

Decision No. 62194

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of

DONALD W. PUTNAM

for an order of this Commission authorizing him to abandon the operation of said water system as a public utility.

Application No. 43335

L. D. Bohnett, for petitioner.
Bennie Cirone, protestant.
Walter E. Moltke, for the Commission staff.

O P I N I O N

Donald W. Putnam seeks authority to abandon the operations of a public utility irrigation system located near Cupertino in Santa Clara County.

A duly noticed public hearing was held in this matter before Examiner Donald B. Jarvis at Cupertino on May 18, 1961. The matter was submitted and it is now ready for decision.

The record presents a vignette of the urbanization of the Santa Clara Valley.

A certificate of public convenience and necessity to operate the system was granted to Putnam's grandfather on October 25, 1937 in Decision No. 30270 in Application No. 20989. At that time the system served approximately 1,600 acres of land. The grandfather died a few years ago, and as part of the distribution of his grandfather's estate Putnam received the irrigation system. The system now serves approximately 579 acres and has 14 customers.

Through the years, most of the land encompassed in the original service area has been sold and put to non-agricultural use -- primarily housing subdivisions.

Putnam is married and has four children. He is a full-time employee of the Ford Motor Company. This employment furnishes the primary source of income from which he must support his family.

When Putnam first acquired the system, about two years ago, he employed the part-time services of his uncle, Mr. Denton, to operate and maintain it. At the time, Denton owned an orchard served by the system and he resided close to the well which serves as the sole source of water for the system. Putnam paid Denton the sum of \$194 per month for his services. In January of 1961, Denton sold his orchard to a local school district and moved out of the area. Putnam has been unable to find anyone to operate the system for him. He has had to take time off from work on many occasions to operate and maintain the system. His superiors at the Ford Motor Company have told him that if he continues to take time off he will be fired.

The record discloses that the system had the following net losses for the past three years:

<u>Year</u>	<u>Income</u>	<u>Expenses</u>	<u>Net Loss</u>
1960	\$3,127.47	\$4,151.56	\$1,024.09
1959	3,866.65	5,857.85	1,991.20
1958	3,154.11	4,281.33	1,127.22

The evidence also indicates that the well, which is the sole source of supply for the system has not, for the past several years, had a sufficient amount of water to supply the system. It has been necessary for Putnam to purchase additional water from an outside source in order to meet the needs of the system. The source which supplied the additional water has been taken over by a municipal water district which has informed Putnam that it does not have any water which it can sell to him. He has been unable to locate another source of additional water.

Putnam has attempted, without success, to find someone who would take over and operate the system.

Some of Putnam's customers were present at the hearing. Several of them made sworn statements. In general, these statements indicated that the customers would like the operations of the system to continue as long as possible. None of these customers knew where additional water could be obtained. They agreed that it was not fair to require Putnam to operate at a loss. Some indicated that they, too, would sell their property for subdivision purposes if they received an appropriate offer.

The Commission finds that it would be unjust and unreasonable to require Putnam to continue to operate the system and that he should be authorized to abandon it and discontinue its operations.

O R D E R

A public hearing having been held and based upon the evidence therein adduced,

IT IS ORDERED that:

1. Donald W. Putnam is authorized to abandon his facilities devoted to the supply and distribution of water for irrigation purposes and to discontinue service of such water for irrigation purposes to his customers in the vicinity of Cupertino, Santa Clara County, on or after August 1, 1960.
2. Donald W. Putnam shall, within ten days after the effective date of this order, notify in writing each and every customer affected by this order of the date upon which he intends to discontinue service. He shall, within ten days after the serving of the notice, file with the Commission a copy of such notice together with an affidavit indicating that service of the notice as required by this order has been made.
3. Donald W. Putnam shall, on or before the date of actual discontinuance of service, refund all customers' deposits and advances for construction, if any, which are subject to refund, and within

thirty days thereafter notify this Commission of any such action which is taken.

4. If the authority herein granted is exercised, Donald W. Putnam shall notify this Commission in writing of the date service is actually discontinued. Said notification shall be filed within thirty days after discontinuance of service.

5. Upon due compliance with all of the foregoing requirements of this order, Donald W. Putnam shall stand relieved of all further public utility obligations and liabilities in connection with the operation of the public utility irrigation system herein authorized to be abandoned and service therefrom discontinued.

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

Dated at San Francisco, California, this 27th day of JUNE, 1961.

Charles W. Page
 President

John J. Mitchell

E. Lynn Fox

George L. Brown

Frederick B. Hallock
 Commissioners