

ORIGINAL

Decision No. 67047

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Complaint
of water consumers of the
ARROWHEAD MANOR WATER COMPANY
against Arrowhead Utilities Co.

Case No. 7719
(Filed September 17, 1963)

ARROWHEAD MANOR WATER
COMPANY, INC.,
Complainant,

Case No. 7723
(Filed September 18, 1963)

vs

ARROWHEAD UTILITY COMPANY,
Defendant.

Investigation into the operations
and practices of ARROWHEAD
UTILITY COMPANY, a corporation,
and LAKE ARROWHEAD DEVELOPMENT
CORPORATION.

Case No. 7732
(Filed September 24, 1963)

Guy, Smith, and Wahl, by Arthur D. Guy, Jr.,
and Ernie Schoettmer, for Arrowhead
Manor Water Company, Inc.; M. R. Starick,
for water consumers of Arrowhead Manor
Water Company, complainants.
Gibson, Dunn & Crutcher, by G. Edward Fitzgerald,
for defendant.
Samuel G. Kalichman, for State Department of
Public Health; Charles L. Stuart, for
Southern California Water Company,
interested parties.
Jerry J. Levander, for the Commission staff.

OPINION AND ORDER

These proceedings were consolidated for hearing
and hearings thereon were held before Examiner Rogers in
Los Angeles on October 7, 1963, December 9, 1963, February 3, 1964,
and March 2, 1964. On the latter date the matters were submitted.

Case No. 7719 is a complaint by water consumers of
Arrowhead Manor Water Company, Inc., against Arrowhead Utility

Company complaining of the conduct and activities of that utility and its agents or affiliates which threaten the water supply and that they propose acts which will result in the contamination of the water supply of Arrowhead Manor Water Company, Inc.

Case No. 7723 is a complaint by Arrowhead Manor Water Company, Inc., against Arrowhead Utility Company alleging that exploratory and rehabilitation work by defendant's parent Lake Arrowhead Development Co. will contaminate complainant's water supply and could eliminate that supply for a substantial period of time.

Case No. 7732 is an investigation on the Commission's own motion into the operations and practices of Arrowhead Utility Company and Lake Arrowhead Development Co. for the purpose of determining whether activities of respondents will contaminate or otherwise endanger, eliminate, or interfere with the source of water available to Arrowhead Manor Water Company, Inc.

On September 24, 1963, prior to the hearings herein, the Commission issued an interim order, Decision No. 66084, which prohibited the Arrowhead Utility Company from engaging in any conduct threatening to interfere or actually interfering with the water supply of Arrowhead Manor Water Company. This order was served on the respondent utility company, and was to remain in effect until further order of this Commission.

On December 9, 1963, the Lake Arrowhead Development Co. and the complainant water company entered into an agreement, reading as follows:

IRREVOCABLE AGREEMENT

THIS IRREVOCABLE AGREEMENT made this 9th day of December, 1963, by and between LAKE ARROWHEAD DEVELOPMENT CO. and ARROWHEAD MANOR WATER CO.

W I T N E S S E T H:

For and in consideration of the sum of \$1.00 and other good and valuable considerations, the receipt and sufficiency of which is hereby acknowledged and in consideration of the mutual covenants, premises and agreements herein made, the Lake Arrowhead Development Co. hereby forever grants permission to construct, operate, maintain and remove two 2" pipes or equivalent and to remove water through said pipes along, across, beneath and over

the right of way easements, and property of the Lake Arrowhead Development Co., extending to the west portal of the Deep Creek Tunnel in the County of San Bernardino, State of California, upon the following terms, provisions and conditions:

a. All installations placed in or upon said right of way, easement or tunnel by Arrowhead Manor Water Co. shall be and remain the property of Arrowhead Manor Water Co. and may be removed therefrom by Arrowhead Manor Water Co. at any time.

b. Commencing on the first of December of each year and continuing through the last day of March of each calendar year, Lake Arrowhead Development Co. shall have the right to use said tunnel to convey surplus surface runoff waters.

c. Lake Arrowhead Development Co. and Arrowhead Manor Water Co. understand that for the four month period referred to in paragraph b above, the percolating waters in the area (to which Arrowhead Manor Water Co. has over the years acquired a prescriptive right) will be commingled with said surplus surface waters and hence rendered unpotable during said period. Therefore, Lake Arrowhead Development Co. agrees that for the four month period in question it will purchase potable water of acceptable quality from the Lake Arrowhead Utility Company and provide said water at Lake Arrowhead Development Co.'s own expense and free of cost to Arrowhead Manor Water Co. at a mutually agreed upon location in exchange for the percolating waters of Arrowhead Manor Water Co. which have been referred to.

Upon termination of each said four month period referred to in paragraph b above, Arrowhead Manor Water Co. will resume drawing upon its percolating waters from said Deep Creek Tunnel. Lake Arrowhead Development Co. shall, however, continue to provide water, as herein contemplated, for each of the aforementioned four month periods, during such additional time after the last day of March of each year as is necessary to enable the Arrowhead Manor Water Company to qualify its Deep Creek Tunnel waters for domestic distribution. Arrowhead Manor Water Co. will pay to Lake Arrowhead Development Co., or Lake Arrowhead Utility Co., the same rate for said water the latter will have paid the Arrowhead Utility Water Company during the prior four month period.

It is further understood that Lake Arrowhead Development Co. makes no claim to any percolating waters to which Arrowhead Manor Water Co. has acquired prescriptive or other rights. It is further understood that by reason of the operation of this agreement, or otherwise, Lake Arrowhead Development Co. will make no claim now or in the future that would tend to diminish in any way the claimed right of Arrowhead Manor Water Co.

IN WITNESS WHEREOF the parties hereto have subscribed their names to the foregoing Irrevocable Agreement at Lake Arrowhead, California, this 9th day of December, 1963.

LAKE ARROWHEAD DEVELOPMENT CO.

By

(Signed) E.C.Mower, Secretary

ARROWHEAD MANOR WATER CO.

By

(Signed) Arthur D. Guy, Jr.

The record shows that there is no work in progress which will endanger the Arrowhead Manor Water Company's water supply. A Commission engineer recommended that a tariff filing be made pursuant to the Commission's General Order No. 96A setting forth rates and conditions of the service by the Arrowhead Utility Company for water furnished to Lake Arrowhead Development Co., and that the State Department of Public Health approve the connections made pursuant to the agreement of December 9, 1963.

Good cause appearing, IT IS ORDERED that:

1. Within one hundred twenty days after the effective date of this order, Arrowhead Utility Company shall file with this Commission a tariff pursuant to the Commission's General Order No. 96A setting forth rates and conditions of service for water furnished by Arrowhead Utility Company to Lake Arrowhead Development Co. for resale or delivery to Arrowhead Manor Water Company.

2. Case No. 7719, Case No. 7723, are dismissed and the Commission's Investigation, Case No. 7732, is discontinued. ✓

3. The Lake Arrowhead Development Co. and the Arrowhead Manor Water Company, Inc., shall secure approval from the State Department of Public Health for any service connections made pursuant to the agreement of December 9, 1963, between said parties. ✓

4. The restraining order imposed by Decision No. 66084, dated September 24, 1963, in Case No. 7719 and Case No. 7723, is hereby dissolved.

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

Dated at San Francisco, California, this 7th day of APRIL, 1964.

William L. Bennett
President
George T. Grover
Fredrick B. Hohlhoff
Commissioners