

ORIGINAL

Decision 84 10 063 OCT 3 1984

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of CABAZON COUNTY
WATER DISTRICT to acquire control
of the CABAZON WATER COMPANY by
the purchase of the controlling
interest from PAUL E. HADLEY and
PEGGY R. HADLEY.

Application 84-08-073
(Filed August 20, 1984)

O P I N I O N

By this application Cabazon Water Company (Cabazon), a California corporation, seeks authorization under Public Utilities (PU) Code Section 854 to transfer the stock of Cabazon held by Paul E. Hadley and Peggy R. Hadley (Hadleys) to the Cabazon County Water District (District) in accordance with the terms of an agreement between Cabazon and District entered into on or about August 5, 1983.

Decision (D.) 83-05-018 dated May 4, 1983 in Case 82-08-12 and Application 82-12-23 concluded that:

"6. Cabazon has failed to furnish and maintain 'adequate, efficient, just, and reasonable service...necessary to promote the safety, health, comfort, and convenience of its patrons', in violation of PU Code Section 451.

"7. Cabazon is unwilling or unable to adequately serve its customers."

and ordered:

"4. Cabazon shall immediately commence negotiations with the Cabazon County Water District, or some other equally viable party approved by the Commission staff, for the purpose of transferring ownership of Cabazon."

Such negotiations were timely commenced and resulted in the aforementioned agreement.

The total purchase price for the 1,563 shares of stock owned by the Hadleys was \$100,000 payable according to the terms of a promissory note payable interest only commencing March 1, 1984 with all principal and interest due and payable August 1, 1993.

A financial statement attached to the application indicated assets totaling \$67,401 as of May 31, 1983 and a net operating loss of \$178 for the five months ended May 31, 1983.

Findings of Fact

1. Ordering Paragraph 4 of D.83-05-018 required Cabazon to negotiate with District for the purpose of transferring the ownership of Cabazon.
2. The ensuing negotiations resulted in an agreement entered into on or about August 5, 1983, whereby the Hadleys, owners of the 1,563 shares of Cabazon common stock, sold the stock to District for \$100,000 payable in accordance with the terms of a promissory note payable interest only commencing March 1, 1984 with all principal and interest due and payable August 1, 1993.
3. The above 1,563 shares of common stock constitute controlling shares of Cabazon.
4. After the transfer of stock, District will operate Cabazon.

Conclusions of Law

1. The application should be granted as provided in the ensuing order.
2. A public hearing is not necessary.

O R D E R

IT IS ORDERED that:

1. Cabazon Water Company (Cabazon) may transfer 1,563 shares of common stock owned by Paul E. Hadley and Peggy R. Hadley (controlling interest) to Cabazon County Water District for \$100,000 payable according to the terms of a promissory note payable interest only commencing March 1, 1984 with all principal and interest due and payable August 1, 1993.

2. Upon compliance with all of the terms and conditions of this order, Cabazon shall be relieved of its public utility obligations in connection with its water facilities.

3. The application is granted as set forth above.

This order becomes effective 30 days from today.

Dated OCT 3 1984, at San Francisco, California.

VICTOR CALVO
PRISCILLA C. GREW
DONALD VIAL
WILLIAM T. BAGLEY
Commissioners

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TODAY.


Joseph E. Bodovick, Executive Director