

Decision No. 32437

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
CENTERVILLE WATER CORPORATION  
to sell its real property, water system  
and appurtenances to Alameda County  
Water District.

**ORIGINAL**

Application No. 23010

BY THE COMMISSION:

O P I N I O N

Centerville Water Corporation has applied to the Railroad Commission for an order authorizing it to sell its water properties to Alameda County Water District.

The corporation is engaged in the business of supplying water, primarily for domestic purposes, in and about Centerville, Alameda County, serving some two hundred and sixty consumers. It reports, for the year 1938, operating revenues of \$6,302.17 and operating expenses of \$5,186.13, including depreciation charges of \$1,445.86, leaving net operating revenues of \$1,116.04. Its operating revenues include \$5,647.17 obtained from the sale of water for domestic purposes and \$655 for hydrant rentals. At the close of 1938 it reported its investment in fixed capital at \$39,056.31 and its reserve for accrued depreciation at \$5,387.92.

It appears that the corporation's service area is included within the boundaries of Alameda County Water District and that the board of directors of such water district, on September 2, 1939, passed a resolution looking toward the acquisition by the district of the entire water system, and other properties, of Centerville Water Corporation, for the sum of \$35,000.

A copy of the resolution is attached to the application. It provides, among other things, that the deed and bill of sale

conveying the properties from the water corporation to the district shall recite "that said District has as a part of the consideration for the same, agreed to perform and carry out the obligations of the grantors and of each of the grantors to furnish water for domestic use in accordance with the obligations of the owners and operators of said water system. The obligations referred to are exclusively public utility obligations"

It is of record that the Alameda County Water District threatens to and will install a competing system unless it can purchase applicant's properties. The District is now engaged in the operation of a water system. If it acquires applicant's properties it will be able to supply water to all of applicant's customers.

The 1938 annual report of Centerville Water Corporation shows that on December 31, 1938 it held consumers' deposits in the sum of \$60. Whatever consumers' deposits are held by applicant should be returned to the depositor within thirty days after the transfer of applicant's properties.

#### ORDER

Centerville water Corporation, having applied to the Railroad Commission for permission to sell its water system to Alameda County Water District and the Commission being of the opinion that this is not a matter in which a public hearing is necessary and that the request of applicant should be granted, as herein provided, therefore,

IT IS HEREBY ORDERED that Centerville Water Corporation be, and it hereby is authorized to sell, on or before December 31, 1939, all the properties comprising its water system, to Alameda County Water District.

IT IS HEREBY FURTHER ORDERED that within thirty(30) days after the transfer of said properties, Centerville Water Corporation shall return to the depositor all consumers' deposits held by it to guarantee the payment of water bills.

IT IS HEREBY FURTHER ORDERED that Centerville Water Corporation, within thirty(30) days after the transfer of its properties, shall file with the Commission (a) a copy of the deed or bill of sale by which it conveyed its properties to Alameda County Water District; (b) a statement showing the exact date upon which it relinquished possession and control of its water system; and (c) a report covering its operations during 1939 from January 1 to the date it relinquished possession and control of its water system.

DATED at San Francisco, California, this 10<sup>th</sup> day of October, 1939.

Robert S. ...  
Frank ...  
Ray ...  
W. Baker  
Justin F. ...  
COMMISSIONERS