER CO. (1) For a  
Certificate of Public Convenience and  
Necessity to Maintain and Operate a  
Domestic Water System; and (2) To  
Establish Domestic Water Rates.

Application No. 28187

Newton T. Bass and L. J. Coughlin, for Applicant.

O P I N I O N

In this application Apple Valley Ranchos Water Co., a corporation, asks the Commission to issue a certificate of public convenience and necessity authorizing it to maintain and operate a public utility domestic water system serving a large tract of land in Apple Valley, some eight miles southeast of Victorville, in San Bernardino County. The Commission is also asked to authorize the sale of water from said system in accordance with the metered rate schedule proposed in the application and as revised at the hearing.

A public hearing in this proceeding was held in Apple Valley before Examiner MacKall.

Newton T. Bass, President of Apple Valley Ranchos Water Co., testified that Apple Valley Ranchos, Inc., an affiliated corporation, originally owned the entire acreage comprising the service area applied for herein and that all stock in both said corporations is owned by him and his copartner, Bernard J. Westlund. He further testified that the water company plans to extend its existing water system to serve all subdivisions developed and placed on sale by the land company. In order that the water system might be developed in a logical manner, an over-all plan was designed by Leslie A. Hosegood, Chief Engineer of the San Bernardino City Water Department.

The total area proposed to be served consists of about 5,840 acres in Sections 7, 8, 9, 15, 16, 17, 18, 19, 20, 21, 22, 27, and 28, Township 5 North, Range 3 West, S.B.E. & M., as shown in Exhibit "C" attached to the application. As of May 1, 1947, the land company had subdivided Tracts 2851, 2915, and 3032, San Bernardino County, and had sold all of the lots. These three tracts comprise about 940 acres and are subdivided into 962 lots. Tract 3116, consisting of approximately 480 acres, had also been subdivided and about 150 lots sold therein. The water system has been designed to serve all lots in these subdivisions and most of it has been constructed and is now in operation. It is the intention of the land company to subdivide additional units of its land holdings as fast as the lots can be sold and the water system will be extended to serve them.

The water supply is available from two deep wells located on the property. Originally both wells were drilled for orchard irrigation. At the present time only Well No. 1 is connected with the distribution system. Recent chemical and bacterial analyses of the water produced by this well proved it to be suitable for human consumption. The pumping plant presently installed has a capacity of 69.5 miner's inches, or about 625 gallons per minute. Well No. 2 has been equipped with a suitable pump unit but has not as yet been connected to the distribution system. A chemical analysis of the water produced from this source proved it to be potable. A bacterial analysis will be made before the well is used to deliver water into the system. The capacity of the pumping plant is 55 miner's inches, or about 495 gallons per minute. Both pumping plants are arranged to be automatically controlled by means of pressure switches and to discharge into a 10,000-gallon pressure tank. Water pressure is maintained in the distribution system between limits of 20 and 40 pounds per square inch.

A report prepared by Horace P. Hinckley, a recognized authority on underground water supply in this area, indicates that an adequate water supply may be obtained at depths below 200 feet in all sections of the proposed service area. The water company plans to drill additional wells and connect them to the water system as the demand for water service increases.

When the present pressure-tank installation becomes inadequate, the company plans to construct a 1,500,000-gallon storage reservoir on the slope of a nearby hill. This reservoir will supply the entire service area by gravity flow and will maintain a static pressure of 35 pounds per square inch on the highest lots and 55 pounds per square inch on the lowest in elevation.

Evidence submitted at the hearing by James F. Wilson, one of the Commission's engineers, showed that the water system constructed to serve the first three subdivisions cost a total of \$114,658. The distribution system consists of 107,896 feet of steel pipe ranging in diameter from one inch to twelve inches. All pipe lines are constructed in rights-of-way or easements specifically set aside and reserved for that purpose in the dedication of the several tracts. If construction of additional water mains in streets becomes necessary for future needs, permits for such construction may be secured from the San Bernardino County Highway Department.

Regular water service is being provided without charge for the eighteen customers now attached to the water system, and all operating expenses are presently absorbed by the land company pending the issuance by the Commission of a certificate of public convenience and necessity authorizing the operation of the water system by applicant.

The water company proposed a schedule of rates and charges for water service based on a study of the rate schedules of other water utilities in San Bernardino County. These rates, as set forth in the application and as revised at the hearing, appear to be reasonable and will be approved.

The certificate of public convenience and necessity granted herein is subject to the following provision 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."

ORDER

Application as entitled above having been filed with the Public Utilities Commission of the State of California, a public hearing having been held thereon, the matter having been duly submitted and the Commission now being fully advised in the premises,

THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA hereby declares that public convenience and necessity require, and will require, Apple Valley Ranchos Water Co., a corporation, to construct, maintain and operate a public utility water system in the area comprising 5,840 acres, more or less, located in Sections 8, 9, 15, 16, 17, 18, 19, 20, 21, 22, 27 and 28, Township 5 North, Range 3 West, S.B.B. & M., San Bernardino County, as shown on the map designated Exhibit "C" attached to the application and hereby made a part of this Order by reference.

IT IS HEREBY ORDERED as follows:

1. That a certificate of public convenience and necessity be and it is hereby granted to Apple Valley Ranchos Water Co., a corporation, to construct, maintain and operate a public utility for the production, distribution and sale of water for domestic, irrigation, commercial and other purposes within the territory hereinabove described.
2. That Apple Valley Ranchos Water Co., a corporation, be and it is hereby authorized and directed to file in quadruplicate, within thirty (30) days from the date of this Order, in conformity with this Commission's General Order No. 96, the following schedule of rates to be charged for all water service rendered to its consumers on and after the first day of July, 1947, which schedule of rates is hereby found to be just and reasonable for the service to be rendered.

Schedule No. 1

GENERAL METERED SERVICE

Applicability:

Applicable to all metered water service rendered for domestic, commercial, irrigation, industrial and other purposes.

Territory:

Within the certificated territory in the general area known as Apple Valley, San Bernardino County.

Rates:

Per Meter  
Per Year

Annual Minimum Charge:

|                                    |         |
|------------------------------------|---------|
| For 5/8 x 3/4-inch meter . . . . . | \$15.00 |
| For 3/4-inch meter . . . . .       | 20.00   |
| For 1-inch meter . . . . .         | 30.00   |
| For 1 1/2-inch meter . . . . .     | 40.00   |
| For 2-inch meter . . . . .         | 60.00   |
| For 3-inch meter . . . . .         | 90.00   |

Annual Quantity Rates:

|  |         |
|--|---------|
| First 5,000 cubic feet or less . . . . .             | \$15.00 |
| Next 5,000 cubic feet, per 100 cubic feet . . . . .  | .25     |
| Next 5,000 cubic feet, per 100 cubic feet . . . . .  | .20     |
| Next 5,000 cubic feet, per 100 cubic feet . . . . .  | .15     |
| Over 20,000 cubic feet, per 100 cubic feet . . . . . | .08     |

Special Conditions:

1. The Annual Minimum Charge is due and payable on December 1 of each year, and no service will be connected or service rendered without payment of the Annual Minimum Charge in advance. The Annual Minimum Charge will entitle the consumer to the quantity of water which that annual minimum charge will purchase at the Annual quantity Rates.
2. Meters will normally be read on or about the first day of March, June, September and December, and statements rendered promptly thereafter to each customer showing the balance due or amount owed.
3. For the initial service rendered prior to December 1, the minimum charge payable in advance will be prorated on the basis of the portion of the year remaining prior to December 1, and the quantity entitlements shall be likewise prorated for each quantity rate block except the first. However, for terminal service rendered for a period less than a full year, the customer will not be entitled to refund of any portion of the Annual Minimum Charge.

3. That Apple Valley Ranchos Water Co., a corporation, 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.
  
4. That Apple Valley Ranchos Water Co., a corporation, 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 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.

For all other purposes, the effective date of this Order shall be twenty (20) days from and after the date thereof.

Dated at San Francisco, California, this 17<sup>th</sup> day of June, 1947.

Harold F. Hule  
Justus J. Coe  
David Powell  
A. J. Duran  
Samuel L. Foster  
 Commissioners.