

Decision No. 26310

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
Austin Resort and Land Company for  
authorization to sell its public  
utility water system.

Application No. 18832.

Charles L. Austin and Edward Serra,  
for applicant.

BY THE COMMISSION:

O P I N I O N

In this application Austin Resort and Land Company, a corporation, asks for authority to sell its public utility water system to Edward Serra, who joins in the application.

A public hearing was held in this proceeding before Examiner Geary at Austin Resort, Lake County.

This water system was installed originally by the Austin Resort and Land Company which operated a well-known resort on the shores of the lower end of Clear Lake. After the subdivision of certain of said company's holdings for summer homes and cabins, a water system was installed to supply the resort properties and lot purchasers. A certificate of public convenience and necessity was granted for this water works in Decision No. 23615, issued on the twentieth day of April, 1931. The water supply is obtained by pumping from Clear Lake. At present, service is furnished to eighty consumers, including the buildings, lodges and cabins operated by the resort company.

According to the testimony of Charles L. Austin, General Manager, it is his desire to separate the resort business from the affairs of the public utility and to this end he has agreed to sell the water works to one Edward Serra, an employee of applicant company, in consideration of the cancellation of the company's obligation to pay said Serra an accumulation of unpaid wages covering a considerable number of months last past. Serra, according to his own testimony, has no financial resources other than such as would be derived from water collections and is in no position to install necessary and essential improvements to the plant unless and until an increased schedule of rates be authorized by the Commission for this system.

Protest was made at the hearing by the representatives of certain water-works supply firms to the effect that the present owner of this plant is indebted to each thereof for certain materials and fixtures furnished and, upon these grounds, it is requested that no transfer be permitted until satisfactory and suitable arrangements first be made to liquidate these obligations. Several consumers appeared and testified that the utility had failed to install, as heretofore promised, additional and necessary storage facilities and larger pipe lines with the result that the service rendered has been and still is insufficient and wholly inadequate. Complaint also was made against the quality and safety of the water obtained from the lake.

From a consideration of the evidence presented in this proceeding, it is obvious that the prospective purchaser has failed to make a satisfactory showing as to his financial ability to maintain the plant and install the necessary and required improvements.

It appears to the best interests of the public at this time that the application for authority to transfer be denied.

O R D E R

Application having been made to the Commission as entitled above, a public hearing having been held thereon, the matter having been submitted and the Commission now being fully advised in the premises,

IT IS HEREBY ORDERED that the above entitled proceeding be and the same is hereby denied.

The effective date of this Order shall be twenty (20) days from and after the date hereof.

Dated at San Francisco, California, this 21 day of September, 1933.

W. A. C.  
W. B. H.  
Commissioners