

ORIGINAL

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Decision No. _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of the ROSA WATER COMPANY to operate a water system in the vicinity of Simi, California.

Application No. 40685

William E. MacFaden for applicant.
Carl Sailer; Richard Bard, Jr., for Berylwood-Simi Company; Mrs. Martha Ross; C. Mavro Warren; and Joseph Schreiber, for Tapo Mutual Water Company; interested parties
A. L. Gielegem and D. B. Steger for the Commission's staff.

O P I N I O N

The application herein was filed on December 18, 1958, and amendments thereto were filed on March 24, 1959, and May 29, 1959. The applicant, a California corporation, seeks (1) a certificate of public convenience and necessity as a water corporation to operate a water system in Tract No. 1040 in Ventura County, California; (2) to establish rates; (3) to issue stock; and (4) to exercise a franchise granted by the County of Ventura.

A public hearing on the application was held in Santa Susana, California, on June 9, 1959, before Examiner Kent C. Rogers, evidence was presented, and the matter was submitted subject to the filing of two exhibits. These exhibits have been filed and the matter is ready for decision. Prior to the hearing, notice thereof was published and mailed as required by this Commission.

Applicant has secured a franchise from the County of Ventura (Franchise Ordinance No. 727) for the exercise of the rights herein sought, which franchise is for a period of 50 years after October 28, 1958 (Exhibit F on the application).

Applicant is a California corporation formed primarily for the purpose of operating a water system for the supplying of water for domestic use, irrigation, sanitation and industrial use, fire protection, and recreation. Its articles of incorporation were filed with the Secretary of the State of California on July 14, 1958. It is thereby authorized, among other things, to issue 1,000 shares of stock, each of which shall have a par value of \$100, the aggregate par value of the shares being \$100,000. The original directors, as well as the present directors, are Ned S. Porter, William E. Buckner, and Helen L. Buckner. The present officers are William E. Buckner, president and treasurer, Ned S. Porter, vice president, and Helen L. Buckner, secretary. All stock to be issued originally is to be issued to William E. Buckner, Helen L. Buckner, R. E. Schweser, and Fern Schweser.

The Service Area

Tract No. 1040 comprises 34 acres divided into 161 lots of which 159 are residential, and the other two contain a well, storage tank, pressure tank, and other facilities. The area is approximately level. At the time of the hearing herein 148 of the residential lots had been sold. All lots are sold improved, i.e., with houses thereon, and the applicant estimated that Tract No. 1040 would be completely occupied in six weeks from the hearing date. The applicant intends to extend within about two months to Unit No. 2 (Tract No. 1099), a subdivision contiguous to and north of Tract No. 1040. This tract

will contain 28 acres split up into 128 residential lots, one 1½-acre commercial lot, and two lots for well No. 2 and the necessary facilities. Thereafter, and within one year subsequent to the hearing, applicant plans to further extend service to other contiguous territory to the extent that the service area will have a total of approximately 400 homes and approximately 85 acres of land.

The Proposed System and Water Supply

This is another of a growing number of instances in which a subdivision is planned, a water system is installed, water is served, and thereafter a certificate is requested from this Commission. In this instance the developer requested that applicant furnish him with domestic water in July, 1958. The applicant commenced installing its system in February or March, 1959, and has been serving water, without charge, for some period prior to the hearing. It intends to serve water without charge until a certificate is granted. The system in Tract No. 1040 is depicted on Exhibit C on the application and, according to the staff, the water main types and sizes as installed comply with the material specifications and design standards as set out in General Order No. 103. All services are to be metered. At present the water supply is from one well (well 21-R-1) drilled in 1927 and acquired by applicant's predecessor in 1958. In February or March, 1959, the incorporators of applicant acquired this well and attached it to the system. The well with the existing pump produces 258 gallons of water per minute, and is connected to a 126,000-gallon steel storage tank which in turn is connected to a 5,000-gallon pressure tank and two booster pumps having a total capacity of 1,400 gallons per minute. There is a second

well in proposed Tract No. 1099 north of and contiguous to Tract No. 1040 which applicant would acquire when it serves said proposed tract. This well is in existence and produces 240 gallons of water per minute. Both wells are in the Calleguas-Conejo hydrological unit. The California Department of Public Health, through the Ventura County Health Officer, has issued a water supply permit for the two wells which is subject to the condition, among others, that "bottled water" is "to be supplied for drinking and culinary purposes." At the present time applicant furnishes water users a cooler and one 5-gallon bottle of water per month at the cost to the applicant of \$1.05. Additional bottled water per month, if desired, may be ordered by the consumer. The rates proposed do not include bottled water (Exhibit No. 1). Water from each well proposed to be used has the following chemical analysis:

<u>Constituent</u>	<u>P.P.M.</u>
Total Solids	2,052
Magnesium (Mg.)	90
Chloride (Cl)	139
Sulphate (SO ₄)	970
Fluoride (F)	.08
Total Hardness	1,010

Compared to this are the "United States Public Health Service Drinking Water Standards, 1946" as follows:

<u>Constituent</u>	<u>Should not exceed P.P.M.</u>
Total Solids	500 (1000 permitted) (a)
Magnesium (Mg.)	125
Chloride (Cl)	250
Sulphate (SO ₄)	250
Zinc (Zn)	15
Fluoride (F)	1.5 (b)

- (a) Where alternate source of water unavailable.
 (b) Limits for this constituency mandatory.

Due to the apparent unusability of the water for drinking and culinary purposes, the applicant, at the request of the staff, investigated the possibility of changing the chemical content of the water. Its report is contained in Exhibit No. 2 herein. Costs would vary from 10 cents per gallon for treatment by individual de-ionizers to \$8.40 per customer per month for treatment by the company.

Other sources of water explored were the Metropolitan Water District which would presently require a line about 12 miles in length, wells about five miles away, and some small wells about one-half mile away. These latter wells, however, would provide approximately the same quality of water. It appears that there are numerous wells in the vicinity of the existing service area (see Exhibit B on the application). The Berylwood-Simi Company (ranch) owns many of these wells and uses them for agricultural purposes, but objects to the extension of applicant's service area because of the lack of water and the dropping of the water tables in the area. Without regard to the quality of the water, it appears without question that local water supplies are overdrawn and that it will be necessary to import water to maintain water supplies (Page 5, Exhibit No. 5).

There is no showing on this record that establishes that the applicant's proposal to distribute untreated water through pipe lines and to assist in providing bottled water as a non-utility operation will result in satisfactory service to the public.

We are not justified in authorizing a water company to furnish water which the State Department of Health has labeled unfit for drinking and culinary purposes. The record shows that applicant can develop other sources of water which may meet the requirements of the Department of Public Health. In any event, we will not place our stamp of official approval on a water supply which is officially, and we so find, unfit for drinking and culinary purposes. The application will therefore be denied. When applicant secures a source of water which is acceptable to the Department of Public Health, a new application may be filed.

O R D E R

An application having been filed, a public hearing having been held thereon, the Commission having found that the water is unfit for drinking and culinary purposes, and based upon said finding,

IT IS ORDERED that the application of Ross Water Company be, and it hereby is, denied.

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

Dated at San Francisco, California, this 21st day of July, 1959.

[Signature]
President
[Signature]
[Signature]
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Commissioners