

Decision No. 53445

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application of
CLOVER VALLEY LUMBER COMPANY for
Permission to Sell and Convey to the
City of Loyalton the Water-works
System now supplying said City.

ORIGINAL
Application No. 23870

Alfred R. Lowey, for Clover Valley Lumber Company,
and as City Attorney, for City of Loyalton.

CRAEMER, COMMISSIONER:

O P I N I O N

In this proceeding Clover Valley Lumber Company, a Corporation, applies to the Railroad Commission for authority to sell to the City of Loyalton, a municipal corporation of the sixth class, a certain portion of its water system serving the inhabitants of said City. Upon completion of the conveyance of said system to the City of Loyalton, applicant also asks to be relieved of all further public utility obligations in connection therewith.

A public hearing in this matter was held in Loyalton.

For many years last past, Clover Valley Lumber Company⁽¹⁾ has been engaged in the wholesale lumber business, operating a saw mill located south of and adjacent to the City of Loyalton, in Sierra County, and, in connection therewith has operated a water system which has provided water not only for its own industrial activities but has also for the demands of all residents of Loyalton.

At present the water supply for this system is obtained from springs located upon lands leased by the Company and, at times,

(1)Note: Hereinafter sometimes referred to as the Company.

by diversion from Turner Creek and from a well. An agreement dated January 23, 1941, a copy of which has been filed as Exhibit No. 1 in this proceeding, has been entered into by and between the Company and the City of Loyalton subject to the consent and approval of this Commission, providing for the sale to the city of the major portion of the distribution facilities for a consideration of \$3,000 in cash, payable in full on or before July 1, 1942, without interest. The Company is to retain its present sources of supply and storage and transmission facilities and will continue to provide water for its own lumbering and milling operations. In lieu thereof, the Company has, by indenture dated January 23, 1941, a copy of which has been filed in this proceeding as Exhibit No. 2, granted to the City a site for a reservoir and a well to provide it with a new source of water and with the necessary easements for transmission lines to connect with the present distribution mains. Provision also is set forth in said agreement for reciprocal emergency stand-by water service between the two systems. The Company furthermore agrees to furnish under general operating conditions, and free of cost to the City, sufficient electrical power to pump water from the City's proposed new well to the reservoir in part consideration for which the City agrees to deliver without charge to the Company water for drinking and domestic purposes for its employees at its saw mill and plant.

The City of Loyalton at a recent election has been authorized to issue \$26,000 in bonds to provide funds for the purchase and construction of new facilities for water supply, storage and transmission and for the rehabilitation and enlargement of the present distribution system. The City will assume the obligation and responsibility of furnishing water to all consumers now served by applicant within the City limits, as well as a few consumers residing just beyond the northerly corporate limits and now connected to the dis-

tribution system.

The evidence indicates that when the present plans of the City have been carried to completion, the community will be served with a dependable supply of water of good quality and at considerably greater pressure than at present. There being no protest voiced at the public hearing, it appears that it is to the best interests of the public that the application for the proposed sale should be granted as requested.

O R D E R

Application as entitled above having been filed with the Railroad Commission, a public hearing having been held thereon, the matter having been duly submitted, and the Commission being now fully advised in the premises,

IT IS HEREBY ORDERED that Clover Valley Lumber Company, a corporation, be and it is hereby authorized to sell and convey to the City of Loyaltan, a municipal corporation, that portion of its public utility water system supplying water for domestic and other purposes to the inhabitants of the City of Loyaltan and vicinity, in Sierra County, and as more particularly described in the application herein, subject to the following terms and conditions:

1. The authority herein granted shall apply only to such transfer as shall have been completed on or before the thirty-first day of March, 1941, and a certified copy of the final instrument or instruments of conveyance shall be filed with this Commission by said Clover Valley Lumber Company within thirty (30) days of the date of execution thereof.
2. Within ten (10) days of the date on which said Clover Valley Lumber Company actually relinquishes control and possession of the property herein authorized to be transferred, it shall file with this Commission a certified statement indicating the date upon which such control and possession were relinquished.

3. On or before the thirty-first day of March, 1941, said Clover Valley Lumber Company shall refund to such consumers as may be entitled thereto all amounts, if any, deposited for main extensions, meter or service connections, and/or any other purpose, and not later than said date it shall file with this Commission certified statement to the effect that all such refunds, if any, have been duly made.

IT IS HEREBY FURTHER ORDERED that upon due compliance with the above terms and conditions, said Clover Valley Lumber Company shall thereupon and thereby stand relieved of all further public utility obligations and liabilities in connection with the water system herein authorized to be transferred.

IT IS HEREBY FURTHER ORDERED that the authority herein granted shall become effective upon the date hereon.

Dated at Los Angeles California, this 18th day of February, 1941.

[Signature]
[Signature]
[Signature]
Justin J. Cullen
Francis X. Havens
COMMISSIONERS.