



**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE
STATE OF CALIFORNIA**

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Application of Southern California Edison
Company (U 338-E) for Authority to Increase
Rates for its Class C Catalina Water Utility
and Recover Costs from Water and Electric
Customers.

Application No. A.20-10-018
(Filed October 30, 2020)

**EXHIBIT 2 (of 5)
TO THE**

PROTEST OF

**CITY OF AVALON
CATALINA ISLAND CHAMBER OF COMMERCE
SANTA CATALINA ISLAND COMPANY
SANTA CATALINA ISLAND CONSERVANCY
GUIDED DISCOVERIES
HAMILTON COVE HOMEOWNERS ASSOCIATION**

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EXHIBIT 2

1962 WATER RIGHTS AGREEMENT

copy

CORPORATION GRANT DEED
(Water Rights)

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, SANTA CATALINA ISLAND COMPANY, a corporation, (hereinafter sometimes called "SCI"), does hereby grant to SOUTHERN CALIFORNIA EDISON COMPANY, a corporation, (hereinafter sometimes called "Edison"), its successors and assigns, the right as against the lands of SCI hereinafter described, and as against the rights of SCI, its successors and assigns, as the owners of said lands, all of its water rights and all of its rights of every kind, character and description, to take and use water, including, but not limited to, all of its water rights and rights to the use of water which are part of riparian rights and overlying rights, rights to the use of percolating and underground water, belonging to, or incident to, or part and parcel of, the said hereinafter described lands; TO HAVE AND TO HOLD the same unto Edison, its successors and assigns, only so long as it shall, as a public utility operating under and subject to the laws of the State of California, be engaged in the business of supplying and making available to others said waters for domestic, agricultural, commercial, industrial, municipal and other uses in Santa Catalina Island;

RESERVING, HOWEVER, unto SCI and any successor or successors so substantially all of its assets for so long as, and only so long as, SCI or said successor or successors own all or substantially all of the said lands, the right to use so much of said waters as may be necessary for the purpose of watering livestock on the said lands and/or for irrigating such portions of said lands as shall be used solely for grazing or the production of cultivated crops, until such time as Edison, its successors and

APPENDIX "B"

RECORDED Nov. 22, 1962
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assigns, shall reasonably determine that it needs the use of such waters for the public utility purposes above mentioned; provided, that whenever Edison, its successors and assigns, reasonably determines that the use of all or any part of the waters being used by SCI is needed for said public utility purposes and so notifies SCI in writing, SCI shall discontinue its use of such water entirely, or shall reduce such use to an amount that will be consistent with Edison's stated requirements.

The lands of SCI hereinabove referred to and as against which the rights hereinabove mentioned are granted are located in the County of Los Angeles, State of California, and are more particularly described as follows, to wit:

All of Santa Catalina Island as granted to Jose Maria Goetztrubius by Patent dated April 10, 1857, and recorded in Book 1 page 81 et seq. of Patents, in the office of the County Recorder of said County;

EXCEPTING therefrom those portions of said Island lying below the line of the mean high tide of the Pacific Ocean, and those portions of said Island included within the boundaries of:

A. Those portions of the Town of Avalon, as per map recorded in book 34 page 67 et seq., of Miscellaneous Records in the office of said County Recorder, which are not owned by SCI at the date of this instrument; and

B. Those portions (if any) of East Avalon Terrace, as per map recorded in book 9, pages 78 and 79 of Maps in the office of the County Recorder of said County, which are not owned by SCI at the date of this instrument; and

C. The land conveyed by the Santa Catalina Island Company, a corporation, to Philip K. Wrigley, recorded March 27, 1934, in book 12661 page 223 of Official Records, and in the deed from Philip K. Wrigley and wife to the William Wrigley, Jr., Mastical Incorporated, a corporation, recorded March 27, 1934 in book 12718 page 75 of Official Records, in the office of said County Recorder.

In consideration of the execution and delivery by SCI of this instrument, its acceptance by Edison and the mutual covenants herein contained, the parties hereto agree, for the direct benefit of Edison, its successors and assigns, in the

exercise and enjoyment of the rights, interests and estates granted by this instrument, and for the benefit of the lands of SCI described above, and as covenants that shall run with said rights, interests and estates and with said lands of SCI, as follows:

1. SCI covenants for itself, its successors and assigns, that, except as herein otherwise expressly provided, it will not exercise any riparian, prescriptive, appropriative, overlying or other rights relating to surface, percolating or underground waters, flowing or existing in, under or upon, or belonging to, or incident to, or part and parcel of, the lands described above; provided, however, that in order to maintain and preserve the water rights granted in this instrument as against any party other than Edison, SCI, its successors and assigns, may exercise said rights until such time as Edison desires to exercise said rights or undertakes to provide water service to the area where such water is utilized.

2. SCI, its successors and assigns, shall have the right whenever it deems necessary or desirable in the course of any construction upon or development of the lands described above, to divert, channel or change the course of surface or subsurface waters in said lands so long as the waters affected remain in the same watershed and are not diverted away from any water reservoir then being used by Edison, its successors and assigns; provided, however, that such right shall be subject to all sanitary laws and regulations now or hereafter in effect governing activities relative to water destined for human consumption.

3. It is agreed that, except at any point in or overlying the underground water table of any water reservoir now existing or hereafter created, Edison, its successors and

assigns, or occasional licensees of any of them, shall not have the right hereunder to use the surface of Santa Catalina Island, or that portion of the subsurface thereof lying above a depth of five hundred (500) feet below the surface, for the drilling of any well or the laying or maintaining of any pipe or for any other purpose, without first obtaining the express written consent of SCI, its successors and assigns, in each instance.

4. Edison recognizes that the conveyance to it of the water rights hereinabove described is for the purpose of enabling Edison, its successors and assigns, to discharge its duties as a public utility serving water in Santa Catalina Island. If such use of said water rights for such public utility purpose shall cease in its entirety, then and in such event title to the said water rights granted in this instrument shall automatically revert to, and said water rights shall again become the property of, SCI, its successors and assigns.

5. Edison agrees that it will not sell or transfer any of the said water rights to any person, firm or corporation except one which shall undertake public utility water service in said Island pursuant to the laws of the State of California; provided, however, that this covenant shall not apply to the occasional granting of any revocable license by Edison to any person, firm or corporation to take or use water in the said Island; provided further, however, that this covenant shall not preclude Edison from subjecting said water rights to the Trust Indenture made as of October 1, 1923, as now or hereafter amended and supplemented, by and between Harris Trust and Savings Bank and Security First National Bank, as trustees, and Edison.

6. At the written request of SCI, its successors or assigns, Edison agrees for itself, its successors and assigns,

that it will forthwith deliver to SGI, its successors or assigns,
a quitclaim deed of the rights granted in this instrument which
have reverted as aforesaid.

IN WITNESS WHEREOF, the parties hereto have caused
this instrument to be executed by their respective officers
thereunto duly authorized as of the _____ day of _____,
1962.

SANTA CATALINA ISLAND COMPANY

By _____

(Corporate Seal)

By _____

SOUTHERN CALIFORNIA EDISON COMPANY

By _____

(Corporate Seal)

By _____