

Decision No. 21467

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of the)  
 WEST SAN JOAQUIN VALLEY WATER COMPANY,) Application No. 15812.  
 a corporation, and of Jack Godfrey, for) order authorizing transfer and sale of )  
 property. )

J. E. Woolley, for applicants.  
 Vincent J. McGovern, of counsel.

BY THE COMMISSION:

OPINION

**ORIGINAL**

In this application, the Railroad Commission is asked to enter its order authorizing West San Joaquin Valley Water Company, a corporation, to sell its properties described in Exhibit "F" attached to the petition filed in this proceeding, for \$6,000.00, to Jack Godfrey.

West San Joaquin Valley Water Company is a corporation organized during July, 1912, under the laws of the State of California and now engaged as a public utility in the distribution of water for domestic and other purposes to approximately 136 consumers in and about the Town of Dos Palos, Merced County. The company has reported its revenues and expenses from the operation of its business during the last three calendar years, as follows:

<u>Item</u>	<u>1926</u>	<u>1927</u>	<u>1928</u>
Operating revenues.....	\$2,563.18	\$2,826.90	\$3,189.31
Operating expenses.....	2,870.24	2,564.43	3,238.88
Net operating revenues..	<u>\$ 307.06(1)</u>	<u>\$ 262.47</u>	<u>\$ 49.57(1)</u>

(1) Loss in 1926 and 1928.

Water is obtained by purchase from San Joaquin & Kings River Canal & Irrigation Company, Incorporated. It is filtered through

a gravel and charcoal bed into a covered concrete sump, whence it is lifted by an electrically driven pump into a 26,000 gallon tank on a 75 foot tower and thence distributed through 5,613 feet of mains, varying in diameter from two to six inches, to about 136 consumers, all metered. From reports filed with the Commission, it appears that West San Joaquin Valley Water Company and San Joaquin & Kings River Canal & Irrigation Company, Incorporated, are controlled by the same interests. The latter company has filed in this proceeding a statement signed by its vice-president, Mr. J. Leroy Nickel, in which it sets forth that in the event of the transfer of the properties of West San Joaquin Valley Water Company to Jack Godfrey, it will continue to furnish water to him at the same price and on the same terms as it now furnishes water to the corporation, or, in case the rates hereafter should be fixed or changed by the Commission, then at the rate so established.

The original cost of the properties to be sold is estimated at \$17,000.00 and present value at \$9,000.00. The proposed consideration to be paid by Jack Godfrey is \$6,000.00, of which \$1,500.00 is payable at once in cash and the balance of \$4,500.00 at the rate of \$50.00 a month on the first of each and every month for a period of three years and thereafter at the rate of \$75.00 a month on the first of each and every month until paid, with interest on unpaid balances at the rate of six percent per annum. It appears to us that the agreement between the two parties, dated July 19, 1929, providing for the payment of part of the purchase price at periods later than one year after the date thereof, is an evidence of indebtedness coming within the meaning of Section "52" and Section "57" of the Public Utilities Act, and, as such, requiring the approval of this Commission and the payment of the fee mentioned in Section "57".

The application shows that Miller & Lux, Incorporated, owns all of the outstanding stock of West San Joaquin Valley Water Company. The application sets forth that Miller & Lux, Incorporated, is now, and has been for some time, engaged in an active campaign for the sale and disposal of its land holdings in the vicinity of Dos Palos and has sold considerable land and other non-utility properties in this region. Because of these sales, it is alleged that West San Joaquin Valley Water Company cannot continue to supply water economically, as it will be necessary to engage additional labor to operate the properties, the maintenance and operation in the past having been performed by employees of Miller & Lux, Incorporated.

Mr. Godfrey is a resident of Dos Palos and, judging from information on file in our office, should be in a position to operate the water system properly and more economically than the present owners. It therefore appears to us that the transfer of the properties, as herein proposed, is in the public interest and should be authorized.

An order accordingly will be entered.

#### ORDER

Application having been made to the Railroad Commission for an order authorizing the transfer of properties, and the Railroad Commission being of the opinion that this is not a matter in which a public hearing is necessary and that the transfer of the properties, as herein proposed, is in the public interest and should be granted, as herein provided, therefore,

IT IS HEREBY ORDERED that West San Joaquin Valley Water Company be, and it hereby is, authorized to sell, on or before November 1, 1929, to Jack Godfrey, for \$6,000.00, its properties described in Exhibit "F" attached to the petition filed in this proceeding, said sale to be made in accordance with the terms of the agreement of

July 19, 1929, (Exhibit "F") by and between West San Joaquin Valley Water Company and Jack Godfrey, the execution of which agreement is hereby authorized.

The authority herein granted is subject to the following conditions:

1. Within sixty days after the transfer of the properties as herein authorized, West San Joaquin Valley Water Company shall file with the Commission a copy of the deed of conveyance, a statement indicating the exact date upon which it relinquished to Jack Godfrey the control and possession of the water properties, and a financial report showing its operations during 1929 from January 1st down to the date of transfer, such report to be prepared on the regular annual report forms prescribed and furnished by this Commission.

2. The authority herein granted will become effective when Jack Godfrey has paid the minimum fee prescribed by Section "57" of the Public Utilities Act, which fee is \$25.00.

DATED at San Francisco, California, this 20th day of August, 1929.

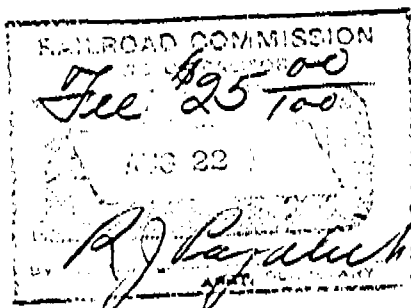
Thomas D. Lott

C. S. Lewis

Leon Whitely

A. W. Allen

Commissioners.



Fee #