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Decision No. 74879

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of  
JOSEPH M. STADLER and CLAIRE A. STADLER,  
dba SKYWOOD WATER CO., for authority  
to sell public utility property to  
SKYLINE COUNTY WATER DISTRICT.

Application No. 50544  
(Filed September 12, 1968)

O P I N I O N

Joseph M. Stadler and Claire A. Stadler (sellers), doing business as Skywood Water Company, request authorization to transfer their water system to Skyline County Water District (buyer).

Sellers on December 31, 1967, had 55 active service connections by which they served water to 40 residential customers and the Skyline Village Mutual Water Co. (Mutual) at meter rates, and to 14 fire hydrants in San Mateo County. The territory served by sellers is a 140 acre tract known as Skywood Acres located adjacent to Skyline Boulevard near its intersection with La Honda - Woodside Road. A maximum of 66,800 cubic feet of water per month may be sold to Mutual.

Buyer, a public agency, furnishes water service for domestic, commercial and industrial purposes in San Mateo County. The application states that buyer's water supply, obtained from the City of San Francisco, is adequate to supply water users within its boundaries and the present and potential customers in the service areas of sellers and Mutual.

Annexation of the sellers' service area to buyer has been allowed both by the Local Agency Formation Commission of San Mateo County and by buyer. As a condition of the annexation, sellers agree to convey to buyer, without charge and free of encumbrance, all of

their water system properties except wells and the well site. Similarly, Mutual has agreed to transfer to buyer without charge its water system which has recently been reconditioned to meet buyer's standards. Upon acceptance of these water systems, buyer will operate and maintain both of the water systems as one district system.

As of December 31, 1967, sellers reported to the Commission water plant in service in the amount of \$47,143.26, a reserve for depreciation of utility plant of \$14,060.62, and no customer deposits, advances for construction or contributions in aid of construction.

Sellers desire to discontinue their public utility operations for the reasons that the supply available from their two wells is no longer adequate to meet the system demands during the summer months, and their attempts to develop the necessary quantity have been unsuccessful. Further, the water supply available by annexation to the District would accelerate the development of the area.

We find that:

1. Buyer has the ability to acquire and operate sellers' water system without interruption in service.

2. Upon the consummation of the proposed transfer, sellers will no longer be performing public utility service.

3. Subject to the conditions set forth in the order which follows, the proposed sale and transfer will not be adverse to the public interest.

We conclude that the application should be granted as provided in the following order and that a public hearing is not necessary.

O R D E R

IT IS ORDERED that:

1. Within one year after the effective date of this order Joseph M. Stadler and Claire A. Stadler, doing business as Skywood

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Water Co., may sell and transfer to the Skyline County Water District the properties referred to herein, substantially in accordance with the terms described in the document entitled "Terms and Conditions of Annexation 1967-1, Skyline County Water District," attached to the application herein.

2. On or before the date of actual transfer, sellers shall refund all customer deposits for the establishment of credit and all advances for construction, if any.

3. Within ten days after the date of actual transfer, sellers shall file in this proceeding written notification of the refunding of all deposits and advances, if any, the date of transfer and the date upon which buyer shall have assumed the operation of the water system authorized herein to be transferred. A true copy of the instrument or instruments of transfer shall be attached to the written notification.

4. Upon compliance with the conditions of this order, sellers shall stand relieved of all of their public utility obligations in the area served by the transferred system and may discontinue service concurrently with the commencement of service by buyer.

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

Dated at San Francisco, California, this 29<sup>th</sup> day of OCTOBER, 1968.

William Squares, Jr.  
President  
William A. Bennett  
August

Commissioner Fred P. Morrissey, being necessarily absent, did not participate in the disposition of this proceeding.

Commissioners