

Decision No. 62469**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Investigation on the Commission's  
own motion into the operations,  
contracts, service, practices,  
facilities, adequacy of finances,  
and ability to serve of STATE WATER  
COMPANY, a corporation.

Case No. 6995

Raymond C. Sandler, for respondent.

Leo J. Schaumer, for Wilfred A. Rothschild  
and Janet W. Rothschild; John Beyer, for  
Ventura County Waterworks District #6;  
Martin Lynn and Leo A. Freeman, of Lynn and  
Carlin, for Starlite Mutual Water Co., and  
Mr. and Mrs. Hugo Swanson; Edward B. Max  
Meyer, for Waverly Heights Mutual Water Co.;  
Joseph S. Rockhold, for Hilltop Feed & Ranch  
Store, interested parties.

Robert E. Turner, for Ventura County Waterworks  
District #6, protestant and interested party.  
Wm. C. Bricca, Richard Entwistle, and Chester O.  
Newman, for the Commission staff.

O P I N I O N

This is an investigation on the Commission's own motion  
to determine:

1. Whether respondent is complying with the provisions of  
Decision No. 60419 in Application No. 42319.
2. Whether respondent is complying with its filed tariff  
schedules and rules.
3. Whether respondent is furnishing adequate service to  
its customers and in the area for which it has been  
granted a certificate, and whether its water supply,  
rules, practices, equipment, facilities, and methods  
of operation are improper or inadequate in any  
respect.
4. Whether respondent has reached the limit of its  
capacity to supply water, or for any other reason is  
not able to furnish adequate service, and should be  
restricted from supplying new consumers or areas not  
now served, or whether the certificate of public con-  
venience and necessity heretofore issued should be  
revoked either in whole, or in part, by reduction of  
the area heretofore authorized to be served.

This proceeding was consolidated for hearing with  
Applications Nos. 43124, 42319, 41173 (Amended), 41165 and

40931 (Amended). A duly noticed public hearing was held in these matters before Examiner Donald B. Jarvis at Thousand Oaks on February 16 and 17, 1961. The matters were submitted subject to the receipt of a late-filed exhibit and written closing statements, all of which have been duly filed, and this matter is now ready for decision.

The Order Instituting Investigation was filed on October 11, 1960. At that time State was owned and controlled by a group of real estate developers headed by Mr. Harris Goldberg. On January 6, 1961, the three rival real estate developers who control Conejo Valley Water Company bought all of the stock of State. The companies are now under common control and management although they are separate entities. The two water systems, which are close together, have been interconnected.

Ordering paragraph 1.g. of Decision No. 59865, in Application No. 40931, which authorized State to operate a public utility water system, provides as follows:

"1.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 State Department of Public Health requires, among other things, that before a permanent water supply permit can be issued the water being served must not contain more than 1000 parts per million of total dissolved solids (TDS). The State Department of Public Health has issued to State and Conejo, among others, temporary water supply permits which authorize them to serve water containing not more than 1500 parts per million TDS. The State Department of Public Health has informed State and Conejo that when water furnished by the

Metropolitan Water District becomes available in the area the temporary water supply permits will not be renewed and the companies will be required to comply with the permanent permit requirements - serve water having 1000 or less parts per million TDS.

Prior to December 31, 1960, State completed and placed in operation a treatment plant, which was not constructed in accordance with the representations made during the hearing on Application No. 40931. Use of the treatment plant has been discontinued because of operating difficulties.

One of the primary issues in this proceeding is whether State should be ordered to take further steps at this time to modify the treatment plant and place it back into operation.

State contends that since January 6, 1961, it and Conejo are operating, in effect, a single integrated water system; that at the time of hearing the water furnished to State's customers had approximately 1200 parts per million TDS, which is within the requirements of the temporary water supply permit issued by the State Department of Public Health; that Metropolitan water will become available in 1963; that when Metropolitan water becomes available, State will be able to meet the requirements of the State Department of Public Health for a permanent water supply permit; and that it would be a needless expense if State were ordered to modify and operate the treatment plant at this time.

The record discloses that prior to January 6, 1961, State had been furnishing to its customers water containing more than 1500 parts per million TDS, which was in violation of the temporary water supply permit issued by the State Department of Public Health. However, since the new management took control of State and the State system has been connected with Conejo's the water served to State's customers has contained approximately 1200 parts per million TDS, which is within the requirements of the temporary water supply permit.

Ordering paragraph 1.g. of Decision No. 59865 provides that State should construct and operate a treatment plant "that will meet the requirements of the State Department of Public Health." At the time Decision No. 59865 was issued, it appeared that the State Department of Public Health would require State to meet the standards for a permanent water supply permit by December 31, 1960. The record herein discloses that the State Department of Public Health, at the moment, is prepared to issue temporary permits to State until Metropolitan water becomes available in 1963. The evidence shows that the water presently served by State to its customers meets the temporary requirements of the State Department of Public Health, although the water is not being furnished from the treatment plant. In the circumstances, the Commission finds that it should not at this time order State to take further action with respect to the treatment plant. However, if, at any time, the State Department of Public Health requires State to serve better quality water having less parts per million TDS, and State is unable to meet the requirements by blending waters without treatment, this Commission is prepared to act swiftly and vigorously to compel State to modify and place into operation the treatment plant so that the water served will meet the requirements of the State Department of Public Health.

The Commission staff takes the position that the portions of the certificated area of State which are not presently being served should be decertificated. This position is based upon the alleged inadequacy of State's water supply. At the hearing, the only witness produced by the staff testified that unless there was a decline of great magnitude in the water supply presently available to State, there is a sufficient quantity of water available to State, at temporary water permit standards, until Metropolitan water becomes available in 1963. In the circumstances the Commission finds that there is no need at this time to decertificate any of State's authorized service area.

O R D E R

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

IT IS ORDERED that this investigation be discontinued.

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

Dated at San Francisco, California, this 23rd day of August, 1961.

Ernest Blum  
President  
W. L. Mitchell  
E. Lynn Fox  
George E. Grover  
Commissioners