

Decision No. 57732

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of the MUIR BEACH COMPANY,)
a Corporation, and of the MUIR BEACH)
COMMUNITY SERVICES DISTRICT, to trans-)
fer ownership of the Muir Beach Water)
System from the Corporation to the)
District.)

Application No. 40534

OPINION AND ORDER

Muir Beach Company,^{1/} a corporation, by application filed October 23, 1958, seeks authority to transfer its public utility water system to Muir Beach Community Services District,^{2/} which joins in the application.

The water system proposed to be transferred is located in the unincorporated community of Muir Beach, Marin County. Commission records indicate that as of the end of 1957 the utility served approximately 40 customers.

The terms and conditions of the proposed transfer are set forth in an instrument entitled "Agreement to Transfer Water System", a copy of which is attached to the application as Exhibit F. This agreement, dated September 30, 1957, was executed by Seller and Muir Beach Improvement Association,^{3/} an incorporated association consisting of residents and homeowners in Seller's service area. Under the terms of the agreement, Seller is to transfer the water system properties to Muir Beach Community Services District, which has recently been formed.

1/ Sometimes herein called Seller.
2/ Sometimes herein called District.
3/ Sometimes herein called Association.

In consideration for the transfer, Association agrees to repair and maintain the water system facilities at its own expense until the properties are transferred to District. Seller is to continue to operate the system until the time of transfer, is to receive all revenues and to pay all expenses except repairs and additions, and is to retain the right to any uncollected accounts receivable. Seller is to continue to bear any obligations due by Seller, except that District is to assume any main extension agreements previously entered into by Seller. All customer deposits to establish credit are to be transferred to District. District agrees to undertake the obligation to serve all consumers being served by Seller as of the date of transfer.

The subject water system was constructed in the 1920's and was found to be a public utility by the Commission in its Decision No. 41440, dated April 6, 1948, in Case No. 4905.

The utility's annual report to the Commission for the year ended December 31, 1957, shows utility plant of \$7,404.49. No depreciation reserve has ever been established.

The action taken herein shall not be construed to be a finding of the 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, and that the application should be granted, therefore,

IT IS HEREBY ORDERED that:

(1) Muir Beach Company, the corporation, may, on or after the effective date hereof and on or before June 30, 1959, transfer the herein described public utility property to Muir Beach Community

Services District in accordance with the terms and conditions set forth in the instrument entitled "Agreement to Transfer Water System", a copy of which is attached to the application herein. The foregoing authority is conditional on the following:

(a) Muir Beach Company shall transfer any customers' deposits and advances for construction held by it to Muir Beach Community Services District, and the latter shall receive and assume the obligations for repayment of such deposits and advances and they shall jointly file with this Commission, within 30 days after the date of actual transfer, certified copies of appropriate instruments showing the names and addresses of all persons or corporations in whose favor any of the said deposit and advance obligations exist and the respective amounts thereof.

(b) The foregoing requirements of (a) of paragraph 1 hereof constitute conditions of the authority herein granted.

(2) If the authority herein granted is exercised, Muir Beach Company shall, within 30 days thereafter, notify this Commission in writing of the date of such completion of the property transfer herein authorized and of its compliance with the conditions thereof.

(3) Upon due compliance with the conditions of this order, Muir Beach Company shall stand relieved of all further public utility obligations and liabilities in connection with the operation of the public utility properties herein authorized to be transferred.

The effective date of this order shall be 20 days after the date hereof.

Dated at San Francisco, California, this 16th day of December, 1958.

[Signature]
President
[Signature]
[Signature]
[Signature]