

ORIGINAL

Decision No. 68316

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Conservative Water Company, a corporation; San Gabriel Valley Water Company, a corporation; Southern California Water Company, a corporation; Suburban Water Systems, a corporation; Southwest Water Company, a corporation; Junior Water Co., Inc., a corporation; Dominguez Water Corporation, a corporation; California Water and Telephone Company, a corporation (successor in interest to Investment Water Corporation, Ltd., a corporation); Park Water Company, a corporation, each individually on behalf of itself, and the Central and West Basin Water Replenishment District, a public district on behalf of California Water Service Company, a corporation; Coast Water Company, a corporation; Pacific Water Company, a corporation; Peerless Land and Water Company, a corporation; W. R. Quinney, dba Fairacres Water Co.; Berlu Water Company, a corporation; County Water Company, a corporation; Suburban Mutual Water Co., a corporation; Uehling Water Company, Inc., a corporation; and La Mirada Water Company, a corporation; for authorization of Agreement with Respect to Restrictions on Pumping of Water from the Central Basin; and additionally on behalf of Donald R. Plunkett, dba Plunkett Water Co.

Application No. 44616
(Filed July 6, 1962)
(Amendment Filed
September 30, 1964)

(Amended Title)

Bewley, Knoop, Lassleben & Whelan, by Martin E. Whelan, Jr., for Central and West Basin Water Replenishment District, applicant, on behalf of California Water Service Company, Coast Water Company, Peerless Land and Water Company, County Water Company, Uehling Water Company, Inc., La Mirada Water Company, Donald R. Plunkett, dba Plunkett Water Company, Suburban Water Systems, Southwest Water Company, and Junior Water Company.

Bacigalupi, Elkus & Salinger, by Tadini Bacigalupi, Jr., for California Water & Telephone Company; O'Melveny & Myers, by Lauren M. Wright, for Conservative Water Company and Southern California Water Company; John E. Skelton, for San Gabriel Valley Water Company; Roe & Rellas, by Chris S. Rellas, for Park Water Company, applicants.
Henry E. Jordan, for the City of Long Beach, interested party.

O P I N I O N

Under authority granted by Decision No. 64308, dated September 25, 1962, and Decision No. 65972, dated August 27, 1963, certain of the applicant water utilities^{1/} are now operating in accordance with the terms of the Interim Agreement, Exhibit 10, designed to reduce the 1960-1961 level of pumping in the Central Basin by 25 per cent. Said agreement was for the purpose of bringing into balance the ground waters of the Central Basin pending final adjudication of litigation.

1/ Exhibit 17 shows these utilities to be the following:

California Water Service Company, Conservative Water Company, Dominguez Water Corporation, California Water and Telephone Company, Junior Water Co., Inc., Park Water Company, Peerless Land and Water Company, San Gabriel Valley Water Company, Southern California Water Company, Southwest Water Company, Uehling Water Company, Inc.

By the amendment to subject application filed September 30, 1964, applicants request an order authorizing each of said applicant utilities to enter into Stipulation and Agreement for Judgment which upon judgment of the Los Angeles Superior Court in No. 786,656, will replace the existing Interim Agreement.

After due notice, in accordance with the Commission's procedural rules, an adjourned hearing was held on the amendment to the application before Examiner Patterson at Los Angeles on October 22, 1964, on which date the matter was submitted. There were no protests to the granting of the application as amended.

Testimony and exhibits were presented by applicants to show the effects that have been attained to date in the Central Basin by virtue of about 90 per cent of the water production in said Basin being operated in accordance with the terms of the Interim Agreement. Exhibit 22 shows that in the water year 1961-1962, which was just prior to when the Interim Agreement became effective, ground water production in the Central Basin was 273,800 acre feet, whereas in the ensuing year 1962-1963, ground water production decreased to 224,300 acre feet. Exhibit 24 shows that the combined effect of the Interim Agreement and of the water spreading program has been to start the first significant recovery of the water level in the Los Angeles forebay area since 1930, and a recovery in the pressure water level in the pressure area of the Central Basin of about 70 feet, bringing the level almost back to the level existing in the year 1953.

The Stipulation and Agreement for Judgment for which authorization is sought, Exhibit 18, differs considerably from the Interim Agreement in format, but the changes in substance are few.

The principal substantive changes consist of a revision in the definition of "imported water use credit", an allowance for carry-over from one year to the next of the "allowed pumping allocation", and revisions in the Exchange Pool provisions which will result in an additional \$3.00 per acre foot being paid by those purchasing from the Exchange Pool and the receipt of an additional \$3.00 per acre foot by those subscribing to the Exchange Pool.

There have also been some changes in terminology, such as substitution of the term "allowed pumping allocation" for "agreed pumping allocation" and "total water right" for "assumed relative right".

The "allowed pumping allocation" will be that quantity of water in acre feet which the court finds and concludes to be the maximum quantity which a party should be allowed to extract annually from the Central Basin and, as set forth in the agreement, it is contemplated that this will constitute 80 per cent of such party's "total water right".

In the prior hearings evidence was presented as to the estimated increase in total cost of water per service connection under the Interim Agreement for each utility for each of 6 years. Comparable evidence presented for operation under the Stipulation and Agreement for Judgment shows little change from the previous estimates. The estimated increased costs under the Stipulation and Agreement for Judgment over estimated costs with no control of pumping for the year 1962-1963 range from \$0.71 to \$5.00 per year per connection dependent upon the utility involved. The estimated amounts are shown to generally increase year by year as more imported water is used, so that by the 6th year of operation 1967-1968 the increased cost per year per connection would range

from \$1.26 to \$11.00. According to the testimony these estimates are intended to be only illustrative of the general level of increased costs to be expected under the Stipulation and Agreement for Judgment rather than precise estimates based upon each utility's operating conditions.

Under the proposal, before the Stipulation and Agreement for Judgment could go into effect the parties representing 200,000 acre feet of "total water rights" would have to execute it. This would represent about 75 per cent of the "total water rights" of the parties involved in the action. The record shows, however, that if signatures are obtained for somewhat less than the 200,000 acre feet, the parties would be hopeful of proceeding with execution of the document without the necessity of securing further authorization from the Commission. The record also shows that the court will maintain continuing jurisdiction and should unforeseen matters come up it can change provisions of the agreement.

It is apparent that applicants are requesting authority to enter into an agreement which has a considerable degree of flexibility. Ordinarily we would not grant authority under such uncertain conditions, but in this instance it seems clear that any changes which might be made in the agreement would be only those necessary in the overall public interest to preserve the ground water basin.

By our previous orders in this proceeding we found that there is a need for a program of ground water management directed toward arresting continuing overdraft in the Central Basin and that the Interim Agreement appeared to be a reasonable way of accomplishing such objective. Based upon the entire record we find that the

Stipulation and Agreement for Judgment likewise represents a reasonable way of accomplishing the aforesaid objective.

We find further that the Stipulation and Agreement for Judgment insofar as it relates to the applicants named in the ensuing order is reasonable and prudent in the circumstances and not adverse to the public interest. We conclude that such applicants should be authorized to enter into and carry out the terms of the Stipulation and Agreement for Judgment substantially in the form as set forth in Exhibit 18.

The amendment to the application included an amended title which was intended to add an additional utility and reflect transfers and consolidations of water systems which have taken place since the original filing. The record discloses, however, that some of the applicants named in the amended caption no longer exist as separate entities and they of course will be excluded in the order which follows.

The authority granted herein to applicant utilities is not to be construed as relinquishing, limiting, or in any manner abridging the jurisdiction of this Commission over any phase of the utilities' operations.

O R D E R

IT IS ORDERED that:

1. Conservative Water Company, San Gabriel Valley Water Company, Southern California Water Company, Suburban Water Systems, Southwest Water Company, Junior Water Co., Inc., Dominguez Water Corporation, California Water and Telephone Company, Park Water Company, California Water Service Company, Coast Water Company,

Peerless Land and Water Company, County Water Company, Uehling Water Company, Inc., La Mirada Water Company, and Donald R. Plunkett, dba Plunkett Water Co., are hereby authorized to enter into and carry out the terms of the Stipulation and Agreement for Judgment substantially in the form of Exhibit 18.

2. The Central and West Basin Water Replenishment District shall within 30 days thereafter:

a. File with the Commission an executed copy of the Stipulation and Agreement for Judgment.

b. File with the Commission a copy of the Judgment of the Los Angeles County Superior Court in No. 786,656.

c. Advise the Commission of any substantive changes made in the Judgment as a result of further court action.

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

Dated at San Francisco, California, this 9th day of DECEMBER, 1964.

Fredrick B. Holbrook
President

George T. Thayer

William W. Bennett

Commissioner Peter E. Mitchell, being necessarily absent, did not participate in the disposition of this proceeding.

Commissioner Everett C. McKeage, being necessarily absent, did not participate in the disposition of this proceeding.
Commissioners