

ORIGINAL

Decision No. 66847

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of CAMINO WATER COMPANY to extend service to contiguous territory, to remove restrictions from expanding service area, and request for ex parte proceeding.

Application No. 46007
(Filed December 4, 1963)

Application of CAMINO WATER COMPANY to extend service to contiguous territory, and request for ex parte proceeding.

Application No. 46078
(Filed January 6, 1964)

Robert B. Maxwell, for applicant.
Jerry J. Levander and Raymond E. Heytens,
for the Commission staff.

O P I N I O N

Camino Water Company seeks a certificate of public convenience and necessity to extend its public utility water system to 3 separate parcels in unincorporated territory of Ventura County north of the community of Camarillo, as such areas are delineated by a 'red' line on the maps, Exhibit "A" attached to each application. Lifting of restrictions against applicant's extending service outside its certificated areas, ordered by Decisions Nos. 62219, 62706, and 66212, is also sought.

Public hearing was held before Examiner Warner on January 20, 1964, at Ventura. Although Ventura County Water Works District No. 5 (District), on December 11, 1963, filed an application for hearing pursuant to Section 1005 of the Public Utilities

Code, in which it alleged it was entitled to be heard by reason of the fact that the territory embraced within Application No. 46007 lies within District's service area, and although notice of hearing was sent to District, it made no appearance. No other protests to the granting of the application were entered.

Applicant's vice president and general manager testified that on January 18, 1964, as a result of a conference in which he and another representative of applicant, a member of the Ventura County Board of Supervisors, and representatives of District participated, agreement was reached delineating the areas north and south of the Ventura Freeway, east, and north and south of Las Posas Road to Somis Road which applicant and District were serving, and would serve in the future.

Exhibit No. 1, a result of the conference, is a map on which District's service area is shown by a 'yellow' line; District's annexed territory is shown by diagonal lines inside a 'yellow' line; applicant's presently certificated area is shown inside a 'red' line; the areas covered by the instant applications are shown inside a 'blue' line; and applicant's future service areas Nos. 1 through 6 and an unnumbered area at the northeast corner of Las Posas Road where it turns northeast are shown inside a 'green' line.

Understanding with District was reached at the conference that undesignated areas would be served by District if landowners sought its service, and applicant would serve or seek authority to serve such areas if landowners sought its service. Neither District nor applicant would protest the other's proposed

extension of service under those conditions.

Area I of Application No. 46007 is a 102-acre parcel located south of Las Posas Road to a future alignment of Ponderosa Drive, and east of Tracts Nos. 1366 and 1477 presently being served by applicant, which Walter Scholtz Building Corporation proposes to develop with approximately 240 single-family residences and a 20-acre school site. Exhibit "H" is a copy of a letter, dated September 4, 1963, to applicant from said corporation, requesting applicant's water service.

Area II of Application No. 46007 comprises 22 acres of farm land located north of Las Posas Road and east of Tract No. 1503, certificated to applicant, which View Properties, Inc. proposes to develop with 73 single-family residences. Exhibit "H" is also a copy of a letter, dated November 6, 1963, to applicant from said corporation requesting applicant's water service.

In Application No. 46078, service is proposed to be extended to tentative Tract No. 1609, comprising 39 acres south of Las Posas Road and approximately 1200 feet east of Arneill Road, where the developer plans to build 176 single-family residences. Exhibit "H" of said application is a copy of a letter, dated December 6, 1963, to applicant from Jennings-Hansen Engineering requesting applicant's water service.

None of the areas sought to be certificated is within District's boundaries.

Applicant's presently certificated areas comprise 667 acres with total potential saturation of 2,535 single-family residential services or their equivalent; the requested areas

comprise 163 acres with total potential saturation of 636 single-family residential services or their equivalent; and total acreage is 830 acres and 3,066 potential services. Late-filed Exhibit No. 7 shows areas by acreage and state of development. In the presently certificated area, 173 acres with 658 equivalent services have been developed; 88 acres with 344 equivalent services are under construction; and 406 acres are undeveloped. Exhibit No. 7 also shows that future service areas Nos. 1 through 6 (outlined in green on Exhibit No. 1) contain 451 acres. Applicant estimates that 700 services will have been connected by midsummer of this year.

Sources of applicant's water supply are 2 wells with total continuous capacity of 1,160 gpm and total peak capacity of 1,660 gpm. Minimum water requirements prescribed by General Order No. 103 for the total potential number of customers is 3,052 gpm. The presently installed capacity of booster pumps is sufficient to supply the peak requirements of approximately 1,576 customers.

Applicant is drilling a third well which will be equipped in 1964 to produce 900 gpm, if production tests are satisfactory. A fourth well, drilled in 1926, is owned by applicant, is not equipped, but allegedly could produce 230 gpm. Applicant has no plans to equip it. An irrigation well could be utilized by applicant under an option, but applicant has no plans to connect it to its system. Applicant proposes to install 3,000 gpm boosters in 1964 to meet increasing peak domestic demands plus fire flow requirements.

Exhibit "F" is a copy of a letter, dated October 29, 1963, from Calleguas Municipal Water District (Calleguas), an agency of Metropolitan Water District (MWD), advising applicant

that the presently certificated areas and those proposed herein are entirely within Calleguas' boundaries, that it will serve water to applicant on the same basis as to other water distribution agencies, and that water is expected to be available to applicant's areas by August or September, 1964. Applicant proposes to acquire a 6-inch diameter connection of 950 gpm capacity to Calleguas' system, and plans to make 2 additional Calleguas connections if required.

The record shows that some customers have complained of taste, odor, and hardness, but a staff investigation, the results of which are shown in Exhibit No. 6, shows that service is generally considered by customers to be satisfactory. However, low water pressures and pressure fluctuations, are a problem to some customers in that pressures at the highest elevation, at times, barely meet the requirements of General Order No. 103.

The installation of a gravity reservoir of 210,000 to 1,000,000-gallon capacity, which will float on the system, to be supplied by a new booster and by Calleguas water, is planned by applicant. Negotiations for the acquisition of a reservoir site are under way and are expected to be completed within three weeks. When such reservoir has been installed, it will relieve any and all low-pressure water service conditions.

A Commission staff engineer recommended in Exhibit No. 6 that plans, descriptions, and the costs to blend water supplies to keep total dissolved solids within limits set for a water supply permit be submitted. Exhibit No. 5 is a copy of an application to the State Board of Public Health, dated January 17, 1964, for a health permit covering applicant's proposed connections with Calleguas and utilizing MWD water to blend with its present well supplies.

Exhibit "D", applicant's balance sheet as of August 31, 1963, shows net utility plant of \$318,412.66, and advances for construction of \$140,153.19. As of said date, the ratio of advances to depreciated plant was 44 percent. The record shows that advances contemplated by Application No. 45117, granted by Decision No. 66212, dated October 22, 1963, were approximately \$150,000 of which some \$65,000 will have been received within the next 60 days. The advances contemplated by the instant applications total \$180,000. After applicant has installed all off-tract or backup facilities, the ratio of advances to depreciated plant would exceed the limits of 50 percent prescribed by the Main Extension Rule. In this regard, applicant's witness testified that capital stock in the amount of \$130,000, authorized by Decision No. 66212 to be issued and sold, would be sold to its principals, and that a loan of \$200,000 from Pacific Mutual Life Insurance Company would be secured, the proceeds from these security issues to be used to buy back main extension agreements from subdividers for 50 cents on the dollar. No such stock has been sold; no such loan has been secured; and the encumbrance contemplated has not been authorized.

Exhibit No. 3 is a copy of a letter, dated January 8, 1964, from Jennings-Hansen Engineering requesting applicant's water service to the approximately 110 acres commonly known as the Hartman Ranch, shown as Parcel 1 in 'green' on Exhibit No. 1. Authority for the extension of applicant's water system thereto or to any of the other areas outlined in 'green' on Exhibit No. 1 has not been applied for, except that each of said areas is contiguous to applicant's presently certificated areas and service thereto could be extended pursuant to the provisions of Section 1001 of the Public Utilities Code except for the restrictions against such extension heretofore noted. To the extent that the lifting of such restrictions is applied for herein, said areas are covered by the instant applications.

Findings

Based upon consideration of the record the Commission finds that:

1. Camino Water Company is a public utility water corporation under the jurisdiction of this Commission furnishing water service and certificated to furnish water service to approximately 667 acres with a potential of 2,535 services in unincorporated territory of Ventura County in the vicinity of the community of Camarillo generally north of the Ventura Freeway and east of Las Posas Road.

2. Applicant is prohibited by Decisions Nos. 62219, 62706, and 66212, from extending its water service outside its certificated areas without further order of this Commission.

3. None of the areas sought to be certificated herein is within the boundaries of Ventura County Water Works District No. 5.

4. The areas sought herein to be certificated contain approximately 163 acres with 636 potential services and developers and subdividers have requested applicant's water service.

5. Applicant's present sources of water supply, those being developed, and those proposed to be acquired from Calleguas Municipal Water District are and will be adequate to serve the total potential customers of applicant's presently certificated area and the areas sought herein.

6. The ratio of advances for construction to net utility plant would exceed those prescribed by the Main Extension Rule unless applicant sells capital stock which it is now authorized to issue and sell and secures a loan with proper authority and buys back subdivider's advances, all according to the financial plan outlined by applicant's vice president and general manager.

7. Public convenience and necessity require that the applications for a certificate of public convenience and necessity be granted subject to financial conditions.

8. Applicant's plans to drill and equip a new well; to install boosters and a reservoir which will, among other things, alleviate all low water pressure conditions; and to blend its existing supplies with Calleguas, in order to provide water containing total dissolved solids meeting State public health standards are reasonably required.

9. Applicant has not shown that the public interest requires the lifting of restrictions against extension of service since (a) it has not developed firm financial plans to remedy the adverse financial effects thereof and (b) such expansion would require a deviation from the limitation on the amount of advances imposed by the water main extension rule.

Conclusions

Based on the foregoing findings the Commission concludes that:

1. The applications for a certificate of public convenience and necessity should be granted subject to financial conditions, and the requests for the lifting of restrictions against extension of service should be denied.

2. Applicant should carry out its plans to drill and equip a new well; to install boosters and a reservoir; and to blend its existing supplies with Calleguas.

The certificate hereinafter granted shall be subject to the following provision of law:

The Commission shall have no power to authorize the capitalization of this certificate of public convenience and necessity or the right to own, operate, or enjoy such certificate of public convenience and necessity in excess of the amount (exclusive of any tax or annual charge) actually paid to the State as the consideration for the issuance of such certificate of public convenience and necessity or right.

O R D E R

IT IS ORDERED that:

1. Camino Water Company is granted a certificate of public convenience and necessity to extend its water system to and construct and operate a water system in Areas I and II and Tentative Tract No. 1609 in unincorporated territory of Ventura County the boundaries of which are shown by a 'red' line in Exhibit "A" attached to the applications, subject to the condition that before extending or constructing applicant shall certify to the Commission that the ratio of its advances for construction to net utility plant do not and will not under the proposed extension exceed the 50 percent prescribed by its Main Extension Rule.

2. (a) Applicant shall proceed with its plans to drill and equip a new well and to install a reservoir and boosters to, among other things, alleviate any and all low pressure water conditions.

(b) Applicant shall blend its present sources of water supply with Metropolitan Water District water to provide water containing total dissolved solids meeting State Department of Public Health standards. ✓

3. Applicant is authorized and directed to revise, within thirty days after the effective date of this order and in conformity with General Order No. 96-A, such of its tariff schedules, including tariff service area maps, as are necessary to provide for the application of its tariff schedules to the areas certificated herein. Such tariff sheets shall become effective upon five days' notice to the Commission and to the public after filing as hereinabove provided.

4. Within sixty days after the effective date of this order, applicant shall file with the Commission four copies of a comprehensive map, drawn to an indicated scale of not more than 400 feet to the inch, delineating by appropriate markings the various 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. Such maps shall be brought up to date every six months until construction within the areas is completed, at which time applicant shall so designate.

5. Applicant's requests for the lifting of restrictions against service outside its certificated area boundaries without order of this Commission imposed by Decisions Nos. 62219, 62706, and 66212, are denied, and such restrictions shall remain in full force and effect.

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

Dated at San Francisco, California, this 25th day of FEBRUARY, 1964.

William W. Brundage
President
George E. Grover
Frederick B. Hallock
Commissioners