

**ORIGINAL**

Decision No. 56082

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )	
RIM OF THE WORLD WATER COMPANY for a )	Application No. 38130
certificate of public convenience and )	(First Supplemental)
necessity to operate a water company. )	(Amended)

Charles W. Drake, for applicant.

A. L. Gielegem and Alfred V. Day, for the Commission staff.

OPINION ON REHEARING

By Application No. 38130, filed On June 13, 1956, Rim of the World Water Company, a California corporation, sought authority to furnish domestic water to tentative tracts described as Tracts Nos. 5086, 5087, 5088, 5089, 5090 and 5091 in San Bernardino County. It was estimated that there would be a total of approximately 1,000 lots in the subdivisions. The applicant also sought authority to establish rates.

By Decision No. 53984, dated October 30, 1956, in Application No. 38130, the applicant was authorized to serve Tract No. 5086 containing 295 lots only, subject to the following conditions, among others:

- (1) That applicant certify to the Commission that it possesses clear title to seven horizontal wells, numbered 1 to 7, inclusive, having a combined production capacity of 186.3 gallons of water per minute, together with the well sites.

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1/ Decision No. 53984 also grants applicant authority to issue stock as requested in Application No. 38219.

(2) That applicant install and place in operation two 50,000-gallon storage tanks and the necessary connecting laterals.

(3) That applicant have the water system so installed as to provide operating pressures in Tract No. 5086 in conformance with General Order No. 103.

(4) That applicant not extend its water system outside Tract No. 5086 without further order of the Commission.

By its First Supplemental Application, filed on February 6, 1957, applicant alleged that it possessed clear title to the wells and well sites described in its original application; that it had constructed a 100,000-gallon storage tank and connecting laterals and a water distributing system in Tract No. 5086; and that it will also construct a 50,000-gallon storage tank. It further alleged that two additional wells, numbered 8 and 9, had been drilled and that they were producing 185 to 195 gallons of water per minute. On the basis of the additional wells, it requested authority to extend service to Tracts Nos. 5087, 5088 and 5089, containing a total of 275 lots, and to Camp Deer Miss, adjacent to Tract No. 5086. On May 31, 1957, applicant filed a petition for modification of Decision No. 53984 to permit the use of one 100,000-gallon storage tank instead of the two 50,000-gallon storage tanks required by the order of said decision. By its First Amendment to First Supplemental Application No. 38130, filed on June 11, 1957, applicant requested that the restriction in ordering paragraph 1(b) of Decision No. 53984 be lifted so as to enable applicant to extend contiguously under Section 1001 of the Public Utilities Code, and also requested authority to install mains not in conformance with the minimum standards prescribed in General Order No. 103.

By Decision No. 55523, dated September 3, 1957, in Application No. 38130 (First Supplemental)(Amended) applicant's request for authority to deviate from General Order No. 103 was denied; it was given authority to serve Camp Deer Miss by the use of water from well No. 1; and its request for authority to serve Tracts Nos. 5087, 5088 and 5089 was denied. In addition, applicant was given authority to use one 100,000-gallon storage tank in lieu of the two 50,000-gallon tanks. In support of the said orders, it was recited in the decision that well No. 1 was not connectible to applicant's source of water supply for Tract No. 5086; that wells Nos. 2 and 3 had a total flow of about 1 gallon per minute; and that well No. 4 with a flow of 23 gallons per minute was at a location not practicable to pipe to either of applicant's collecting tanks or main storage tank. The decision reflects that applicant owned the well sites and wells Nos. 5, 6 and 7; that it had drilled wells Nos. 8 and 9; and that the total production of wells Nos. 5 through 9, inclusive, was from 190 gallons per minute (staff's estimate) to 330 gallons per minute (applicant's estimate). The decision recites that an analysis of the applicant's water supply as contained in the staff report (Exhibit No. 14 on the Rehearing) indicates that the supply of water for Tract No. 5086, comprising 295 lots, was at best, only adequate for the needs and demands of said tract. The staff recommended:

(1) That applicant's water system installation should be engineered to remove high pressure conditions at the elevations lower than the 100,000-gallon storage tank and to remove the low pressure conditions in the areas in the immediate vicinity of the storage tank.

(2) That a collecting system from applicant's wells should be designed to fully utilize the available water supply.

(3) That multiple collecting tanks and pumps should be installed to reasonably insure continuous service.

(4) That applicant should make a study of the replenishment of its water supplies, as well as an investigation into other sources of supply.

(5) That each well should be equipped for individual sampling and discharge to drain, plus facilities to measure flows and pressures.

(6) That applicant should certify to the Commission that it possesses clear title to wells Nos. 8 and 9, and the well sites therefor, and to wells Nos. 21 and 22, and the well sites therefor, if such wells are to be acquired by applicant.

On September 10, 1957, applicant filed a petition for rehearing of the portion of Decision No. 55523 which denied applicant authority to serve Tracts Nos. 5087, 5088 and 5089. On October 1, 1957, the Commission granted the rehearing. The rehearing was held before Examiner Kent C. Rogers in Los Angeles, on November 15, 1957, and the matter was submitted subject to the filing by applicant of a comprehensive map, Exhibit No. 17. This exhibit has been filed and the matter is ready for decision. Prior to the hearing, notice thereof was published in a newspaper of general circulation in Crestline, California. ✓

#### General Information

Rowco, Inc., a corporation, owns the major part of Section 31 and a part of Section 32, T2N, R2W, SBB&M., located along the Rim of the World Highway, in San Bernardino County, approximately 21 miles southwest of Big Bear Lake. It also owns all of the stock of the applicant, Rim of the World Water Company. Applicant has ✓

authority, as hereinbefore recited, to serve domestic water to Tract No. 5086 comprising 295 lots. Tract No. 5086 as well as Tracts Nos. 5087, 5088 and 5089 are portions of the said land owned by Rowco, Inc., which is the developer of said tracts. Applicant is now seeking authority to serve Tracts Nos. 5087, 5088 and 5089, notwithstanding authority was denied therefor due to lack of an adequate water supply (Decisions Nos. 53984 and 55523, referred to supra). Applicant contends it now has adequate water to serve all four tracts, and proposes that rates for Tracts Nos. 5087, 5088 and 5089 be the same as those established for Tract No. 5086.

Tracts Nos. 5087, 5088 and 5089 are contiguous to Tract No. 5086 and contain a total of 293 lots. Maps thereof have been recorded, the roads have been graded and a bond has been filed with the County of San Bernardino to insure their paving. Rowco, Inc., is ready to sell the lots but cannot get authority therefor until a water supply is guaranteed. In order to insure the installation of a water system in Tracts Nos. 5087, 5088 and 5089, Rowco, Inc., will purchase sufficient stock of applicant to enable applicant to install the entire facilities required, will purchase sufficient stock to enable applicant to install its required utility plant, and will enter into a main extension agreement for the necessary mains, or will construct and install all required facilities and donate them to the applicant. Rowco, Inc.'s financial condition as of July 31, 1957, is set out in Exhibit No. 27 herein and shows a favorable cash position.

The Water Supply and Storage

Applicant originally had seven horizontal wells in the vicinity of Tract No. 5086. These wells were designated as wells

Nos. 1, 2, 3, 4, 5, 6 and 7 (See Exhibit No. 17) and produced a combined total of 186.3 gallons per minute. (Decision No. 53984, supra). At the rehearing on June 26, 1957, it was developed that wells Nos. 2 and 3 had a total production of only 1 gallon per minute and that well No. 4 with a flow of 23 gallons per minute could not practicably be connected to the system. In addition, it was shown that well No. 1 is used only to serve a 7 acre tract of land containing Camp Deer Miss, that applicant owns wells Nos. 5, 6 and 7 and the well sites, and that applicant had drilled horizontal wells Nos. 8 and 9 subsequent to the original hearing. The total production of wells Nos. 5 through 9 was 237 gallons per minute according to a test made on November 11, 1957, (Exhibit No. 15).

Additional horizontal wells have been developed by Rowco, Inc. since the second hearing and, in addition, applicant has stated that it can and will connect well No. 4 to the system. An additional horizontal well, well No. 27, is being drilled at present, and applicant has picked out sites for other wells. (See Exhibit No. 17)

The following chart shows the original test and results of tests made on November 11, 1957, for each well presently available to applicant in the service area.<sup>2/</sup>

<u>Well No. and Date of Drilling.</u>	<u>Gallons per Minute</u>	
	<u>Original Test</u>	<u>Test 11/11/57</u>
Well No. 4 9/8/55	23	50
Well No. 5 9/14/55	33	33
Well No. 6 9/19/55	22	23

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<sup>2/</sup> The location of the wells are shown in Exhibit No. 17 herein.

<u>Well No. and Date of Drilling</u>	<u>Gallons per Minute</u>	
	<u>Original Test</u>	<u>Test 11/11/57</u>
Well No. 7 9/23/55	85	74
Well No. 8 8/17/56	165-175	68
Well No. 9 8/28/56	20	39
Well No. 21 5/28/57	50	64
Well No. 22 6/10/57	12	11
Well No. 23 9/12/57	15	16
Well No. 24 9/17/57	25	31
Well No. 25 9/23/57	16	15
Well No. 11 11/6/57	40	34
Well No. 12 11/1/57	18	12

The total production of these wells was 470 gallons per minute on November 11, 1957.<sup>3/</sup> One well (well No. 26) was drilled on October 9, 1957, and produced 55 gallons per minute, was temporarily out of production due to a cavein and was later tested at 22 gallons per minute. Well No. 27 is under construction and no figure on its production is available. The drop in production in well No. 8 was allegedly caused by a cavein. All wells and well sites have been or will be donated by Rowco, Inc., to applicant without charge.

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<sup>3/</sup> Exhibit No. 15.

In order to connect the new wells (wells Nos. 11, 12, 21, 22, 23, 24, 25, 26 and 27) and well No. 4 to the existing system and wells, it will be necessary that collecting tanks, pumps and laterals be constructed by applicant at an estimated total cost of \$5,669 (Exhibit No. 18). The estimated total cost of the main extensions in Tracts Nos. 5087, 5088 and 5089 is \$12,845 (Exhibit No. 3, June 26, 1957). This sum will be advanced by Rowco, Inc., and refunded pursuant to applicant's main extension rule. The applicant's plant, including wells Nos. 5, 6 and 7, was valued at \$23,257 on January 1, 1957. Applicant plans to connect wells Nos. 8 and 9 to wells Nos. 5, 6 and 7 with an additional 4-inch line, at a cost of \$1,500.

Applicant has at present one 101,000-gallon storage tank and plans to construct 100,000 gallon additional storage for each 250 customers after the first 250 consumers. As of November 15, 1957, Rowco, Inc., had sold 195 lots in Tract No. 5086. At that time 4 homes in said tract were 90 percent completed, 14 were in the foundation stage, and 8 lots had been cleared for construction purposes.

#### Additional Water Supplies

In addition to the wells applicant has developed, it claims other sources of supply, including 4 running streams and a lake. The 4 running streams cross the property of Rowco, Inc., but applicant could not show that Rowco, Inc., had any rights thereto, other than as a riparian land owner, and these claimed sources of supply will be disregarded (See Exhibit No. 17 for the locations of the streams and Exhibit No. 16 for the quantity of water and the estimated cost of connecting the streams to the system.). Running Springs Forest Water Company has agreed to furnish emergency water to the extent of 150



gallons per lot per day (Exhibit No. 6, June 26, 1957). This water company is located about 2½ miles east of Tract No. 5086. Rowco, Inc., has agreed that it will pay the entire cost of all pipes, connections and appurtenances necessary to deliver not to exceed 150 gallons of water per day per lot to each of the estimated maximum development of approximately 1,000 lots in Tracts Nos. 5086 through 5091, which cost is estimated to be approximately \$15,000 (Exhibit No. 21).

Water Usage in the Area

It is to be noted that with applicant's presently developed well water supply of 470 gallons of water per minute (Exhibit No. 15, excluding wells Nos. 1 and 26), and the development of Tracts Nos. 5086, 5087, 5088 and 5089 into a total of approximately 600 lots, applicant would have only about 0.8 of a gallon of water per minute per lot available, exclusive of emergency water from Running Springs and water from the creeks, as to which applicant has shown no right.

It is applicant's contention, however, that in similar areas in the vicinity, a maximum of only about 25 percent development is probable, and that water is abundant in the area. In support of such contentions it produced as a witness, a man who has drilled numerous wells in the area, and the superintendent of the Crestline Village County Water District.

The well driller, Albert Smith, testified that he has drilled 150 horizontal wells in the San Bernardino mountain area, including wells for the Cedar Pines Park Mutual Water Company, Crestline Village County Water District, Green Valley Lake Water Company, Running Springs Water Company and Santa Claus Village; that he drilled all of applicant's wells; that the horizontal wells tap water running in faults; that he drilled 15 wells for the Crestline Village County

Water District, of which 11 produce running water; that the applicant's service area is the same as the Crestline area; and that he does not question applicant's water supply. The witness further testified that some of the wells in the Crestline Village area have been producing for over 5 years and are still producing the same as when originally drilled.

The superintendent of Crestline Village County Water District, Herman Deich, testified that Albert Smith drilled 11 producing horizontal wells for that district which is 9 - 10 miles from applicant's service area; that it secures water from Lake Gregory and from its 11 producing horizontal wells, of which it has 4 groups .. known as its Altdorf Springs, its Old Mill Springs, its Ranger Springs and its Pioneer Springs; that these 4 groups of springs produce a total of 103 gallons of water per minute; that originally the district secured all of its water from Lake Gregory but as it developed horizontal wells, it cut down on the use of lake water; and that during the first ten months of 1957, the district used 60,462,921 gallons of water, of which 33,590,860 gallons were produced by horizontal wells (Exhibit No. 25). He further testified that the district has a storage capacity of 1,040,300 gallons of water; that there are 3,221 lots in Crestline Village, of which 1,440 are improved; that approximately 10 - 15 services are added each year; and that the average daily use per consumer is 246 gallons of water during the period of heaviest water usage (Exhibit No. 26). The witness further stated that the district was formed in 1922 at which time all of the mains were installed.

In addition to the oral testimony, applicant produced a group of letters (Exhibit No. 22, A through G), showing the development of other subdivisions in the area. This exhibit is summarized as follows:

Exhibit 22A

The San Bernardino County assessor estimates that there are 60,000 parcels of land in the San Bernardino mountain area of which 25 percent are improved with livable structures, the age of which varies from 57 years to new.

Exhibit 22B

Meadow Brook Water Association is located approximately  $6\frac{1}{2}$  miles from the applicant's area by highway. It has 92 consumers and it pumps 18,000 gallons of water per day in the six summer months (approximately 200 gallons per day per consumer) and approximately 8,000 gallons per day the balance of the year.

Exhibit 22C

Tract 1944, Meadow Brook Woods, was subdivided in 1926, has 408 lots therein, and has 92 homes or cabins.

Exhibit 22D

Running Springs Water Company is one mile from the proposed service area. This company has 800 lots and 209 services in an area subdivided in or prior to 1924. The average use is 10,000 to 15,000 gallons per day with a peak (Labor Day) of 30,000 to 40,000 gallons of water.

Exhibit 22E

Running Springs is a subdivision adjacent to the applicant water company. Approximately 25 percent of the lots therein have been sold.

Exhibit 22F

Moon Ridge Mutual Water Company has 2,000 lots near Big Bear Lake. About one-half of the area was subdivided prior to 1940 and the balance subsequent thereto. There are at present 402 water users in the area and about 25 consumers per year have been added for the past 4 or 5 years. It has 100,000 gallons of storage and its production of water varies from 60,000 gallons per day to 90,000 gallons per day from springs, and two wells are producing a total of approximately 200,000 gallons per day. The storage is allegedly sufficient except on long holiday weekends. In addition to the domestic water users, this company has a trout pond and a golf course. Its experience is that the springs are sufficient except in unusual circumstances.

Exhibit 22G

Luring Pines Water Company is adjacent to the proposed service area to the east. Since 1923, 2,000 lots have been sold and there are approximately 400 improved parcels at present. Water usage averages 201.5 cubic feet, or approximately 1,500 gallons per consumer per month.

Conclusions Concerning the Water Supply

It appears obvious from the record herein that applicant has developed a sufficient supply of water to permit the development of Tracts Nos. 5086, 5087, 5088 and 5089 comprising less than 600 lots. The present water supply would give 0.8 of a gallon of water per minute to each of the 600 lots in the service area or approximately 675,000 gallons of water per day. The evidence further tends to show that additional wells can be developed on Rowco's property.

Upon the evidence of record herein the Commission finds that applicant should be authorized to extend service to Tracts Nos. 5087, 5088 and 5089 subject to the condition contained in the order herein and it will be so ordered.

Applicant's request that it be permitted to extend contiguously under Section 1001 of the Public Utilities Code will not be granted.

Commission Staff Recommendations

As heretofore stated, in Decision No. 55523, page 9 thereof, the Commission staff recommended certain changes in the water system. The applicant's witness stated that all of the recommendations have been or will be complied with prior to the extension of service to the new tracts and the commencement of service therein or as soon as needed to provide adequate service. The witness further stated that the high and low pressure situations will be taken care of by booster systems and reduction valves prior to the connection of any services where the pressures are above or below the standards prescribed by this Commission and that if it is authorized to serve the proposed tracts it will install the collecting tanks at the new wells and pumps; that it has already installed sampling and discharge to drains at the existing wells. Upon the record herein it appears that the applicant can and will improve its system in conformance with the recommendations of the staff as recited on page 9 of Decision No. 55523, and it will be permitted to develop the new tracts.

ORDER ON REHEARING

The petition for rehearing having been filed, a rehearing having been held thereon, the Commission having made the foregoing findings and based upon said findings and the evidence of record herein,

IT IS ORDERED:

(1) That Rim of the World Water Company, a corporation, be, and it is, authorized to extend service to Tracts Nos. 5087, 5088 and 5089, San Bernardino County, California, subject to the following condition:

That applicant shall certify in writing to this Commission, within 120 days after the effective date of this order, that it possesses clear title to wells Nos. 8, 9, 11, 12, 21, 22, 23, 24 and 25.

(2) That applicant shall not extend its water system outside the boundaries of Tracts Nos. 5086, 5087, 5088 and 5089 without further order of the Commission.

(3) That applicant is authorized to apply its presently filed rates and rules in the area certificated by this order.

(4) That applicant, within thirty days after the effective date of this order, shall revise its presently filed tariff schedules, including tariff service area map, in accordance with the procedure prescribed in General Order No. 96, to provide for the application of said tariff schedules for water service in the area being certificated by this order. Such revised tariff schedules shall become effective upon five days' notice to the Commission and to the public after filing as hereinabove provided.

(5) That applicant shall file, within forty days after the system is placed in operation under the rates and rules authorized herein, four copies of a comprehensive map drawn to an indicated scale

not smaller than 300 feet to the inch, delineating by appropriate markings the various tracts of land and territory served; the principal water production, storage and distribution facilities; and the location of the various properties of applicant.

(6) That the application as amended, except as specifically herein granted, be and it is denied.

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

Dated at San Francisco, California, this 14<sup>th</sup> day of January, 1954.

[Signature]  
President

[Signature]

[Signature]

[Signature]

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Commissioners