

Decision No. 52227

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the application of  
 ANGLO CALIFORNIA NATIONAL BANK, Executor  
 of the Estate of SOPHIA OESTE, ETC.,  
 Deceased; LAVERNE A. OESTE, Administrator  
 with the Will Annexed of the Estate of  
 HENRY OESTE, Deceased; MERLE R. HENDRIX;  
 and LOUIS J. SAFRANEK, JR., for authority  
 to sell and purchase the business and  
 properties of OUTINGDALE WATER COMPANY;  
 and to issue and accept a promissory note  
 and deed of trust.

Application  
No. 37407

O P I N I O N

In this application the Commission is asked to make an order authorizing Anglo California National Bank, Executor of the Estate of Sophia Oeste, Etc., Deceased, and Laverne A. Oeste, Administrator with the Will Annexed of the Estate of Henry Oeste, Deceased, to sell the Outingdale Water Company to Merle R. Hendrix and Louis J. Safranek, Jr.

The application shows that Outingdale Water Company is a public utility supplying water in a subdivision in El Dorado County about 12 miles from Placerville, that it is owned in equal shares by the Estate of Sophia Oeste and the Estate of Henry Oeste, and that during May of this year the Superior Court of the State of California in and for the County of Yolo entered its orders confirming the sale of the real and personal property comprising the estates to Merle R. Hendrix and Louis J. Safranek, Jr., for the total sum of \$25,000. The properties included a subdivision and other acreage in addition to the water system. In fact, the utility system constitutes but a small part of the estates.

Under the terms of the orders of the court, \$8,000 was to be paid in cash and \$17,000 was to be represented by a note payable in the amount of \$6,000 on or before 90 days from the date of confirmation of the sale, and in the amount of \$2,500 annually, plus interest at 5%, on the anniversary date of the confirmation of the sale. The court orders provided for payments to the executor and the administrator of portions of the price of real property as sales might be made. The payment of the note is to be secured by a deed of trust covering the real properties and also the water system.

An investigation of the transaction and of available records was made by a member of the Commission's staff. It appears that the water system has about 50 active service connections, that its revenues amount to approximately \$500 a year, and that the recorded net investment in the facilities is \$6,621. The former owners did not reside in the service area and were compelled to employ a resident representative to handle their affairs. The purchasers, on the other hand, have their homes on the property and plan to devote their full time to developing and selling their lots and acreage and also to maintaining and improving the water facilities and service. The investigation shows that financially they should be in a position to do so with revenues derived from the operations supplemented by sales of property.

Upon reviewing this matter we are of the opinion, and so find, that the proposed transfer will not be adverse to the public interest and that the application should be granted.

The action taken herein shall not be construed to be a finding of the value of the properties herein authorized to be transferred. The purchasers are placed upon notice that in acquiring the water system they will become a public utility under the jurisdiction

of the Commission and, as such, will be required to keep their accounts as required by the Commission and to conform with other directives, including the filing of annual reports of their operations.

O R D E R

The Commission having considered the above entitled matter and being of the opinion that a public hearing is not necessary, that the application should be granted, as herein provided, that the money, property, or labor to be procured or paid for by the issue of the note herein authorized is reasonably required for the purpose specified, and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:

1. Anglo California National Bank as Executor of the Estate of Sophia Oeste, Etc., Deceased, and Laverne A. Oeste as Administrator with the Will Annexed of the Estate of Henry Oeste, Deceased, may sell the Outingdale Water Company on or before February 29, 1956, to Merle R. Hendrix and Louis J. Safranek, Jr.

2. Merle R. Hendrix and Louis J. Safranek, Jr., in part payment for the properties comprising the Outingdale Water Company and other properties, may execute a deed of trust and issue a note in the principal amount of not exceeding \$17,000 as indicated in this application.

3. The rates and rules of Outingdale Water Company now on file with the Commission shall be refiled within 30 days after the date of actual transfer under the names of Merle R. Hendrix and Louis J. Safranek, Jr., in accordance with procedure prescribed by General

Order No. 96, or in lieu of such refiling, Merle R. Hendrix and Louis J. Safranek, Jr., may file a notice of adoption of said presently filed rates and rules. No increase in the present rates shall be made unless otherwise authorized by this Commission.

4. On or before the date of actual transfer, the present owners shall refund all deposits which customers are entitled to have refunded. Any unrefunded deposits shall be transferred to and become the obligation for refund of Merle R. Hendrix and Louis J. Safranek, Jr.

5. On or before the date of actual transfer of the physical properties herein authorized, the present owners shall transfer and deliver to Merle R. Hendrix and Louis J. Safranek, Jr., and the latter shall receive and preserve all available records, memoranda and papers pertaining to the construction and operation of the properties of Outingdale Water Company. Merle R. Hendrix and Louis J. Safranek, Jr., shall record on their books the fixed capital and depreciation account balances of the present owners pertaining to the water system.

6. If the authority herein granted is exercised, Merle R. Hendrix and Louis J. Safranek, Jr., within 30 days thereafter, shall notify the Commission in writing of the date of the completion of the transfer herein authorized.

7. Upon due compliance with all the conditions of this order, the present owners 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. The authority herein granted will become effective when Merle R. Hendrix and Louis J. Safranek, Jr., have paid the minimum fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$25.

Dated at Los Angeles, California, this 14th day of November, 1955.

[Signature]  
President

[Signature]

[Signature]

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Commissioners

