

ORIGINAL

Decision No. 67143

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
VILLAGE WATER COMPANY for an order)
partially relieving Village Water)
Company from the restrictions)
contained in Ordering Paragraph 1a)
of Decision No. 62583, etc. }

Application No. 46081
(Filed January 6, 1964)
(Amended at hearing
March 3, 1964)

O'Melveny & Myers, by Donn B. Miller and William D. Gould, for applicant.
Gibson, Dunn & Crutcher, by Max Eddy Utt, for Lesser Water Company; and Paul B. Noel, for California Lutheran College; interested parties.
Jerry J. Levander, for the Commission staff.

O P I N I O N

By the above-entitled application Village Water Company (Village) requests an order terminating the restrictions against extension of service areas and exercise of franchise rights imposed by the Commission in Village's Conejo and Las Posas service areas. At the hearing it requested authority to issue a note in payment for an existing water system.

A public hearing was held before Examiner Rogers in Los Angeles on March 3, 1964, and the matter was submitted. During the hearing the application was orally amended to include a request for authority to issue an evidence of indebtedness to the California Lutheran College.

By Decision No. 62583, dated September 19, 1961, in Application No. 42911, Village was granted a certificate of public convenience and necessity to furnish domestic water to two areas in Ventura County approximately 12 miles apart, one, the Las Posas area,

is in the vicinity of Camarillo and the other, the Conejo area, is in the vicinity of Newbury Park. The decision stated that the applicant will have an adequate water supply to meet all foreseeable demands in the Camarillo-Las Posas area, and that the total dissolved solids content is not a problem. The order also stated that in the Conejo area the total dissolved solids are in excess of the maximum permitted by the State Department of Health of 1,000 parts per million and that this could be corrected by blending with water from a well being acquired. The certificate was granted subject to the conditions, among others,

"That the applicant shall not extend its water system outside its certificated area boundaries without further order of the Commission.", and

"That the applicant, when the number of its customers reaches 1,850, or when its water supplies are not sufficient to meet the peak-hour and peak-day demand of the equivalent of 1,850 customers with an average usage of 2,000 cubic feet per month, shall develop sufficient additional and adequate sources of potable water supply and storage to meet foreseeable additional demands, and shall submit to the Commission in writing a detailed report of such development together with the costs involved."

By Decision No. 62684, dated October 17, 1961, in Application No. 42911, Village was given authority to serve Tract No. 1186 in the Conejo area. The restriction against extension outside its certificated boundaries was continued in this certificate.

By Decision No. 63434, dated March 20, 1962, in Application No. 42911, Village was authorized to exercise a county-wide franchise (Ordinance No. 1118) granted by the County of Ventura, but with the

proviso that "Village Water Company shall not exercise said franchise for the purpose of supplying water in those parts or portions of Ventura County not now served by it except through extensions of its existing system made in the ordinary course of business as contemplated by Section 1001 of the Public Utilities Code."

By Decision No. 64244, dated September 11, 1962, in Application No. 44567, certain service areas in the Conejo Valley were substituted for other areas.

By Decision No. 66230, dated October 29, 1963, in Application No. 45225, as modified by Decision No. 66563, dated January 7, 1964, Village was granted authority to extend service to additional tracts in the Conejo area subject to conditions similar to the conditions in Decision No. 62583 supra.

This latter decision also authorized Village to exercise the Ventura County franchise in the newly certificated areas.

By Decision No. 66797, dated February 18, 1964, in the application herein, No. 46081, Village was authorized to serve Tract No. 1241, Thousand Oaks, Ventura County, in the vicinity of and contiguous to its Conejo service area. Tract No. 1241 is owned by the California Lutheran College, contains approximately 70 acres and is a portion of the college's total area containing approximately 293 acres.

Applicant hereby purportedly seeks only (1) the removal of the restriction contained in its certificate that it may not extend its service areas without further order of this Commission, thereby making it legally possible for it to extend into areas contiguous to its certificated areas without further authority from this

Commission (Section 1001, Public Utilities Code); and (2) the removal of the restriction on the exercise of franchise rights. However, Village and the California Lutheran College executed an agreement, dated January 30, 1964, whereby the college states it desires to have its territory served by Village. Village agrees to purchase an existing water system in the college's area for the sum of \$39,587.12 plus the cost of a connecting line estimated to be \$5,932.50, which total purchase price of \$45,519.62 is to be paid in five equal annual payments.

In both the Las Posas area, in the vicinity of Camarillo, and the Conejo area (includes the college area) Village has requests for water extensions in areas contiguous to the authorized service areas. Relative to the Las Posas area, the Commission stated in Decision No. 62583, supra, that "The record shows that the applicant will have an adequate water supply and water system facilities to supply all foreseeable demands..." and that "'Total Dissolved Solids' contents is not a problem in this area."

Relative to the Conejo area, the record shows that the existing water is limited and of rather inferior quality, thus resulting in the existing limitation placed on the Conejo area against extending service without further order of the Commission. The record in the consolidated hearings for certificates in the Conejo area developed that the Metropolitan Water District of Southern California, which furnishes water to member municipal water district agencies, will furnish water to the Calleguas Municipal Water District for distribution to the Conejo Valley. Without tracing the line, there will be a 3 million-gallon reservoir in

Santa Susana, a 10,000-acre-foot Wood Ranch reservoir in the vicinity of Simi, and a 4 million-gallon reservoir in Newbury Park. Work is in progress on the various lines and applicant states that facilities needed to initiate service to Simi Valley and Conejo Valley with Metropolitan water should be completed early in 1964.

Calleguas and Las Virgines municipal water districts are to receive Metropolitan Water District water from a tap off the Santa Monica feeder, which serves the cities of Glendale, Burbank, Beverly Hills and Santa Monica. This line has a designed capacity of 125 cubic feet per second at Eagle Rock and reduces in size to 30-cubic-feet-per-second capacity at Santa Monica. The Calleguas and Las Virgines lines will tap the Santa Monica feeder in the City of Glendale with a line having a capacity of 100 cubic feet per second. Control and operation of the service connection is to be under the direction of the Metropolitan Water District to the extent that the rate of flow through the service may be regulated whenever delivery to Calleguas and Las Virgines interferes with the demands of the four-named cities connected to the Santa Monica feeder. However, if the Metropolitan Water District deems it advisable to increase the capacity of its facilities for service to the Calleguas and Las Virgines connection, such additional pipeline capacity will be constructed by the District with a capacity of at least 100 cubic feet per second. As stated before, the water is divided between the Calleguas and Las Virgines lines, and the four cities named have priority on the water. In addition, the Calleguas feeder serves the community of Simi. Water in the Calleguas line is expected to be available in Conejo Valley in 1964. The Wood Ranch Reservoir is to be completed in 1965.

Based upon the record, the Commission finds that:

1. The Las Posas service area of Village Water Company has adequate potable water for all present and future foreseeable demands.
2. There is no basis for continuing a restriction against extension of service to the Las Posas service area of the Village Water Company.
3. There is a public demand for water service to a subdivision contiguous to Village Water Company's Las Posas service area.
4. Public convenience and necessity require that applicant extend service to the land occupied and owned by California Lutheran College near Thousand Oaks, California; this college land is in an area contiguous to Village's certificated service area.
5. Village and the college have executed an agreement for the acquisition by Village of water system facilities in the California Lutheran College area for the estimated sum of \$45,519,62; said agreement is not adverse to the public interest. The money, property or labor to be procured or paid for by the execution of the evidence of indebtedness herein referred to is reasonably required for the purposes specified herein, and such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income.
6. The record shows that water adequate for present and future tenants will be available to applicant from the Calleguas Municipal Water District in the Conejo Valley, and for that reason the restriction against extension outside Village's certificated service area therein should be terminated.

7. Village should be permitted to exercise its franchise in any portion of Ventura County in which it furnishes water as a public utility pursuant to authority from this Commission or the provisions of Section 1001 of the Public Utilities Code and without further order from this Commission.

O R D E R

IT IS ORDERED that:

1. Village Water Company may extend service under Section 1001 of the Public Utilities Code to territory contiguous to its certificated areas in Ventura County, California.
2. The limitation of expansion set forth in Rule No. 15A.2.a. of Village Water Company and ordering paragraph 12 of Decision No. 66230 relating to capital structure shall remain in full force and effect.
3. Village Water Company may exercise authority pursuant to the provisions of Franchise Ordinance No. 1118 of Ventura County in any territory contiguous to any of its present or future service areas in Ventura County, California, without further order of this Commission.
4. On or before ninety days after the effective date hereof Village Water Company may execute the agreement, dated January 30, 1964, between it and the California Lutheran College. Two fully conformed copies thereof shall be filed with the Commission within thirty days after such execution.
5. Village Water Company shall file a report or reports as required by General Order No. 24-A, which order insofar as applicable is made a part of this order.

6. The authority herein granted to issue the evidence of indebtedness to the California Lutheran College will become effective when applicant has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$46. In other respects, the effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 28th day of April, 1964.

William L. Berwick
President

Carl H. [unclear]

Walter [unclear]

George H. Grover

Frederick B. Holdhoff
Commissioners

