

ORIGINAL

Decision No. 59865

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 STATE WATER COMPANY, a California)
 corporation, for a certificate of)
 public convenience and necessity)
 authorizing applicant to furnish)
 water service in the vicinity of)
 Thousand Oaks, Ventura County,)
 California, and for permission to)
 sell and issue its securities.)

Application No. 40931
 Amended

In the Matter of the Application of)
 CONEJO VALLEY WATER COMPANY, a Cal-)
 ifornia corporation for a certifi-)
 cate of public convenience and)
 necessity authorizing applicant to)
 construct and operate a water)
 system and for the establishment of)
 rates to consumers in the vicinity)
 of Thousand Oaks, Conejo Valley,)
 Ventura County, California.)

Application No. 41173
 Amended

Application of CONEJO VALLEY WATER,)
 COMPANY for authority to issue)
 preferred stock to cancel indebted-)
 ness and acquire water transmission)
 lines, well sites and pumping)
 installations.)

Application No. 41165

Loeb and Loeb, by Frank E. Feder, for applicant in
 Application No. 40931.

Gibson, Dunn & Crutcher, by Max Eddy Utt and
Raymond Curran, for applicant in Application
 No. 40931 and protestant in Applications
 Nos. 41173 and 41165.

Zagon, Sandler, Aaron & Rosen, by Raymond C.
Sandler, and H. Douglas Gamble, for applicant
 in Applications Nos. 41165 and 41173 and pro-
 testant in Application No. 40931.

Theodore A. McCabe, Jr., for Waverly Heights
 Mutual Water Company, interested party.

A. L. Gielegghem and D. E. Steger, for the
 Commission staff.

O P I N I O N

On March 13, 1959 State Water Company filed Application
 No. 40931 which seeks: (1) a certificate of public convenience and

necessity to operate as a water company in the vicinity of Thousand Oaks, Ventura County, California; (2) approval of an agreement between State and Pure Springs Mutual Water Company whereby State agreed to acquire all the assets and assume all the liabilities of Pure Springs; (3) approval of proposed rates for water service if the certificate of public convenience and necessity is granted; (4) authority to acquire the assets of Waverly Heights Mutual Water Company and assume an obligation to serve its customers; (5) authority to purchase certain installations from South Gate Development Co., Inc., and other developers and to issue promissory notes therefor; and (6) authority to issue stock and promissory notes in order to consummate the agreement with Pure Springs. Conejo Valley Water Company protested the granting of the State application.

On May 25, 1959 Conejo Valley filed Applications Nos. 41173 and 41165. Application No. 41173 seeks a certificate of public convenience and necessity whereby its operating authority as a water company would be extended in the Thousand Oaks area. Application No. 41173 also seeks the approval of rates to be charged for the proposed water service. Application No. 41165 seeks authority to issue stock to cancel certain indebtedness and acquire various installations. A portion of the territory for which authority to serve was sought in Conejo Valley Application No. 41173 was encompassed in the State application. State protested the granting of the Conejo Valley applications.

The Commission ordered the three applications consolidated for hearing. A duly noticed public hearing was held in this matter before Examiner Donald B. Jarvis in Thousand Oaks on June 23, 24, 25 and 26, 1959 and July 22, 1959. The matter was submitted subject to the filing of certain late-filed exhibits which have been filed.

Conejo Valley and State are controlled by rival real estate developers and their associates. The service area for which both companies were competing at the beginning of this proceeding is being developed by the real estate developer who controls State. Two alleged mutual water companies--Pure Springs Mutual Water Company and Waverly Heights Mutual Water Company--now serve part of this area. The mutuals have entered into agreements with State whereby State would, among other things, take over their assets and assume an obligation to serve their members. At the time these contracts were executed the real estate developer who controlled State also controlled the two alleged mutual water companies. ✓

At the inception of the public hearing Conejo Valley took the position that it now had a sufficient water supply, treatment plant, reservoir and other facilities to serve the area sought to be served by it and State, and that the granting of a certificate of public convenience and necessity to State would permit the creation of an unnecessary second water supply, treatment plant and water facilities, all to the detriment of Conejo Valley and the consumers residing in the area.

During the hearing, which was vigorously contested, the real estate developer who controls State and is developing the area in controversy testified that he did not want the water supply for his further real estate developments controlled by his rival and that, if State's application were denied, in so far as he had any control over the two alleged mutual water companies, he would resist the entering into acquisition agreements between the mutuals and Conejo Valley.

On the last day of the public hearing Conejo Valley amended its application and deleted therefrom all areas which State seeks to serve. Counsel for Conejo Valley stated:

".... in view of the opposition offered by State Water Company and the developer and in view of the refusal of said developer, as expressed in these hearings, that said areas be served by Conejo Valley Water Company and expressed unwillingness to cooperate with Conejo Water Company; and in view of the attendant problems that might arise from having an unwilling customer, it is not the desire of Conejo Valley Water Company to force its services upon him or upon consumers in the said areas.

"Accordingly, we are respectfully requesting the Commission to permit us to file an amendment to our pending application so as to delete therefrom any request to serve those areas which State Water Company seeks to serve"

In the light of the amendment filed by Conejo Valley the issues with respect to which company should serve the disputed area have become moot.

Before discussing the merits of the applications herein consolidated for hearing, it should be noted that the quality of the present water supply in the Thousand Oaks area is poor. Both Conejo Valley and State obtain water from wells. The quality of the water varies from well to well, but all of it has a high sulphur and dissolved solids content. The well waters are highly mineralized, extremely hard, and present a taste and odor problem. It is necessary for both companies to treat the water in order to have acceptable water for domestic use. Even then the water is not of high quality. The use of bottled water is widespread. Conejo Valley has a treatment plant in operation. State proposes to construct a treatment plant if its application is granted. Treatment of poor quality water means higher capital and operating costs for the utility which does it; and as a result, higher rates than otherwise for the utility's consumers.

The ground water supply in the Conejo Valley is restricted, with limited replenishment and with extensive overdraft of the basin

or mining of water. Overproducing of the water supply will increase the salinity and mineral content of the ground water.

State Application No. 40931

The evidence of record discloses that State is in a position to provide better service and better quality water than are presently being provided by Pure Springs Mutual Water Company and Waverly Heights Mutual Water Company. In addition, State is the only potential source of water supply for the remaining areas in which it seeks authority to serve. State holds a temporary water supply permit from the State Department of Public Health expiring July 1, 1960, authorizing it to serve certain tracts in the areas in question and requiring that necessary treatment works or improvements in operation, maintenance or construction be provided when needed or when required by that department.

The evidence indicates that the quality of water to be served by State does not meet the standards of the State Department of Public Health and that it will be necessary to install a treatment plant to make the water suitable for domestic purposes. State's president, on the first day of hearing, stated that the demineralization plant would be in operation in about 12 to 14 months, and that the Department of Public Health had indicated its willingness to go along with a program that would provide for construction of the treatment plant to start within 12 months.

The evidence further indicates that there is a serious problem with respect to water supply, not only in the area requested by State, but also in the entire Conejo Valley. Testimony by a witness for State indicates that, while the sources of water supply presently developed may be sufficient to meet the ultimate demands for the proposed area to be served, a general diminution of supply will occur over a period of time. Evidence by the Commission

staff's engineering witness indicated that there was considerable water production interference between State's wells when tests were made on them and that the total water production capacity is less than the sum of the individual well capacities, though no determination was made of the amount of such interference or reduction in total capacity.

The Commission is of the opinion and finds that public convenience and necessity require the granting of a certificate to State for the service area requested. We find and conclude that, as a requirement to the granting of said certificate, State should be ordered to install a treatment plant within a reasonable period of the time that will enable it to furnish water to the customers in the areas certificated, of a quality that will meet the requirements of the State Department of Public Health. We further find and conclude that the serious water supply problems in the entire Conejo Valley require that State should be ordered not to extend its water system outside the areas certificated herein except upon further order of the Commission.

State has entered into an agreement with Pure Springs Mutual Water Company where, subject to the approval of this Commission, State will acquire all the assets (water system) and will assume all liabilities of Pure Springs. State has also entered into a contract with Waverly Heights Mutual Water Company whereby the mutual has agreed to donate, free and clear of any debts, its water system and State has agreed to assume an obligation to serve all of the members of the mutual. The Commission is of the opinion that these contracts should be approved.

The only known liabilities of Pure Springs consist of a debt to South Gate Development Co., Inc., for part of the original cost of installing its water system. South Gate is controlled by

the developer who controls State. The evidence indicates that the original cost of installing said system was \$78,222.51. State seeks authority to issue common stock of equal par value to South Gate to discharge said liability. In addition, State seeks to acquire directly from South Gate at original cost paid for in stock of equal par value two wells which South Gate owns, designated as Pure Springs Wells Nos. 2 and 3. The original cost of these wells was \$40,483.08.

State's Articles of Incorporation authorize it to issue 20,000 shares of capital stock having an aggregate par value of \$200,000, each share having the par value of \$10. No shares have been issued to date.

State will be authorized to issue 11,870 shares of its capital stock to South Gate to discharge the debt of Pure Springs and to acquire the two wells.

State also seeks authority to purchase from South Gate at original cost two wells, a tank and attached connections and facilities, together with a distribution system in what is known as the Meadows area. State proposes to issue 20-year, 6 per cent promissory notes to pay for the assets, the actual costs of which are approximately \$30,000, and similar promissory notes for the purchase of the distribution system in Tract No. 1093 and to finance the balance of the distribution system to be installed in the Meadows area.

Evidence by State's own president is to the effect that water from the two wells in the Meadows area is extremely high in mineral content and not suitable for domestic use without treatment. No definitive plan was submitted by applicant for treating this water to make it suitable for serving the customers. In view of the indefiniteness as to whether these wells may be used and useful

in the applicant's water utility operations, we will not at this time authorize applicant to issue its promissory notes to pay for these wells. When applicant is prepared to furnish evidence satisfactory to this Commission that these wells are in fact able to supply water suitable for domestic use and will be so used, it may by a further application request authorization for their purchase.

With respect to the tank and attached connections in the Meadows area, State will be authorized to issue its promissory note for their purchase in an amount not to exceed the original cost thereof and a similar promissory note for the purchase of the balance of the distribution system in the Meadows area. State will also be authorized to issue its promissory note for the purchase of the distribution system in Tract No. 1093.

State seeks to purchase a well known as McCrea No. 2 located in an area known as the Rach area for the actual cost thereof and to pay for said well by issuing a promissory note similar to the ones above discussed. The actual cost of said well is \$17,222.84. The Commission will authorize the issuance of said promissory note.

In order to secure working capital, State seeks authority to issue up to 2,500 shares of stock to South Gate. The issuance of said stock will be approved.

The Commission finds that the money, property or labor to be procured or paid for by the issue of stock and indebtedness herein authorized is reasonably required for the purposes specified herein, and that such purposes are not, in whole or in part reasonably chargeable to operating expenses or income.

State has asked the Commission for authority to establish general metered service rates, public fire hydrant rates and private fire protection service rates. The Commission has carefully examined said rates and finds them to be reasonable. The format of

the rate schedules hereinafter authorized will be modified from those proposed by applicant to conform to present tariff filing practice.

Conejo Valley Application No. 41173

As indicated, Conejo Valley amended its application to delete therefrom all areas for which State is seeking authority to serve. Conejo Valley seeks authority to serve those areas known as the Carroll Property, Janss Area, Westgate Estates, and Shell Oil Company transmission and pumping station.

The evidence of record indicates that the real estate developer and associates who control Conejo Valley are presently building homes on the Carroll Property. The Janss Area is an undeveloped parcel of real property upon which said developer intends to build houses sometime in the future. Conejo Valley is the only prospective source of water supply for the Carroll Property and the Janss Area.

The Shell transmission and pumping station has been obtaining water from a well on its own property. This well has become nonproductive and the station requested service from Conejo Valley. It appears that Conejo Valley is the only prospective source of water supply for the station.

Westgate Estates is an improved area with homes thereon. Its water needs are presently supplied by Westgate Estates Mutual Water Company. Conejo Valley contemplates entering into negotiations with the mutual to acquire its assets and take over its service area. If Conejo Valley takes over the Westgate system the customers in the Westgate service area would receive better quality water and service. However, Conejo Valley will not be authorized to serve this territorial area until such time as it presents to this Commission evidence that the contemplated agreement has been executed.

The Commission is of the opinion and finds that public convenience and necessity require the granting of a certificate to Conejo Valley for most of the service area requested in its amended application.

Conejo Valley proposes to charge, in the new service areas, the same rates it is now authorized to charge throughout its system. Conejo Valley was authorized to establish these rates in Decision No. 57727 in Application No. 40300 and Conejo Valley will be authorized to apply them in the new service areas.

Conejo Valley Application No. 41165

In this application as originally filed, Conejo Valley sought authority to issue 5 per cent cumulative preferred stock to cancel certain of its indebtedness and to acquire water transmission lines, well sites and pumping installations. At the hearing Conejo Valley modified its request whereby it now seeks to issue either 5 per cent cumulative preferred stock or 5 per cent, noncumulative preferred stock, whichever this Commission might authorize.

At the time of the hearing Conejo Valley's Articles of Incorporation authorized it to issue 20,000 shares of stock having an aggregate par value of \$1,850,000. The Articles further provided that 17,000 of these shares, each having a par value of \$100, are designated as a 5 per cent cumulative preferred. The remaining 3,000 shares, each having a par value of \$50, were designated as common stock. As indicated, Conejo Valley offered to amend its Articles to provide for a 5 per cent noncumulative preferred stock, if necessary. Subsequent to the hearing Conejo Valley filed, as part of one of its late-filed exhibits, an amendment to its Articles of Incorporation which provides for a capital structure of 20,000 shares of stock having an aggregate par value of \$1,850,000. The amended Articles provide for 8,500 shares, each having a par value

of \$100, which are designated as a 5 per cent cumulative nonparticipating preferred stock; 8,500 shares, each having a par value of \$100, which are designated as a 5 per cent noncumulative nonparticipating preferred stock; and 3,000 shares each having a par value of \$50 designated as common stock.

Conejo Valley seeks authority to issue preferred stock for the following purposes: (1) It seeks to issue 150 shares for the return and cancellation of a \$15,000 promissory note issued to Exhibit Homes, Inc., pursuant to authority granted by this Commission in Decision No. 57727. Interest on said note has been waived by the payee; (2) It seeks to issue 75 shares to Exhibit Homes, Inc., for the cancellation of a promissory note for \$7,500 issued to Exhibit Homes and the reconveyance of a trust securing said note. The note and deed of trust were executed by Conejo Valley in consideration for the acquisition of the property upon which its wells Nos. 1 and 1-A are located; (3) It seeks to issue 683 shares of stock to Exhibit Homes, Inc., for all of Exhibit's right, title and interest in and to all water transmission lines, meters and connections in areas known as Tracts Nos. 1047, 1048, 1049, 1050, 1058 and 1059; (4) It seeks to issue 564 shares to Exhibit Homes, Inc., for drilling operations and installing casings and pumping equipment on its behalf in connection with wells Nos. 1, 1-A, 2, 4, 6 and 7; (5) It seeks to issue $17\frac{1}{2}$ shares to Exhibit Homes, Inc., to purchase at cost the real property upon which wells Nos. 2, 4, 6 and 7 are located.

The Commission is of the opinion that, except for the reasons as hereinafter indicated, the issuance of capital stock to acquire the aforesaid operating property and to remove the short-term indebtedness is desirable. However, in the circumstances

the Commission will not authorize the requested issuance of preferred stock for the reasons which follow.

Among the items for which Conejo Valley seeks authority to issue stock is the acquisition from Exhibit Homes of well No. 1. The record clearly shows that well No. 1 has been capped and is not now in use, and that there are no future plans for its use by Conejo Valley. The developer who controls Conejo Valley testified that well No. 1 "is the well on which many acres of ground have been developed by the original people that have moved in." The Commission is of the opinion that the use of well No. 1 was for the benefit of the real estate developer and the costs for said well should not be charged to Conejo Valley which now serves the people in the area.

The evidence discloses that there are now issued and outstanding 500 shares of Conejo Valley common stock having an aggregate par value of \$25,000. If the authority to issue preferred stock herein sought were granted, Conejo Valley would also have outstanding 1,489½ shares of preferred stock having an aggregate par value of \$148,950.

One objection to the capital structure proposed by Conejo Valley is that 500 shares having a par value of \$25,000 will have control of a corporation having a capitalization of \$173,950. This is because Conejo Valley's common stockholders have voting rights and its preferred stockholders do not. The record discloses that at the present time the same interests would hold both the common and preferred stock. However, there is no assurance that there will be this identity of stock ownership in the future. Thus, there is the possibility that sometime in the future that Conejo Valley could be controlled by a small group of common stockholders having only a small financial interest in the company.

The most important objection to the capital structure Conejo Valley would have, if this application were granted, is that it would limit Conejo Valley's ability to obtain outside equity financing and make it almost impossible to obtain additional equity capital from persons other than the developer and his associates who control Conejo Valley.

The evidence in this proceeding shows that there is a limited amount of water available in the Thousand Oaks area but that much of this water is below the minimum standards for domestic use as established by the State Department of Public Health. As a result of the action taken by this Commission on State Water Company's Application No. 40931, there will be in the Thousand Oaks area two water companies with facilities to treat substantial quantities of water to make it acceptable for domestic use. The future development of the Thousand Oaks area, which is dependent to a large degree on the availability of an adequate supply of acceptable domestic water, is under present conditions dependent on the operations of the State and Conejo Valley water companies.

The record shows that Conejo Valley's presently available water supply is sufficient to supply a greater area than Conejo Valley now serves. The record is not clear, however, as to the number of additional customers and resulting territory that can safely be supplied from the existing wells. Conejo Valley has followed a policy of attempting to develop additional water supplies by drilling wells, but many of these wells have proved nonproductive. In view of this uncertainty with respect to availability of additional water supplies, we find and conclude that Conejo Valley should be ordered not to extend its water system outside the area presently served and those certificated herein except upon further order of the Commission.

Conejo Valley's present treatment plant is equipped to serve 1,400 customers and by addition of an extra filter would have sufficient capacity to take care of the flow required by 4,000 customers. The evidence indicates that the water presently treated at this plant is within the permissible standards of the State Department of Public Health for a temporary permit and comes within its standards for a permanent permit in so far as amounts of total solids are concerned.

Conejo Valley has attempted to be responsive to the water needs of the Thousand Oaks area. Its original Application No. 41173 (parts of which were as heretofore indicated subsequently withdrawn) showed a willingness to serve an area not being developed by the real estate developer and his associates who control Conejo Valley. The proposed capital structure could thwart the future growth of Conejo Valley and prevent its responding to the water needs of the area. Therefore, Application No. 41165 will be denied.

O R D E R

A public hearing having been held and based upon the evidence therein adduced,

IT IS ORDERED that:

1.a. A certificate of public convenience and necessity is hereby granted to State Water Company, a corporation, to acquire, construct and operate a public utility water system for the sale and distribution of water in those areas located near Thousand Oaks, Ventura County, more particularly described in Exhibits B, B-1, C and C-1 attached to amended Application No. 40931.

b. State Water Company shall not extend its water system outside the areas certificated herein without further order of this Commission.

c. State Water Company is authorized to file, after the effective date of this order, the rates set forth in Appendix A attached to this order, to be effective on or before the date service is first rendered to the public under the authority herein granted, together with rules and a tariff service area map acceptable to this Commission and in accordance with the requirements of General Order No. 96. Such rates, rules and tariff service area map shall become effective upon five days' notice to this Commission and to the public after filing as hereinabove provided.

d. State Water Company shall notify this Commission, in writing, of the date service is first rendered to the public under the rates and rules authorized herein, within ten days thereafter.

e. State Water Company shall file, within thirty 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 400 feet to the inch, delineating by appropriate markings the tracts of land and territory served; the principal water production, storage and distribution facilities; and the location of the various water system properties of applicant.

f. State Water Company shall determine the accruals for depreciation by dividing the original cost of the utility plant less estimated future net salvage less depreciation reserve by the estimated remaining life of the plant. State Water Company shall review the accruals as of January 1st of the year following the date service is first rendered to the public under the rates and rules authorized herein and thereafter when major changes in utility plant composition occur and at intervals of not more than five years. Results of these reviews shall be submitted to this Commission.

g. State Water Company shall construct and place in operation a treatment plant that will furnish water to the customers in the areas certificated herein of a quality that will meet the requirements of the State Department of Public Health. Such treatment plant shall be completed and placed in operation on or before December 31, 1960 and State Water Company shall advise the Commission, in writing, of said completion and placing in operation, within ten days thereafter.

The agreement between Pure Springs Mutual Water Company and State Water Company, a copy of which is attached to the application as Exhibit E, and the agreement between State Water Company and Waverly Heights Mutual Water Company received in evidence as Exhibit 5 is hereby approved as of the effective date of this order.

h. State Water Company may issue, after the effective date of this order, to South Gate Development Co., Inc., 11,870 shares of its capital stock to discharge its obligations assumed and incurred in acquiring the assets in Waverly Manor.

i. Upon the payment of the fee required by Section 1904(b) of the Public Utilities Code, State Water Company is authorized to issue a promissory note bearing interest at 6 per cent annually for a period of twenty years, substantially in the form set forth in Exhibit O attached to Application No. 40931, to acquire at original cost, a tank, and attached connections and facilities in an area known as the Meadows area.

j. Upon the payment of the fee required by Section 1904(b) of the Public Utilities Code, State Water Company is authorized to issue a promissory note bearing interest at 6 per cent annually for a period of twenty years, substantially in the form set forth in Exhibit O attached to Application No. 40931 in the principal amount of not to exceed \$33,694.33 for the purpose of acquiring, at actual cost, the distribution system in Tract No. 1093.

k. Upon the payment of the fee required by Section 1904(b) of the Public Utilities Code, State Water Company is authorized to issue a promissory note bearing interest at 6 per cent annually for a period of twenty years, substantially in the form set forth in Exhibit O attached to Application No. 40931 in the principal amount of not to exceed \$30,000 to finance, at cost, the balance of the distribution system in the Meadows area.

l. Upon the payment of the fee required by Section 1904(b) of the Public Utilities Code, State Water Company is authorized to issue a promissory note bearing interest at 6 per cent annually for a period of twenty years, substantially in the form set forth in Exhibit O attached to Application No. 40931 in the principal amount of not to exceed \$17,722.84 to purchase the well known as McCrea No. 2.

m. State Water Company is authorized to issue, for cash at par, in order to secure working capital, to South Gate Development Company up to 2,500 shares of its capital stock.

n. State Water Company shall file with this Commission a report or reports as required by General Order No. 24-A, which order, in so far as applicable, is made a part of this order.

o. State Water Company is authorized to carry out the terms and conditions of the written agreement dated February 1, 1959 with Pure Springs Mutual Water Company.

2.a. A certificate of public convenience and necessity is hereby granted to Conejo Valley Water Company, a corporation, to conduct and operate a public utility water system for the sale and distribution of water in that area located near Thousand Oaks, Ventura County, more particularly described in Exhibits C-6, C-7 and C-10 attached to amended Application No. 41173.

b. Conejo Valley Water Company is authorized to apply, after the effective date of this order, its presently effective tariff in the areas herein certificated.

c. Conejo Valley Water Company is authorized and directed to revise within thirty days after the effective date of this order and in accordance with the requirements of General Order No. 96 such of its tariff schedules, including a tariff service area map acceptable to this Commission as are necessary to provide for the application of its tariff to the areas herein certificated. Such tariff sheets shall become effective upon five days' notice to this Commission and to the public after filing as hereinabove provided.

d. Conejo Valley Water Company shall not extend its water system outside the areas certificated herein and in Decision No. 57727 without further order of this Commission.

e. Conejo Valley Water Company shall file, within thirty days after the system is placed in operation in the areas certificated herein, four copies of a comprehensive map, drawn to an indicated scale not smaller than 400 feet to the inch, delineating by appropriate markings the tracts of land and territory served; the principal water production, storage and distribution facilities; and the location of the various water system properties of applicant certificated herein.

f. Conejo Valley Water Company shall determine the accruals for depreciation by dividing the original cost of the utility plant less estimated future net salvage less depreciation reserve by the estimated remaining life of the plant. Conejo Valley Water Company shall review the accruals of January 1st of the year following the date service is first rendered to the public within the areas certificated herein and thereafter when major changes in utility plant

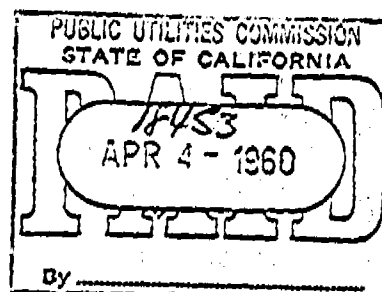
composition occur and at intervals of not more than five years. Results of these reviews shall be submitted to this Commission.

g. Application No. 41165 is denied without prejudice to Conejo Valley Water Company's right to file a new application for authority to issue stock consonant with the views expressed in this decision.

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

Dated at San Francisco, California, this 29th day of March, 1960.

[Signature]
President
[Signature]
[Signature]
[Signature]
Theodore J. [Signature]
Commissioners



APPENDIX A
Page 1 of 4

Schedule No. 1

GENERAL METERED SERVICEAPPLICABILITY

Applicable to all metered water service.

TERRITORY

The unincorporated areas known as Waverly Manor, the Meadows area, the McCrae Ranch, the Waverly Elementary School site, and Waverly Heights, and vicinity, north of the community of Thousand Oaks, Ventura County.

RATES

Quantity Rates:

Per Meter
Per Month

First 1,200 cu.ft. or less	\$ 5.00
Next 1,000 cu.ft., per 100 cu.ft.25
Next 7,800 cu.ft., per 100 cu.ft.20
Over 10,000 cu.ft., per 100 cu.ft.10

Minimum Charge:

For 5/8 x 3/4-inch meter	\$ 5.00
For 3/4-inch meter	5.50
For 1-inch meter	7.00
For 1 1/2-inch meter	10.00
For 2-inch meter	15.00
For 3-inch meter	25.00
For 4-inch meter	40.00
For 6-inch meter	50.00

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

APPENDIX A
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Schedule No. 4

PRIVATE FIRE PROTECTION SERVICE

APPLICABILITY

Applicable to all water service furnished for privately owned fire protection systems.

TERRITORY

The unincorporated areas known as Waverly Manor, the Meadows area, the McCrea Ranch, the Waverly Elementary School site, and Waverly Heights, and vicinity, north of the community of Thousand Oaks, Ventura County.

RATES

Per Month

For each 4-inch diameter service connection	\$ 6.00
For each 6-inch diameter service connection	9.00
For each 8-inch diameter service connection	12.00
For each 10-inch diameter service connection	25.00
For each 12-inch diameter service connection	35.00

SPECIAL CONDITIONS

1. The customer will pay without refund the entire cost of installing the service connection.
2. The maximum diameter of the service connection will not be more than the diameter of the main to which the service is connected.
3. The customer's installation must be such as to separate effectively the fire sprinkler system from that of the customer's regular water service. As a part of the sprinkler service installation there shall be a detector check or other similar device acceptable to the utility which will indicate the use of water. Any unauthorized use will be charged for at the regular established rate for general metered service, and/or may be grounds for the utility's discontinuing the fire sprinkler service without liability to the utility.

(Continued)

APPENDIX A
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Schedule No. 4

PRIVATE FIRE PROTECTION SERVICE
(Continued)

SPECIAL CONDITIONS

4. There shall be no cross-connection between the fire sprinkler system supplied by water through the utility's fire sprinkler service to any other source of supply without the specific approval of the utility. This specific approval will require, at the customer's expense, a special double check valve installation or other device acceptable to the utility. Any such unauthorized cross-connection may be the grounds for immediately discontinuing the sprinkler system without liability to the utility.

5. The utility will supply only such water at such pressure as may be available from time to time as the result of its normal operation of the system.

APPENDIX A
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Schedule No. 5

PUBLIC FIRE HYDRANT SERVICEAPPLICABILITY

Applicable to all fire hydrant service furnished to duly organized or incorporated fire districts or other political subdivisions of the State.

TERRITORY

The unincorporated areas known as Waverly Manor, the Meadows area, the McCrae Ranch, the Waverly Elementary School site, and Waverly Heights, and vicinity, north of the community of Thousand Oaks, Ventura County.

RATES

For each hydrant:

Per Month

From a main less than 4-inch diameter	\$.50
From a 4-inch main, risers 3-inch diameter or less ..	1.00
From a 6-inch main, risers 3-inch diameter or less ..	1.00
4" x 2½" single outlet from 4-inch main	1.25
4" x 2½" single outlet from 6-inch main	1.50
4" x 2½" single outlet from 8-inch main	2.00
4" x 2½" double outlet from 6-inch main	2.50
4" x 2½" double outlet from 8-inch main	3.00

SPECIAL CONDITIONS

1. For water delivered for other than fire protection purposes, charges will be made at the quantity rates under Schedule No. 1, General Metered Service.
2. The cost of installation and maintenance of hydrants will be borne by the utility.
3. Relocation of any hydrant shall be at the expense of the party requesting relocation.
4. The utility will supply only such water at such pressure as may be available from time to time as the result of its normal operation of the system.