

ORIGINAL

Decision No 43328

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
 NORTH MARIN COUNTY WATER DISTRICT  
 and ALBERT H. TRESCH and CATHERINE  
 TRESCH, his wife, doing business  
 under the name and style of NOVATO  
 WATER COMPANY, FOR ORDER AUTHORIZING  
 SALE OF PUBLIC UTILITY.

Application No. 30560.

OPINION AND ORDER

Albert H. Tresch and Catherine Tresch, doing business as the Novato Water Company, engaged in the business of distributing and selling water in portions of the Novato area, Marin County, California ask the Commission for authority to sell and transfer their utility system for a consideration of \$65,925.72 to North Marin County Water District, a county water district, which joins in the application. The utility system is located wholly within the territorial boundaries of the North Marin County Water District.

The properties include eight buildings and nine wells, together with pumping equipment, reservoirs and distribution facilities as set forth in Schedule 2 of the agreement of sale attached to the application. The 1948 annual report of the operations of the Novato Water Company shows a fixed capital installed as of December 31, 1948 of \$130,150, and a reserve for accrued depreciation of \$32,984. The operating revenues for the year 1948 are reported at \$22,634 and operating expenses at \$20,625, including depreciation charges of

\$3,007, resulting in a net revenue of \$2,009 for the year end of 1948 operation. The system supplied water to about 700 customers as of the end of 1948.

Under the terms of the agreement of sale and purchase attached to the application, the North Marin County Water District assumes the obligations of the company in connection with outstanding contracts as set forth on Schedule 3 of the agreement, representing customers' advances for construction upon which the company is obligated to refund or reimburse said customers as and when service connections are made. A field investigation by an engineer of the Commission's staff indicated one repayment contract which was not included in Schedule 3. Further, the field investigation disclosed some \$50 in customers' deposits made to establish credit, certain annual advance payments for service, and four contracts which provide for repayment at a rate different from that set forth in the utility's applicable rules and regulations. These matters were called to the attention of representatives of the Water District, and the attorney for the Water District transmitted on behalf of the Board of Directors, by letter filed September 8, 1949, the following stipulation:

"That the North Marin County Water District will assume to satisfy all consumers of the Novato Water Company entitled to refund of deposits; will honor and recognize the obligations under the extension contract omitted from the contract of sale; will honor and recognize all of the extension contracts heretofore made and executed by the Novato Water Company regardless of the form or non-conformity with rules and regulations then existing of the Public Utilities Commission; and will honor and recognize all advance payments for water made by these particular consumers in the Black Point Area."

The Water District seeks an order of approval of the transfer at the earliest possible date due to the fact that the purchase

price of the system is held in escrow pending the Commission's order and the District must pay interest until the funds are released.

The action taken herein shall not be construed to be a finding of the value of the properties herein authorized to be transferred.

The Commission has considered this matter and is of the opinion that a public hearing is not necessary and that the application should be granted as herein provided, therefore,

IT IS HEREBY ORDERED as follows:

1. Albert H. Tresch and Catherine Tresch, after the effective date hereof and on or before November 1, 1949, may sell the water properties referred to in this proceeding to the North Marin County Water District.
2. Albert H. Tresch and Catherine Tresch shall file with the Commission within thirty (30) days after the transfer of said water properties, a statement indicating the exact date upon which control of said properties was relinquished.
3. On or before the transfer of said water properties, Albert H. Tresch and Catherine Tresch shall refund to such customers 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 thirty (30) days after the transfer of

said water properties, shall file with this Commission a statement to the effect that all such refunds, if any, have been duly made.

4. Upon compliance with paragraphs 2 and 3 above, Albert H. Tresch and Catherine Tresch shall stand relieved of all further public utility obligations in connection with said utility system.

The authority herein granted will become effective upon the date hereof.

Dated at Los Angeles, California, this 20<sup>th</sup> day of September, 1949.

R. E. Ingham  
Justice F. Calmes  
David F. Ruppel  
Harold P. Hule  
Penelope Potter  
Commissioners.