

Decision No. 54418**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
of JOHN FERNANDEZ, NORMAN J. FERNANDEZ, )  
JOHN T. FERNANDEZ and JAMES FERNANDEZ, )  
a copartnership doing business under )  
the firm name and style of BRENTWOOD ) Application No. 38604  
VILLAGE WATER COMPANY, for authority )  
to transfer and sell its properties )  
to the CITY OF SACRAMENTO, a municipal )  
corporation. )

O P I N I O N

John Fernandez, Norman J. Fernandez, John T. Fernandez and James Fernandez, a copartnership doing business as Brentwood Village Water Company, requests authority to sell their water distribution system to the City of Sacramento.

A value of \$70,639.33 is placed upon the system. The sum of \$16,268 was paid upon the execution of the agreement and the balance is to be paid in equal annual installments of \$5,437.13 with the last installment of \$5,437.16 being due on or before July 1, 1965. The unpaid balance of the purchase price is to bear interest at the rate of 4 percent per annum.

According to the application there are no liens, mortgages, or encumbrances of any kind or nature against the said properties to be sold except that the Brentwood Village Water Company is obligated to refund to Michael & Neher the sum of \$11,060 in seven annual installments as contract refunds. The City of Sacramento has expressly assumed the obligation to pay said refunds.

As justification for the authority sought it is alleged that the sale of said system and its incorporation into the water system of the City of Sacramento will give to the consumers a larger system which will provide for equal or lower water rates and give them the advantage of participating in a larger system of more economical operation than the system now maintained by Brentwood Village Water Company. For the first six months of 1955 Brentwood Village Water Company showed a net operating loss of \$387.86.

After consideration, the Commission is of the opinion and so finds that the proposed transfer would not be adverse to the public interest. The action herein taken, however, shall not be construed to be a finding of the value of the properties herein authorized to be transferred. A public hearing does not appear to be necessary.

O R D E R

Application having been filed and the Commission having been informed in the premises,

IT IS ORDERED:

(1) That after the effective date hereof and on or before May 15, 1957, John Fernandez, Norman J. Fernandez, John T. Fernandez and James Fernandez, doing business as Brentwood Village Water Company, may sell and transfer their public utility properties referred to in Appendix A attached to the application to the City of Sacramento.

(2) That on or before the date of actual transfer, John Fernandez, Norman J. Fernandez, John T. Fernandez and James Fernandez shall refund all customers' deposits which

customers are entitled to have refunded, if any, and within thirty days thereafter shall notify this Commission in writing of the completion of such refunding.

(3) That John Fernandez, Norman J. Fernandez, John T. Fernandez and James Fernandez shall, at least ten days prior to the date of actual transfer, file with this Commission a verified statement showing all obligations to make refund of advances for construction, if any, the amounts thereof and the persons or corporations in whose favor such obligations exist. A copy of such statement shall be served by said parties upon City of Sacramento prior to the time of filing said statement with the Commission and proof of service thereof shall be filed with said statement. Unless John Fernandez, Norman J. Fernandez, John T. Fernandez and James Fernandez discharge their obligations to make refund of advances for construction prior to the actual transfer of the public utility properties herein concerned, such obligation shall devolve upon City of Sacramento pursuant to the condition hereinafter prescribed. As a condition to the grant of authority herein, the Commission hereby finding that the public interest so requires, City of Sacramento shall assume and become obligated to discharge each and every lawful obligation of John Fernandez, Norman J. Fernandez, John T. Fernandez and James Fernandez to make refund of advances for construction according to the terms and conditions thereof, and the purchase by City of Sacramento of the herein concerned public utility properties shall be deemed an acceptance by it of the foregoing condition and agreement thereto.

(4) That applicant sellers shall, within ten days after the sale of said properties, file with this Commission a statement showing the date when they ceased to deliver water to the area involved and to which area water service is thereafter to be rendered by the City of Sacramento. ✓

(5) That upon due compliance with the conditions of this order applicant sellers 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. ✓

The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 22nd day of January, 1957.

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President  
*Roy L. ...*  
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*Michael ...*  
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*R. ...*  
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Commissioners