

**ORIGINAL**

Decision No. 73691

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of MARJORIE L. COFFILL )  
 and HELEN C. NIETFELD, CO-PARTNERS )  
 doing business as RIVERBANK WATER )  
 COMPANY, Transferors, for an order )  
 authorizing the transfer of )  
 certificates of public convenience )  
 and necessity, and approving sale )  
 of the water systems of Riverbank )  
 Water Company located in Hughson )  
 and Riverbank in Stanislaus County, )  
 California, to the City of Riverbank, )  
 a municipal corporation, Transferee: )  
 and of said City of Riverbank to )  
 purchase the water systems of said )  
 Riverbank Water Company. )

Application No. 49886  
(Filed December 19, 1967)

O P I N I O N

By this application, Marjorie L. Coffill and Helen C. Nietfeld, copartners, doing business as Riverbank Water Company (Riverbank) seek authority to transfer their utility properties to the City of Riverbank (City), and to discontinue service. City joins in the application.

Riverbank provides service in the urban and suburban areas of the City of Riverbank, and the urban and suburban areas of the Town of Hughson (unincorporated), County of Stanislaus. Of the approximately 2,000 customers served by Riverbank, about one third are located in the urban and suburban area of the Town of Hughson and about two thirds are located in the urban and suburban area of the City of Riverbank.

The balance sheet attached as Exhibit D to the application shows that, as of September 30, 1967, Riverbank had utility plant of \$427,569, a depreciation reserve of \$153,535, refundable advances for construction of \$206 and customers' deposits of \$2,412.

City of Riverbank is a municipal corporation of the State of California. It has not operated a water system to date. City held a bond election on November 21, 1967, and obtained approval and authorization from the voters of said City to issue Revenue Bonds in an amount of \$425,000 for the purchase and improvement of Riverbank's water systems.

Riverbank entered into a written agreement with City on September 26, 1967, a copy of which is attached to the application as Exhibit A. By the terms of the agreement, City is to pay Riverbank the sum of \$320,000, cash, for the water systems, plus additional amounts in cash as set out in paragraph 2 of said agreement.

City will not assume liability for refunds under main extension agreements or advances in aid of construction on Riverbank's books at the time the sale is completed; however, if Riverbank is unable to obtain termination of one or more main extension agreements with the holder or holders thereof or elects to continue the agreements, City states it will, upon Riverbank's request, provide Riverbank with necessary consumer revenue to enable Riverbank to carry out the main extension obligations for the duration of such obligations.

The Commission finds that:

1. Approximately one third of the customers served by Riverbank are outside of the incorporated area of City.
2. Upon receipt of a stipulation from City regarding service obligations and absence of discrimination between customers inside and outside city boundaries, the proposed transfer will not be adverse to the public interest.

The Commission concludes that the proposed transfer should be authorized, subject to the conditions set forth in the following order. A public hearing is not necessary.

O R D E R

IT IS ORDERED that:

1. Within one year after the effective date hereof, Marjorie L. Coffill and Helen C. Nietfeld, copartners, doing business as Riverbank Water Company (Riverbank), may transfer and sell to the City of Riverbank (City) their public utility water systems located in the City of Riverbank and the Town of Hughson, Stanislaus County, in accordance with the terms and conditions of the agreement, Exhibit A attached to the application herein, and subject to the terms and conditions of this order.

2. The foregoing authority is conditioned upon the filing in this proceeding of a stipulation by City that:

- (a) City will be subject to all legal claims for water service which might have been enforced against Riverbank, including such claims as may exist in territory outside of the boundaries of City.
- (b) As to the rates, rules and conditions of service which City will apply in the service area of the systems herein authorized to be transferred, it will not discriminate between service rendered outside of the City's boundaries and service rendered inside said boundaries, except insofar as it may adjust such outside rates and charges to offset any reasonable tax burden sustained by water users within the City in subsidizing the operation of the City's water system.

3. On or before the date of actual transfer, Riverbank shall return to its customers any refundable deposits made to establish credit, and shall pay whatever refunds are due as of said transfer date on advances for construction under main extension agreements.

4. Within ten days after the date of actual transfer, Riverbank shall file written notification to this Commission of the refunding of deposits and advances, the date of transfer, and the date upon which City shall have assumed operation of the water systems authorized herein to be transferred. A true copy of the instrument of transfer shall be attached to the written notification.

5. Upon compliance with the conditions of this order, Marjorie L. Coffill and Helen C. Nietfeld shall stand relieved of all of their public utility obligations in the areas served by the transferred systems, and may discontinue service concurrently with the commencement of service by City.

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

Dated at San Francisco, California, this 6<sup>th</sup> day of FEBRUARY, 1968.

President

Stella L. Brown

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Augustine

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William J. Lyons, Jr.

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Fred P. Mansueti

Commissioners

Commissioner Peter E. Mitchell, being necessarily absent, did not participate in the disposition of this proceeding.