

ORIGINAL

Decision No. 67191

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
SAN MARTIN WATER WORKS, a certifi-)
cated public utility, and JOEN J.)
BAUMGARTNER, JR., for an order)
authorizing the sale of the assets)
of said water company and a trans-)
fer of the certificate of public)
convenience and necessity of said)
water company to the applicants)
HARVEY L. BEAR and MARJORIE L. BEAR,)
his wife.)

Application No. 46288
Filed March 16, 1964

O P I N I O N

John J. Baumgartner, Jr., doing business as San Martin Water Works, by the above-entitled application, seeks authorization under Section 851 of the Public Utilities Code to sell and transfer his public utility water system to Harvey L. Bear and Marjorie L. Bear, his wife, who join in the application.

The subject utility system provides water service to part of Rancho San Martin and to residences in the community of San Martin and vicinity, an unincorporated area in Santa Clara County. According to Exhibit B attached to the application, 131 residences and 5 fire hydrants were actively served by the system on December 31, 1963.

Baumgartner has sold the Rancho San Martin and his residence located thereon to A. R. Builders of Orange County, who then transferred ownership of said property to the Bears. Grant deeds covering both transfers were recorded with the Recorder of Santa Clara County on February 5, 1964. Copies of both deeds are attached to the application as Exhibit D. It is alleged that the total purchase price, which included the water system, has been

paid to Baumgartner; that the Bears now own the property outright with no encumbrances; and that the value of the property is approximately \$1,500,000.

A list of the major items of utility property which are proposed to be transferred is attached to the application as Exhibit C. It includes land, structures, wells, pumping equipment, tanks and a water distribution system. The balance sheet attached to the application as Exhibit E shows the value of the fixed assets of the utility, less accrued depreciation, was \$22,282.42 as of December 31, 1963.

The application states that the water system can best be operated by the owner of Rancho San Martin. It is further alleged that the Bears are financially able to conduct the business of the utility in an orderly and efficient manner and furnish service to the public.

The Commission finds that the proposed transfer is not adverse to the public interest; that the Bears have the financial ability to acquire and operate the water system; and that a public hearing of the matter is not necessary. The application will be granted.

The authorization herein granted shall not be construed as a finding of the value of the rights and properties herein authorized to be transferred.

O R D E R

IT IS ORDERED that:

1. John J. Baumgartner, Jr., doing business as San Martin Water Works, may, on or after the effective date of this order and on or before July 31, 1964, sell and transfer his public utility water system to Harvey L. Bear and Marjorie L. Bear, his wife, in

accordance with the agreement referred to in the application and the instruments of conveyance attached to the application as Exhibit D.

2. After the effective date of this order, and within thirty days after the date of actual transfer, the rates and rules of John J. Baumgartner, Jr., doing business as San Martin Water Works, now on file with the Commission shall be refiled under the name of Harvey L. Bear and Marjorie L. Bear, doing business as San Martin Water Works, in accordance with the procedure prescribed by General Order No. 96-A, or in lieu of such refileing, Harvey L. Bear and Marjorie L. Bear may file a notice of adoption of said presently filed rates and rules. No increases in the presently filed rates shall be made unless otherwise authorized by this Commission.

3. On or before the date of actual transfer, John J. Baumgartner, Jr., shall refund all customers' deposits and advances for construction, if any, which are due and payable as of the date of transfer. All unrefunded deposits and advances shall be transferred to Harvey L. Bear and Marjorie L. Bear, who shall be responsible for their refund when due.

4. On or before the actual date of transfer, John J. Baumgartner, Jr., shall deliver to Harvey L. Bear and Marjorie L. Bear and the latter shall receive and preserve all records, memoranda and papers pertaining to the construction and operation of the properties herein authorized to be transferred.

5. Within thirty days of the date of actual transfer Harvey L. Bear and Marjorie L. Bear shall file with this Commission a copy of each journal entry used to record the acquisition of the properties herein authorized to be transferred.

6. If the authority herein granted is exercised, John J. Baumgartner, Jr., and Harvey L. Bear and Marjorie L. Bear shall, within thirty days thereafter, jointly notify the Commission in

writing of the date of completion of the property transfer herein authorized and of their compliance with the conditions hereof.

7. Upon due compliance with all of the conditions of this order, John J. Baumgartner, Jr., shall stand relieved of all further public utility obligations and liabilities in connection with the operation of the public utility water system herein authorized to be transferred and may discontinue service concurrently with the commencement of service by Harvey L. Bear and Marjorie L. Bear.

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

Dated at San Francisco, California, this 12th day of May, 1964.

Hellmuth Bennett
President
George L. Hoover
Frederick B. Holoboff

Commissioners

Commissioner Frederick B. Holoboff, being necessarily absent, did not participate in the disposition of this proceeding.