

Decision No. 31322

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
DIAMOND RIDGE WATER COMPANY

and
ELDORADO IRRIGATION DISTRICT
for an order authorizing the sale
by the former of all its assets to
the latter.

Application No. 22161

ORIGINAL

Devlin & Devlin & Diepenbrock, by A.I. Diepenbrock,
for Diamond Ridge Water Company.

Thomas Maul, for Eldorado Irrigation District.

BY THE COMMISSION:

O P I N I O N

In this proceeding Diamond Ridge Water Company asks permission to sell and transfer all of its properties to the Eldorado Irrigation District.

Diamond Ridge Water Company is the owner and operator of a public utility water system known as the Diamond Ridge Water System and employed for the furnishing of water for irrigation, domestic and industrial purposes to persons located in and about Diamond Springs, Eldorado County, California. For 1937 the Company reported operating revenues of \$2,653.45.

The Company has agreed to sell all of its properties to the District for a cash payment of \$3,232.00 and that in addition the District will assume and pay all outstanding obligations of the Company, except an indebtedness of \$6,679.88 due The California Door Company, the Company's principal stockholder. The \$6,679.88 of indebtedness will be released by The California Door Company. It is agreed that the indebtedness to be assumed by the District shall not exceed \$3,800.

The testimony shows that all of the Company's stockholders and all of its consumers have approved the sale of its properties,

under and pursuant to the terms of the agreement dated June 20, 1938 and filed in this proceeding.

The agreement contains a list of the Company's water consumers. At the hearing, counsel for the District agreed to modify this list so as to include the names of any consumers who have been inadvertently omitted and who received water service during the past five years.

The testimony shows that the water system is in a run down condition. The properties have for many years past been operated at a loss. The Company has no funds to make repairs and replacements. On the other hand the District is undertaking the repair of the Company's ditch system. It will supply water to all of the Company's consumers at rates which presently are below the rates charged by the Company. The District also has plans to construct a dam at Sly Park, which would store 12,700 acre feet of water. It is believed that the improvement of the ditch system will make it possible to deliver to the present consumers continuous water supply in the quantities set out in the agreement.

The Commission in former proceedings has suggested that the consumers consider the organization of a mutual or other cooperative organization looking toward the ultimate acquisition and operation of the properties. The transfer of the properties to the District appears to be a practical solution. Though the consumers of the Company reside outside the District boundary, their rights are protected by the sale agreement.

O R D E R

A public hearing having been held on the above entitled matter by Examiner Fankhauser and the Commission having considered the evi-

dence submitted at such hearing and it being of the opinion that this application should be granted, therefore,

IT IS HEREBY ORDERED that Diamond Ridge Water Company be, and it is hereby, authorized to sell and transfer, on or before December 31, 1938, all of its properties to the Eldorado Irrigation District, such sale and transfer to be made under the terms and conditions of the agreement dated June 20, 1936 filed in this proceeding, provided that all persons who have been consumers of the Diamond Ridge Water Company during the past five years will have their rights protected and be assured of water service by the Eldorado Irrigation District in the same manner as though their names appeared in the agreement of sale.

IT IS HEREBY FURTHER ORDERED that within thirty(30) days after the sale and transfer of its properties, Diamond Ridge Water Company shall file with the Commission a copy of the deed or other instrument by means of which it transferred the title to said properties to Eldorado Irrigation District.

DATED at Los Angeles, California, this 3rd day of October, 1938.

Robert A. Hines
Leon A. Hines
Frank A. Hines
Ray L. Hines

Commissioners.