

ORIGINAL

Decision No. 43582

## BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
CHESTER C. BAGSTAD for a certificate  
of public convenience and necessity  
to operate a water company, Little-  
rock, Los Angeles County, California.

Application No. 30425

Chester C. Bagstad, for applicant.O P I N I O N

Chester C. Bagstad in this application asks the Commission for a certificate to operate a public utility water system in Los Angeles County and to establish rates for such service.

A public hearing was held in Los Angeles before Examiner Crenshaw at which time no opposition was manifested.

The area proposed to be served is a subdivision to be known as "Circle-O-Ranchos," consisting of approximately 300 acres and located about four miles east of Littlerock, in Los Angeles County, California. The subdivision is comprised of approximately 126 parcels of land, of which a large number are 2½-acre parcels.

Applicant testified at the hearing that the area for which he desires a certificate is in the N.E. 1/4 of Section 7 and the N.W. 1/4 of Section 8, T.5 N., R.11 W., S.B.B.&M., and that he intends immediately to develop the western half of the subdivision.

The water supply for this subdivision is to be furnished from a drilled well 18 inches in diameter and 165 feet deep, gravel-packed, with a 12-inch casing to the bottom, perforated for 115 feet. In compliance with recommendations of the Los Angeles County Health Department, the outside of the casing has been cemented at a depth of 40 feet

to keep surface water out of the well. The static water level is 15 feet from the surface. This well has been completed, according to the testimony of applicant, and a test run indicated that it would deliver five inches of water, which in applicant's opinion would be more than adequate to handle the immediate needs of the subdivision.

Lot No. 105, on which the well is located, is owned by applicant. He intends to construct his residence at this location which will be used as headquarters for the water utility's operations.

Applicant stated that the present well will be adequate for the customers who will be connected in the immediate future when the subdivision is placed on the market, and as the demand increases, this well will be deepened to about 200 feet and should produce approximately 50 inches of water. He also contemplates drilling another well should the demand make it necessary. Applicant expects to install a turbine pump of 20 to 25 horsepower on the present well.

No definite plans have been made for the distribution system. However, applicant stated it is proposed to install a four-inch pipe from the well from which two-inch lateral lines will be connected and looped in to the general system; further, that it is intended to install a booster pump to pump water to a redwood storage tank with a capacity of approximately 7,500 gallons to the top of a hill from which water would be distributed by gravity flow.

On the map attached to the application, applicant indicates easements will be granted, as shown by the red line, where he proposes to lay the water mains.

The cost of drilling the present well was stated to have been \$1,424. Applicant estimates the cost of the turbine pump to be between \$1,800 and \$2,200 and an additional \$12,000 will be expended for the distribution system, including the booster pump and storage tank and necessary piping and auxiliary equipment.

The water utility, according to the applicant, is to be financed through the sale of real estate contracts as the parcels are sold in the subdivision. The water to be supplied will be for domestic and garden use. Applicant stated that he was instrumental in forming the Shadow Mountain Mutual Water Company, which has been in operation for approximately two years; therefore, he has had some experience in operating a water utility.

An engineer of the Commission's staff submitted Exhibit No. 1 which outlines the nature and character of the proposed utility and also shows a comparison of the rates proposed by applicant with those of the BV Water Company, a utility near Lancaster. While the rates of the BV Water Company are slightly higher, the rates proposed by applicant do not appear to be unreasonable.

Since the water system contemplated to be installed by applicant is located on private property, no franchise is involved.

As there is no other water utility in the immediate vicinity operation and maintenance of the proposed water utility is required by the public and the requested certificate should be granted.

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.

O R D E R

The above-entitled application having been considered, a public hearing having been held, the matter being submitted and now being ready for decision,

EXHIBIT ASchedule No. 1.GENERAL METERED SERVICEAPPLICABILITY

Applicable to all water service furnished on a measured basis.

TERRITORY

Within the Circle-0 Rancho subdivision defined as the N.E. one-quarter of Section 7 and the N.W. one-quarter of Section 8, T5N, R11W, S.B.B. & M.

RATES

<u>Quantity Charge</u>	<u>Per Meter Per Month</u>
First 1000 cu. ft., or less .....	\$2.00
Next 1000 cu. ft. per 100 cu. ft.....	.18
Next 3000 cu. ft. per 100 cu. ft.....	.15
Over 5000 cu. ft. per 100 cu. ft.....	.10
 <u>Minimum Charge</u>	
For 5/8 x 3/4-inch meter.....	\$2.00
For 3/4-inch meter .....	2.50
For 1-inch meter .....	3.00

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

IT IS HEREBY FOUND AS A FACT that public convenience and necessity will require the construction and operation of a public utility water system by Chester C. Bagstad in Los Angeles County, described as being a subdivision in the N.E. 1/4 of Section 7, and the N.W. 1/4 of Section 8, T.5 N., R.11 W., S.E.B. & M., therefore,

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be and it is hereby granted Chester C. Bagstad to construct and operate a public utility system for the distribution and sale of water within the territory hereinbefore described, subject to the following conditions:

1. The rates set forth in Exhibit A attached to this order shall be filed to be effective on or before the date service is rendered to the public, together with rules and regulations and tariff service area map acceptable to this Commission and in accordance with the requirements of General Order No. 96.
2. Applicant shall within thirty (30) days thereafter notify this Commission in writing of the completion of the system for which this certificate is granted.
3. Applicant shall within thirty (30) days after the system is placed in operation file four copies of a comprehensive map, drawn to an indicated scale of not less than 400 feet to the inch, delineating by appropriate markings the various tracts of land and territory served and the location of the various properties of applicant.
4. The authorization herein granted shall lapse if not exercised within one (1) year from the date hereof.

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

Dated at San Francisco, California, this 6<sup>th</sup> day of December 1949.

R. Z. Insurance  
Justus F. Cullen  
Deputy

Commissioners.