

Decision No. 43243

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 SANTA PAULA WATER WORKS, LTD., a
 corporation, for an Order authorizing
 it to enter into an agreement under
 which it will transfer priorities
 under certain water rights owned by it.

Application No. 30406

OPINION AND ORDER

Santa Paula Water Works, Ltd., a corporation, on June 16, 1949, applied for authority to transfer to Richfield Oil Corporation the priority rights to take and use water from Sisar Creek, in the Upper Ojai Valley, Ventura County, to the extent set forth in agreements, Exhibits A through E, attached to the application.

The agreement, Exhibit A, provides for the sale, by applicant and the other common owners, to Richfield Oil Corporation, of the priority right, as against applicant, to take and use waters of Sisar Creek, not exceeding 337,083 cubic feet in any one month and not exceeding 1,509,120 cubic feet in any one calendar year, for the sum of \$2,500.

The agreement, Exhibit B, sells, assigns, transfers, and sets over to Sisar Mutual Water Company, a California corporation, the rights, title, and interest conveyed to Richfield Oil Corporation by Exhibit A.

The agreement, Exhibit C, provides for the release, by applicant, of the water rights, properties, and obligations assigned to Sisar Mutual Water Company by Richfield Oil Corporation in Exhibit B.

The agreement, Exhibit D, transfers a right of way for the transportation of water, owned by Richfield Oil Corporation, to Sisar Mutual Water Company.

The agreement, Exhibit E, provides for the sale, by applicant, to Richfield Oil Corporation, of the priority right of applicant to subterranean waters of Sisar Creek, not exceeding 8,422.46 cubic feet per day, for Richfield's use in oil well drilling operations and the domestic use of persons and their families residing within the area and engaged in said oil well drilling operations. The consideration, to applicant, in this sale, is \$2,500 in addition to that provided for in Exhibit A.

Applicant's system, serving in excess of 3,000 customers in the city of Santa Paula, Ventura County, California, consists of two types of water supply; i.e., Santa Paula Creek, which supplies 100% to 15%, depending on the time of year and the amount of rainfall, and Wells Nos. 1 through 5, 1,400, 600, 400, 1,350 and 900 gallons-per-minute capacity, respectively. Well No. 5 was added as a safeguard in 1948. When used for irrigation, it has a capacity of 1,100 gallons per minute.

Sisar Creek joins Santa Paula Creek about four miles above applicant's diversion point. Richfield Oil Corporation's Sisar Creek diversion point, involved herein, is located about five miles above the confluence of Sisar Creek with Santa Paula Creek.

Sometime prior to 1910, Santa Paula Water Works commenced selling water to Pan-American Oil Company, a predecessor in interest of Richfield Oil Corporation, for drilling purposes and attendant uses in the vicinity of the present diversion on Sisar Creek. The sale of this water was metered by applicant, and a pipe line, owned by Pan-American and later by Richfield, was constructed. In addition to the use by Pan-American and Richfield of the water for oil well drilling, water was allegedly, and solely as an accommodation, furnished and sold to approximately 34 residents for domestic uses in the vicinity of the oil well drilling operations. These residents have

never been considered to be customers of applicant, have never been billed by applicant, nor served thereby. They reside some nine miles outside of applicant's service area in a remote canyon section of the Upper Ojai Valley.

In 1948, Richfield Oil Corporation developed a separate source of water supply and notified the 34 residents, formerly being furnished water on a nonutility basis, as an accommodation, that it intended to discontinue the furnishing of water as in the past, and that it would not have any surplus water to furnish them in the future.

The purpose of the agreements, Exhibits A through E, therefore, is to provide for the continuous receipt of water by the aforementioned 34 customers.

The 34 customers have formed themselves into the Sisar Mutual Water Company. The Sisar Mutual Water Company will, upon payment of \$2,500 to Richfield Oil Corporation, receive therefrom the water rights and distribution system necessary to keep its stockholders supplied with water.

The five wells owned and operated by applicant are capable of supplying all the demands of its customers without the use of water from Santa Paula Creek or Sisar Creek. The loss in revenue to applicant would amount to between \$500 and \$600 per year, only, out of reported gross operating revenues of \$114,722 for the year 1948. Applicant's total reported fixed capital in service as of December 31, 1948, was \$561,168, and it is apparent that the sale of properties applied for herein constitutes but a small part of applicant's over-all water system. The transfer of these rights and the loss of revenue will not jeopardize either the water supply available to applicant for its service to Santa Paula, or applicant's earnings position. All interested parties have concurred in the agreements. There has been no objection interposed by any party to the execution of the agreements.

It appearing that public hearing is not necessary herein, that the sale and transfer of the priorities under certain water rights owned by applicant to the Richfield Oil Corporation and by it in turn to Sisar Mutual Water Company is in the public interest, and that the application should be granted subject to certain conditions,

IT IS HEREBY ORDERED that Santa Paula Water Works, Ltd., is authorized to perform the agreements, Exhibits A through E, attached to the application and dated May 21, 1949, and in connection therewith, to transfer to Richfield Oil Corporation the priority rights to take and use certain waters, both surface and subterranean, of Sisar Creek in the Upper Ojai Valley, to the extent set forth in said agreements, subject to the following conditions:

1. Applicant shall, within thirty (30) days thereafter, notify this Commission in writing, of the completion of the property transfer herein authorized and of its compliance with the conditions hereof.
2. The action taken herein shall not be construed to be a finding of the value of the properties herein authorized to be transferred.

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

Dated at San Francisco, California, this 23rd day of

August, 1949.

R. Z. [Signature]
Justin P. [Signature]
[Signature]
[Signature]
Commissioners.