

ORIGINAL

Decision No. 42737

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of Application of
UMBSSEN, KERNER & STEVENS and
OURAY V. JOHNSON for a Certificate
of Public Convenience and Necessity
to operate a water system in the
vicinity of Inverness, Marin County,
California.

Application No. 30681

Ouray V. Johnson for applicant.

O P I N I O N

In this proceeding, Umbesen, Kerner and Stevens, a California corporation, and Ouray V. Johnson, doing business under the fictitious firm name and style of Seahaven Water System, ask the Commission for a certificate of public convenience and necessity authorizing it to supply water for domestic and other uses in an unincorporated area comprising approximately 35 acres and located 1½ miles north of the town of Inverness, Marin County, California. Also, the Commission is asked to authorize flat and metered rates for water service.

A public hearing in this matter was held at Point Reyes before Examiner Kimball on December 12, 1949.

The area involved has been designated Seahaven Subdivision 1 and has been subdivided by applicant into some 49 lots. The streets of the subdivision have not been dedicated to public use but are in the process of being graded and applicant intends to so dedicate them. At the present time, no houses have been constructed in the tract.

A water system has been installed by the applicant as shown on the map set forth in Exhibit A attached to the application. The principal source of water supply is an eight-inch steel cased well,

130 feet deep. The well is equipped with an electric motor-driven well pump with a discharge capacity of 28 gallons per minute. Water is pumped from the well through a two-inch transmission main to a 20,000-gallon redwood storage tank on a hill above the subdivision, and the pump will be controlled automatically by a float switch at the tank. From the tank, some 2,400 feet of four-inch, 1,900 feet of two-inch, and 400 feet of 1½-inch galvanized distribution mains have been installed to serve the area.

Since the tract is located on a hillside adjacent to Tomales Bay, the lots vary considerably in elevation. The available pressure will, therefore, depend on the location of the particular lot, and it appears from a survey made by a member of the Commission staff that it will range from 15 to 65 pounds per square inch. However, there is only one lot that will receive pressure as low as 15 pounds per square inch. This lot is located within 200 feet of the storage tank and will be served from a four-inch main which will result in no appreciable drop in pressure due to friction loss. There appears to be no other available tank site which would provide higher pressure to the system.

Applicant also owns water rights in an adjacent stream which apparently flows all year, and a 1½-inch supply main has been installed from a diversion point on the stream to the well site. This source is for standby use only, as the water will probably have to be chlorinated before it would be satisfactory for domestic use.

The requested flat and metered rates appear to be inconsistent with one another and with those of similar water systems. The staff engineer placed in evidence, as Exhibit 3, schedules covering flat and measured permanent resident service and flat and measured seasonal service. In view of the fact that the area appears to have some possibility of seasonal residents, at least during the

developmental stage, it would appear desirable to authorize both seasonal rates and rates for permanent residents. The order will authorize the rates as set forth in Exhibit 3.

An engineer of the Commission staff prepared an appraisal of the properties as of November 30, 1949, which showed an investment of \$12,005. In view of the present undeveloped state of the subdivision, it is apparent that only a small amount of revenue will be realized from this system in the immediate future. Since there are no customers being served and there is no experience on which to base future revenues and expenses, the staff engineer prepared an estimate based on an ultimate development of 45 full-year customers. This estimate indicated that a net revenue of about \$775 might be realized from the rates suggested by the Commission engineer, with a corresponding capital investment of about \$13,000, resulting in a rate of return of 6%.

The witness for applicant, O. V. Johnson, testified at the hearing that Umbsen, Kerner and Stevens is the owner of the water system and that he would operate the system at the present time. The application states that the firm of Umbsen, Kerner and Stevens of San Francisco will be financially responsible for making additional improvements as needed. It also appears that Mr. Johnson does not presently have an interest in the system. In view of the foregoing, it would appear appropriate that the certificate be issued to Umbsen, Kerner and Stevens, and the order will so provide.

The area for which a certificate is requested is not served by any other public utility water system and no one appeared at the hearing to object to the granting of the authority sought herein.

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 the certificate of public convenience

and necessity involved herein, 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 grant of such certificate of public convenience and necessity or right.

O R D E R

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

IT IS HEREBY FOUND AS A FACT that public convenience and necessity will require the construction, maintenance, and operation of a public utility water system by Umbsen, Kerner and Stevens, doing business as Seahaven Water System, in a tract known as Seahaven Sub-division No. 1, Inverness, Marin County, in the area more particularly delineated by outline in red upon the map marked Exhibit 1 in this proceeding; therefore,

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be and it is granted to Umbsen, Kerner and Stevens to operate a public utility water system for the distribution and sale of water within the territory hereinbefore described.

IT IS HEREBY FURTHER ORDERED that applicant shall:

1. File rates set forth in Exhibit A attached to this order to be effective within thirty (30) days after the effective date hereof, 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. Within forty (40) days after the effective date of this order, 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.

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

Dated at San Francisco, California, this 24th day of January, 1950.

R. E. Dunning
Justin D. Craven
Harold A. Hild
Herbert D. Foster
Commissioners.

Schedule No. 1

PERMANENT RESIDENTS METERED SERVICEAPPLICABILITY

Applicable to all metered water service to permanent residents.

TERRITORY

In and about the tract of Seahaven Subdivision No. 1, as delineated on the map included in the Tariff Schedules, located approximately $1\frac{1}{2}$ miles north of the town of Inverness, Marin County.

RATES

Quantity Rates:		Per Meter Per Month
First	500 cu. ft. or less	\$ 2.50
Next	1,000 cu. ft., per 100 cu. ft.40
Next	1,500 cu. ft., per 100 cu. ft.30
Over	3,000 cu. ft., per 100 cu. ft.20
Minimum Charge:		
For	$5/8 \times 3/4$ -inch meter	2.50
For	$3/4$ -inch meter	3.25
For	1-inch meter	5.00
For	$1\frac{1}{2}$ -inch meter	9.00

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

Schedule No. 2

PERMANENT RESIDENTS FLAT RATE SERVICEAPPLICABILITY

Applicable to all flat rate water service to permanent residents.

TERRITORY

In and about the tract of Seahaven Subdivision No. 1, as delineated on the map included in the Tariff Schedules, located approximately 1½ miles north of the town of Inverness, Marin County.

RATES

	<u>Per Month</u>
For each single-family dwelling, including irrigation of not more than 2,500 square feet of lawn, shrubs, garden or trees	\$ 2.75
For additional irrigated area, during the months of May to October, inclusive, per 100 sq. ft.05

SPECIAL CONDITION

A meter will be installed and Schedule No. 1 applied if either the utility or the customer so desires.

Schedule No. 3

SEASONAL METERED SERVICEAPPLICABILITY

Applicable to all metered water service to summer resort or seasonal residents.

TERRITORY

In and about the tract of Seahaven Subdivision No. 1, as delineated on the map included in the Tariff Schedules, located approximately 1½ miles north of the town of Inverness, Marin County.

RATES

Monthly Quantity Rates:

	Per Meter Per Month
First 500 cu. ft. included in Minimum Charges	
Next 1,000 cu. ft., per 100 cu. ft.	\$ 0.40
Next 1,500 cu. ft., per 100 cu. ft.30
Over 3,000 cu. ft., per 100 cu. ft.20

Minimum Charges:

Annual Minimum Charge payable before service is rendered, for any four consecutive months during the calendar year	16.00
Monthly Minimum Charge for each additional month during the calendar year	1.75

SPECIAL CONDITION

The customer must notify the utility, in writing, which months during the calendar year he desires water service.

Schedule No. 4

SEASONAL FLAT RATE SERVICEAPPLICABILITY

Applicable to all flat rate water service to summer resort or seasonal residents.

TERRITORY

In and about the tract of Seahaven Subdivision No. 1, as delineated on the map included in the Tariff Schedules, located approximately 1½ miles north of the town of Inverness, Marin County.

RATES

	<u>Charge</u>
Annual flat rate charges for any four consecutive months during the calendar year.	
For each single-family dwelling, including irrigation of not more than 2,500 square feet of lawns, shrubs, garden or trees	\$ 17.00
For additional irrigated area, per 100 sq. ft.	.30
Monthly flat rate charge for each additional month during the calendar year.	
For each single-family dwelling	2.00

SPECIAL CONDITION

A meter will be installed and Schedule No. 3 applied if either the utility or the customer so desires.