

Decision No. 81945

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application  
of OCEANSIDE WATER COMPANY, INC.,  
a corporation, for an order author-  
izing the sale and transfer of its  
water system to MCKINLEYVILLE COM-  
MUNITY SERVICES DISTRICT, a public  
agency.

Application No. 54125  
(Filed June 25, 1973)

O P I N I O N

Oceanside Water Company, Inc., a corporation, seeks authority to discontinue service as a public utility and to transfer its entire water system to the McKinleyville Community Services District, a public agency in Humboldt County.

Oceanside Water Company, Inc., operates a public utility water system described as residential in or near the community of McKinleyville in Humboldt County serving 67 active customers. The original cost of the property being transferred is \$17,426.63. As of December 31, 1972, the depreciation reserve was \$5,464.37 resulting in a net book cost of \$11,962.26. Applicant represents that there are no customer deposits on file, nor have there been at any time and that there are no main extension contracts, nor have there been at any time.

Oceanside Water Company, Inc., is a California corporation incorporated on or about July 13, 1970. It proposes to sell said water system properties for \$30,800 payable in installments of \$7,275 per year commencing June 30, 1974, together with interest of 6 percent per annum on the decreasing balance.

McKinleyville Community Services District is in the process of completing construction of a District-wide water distribution system at a cost of approximately \$4,000,000. The system being

constructed will provide adequate domestic water service to all of the people within the boundaries of the District. The source of water supply available to the District is more certain and more adequate than that which applicant could provide.

The contract between the parties, appended to the application, provides that its active date shall be the date that Buyer has its water distribution system completed and in operation, or on the 31st day of December 1973, whichever event is the first to occur with a proviso that the active date of the contract shall be the date Buyer has facilities and water available to provide water service to the properties now serviced by Seller's water system if Buyer elects to commence such water service prior to completion of the entire District-wide water distribution system or prior to December 31, 1973.

After consideration, the Commission finds that:

1. The proposed transfer would not be adverse to the public interest.
2. The application should be granted. A public hearing is not necessary.

#### O R D E R

IT IS ORDERED that:

1. Oceanside Water Company, Inc. may sell and transfer, and McKinleyville Community Services District may purchase and acquire, the water system properties referred to in the application.
2. Within thirty days after the completion of the transfer herein authorized, McKinleyville Community Services District shall notify the Commission, in writing, of that fact and within that period shall file with the Commission a true copy of any bill of sale or other instrument of transfer which may be executed to effect said transfer.
3. On or before the date of actual transfer Oceanside Water Company, Inc., shall refund all customers' deposits and advances

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for construction, if any, which are due and payable as of the date of transfer. All unrefunded deposits and advances shall be transferred to McKinleyville Community Services District which shall be responsible for their refund when due.

4. Upon compliance with all of the conditions of this order Oceanside Water Company, Inc., shall stand relieved of all further public utility obligations pertaining to the operations of the public utility water system herein authorized to be transferred.

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

Dated at San Francisco, California, this 2nd day of OCTOBER, 1973.

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President  
*William Lyons*

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Commissioners

Commissioner Vernon L. Sturgeon, being necessarily absent, did not participate in the disposition of this proceeding.

Commissioner J. P. Vukasin, Jr., being necessarily absent, did not participate in the disposition of this proceeding.