

Decision No. 85843

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of

VENTURA UTILITY SERVICES,
WESTERN PACIFIC SANITATION
COMPANY and
SIMI VALLEY SANITATION
COMPANY,

Application No. 55704
(Filed May 27, 1975)

corporations, for an Order Authorizing
the Sale of Sewer System Properties to
SIMI VALLEY COUNTY SANITATION DISTRICT,
and for Authority to Discontinue Public
Utility Service and to be Relieved of
Public Utility Obligations.

O P I N I O N

This is an application to sell and transfer a public utility sewer system in the city of Simi Valley to Simi Valley County Sanitation District (District). Ventura Utility Services is a California corporation actually operating the sewer system; the other two applicants are Nevada corporations authorized to do business in California, and hold legal title to the land and improvements comprising the sewer system, as more fully described in Exhibit A attached to Exhibit 1 of the application herein. These three entities shall be collectively referred to as the applicant. The District has joined in the application.

District is a county sanitation district organized under the California County Sanitation District Act (Health and Safety Code Sections 4700 et seq.). The entire city of Simi Valley is included in its territory, and no other city or sanitary district is included within its territory. District is operated and governed by officials and employees of the city of Simi Valley, and is not

subject to our jurisdiction. District has now determined that it can efficiently integrate applicant's sewage system into its facilities, and can acquire applicant's system under its power of eminent domain, which it has indicated it will do if necessary. Applicant and District have negotiated a proposed agreement (attached to the application as Exhibit 1) for the sale by applicant and the purchase by District of the applicant's existing sewer system including the land and improvements described in the attachments to Exhibit 1. This agreement shall be formally executed by each of the parties thereto, upon our approval of this transfer.

Applicant represents the following benefits will accrue to the utility's customers, if the sale is approved:

- (a) District will be in a position to reduce customers' monthly service charges.
- (b) Improvement and expansion of the facilities can be provided more economically by the District, as District is in a position to obtain state and federal grants for construction of sewerage facilities.
- (c) The customers may receive the benefit of local, state, and federal taxes they are already paying.
- (d) Additional reserve sewerage capacity will be made available to applicant's customers.
- (e) Applicant has been unable to expand its capacity.
- (f) District will provide sewer service without unfair and unreasonable discrimination to all customers in the area.
- (g) District will render service to customers who have paid for service to be rendered after the date of closing of the agreement of the parties.

Applicant further represents that the sales price for the properties to be transferred is \$600,000 which is within the range of valuation determined by appraisal experts retained by the District.

Findings

1. District has the experience, ability, and resources to properly operate applicant's sewer system.

2. Applicant's customers will receive more economical, efficient, and broader services from the District than from applicant.

3. District has agreed to provide sewer service without unfair and unreasonable discrimination, and will also honor customer prepayments for service to be provided after the closing of this transaction.

4. The proposed sale and transfer is in the public interest.

Conclusions

1. The application should be granted in accordance with the terms and conditions set forth in the order.

2. A public hearing is unnecessary. As there is no known opposition and the transfer should be completed as promptly as possible, the effective date of this order will be the date hereof.

O R D E R

IT IS ORDERED that:

1. On or before December 31, 1976, Ventura Utility Services, Western Pacific Sanitation Company, and Simi Valley Sanitation Company may sell and transfer the sewer system, land, improvements, and other properties referred to in the application to Simi Valley County Sanitation District, according to the terms, conditions, agreement and exhibits attached to the application, where not in conflict with this order.

2. On or before the date of actual transfer sellers shall refund all customers' deposits for the establishment of credit, if any.

3. As a condition of this grant of authority, purchaser shall assume all liability for customer advances and prepayments for service.

4. As a condition of this grant of authority, all liabilities and debts of, and judgments against Ventura Utility Services, (other than liabilities, debts, or judgments due to affiliated and/or related entities) which have accrued, or may accrue prior to the date of the closing of this transfer, and whether or not listed in Exhibit B of Exhibit 1 attached to the application, shall be paid from the initial cash proceeds of this transfer, prior to the distribution of any such proceeds to the sellers, or any of them, or any affiliated or related entities.

5. Within ten days after the completion of the transfer sellers shall notify the Commission, in writing, of the date of transfer, of the refunding of the deposits, and of the date upon which purchaser shall have assumed operation of the water system. A true copy of the instruments of transfer shall be attached to the notification.

6. Upon compliance with all the terms and conditions of this order, Ventura Utility Services shall be relieved of its public utility obligations in connection with the sewer system transferred.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 18th
day of MAY, 1976.

William Aguirre Jr. President
Herbert L. Sturgeon
Robert Bateman Commissioners