

Decision No. 28143

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
SONOMA WATER AND IRRIGATION COMPANY,) Application No. 18958
a corporation, for permission to sell) portions of its property.)

Edwin T. Cooper, for applicant.

A. R. Grinstead, for City of Sonoma.

BY THE COMMISSION:

O P I N I O N

The Sonoma Water and Irrigation Company asks permission to sell to the City of Sonoma its properties used in supplying water to the City of Sonoma and its inhabitants.

Sonoma Water and Irrigation Company has for many years last past been engaged in the business of distributing water for domestic use in the Cities of Sonoma, Boyes Springs, Agua Caliente and neighboring territory. For 1932 the company reports operating revenue of \$14,257.10, of which \$9,500.00 is said to have been earned by the Sonoma system and \$4,757.10 by the Boyes Springs-Agua Caliente system. The two systems are separate and distinct. They are not interconnected.

It is of record that the City of Sonoma pursuant to proceedings regularly taken in accordance with law, voted a bond issue in the sum of \$33,000.00 for the purpose of acquiring a water system to distribute and supply water to the said city and the inhabitants thereof. The City of Sonoma has offered (Exhibit 1) to purchase

from the Sonoma Water and Irrigation Company, for the sum of \$24,000. effective July 1, 1953, that portion of the company's

"water system known as the Sonoma City system, which is the system serving the City of Sonoma, and consumers adjacent thereto, complete in every respect, including all pipe lines, reservoirs, wells, pumping equipment, both new and old, lands, rights of way, and good will; both real and personal property to be free and clear of all liens and incumbrances, as evidenced by title insurance and other requisite proof, excepting from said property tools, office equipment and automobiles, to be retained by said company, subject to the further condition that all of the outstanding bills of said Sonoma Water and Irrigation Company be paid on or before the effective date of the sale, and with the understanding that the street repair work required from said company on the streets of said City of Sonoma will be waived."

It is of record that the holders of more than two thirds of the company's outstanding stock have approved the sale of the properties to the City of Sonoma. It is further of record that arrangements are being made to pay all of the company's indebtedness consisting of \$25,000.00 of bonds, and current liabilities of \$4,403.94.

Mr. Jep Valente, mayor of the City of Sonoma, testified that nearly all of the consumers of the company residing in the city limits signified their intention to take water from the city system if the same was constructed. Representatives of the company feel that it is to the best interest of its stockholders and creditors to sell the aforesaid properties to the city for \$24,000.00 rather than try to operate in competition with the city. We believe that the proposed transfer is for the benefit of public service in that it will avoid the installation of a duplicate water system.

The testimony of Mr. Jep Valente further shows that service will be given by the City of Sonoma to those consumers served by the Sonoma City system and who may live outside the city limits.

ORDER

Sonoma Water and Irrigation Company having asked permission to sell certain of its properties to the City of Sonoma, a public hearing having been held before Examiner Fankhauser and the Commission having considered the evidence submitted at such hearing, and being of the opinion that this application should be granted, therefore,

IT IS HEREBY ORDERED, that Sonoma Water and Irrigation Company may, on or before August 15, 1933, sell its properties described in exhibit one filed in this proceeding to the City of Sonoma, said sale to be made pursuant to the terms and conditions set forth in said exhibit number one.

IT IS HEREBY FURTHER ORDERED, that within thirty(30) days after the transfer of the aforesaid properties, Sonoma Water and Irrigation Company shall file with the Commission a report showing in detail what debts it paid through the use of proceeds obtained from the sale of the aforesaid properties, the basis on which any debts were compromised, the balance, if any, on hand, and a copy of the deed or other instrument under which said properties were transferred to said City of Sonoma.

DATED at San Francisco, California, this 29th day of June, 1933.

C. S. Schaeffer
Thomas C. Williams
W. J. Carr
M. B. Harris

Commissioners.