

Decision No. 51219**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 A. A. SCHWARZ and SALLY E. SCHWARZ )  
 to sell and transfer the assets and )  
 properties of a public utility water )  
 distribution system operated by them )  
 under the name of DEL RIO WATER CO., )  
 and JOHN SCIARRA to purchase the same.)

Application No. 36599  
(Amended)

OPINION AND ORDER

In this application, filed on December 27, 1954 and amended on February 9, 1955, A. A. Schwarz and Sally E. Schwarz seek authority to sell and transfer, and John Sciarra to purchase, the assets and properties of a water system known as Del Rio Water Company, located approximately three miles east of the City of Healdsburg, Sonoma County.

The properties proposed to be transferred include two parcels of land, certain water rights, and water production, storage and distribution facilities, which are more particularly described in the "Agreement For Sale of Public Utility Water System" attached to the application as Exhibit "1".

Under the terms of the said agreement the properties are proposed to be transferred for the total price of \$5,100, of which \$700 is to be paid in cash, and a promissory note secured by a deed of trust and chattel mortgage is to be executed for the balance of \$4,400. The terms of the note provide that \$600 will be paid on April 1, 1955 and the remainder is to be paid in semi-annual installments of \$450 on October 1 and April 1 of each year, plus interest at 5 per cent per year on the unpaid principal, or,

as an alternative, payments of \$75 per month or more may be made beginning on October 1, 1955 and continuing until the principal and interest have been paid.

The agreement further provides that the sellers will lease for a period of ten years, at the rate of \$4 per month, with option to purchase under certain conditions, a well and space for pumps and equipment located on a road known as Peacock Lane, Del Rio Woods.

The cost of the properties, as shown on the balance sheet dated November 30, 1954 (Exhibit "A" of Exhibit "2"), is \$14,036.92, against which the depreciation is \$5,003.45, resulting in a book value of \$9,033.47.

The application states that A. A. Schwarz and Sally E. Schwarz desire to sell their water system properties for the reason that the development of the Hidden Hills tract, in which they are engaged; requires all of their time. The purchaser, John Sciarra, is the owner of Camp Rose Water Company, a public utility which adjoins Del Rio Water Company, and is experienced in the operation of a water distribution system.

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

The Commission having considered the above-entitled application and being of the opinion that the proposed transfer will not be adverse to the public interest, that a public hearing is not necessary, that the money, property or labor to be procured or paid for by the issue of the note hereinafter authorized is reasonably required by applicant John Sciarra for the sole purpose specified herein, and that purpose is not, in whole or in part, reasonably chargeable to operating expense or to income; therefore,

IT IS HEREBY ORDERED that:

1. A. A. Schwarz and Sally E. Schwarz, on or after the effective date hereof and on or before August 31, 1955, may sell and transfer all of their water utility properties referred to herein, known as Del Rio Water Company, to John Sciarra, pursuant to the terms of the proposed agreement of sale and purchase which is attached to the application as Exhibit "1".
2. John Sciarra, after the effective date hereof and on or before August 31, 1955, may issue a promissory note in the principal amount of \$4,400 in part payment for the properties herein authorized to be transferred, and may execute a deed of trust and a chattel mortgage, which note, deed of trust and chattel mortgage shall be in, or substantially in, the same form as those filed in this proceeding.
3. The rates and rules of A. A. Schwarz and Sally E. Schwarz, doing business as Del Rio Water Company, now on file with the Commission, shall be refiled within thirty days from the date of actual transfer under the name of John Sciarra in accordance with the procedure prescribed by General Order No. 96, or, in lieu of such refileing, said John Sciarra may file a notice of adoption of said presently filed rates and rules. No increases in the present lawfully filed rates and rules shall be made unless otherwise properly authorized by this Commission.
4. On or before the date of actual transfer, A. A. Schwarz and Sally E. Schwarz shall refund all deposits and advances in aid of construction which customers are entitled to have refunded. Any unrefunded deposits and advances in aid of construction shall be transferred to and become the obligation for refund of John Sciarra.
5. If the authority herein granted is exercised, A. A. Schwarz and Sally E. Schwarz shall, within thirty days thereafter, notify this Commission, in writing, of the date of such completion of the property transfer herein authorized.
6. On or before the date of actual transfer, A. A. Schwarz and Sally E. Schwarz shall transfer and deliver to John Sciarra and the latter shall receive and preserve all records, memoranda and papers pertaining to the construction and operations of the properties of Del Rio Water Company.
7. Upon due compliance with all the conditions of this order, said A. A. Schwarz and Sally E. Schwarz shall stand relieved of all further public utility

obligations and liabilities in connection with the operation of the public utility water system hereinabove authorized to be transferred.

- 8. John Sciarra shall file with this Commission monthly reports as required by General Order No. 24-A, which order, in so far as applicable, is made a part of this order.
- 9. The authority herein granted will become effective when John Sciarra has paid the minimum fee prescribed by Section 1904 (b) of the Public Utilities Code, which fee is twenty-five dollars.

Dated at Los Angeles, California, this 21st day of March, 1955.

John E. McMill  
President

Justus J. Casper

Paul E. Lutterer

Walter J. ...

Commissioners

