

Decision No. 80272

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of Azusa Valley Water Company,)
Bottello Water Company, California-)
American Water Company, California)
Cities Water Company, East Pasadena)
Water Company, La Puente Coop Water)
Co., Park Water Company, San Gabriel)
Valley Water Company, Southern)
California Water Company, Suburban)
Water Systems, Upper San Gabriel)
Valley Municipal Water District,)
Vallecito Water Company, and)
Victoria Mutual Water Company for)
approval of Agreement with respect)
to Production of Water from the San)
Gabriel Basin.)

Application No. 53375
(Filed June 1, 1972)

O P I N I O N

By this application, applicants seek an ex parte order authorizing the public utilities named in the caption to enter into a stipulation and agreement for judgement. The application states that the stipulation and agreement, a copy of which is attached to the application as Exhibit A, has been drafted and agreed upon for the purpose of avoiding extended litigation concerning water rights and the problem of a diminishing common supply and overdraft of the waters within the San Gabriel Basin.

The San Gabriel Basin and the surface streams tributary thereto are a hydrologic ground water unit which lie in the eastern portion of Los Angeles County, northerly of the Whittier narrows dam, southerly of the San Gabriel mountains, easterly of Alhambra, westerly of La Verne. The water requirements within the San Gabriel Basin greatly exceed the local supply available. The extent and nature of the overdraft on the water supply of the San Gabriel Basin and its consequences and effect on all water users from the basin

are set forth and detailed in an engineering report entitled, "Management Plan for San Gabriel Valley Ground Water Basin", May 11, 1966, a copy of which is attached to the application as Exhibit B.

On January 1, 1968, applicant Upper San Gabriel Valley Municipal Water District filed a complaint against all water producers in the San Gabriel Basin seeking an adjudication and determination of the rights of all such water producers in said basin. A copy of the complaint, as amended on August 14, 1970, is attached to the application as Exhibit C.

Representatives of water producers throughout the San Gabriel Basin have met and considered the problem of fashioning a physical solution to the problem outlined in the engineering report (Exhibit B) and the issues tendered by the adjudication complaint (Exhibit C). As a result of these negotiations, the proposed form of agreement (Exhibit A) has been developed and is being submitted to the water producers in the San Gabriel Basin.

The application states that it is apparent from the engineering report (Exhibit B) that any physical solution to the water problems of the San Gabriel Basin will require the purchase of substantial quantities of supplemental water by water producers in that basin, and that such supplemental water would be more expensive than ground water pumped from wells in the basin. The application goes on to state that the net effect of operation under the agreement, as well as the ultimate effect of the adjudication, would be to increase the total cost of water to all utilities providing water from the San Gabriel Basin and the surface streams tributary thereto. Neither the report nor the application give any indication of the magnitude of such increased cost, however.

The application does not make reference to the statutory provision or other authority under which Commission authorization of the stipulation or relief is sought. The Commission has, however, in the past authorized similar agreements in Decision No. 68316, dated December 9, 1964, in Application No. 44614 (the Central Basin

adjudication), and Decision No. 51024, dated January 25, 1955, in Application No. 36207 (the West Coast Basin adjudication). The stipulation and agreement for judgement contains a provision that it shall not be effective as to any party which is a public utility until this Commission shall have authorized that public utility to execute the stipulation and agreement. Section 851 of the Public Utilities Code requires an order from the Commission before a utility may encumber any of its property necessary or useful in the performance of its duties to the public. The restriction of rights to pump from the San Gabriel Basin can be considered diminution of property rights and therefore encumbrances requiring Commission authorization.

Applicant Upper San Gabriel Valley Municipal Water District is a municipal water district organized and existing under Division 20 of the Water Code. The district is not subject to the jurisdiction of the Commission but has joined as an applicant herein because of its interest in the subject matter of the stipulation and agreement, inasmuch as it is the plaintiff in the action seeking adjudication of the San Gabriel ground water basin and the surface streams tributary thereto.

Applicant Bottello Water Company is not presently a public utility under the jurisdiction of this Commission and does not require Commission authorization.

Findings and Conclusions

The Commission finds that:

1. There is need for a solution to the overdraft in the water supply of the San Gabriel Basin.
2. Execution of the stipulation and agreement for judgement is a reasonable way of accomplishing the solution and is not adverse to the public interest.
3. Applicant public utilities should be authorized to enter into and carry out the terms of the stipulation and agreement for judgement in substantially the form and substance as set forth in Exhibit A attached to the application.

4. A public hearing is not necessary.

The Commission concludes that the application should be granted pursuant to Section 851 of the Public Utilities Code.

O R D E R

IT IS ORDERED that:

1. Azusa Valley Water Company, California-American Water Company, California Cities Water Company, East Pasadena Water Company, La Puente Cooperative Water Company, Park Water Company, San Gabriel Valley Water Company, Southern California Water Company, Suburban Water Systems, Vallecito Water Company, and Victoria Mutual Water Company are hereby authorized to carry out the terms of the stipulation and agreement for judgement substantially in the form of Exhibit A attached to the application.

2. The Upper San Gabriel Valley Municipal Water District shall:

- (a) Within fifteen days after execution, file with the Commission an executed copy of the stipulation and agreement for judgement.
- (b) Within fifteen days after issuance, file with the Commission a copy of the judgement of the Los Angeles County Superior Court in No. 924128.
- (c) Advise the Commission of any substantive changes made in the future to either the stipulation and agreement or to the judgement.

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

Dated at Los Angeles, California, this 18th day of JULY, 1972.

Verma L. Sturgeon
President
William J. Johnson
John W. Brown
Paul W. Brown
Edna D. Brown
Commissioners