

ORIGINAL

Decision No. 62826

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
ROYAL WATER COMPANY to construct and
operate a water system, authority to
issue stock and for the establishment
of rates to consumers in the area of
Simi, Ventura County, State of
California.

Application No. 41950
(Reopened Proceeding)

H. Douglas Gamble, for the applicant.
Edward L. Lascher, for Robert and Audrey Getrost
and other shareholders of Kadota Mutual Water
Company; Jack O. Sanders, for H. Zinder &
Associates, Inc.; Gibson, Dunn & Crutcher, by
Raymond L. Curran, for Rosa Water Company,
Interested parties.
Elinore Charles and Chester O. Newman, for the
Commission staff.

INTERIM OPINION

Pursuant to an Order, dated August 15, 1961, reopening the above-entitled application for further hearing, a public hearing was held before Examiner Stewart C. Warner on September 1, 1961, at Los Angeles; evidence was adduced at said hearing; and the reopened matter was submitted for decision on said date.

By ordering Paragraph 9 of Decision No. 60960, dated October 25, 1960, in the above-entitled application, the applicant was ordered, on or before September 1, 1961, to develop an additional new source of water supply sufficient, when blended with its other sources of water, to provide all consumers with water of the quality meeting the permanent standards of the State Department of

Public Health. The applicant was also ordered to file progress reports with the Commission on or before March 1, 1961, June 1, 1961, and September 1, 1961. The first of such reports was filed on May 12, 1961, the second was filed on June 9, 1961, and the third was due on the date of the hearing.^{1/}

In Decision No. 60960, the applicant was granted a certificate of public convenience and necessity to serve Tracts Nos. 1187 and 1188 comprising approximately 69 acres of land in Simi Valley, Ventura County, in the area shown in purple on the map, Exhibit No. 3, filed in the instant proceeding. The said area is located south of Los Angeles Avenue adjacent, on the east, to the Simi Valley High School. The record shows that water service was being furnished to approximately 100 customers as of the date of the hearing, and that the area had been subdivided into approximately 200 lots. The applicant was prohibited by said decision from extending its water system outside its certificated area without further order of the Commission.

The applicant's principal source of water supply is its so-called Proud Well No. 2 with an installed pumping plant production capacity of 45 gallons per minute. A secondary source of supply is water obtained from Proud Well No. 1, the production of which is provided to the applicant by the Sale Agreement and Assignment, Exhibit No. 6, of the original proceeding.

The total dissolved solids (TDS) content of Proud Well No. 2, by the residue method, was found to be 1,158 on August 23, 1961. The TDS content of Proud Well No. 1 by the same method was found to be 1,479 on the same date.

^{1/}Filed September 11, 1961.

Exhibit No. 2 shows total solids (residue on evaporation) of 1,340 as the result of a laboratory analysis of a sample of the applicant's water taken at Royal Avenue and Barnes Street on August 22, 1961.

Exhibit No. 1 is a State of California Department of Public Health temporary water supply permit issued August 30, 1961, by the Ventura County Health Officer. Said permit expires September 1, 1963, and provides, among other things, that the applicant may not deliver water with chemical constituents in excess of 1,500 TDS. Said permit also limits the service of water to 199 consumers.

In order to obtain a permanent State Health Department water supply permit as directed by ordering paragraph 9 of Decision No. 60960, the applicant will be required to install treatment facilities or obtain a source of water supply capable of producing and delivering water containing not in excess of 1,000 TDS.^{2/} The record shows that water of such quality is not presently available within the area certificated to Royal Water Company and may not be available therein until the spring of 1963, at which time it is anticipated that the Metropolitan Water District of Southern California will make available water of a quality between 800 and 900 TDS through the Calleguas Municipal Water District, one of its member agencies.

The record further shows that the applicant is contemplating a master expansion and development plan to utilize a well drilled and owned by Diversa-Cal Properties, Inc., a subsidiary of Diversa, Inc., in Tapo Canyon, to serve water through a large and long transmission line to the area proposed to be developed by Simi Valley

^{2/} General Order No. 103, Section II, Standards of Service, Paragraph 1, Quality of Water, provides that a compliance by a utility with the regulations of the State Department of Public Health on a particular subject matter shall constitute a compliance with such of these rules as relate to the same subject matter except as otherwise ordered by the Commission.

Development Company, and for which Simi Val Water Company has filed Application No. 42542. The record shows that Diversa, Inc., owns Royal Water Company and Simi Valley Development Company, which said latter company would own Simi Val Water Company if the latter were granted a certificate of public convenience and necessity to operate as a public utility water company pursuant to said Application No. 42542. The record further shows that the applicant herein proposes to acquire Kadota Mutual Water Company and Wright Ranch Mutual Water Company and to furnish them with water from Tapo Canyon, which said water contains 843 TDS.^{3/}

The master expansion and development plan was to be incorporated in a new application to the Commission within about thirty days subsequent to September 1, 1961. However, by a letter dated September 21, 1961, applicant advised the Commission that such application would not be forthcoming as proposed, due to a recently developed dispute regarding the proposed Tapo source.

During the reopened hearing applicant made two motions, as follows: (1) that in view of the circumstances of record the Commission grant an extension of time within which to comply with paragraph 9 of Decision No. 60960, and (2) that applicant be permitted to serve the tracts certificated by Decision No. 60960 with water of a quality meeting the requirements of the temporary health permit granted by the State Department of Public Health, i.e., water containing not more than 1,500 parts per million of total dissolved solids. The latter motion was followed by a written request incorporated in the progress report received by the Commission on September 11, 1961.

^{3/} The record herein shows that Kadota Mutual Water Company serves water of 2,200 TDS content to its consumers, and that the applicant would not be able to utilize Kadota's water supplies in either the applicant's present or proposed water system.

By letter dated October 6, 1961, applicant requested that disposition of this matter be held in abeyance for approximately sixty days, during which time applicant anticipates that the presently confused water supply situation will become somewhat clarified.

Findings and Conclusions

Based upon the record, it is found and concluded as follows:

That due to circumstances beyond its control, applicant has thus far been unable to develop a water supply meeting the quality standards set forth in paragraph 9 of Decision No. 60960; and

That applicant has been attempting to comply with the aforesaid requirement and is continuing its attempts to comply, but that in order to do so applicant requires a reasonable extension of time.

INTERIM ORDER

An order reopening the above-entitled application for further hearing having been issued, further hearing having been held, the matter having been submitted and now being ready for decision,

IT IS HEREBY ORDERED:

1. That the time within which Royal Water Company shall comply with the requirements of paragraph 9 of Decision No. 60960, dated October 25, 1960, be and it hereby is extended sixty days from the effective date of this order.
2. That on or before the expiration of the aforesaid extension of time, Royal Water Company shall advise the Commission in writing of its progress in complying with paragraph 9 of Decision No. 60960.

3. That in all other respects, Decision No. 60960 shall remain in full force and effect.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 21st
day of NOVEMBER, 1961.

Crevel W. Rags
President
Robert L. Mitchell
E. L. Fox
George H. Grover
Fredrick B. Holbrook
Commissioners