

ORIGINAL

Decision No. 59375

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of EL SOLYO WATER COMPANY,
a California Corporation, and the
EL SOLYO WATER DISTRICT, a California
Water District, for permission to sell
the physical assets of the EL SOLYO
WATER COMPANY to the EL SOLYO WATER
DISTRICT.

Application No. 41722

OPINION AND ORDER

El Solyo Water Company, a corporation, by application filed on December 4, 1959, seeks authorization from this Commission to sell and transfer to El Solyo Water District the public utility water system properties it uses in furnishing water for irrigation purposes within the area known as the El Solyo Ranch, in the County of Stanislaus.

Under date of November 24, 1959, the parties hereto executed an agreement wherein El Solyo Water Company proposes to sell to El Solyo Water District the water system properties described therein for the sum of \$105,000. A copy of the agreement is attached to the application as Exhibit A. The purchase price is to be paid from the proceeds of a bond issue which was approved on November 17, 1959, by the qualified voters located within the boundaries of the district.

The application states that the undepreciated book cost of the properties proposed to be transferred was \$197,141.59 as of October 31, 1959, and that the book value of said properties, after deducting the applicable reserve for depreciation, was \$112,123.44 as of the same date. Under the terms of the proposed agreement only the physical properties of the water system are to be transferred. El Solyo Water Company will retain its accounts receivable, accounts payable and cash. The balance sheet of El Solyo Water Company, attached to the application as Exhibit B, shows that said company has no customers' deposits or consumers' advances for construction.

El Solyo Water District is desirous of acquiring these properties at an early date as seller's distribution system is in need of reconstruction and improvements in order to provide an adequate supply of water for irrigation purposes within the area it serves. The district proposes to make the necessary improvements at the earliest possible date.

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 the above-entitled matter and is 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 as follows:

1. El Solyo Water Company, a corporation, on or after the effective date hereof and on or before June 30, 1960, may sell and transfer the public utility properties referred to herein to El Solyo Water District, substantially in accordance with the terms of the agreement attached to the application as Exhibit A.

2. If the authority herein granted is exercised, El Solyo Water Company shall, within 30 days thereafter, notify this Commission in writing of the date of such completion of the property transfer herein authorized.

3. Upon due compliance with all the conditions of this order and the commencement of operations by El Solyo Water District, El Solyo Water Company shall stand relieved of all further public utility obligations and liabilities in connection with the operations of the public utility water system herein authorized to be transferred.

4. In view of the allegations set forth in the application as to the necessity or emergency for an early transfer of the water system properties, the authority granted herein shall become effective on the date hereof.

Dated at San Francisco, California, this 15th day of December, 1959.

[Signature]
President

[Signature]

[Signature]

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Commissioners