

Decision No. 37817

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application  
of

THE HOLLISTER WATER COMPANY, a  
corporation, to sell, and of  
THE CITY OF HOLLISTER, in the  
County of San Benito, State of  
California, to purchase the whole  
of the operative property of said  
corporation.

ORIGINAL

Application No. 26660

BY THE COMMISSION:

O P I N I O N

The Hollister Water Company, a corporation, engaged in the business of furnishing water for domestic and commercial purposes to customers in and in the vicinity of the City of Hollister, San Benito County, California, asks the Commission for authority to sell and transfer its water utility system for the sum of \$340,000 to the City of Hollister, a municipal corporation, which joins in the application.

The city desires to acquire and operate its own water system and has obtained an option to purchase the company's properties for the sum of \$340,000. The option provides that the city will call and thereafter hold a bond election for the purpose of issuing and selling bonds of said city to enable it to pay the full purchase price. The option also provides that the purchase price shall be paid on or before October 1, 1945. In the event of the sale being consummated, the city is willing to assume and perform the obligations of the company to furnish water service to customers inside and outside of the city limits of the City of Hollister.

The company reports a fixed capital installed, as of December 31, 1944, of \$453,726, and its reserve for accrued depreciation as \$194,857. Its operating revenues for the year 1944 are reported at \$49,172 and operating expenses at \$31,389, including depreciation charges of \$7,333, leaving a net revenue of \$17,783. The system supplies water to 1,572 customers during the year.

ORDER

Application having been made as entitled above and the Commission having considered applicant's requests, and it appearing that this is not a matter on which a public hearing is necessary and that the application should be granted, now therefore

IT IS HEREBY ORDERED as follows:

1. That the Hollister Water Company, a corporation, be and it is hereby authorized to sell and transfer, on or before October 1, 1945, its public utility water system to the City of Hollister, a municipal corporation, said sale to be made in accordance with the terms and conditions of the proposed contract of sale attached to the application and marked "Exhibit No. 1" and said property being more particularly described in said Exhibit No. 1.
2. That within sixty (60) days after the sale and transfer of its water properties to the City of Hollister, the Hollister Water Company shall file with the Railroad Commission a statement showing the exact date upon which it relinquished control and possession of its water system, and a report covering its operations of the system during 1945 from January 1st to the date it relinquished control and possession of the system to the City of Hollister.
3. That concurrent with the sale and transfer of its public utility property to the City of Hollister, the Hollister Water Company, a corporation, is relieved of the obligation to operate said property as a public utility water system.

The authority herein shall become effective twenty (20) days after the date hereof.

Dated at San Francisco, California, this 24<sup>th</sup> day of April, 1945.

A. Howard Anderson  
James P. Casper  
Richard L. Laska  
Frank C. O'Brien  
Walter H. Russell