

Decision No. 70436

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
JACK P. FITZPATRICK, EDWARD STAHL)
and ADOLPH MEHAK, doing business as)
BONANZA SPRINGS WATER COMPANY, for)
authority to abandon its public)
utility water system.)

Application No. 47994
(Filed October 22, 1965)

James J. Cronin, for applicants.
Edwin T. Caldwell, for Mr. and Mrs.
James Haughey, Mr. and Mrs. Oscar
Phillips, Lawrence Renslow, Mr. and
Mrs. Thomas Cowley, and Mr. and Mrs.
George Youhill; Bernard Hutner, for
Robert Duca and John I. Lindsay;
J. Kenneth Lynch, for Maurice J.
Lynch, Jr.; protestants.
John D. Reader, for the Commission staff.

O P I N I O N

Jack P. Fitzpatrick, Edward Stahl and Adolph Mehak, doing business as Bonanza Springs Water Company, request authority to abandon their public utility water system near Siegler Springs in Lake County.

A public hearing was held before Examiner Daly at San Francisco on January 26, 1966, and the matter was submitted.

By Decision No. 53139, dated May 28, 1956, in Application No. 37455, applicants were authorized to serve the Bonanza Springs Subdivision area consisting of approximately 43 lots. Applicants also engaged in the subdivision and sale of the same property which basically is suited for the purpose of summer homes. The record indicates that the purchasers of the lots relied upon the assurance of applicants that each lot would be serviced with water. For the most part the lots have remained unimproved. At the present time there are only eight water customers. Applicants Fitzpatrick and Mehak have summer homes on two of the parcels being served.

Applicants Fitzpatrick and Mehak are San Francisco firemen and in the past were able to provide the necessary maintenance of the system on their days off. Because of a back injury applicant Fitzpatrick can no longer be of assistance. Applicant Stahl is a resident of San Francisco and because of his age is unable to assist. According to the annual reports filed with the Commission, applicants indicated a net loss in the amount of \$463.54 for the year 1963 and \$2,352.44 for the year 1964. Applicant Mehak testified that the difference is attributable to the fact that traveling expenses between San Francisco and Lake County were not included in 1963, but pursuant to their accountant's orders such expenses were included in 1964.

It was suggested by applicants' attorney that the hearing might be used for the purpose of determining an appropriate alternative to their continued operation as a public utility. One possibility was connecting applicants' system to an adjacent mutual water corporation recently organized by Mr. John Lindsay, a land developer and an owner of 20 lots within applicants' service area. Mr. Lindsay testified that such a connection would depend upon various factors, including certain improvements in applicants' system. Another possibility was suggested by Mr. Ernest Olsen, owner of Siegler Springs, a resort located approximately one mile from Bonanza Springs. He testified that he owns property adjacent to the Bonanza Springs area, which he intends to subdivide. According to the witness, he may be interested in acquiring the system and providing service to both subdivisions; however, until he has received legal advice he would make no definite commitment.

The staff recommended that the application should be denied until arrangements have been made for a continuing water service.

After consideration, the Commission finds that:

1. Applicants are presently providing a necessary public utility water service in Lake County.
2. Applicants were the subdividers of the property within the service area.
3. The water system is presently operating at a loss.
4. Although there are possibilities of alternative service being provided in the event this application were granted, they are not definite. No satisfactory substitute for applicants' service is presently available.

The Commission concludes that the application is premature and should be denied.

ORDER

IT IS ORDERED that Application No. 47994 is hereby denied.

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

Dated at San Francisco, California, this 8th day of MARCH, 1966.

Fredrick B. Halbach
President

John E. Mitchell

George T. Brown

Augusta

Commissioners