

Decision No. 84709

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Joint Application  
of DESERT CREST, INC., a corporation  
and the DESERT HOT SPRINGS COUNTY  
WATER DISTRICT, for an Order Authorizing  
said corporation to sell to District  
the Sewer System owned and operated by  
said corporation.

Application No. 55731  
(Filed June 12, 1975)

O P I N I O N

Applicants request an order authorizing Desert Crest, Incorporated (Corporation) to sell and the Desert Hot Springs County Water District (District) to buy all of the public utility sewer system owned and operated by the Corporation in the Desert Crest Mobile Country Club located four miles southeast of Desert Hot Springs, Riverside County.

The draft transfer agreement, dated May 8, 1975, attached to Application No. 55731, recites a total sale price of \$57,500 to be paid on the closing date, at which time Corporation will deliver the system to District. The plant to be transferred consists of 2½ acres of land, a laboratory building and equipment, a 75,000 gallon per day treatment plant and about 18,000 feet of mains, plus easements and rights-of-way for road and pipeline purposes.

Applicants allege that the cost to operate and provide sewer service will be less under public operation than as a private system. District is presently operating the system and will continue to operate it as a separate system until it can be connected to the District system and treatment plant. A Federal Government grant will pay part of the cost of the connecting main; this grant would not be available if Desert Crest remained under private ownership. District expects to commence proceedings to annex the area and issue bonds.

District proposes to continue present rates for sewer service rendered to its customers in the Desert Crest system. After annexation the customers will be charged the same rates and taxes as other sewer customers in District's service area.

Applicants allege that there are no main extension contracts on which to assume obligations, and that the Corporation will refund all customer security deposits, if any, prior to transfer of ownership to the District and will also pay all obligations of its sewer system to date of transfer. No opposition to the proposed transfer has been manifested.

After consideration, the Commission finds and concludes that the proposed transfer would not be adverse to the public interest and that it should be granted in accordance with the ensuing order.

A public hearing is not necessary.

#### O R D E R

IT IS ORDERED that:

1. Desert Crest, Incorporated (seller) may sell to Desert Hot Springs County Water District (buyer) the public utility properties described herein, according to the terms of the agreement attached to the application.
2. Seller, within thirty days after completion of the sale, shall transmit to the Commission two copies of the instrument or instruments of sale, as executed.
3. Upon completion of the sale and upon compliance with all the terms and conditions of this order, seller's authority to operate a public utility sewer system shall be revoked, and all tariff schedules of seller on file with the Commission relating

to sewer service shall concurrently be canceled. Thereafter, Desert Crest, Incorporated shall be relieved of its public utility obligations in connection with the utility system transferred.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 29th  
day of JULY, 1975.

William J. ... President  
Leonard L. ...  
Robert ...  
Commissioners

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