

Decision No. 62473**ORIGINAL**

## BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 STATE WATER COMPANY, a California )  
 corporation, for suspension of that )  
 portion of its certificate of public )  
 convenience and necessity authorizing )  
 applicant to furnish water service to )  
 the Waverly Heights Area in the )  
 vicinity of Thousand Oaks, Ventura )  
 County, California. )

Application No. 42319

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

SECOND INTERIM OPINION AND ORDER

State Water Company seeks authority to temporarily suspend the offering of public utility water service to an area known as Waverly Heights, near Thousand Oaks, Ventura County. This authority was granted in an Interim Order in Decision No. 60419, dated July 18, 1960, but the order required State to sell and deliver to Waverly Heights Mutual Water Company whatever quantities of water which may reasonably be required by the mutual to supplement the mutual's water supply in serving its members.

The matter was consolidated for hearing with Case No. 6995 and Applications Nos. 43124, 40931 (Amended), 41173 (Amended) and 41165. 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 filing of a late-filed exhibit and written closing statements which have been filed.

The application avers that on June 23, 1959, State entered into an agreement with Waverly Heights Mutual Water Company whereby, subject to the approval of this Commission, the mutual agreed to donate its water system free and clear of any debts to State in return for State assuming an obligation to serve all of the members of the mutual; that the negotiations concerning the contract were authorized by the shareholders of the mutual at a special meeting on May 10, 1959; that State amended its then pending Application No. 40931 to seek from this Commission approval of the agreement and authority to serve the area; that on September 13, 1959, the shareholders of the mutual approved and ratified the contract at a special meeting and State's attorney was so advised in a letter from counsel and secretary for the mutual dated October 6, 1959; that on March 29, 1960, this Commission authorized State to serve the Waverly Heights area and carry out the terms of the aforesaid contract; that State gave notice to its potential customers that it would commence public utility water service on May 1, 1960; that State requested the officers and directors of the mutual to execute the necessary documents to transfer the water system but they refused to do so; that the secretary of the mutual informed State that some of the members of the mutual were questioning the validity of the ratification action of September 13, 1959; that members of the mutual refused to permit employees of State to install meters to effectuate the commencement of water service; and that on May 29, 1960, the members of the mutual voted 46 to 30 against ratifying the contract with State.

State contends that if it is required to extend service to those in the mutual area who desire it, State will be required to expend large sums of money to in part parallel the existing water distribution facilities in the mutual area.

In view of the situation set forth in the application, the Commission entered the interim order indicated above.

The Waverly Heights Mutual Water Company appeared at the hearing. A representative of the mutual informed the Commission that negotiations were presently being conducted with State contemplating the transfer of the mutual's system to State. He requested that the Commission take no further action in this matter until the outcome of the negotiations had been determined.

The Commission finds that no further action should be taken in the above-entitled matter at this time. ✓

IT IS ORDERED that the Interim Opinion and Order in Decision No. 60419 in Application No. 42319 shall remain in full force and effect until further order of this Commission.

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.

Everett B. Rogers

President

John E. L. Smith

John Fox

George E. Grover

Commissioners