

ORIGINAL

Decision 89 07 047 JUL 19 1989

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of: Bianca Gambi, doing)	
business as Willow Creek Water Works)	
to donate and of Willow Creek)	
Community Services District, a)	Application 88-10-019
special district, to accept donation)	(Filed October 11, 1988)
of a water system in Humboldt)	
County, California.)	

OPINION

This is an application in which Bianca Gambi (Gambi) doing business as Willow Creek Water Works (water system) seeks authority to transfer her public utility water system to Willow Creek Community Services District (District).

Notice of the filing of the application was served on all water system customers on May 9, 1989. There are no protests.

The Commission makes the following findings and conclusions.

Findings of Fact

1. A public hearing is not necessary in this matter.
2. The Commission takes official notice that a certificate of public convenience and necessity to construct and operate water system was granted in Decision (D.) 47193 in Application (A.) 33176, dated May 27, 1952. The certificate was issued to Mario, Peter and Jeanne Gambi, partners. At some point Mario succeeded to the interests of Peter and Jeanne. Gambi is the widow of Mario and is entitled to his interest in water company.
3. Water system is located near Willow Creek in Humboldt County. It consists of approximately two acres of land, a surface diversion headworks located in a water course known as "China Creek," and a pipeline conveyance from these headworks to a concrete block tank which Gambi believes is of approximately

5,000 gallon capacity. No other pumps, pumping equipment, water treatment equipment, reservoirs, or tanks are used. There are water supply mains of approximately 2,700 lineal feet which serve 16 non-metered customers. There are no fire hydrants, buildings, office furniture or equipment, transportation equipment, or other types of equipment.

4. District is a community services district which was formed in May, 1965 under applicable provisions of law. It presently serves approximately 700 customers in the Willow Creek area.

5. Gambi has no information concerning the original cost of water system. There is no depreciation reserve of which she is aware. The net book cost is unknown.

6. On September 21, 1988, Gambi executed a quitclaim deed transferring water system to District without receiving any consideration.

7. Gambi desires to dispose of water system because she no longer lives in the area, is unable to take care of the system, and the customers furnished water by the system are installing a new distribution system which will be connected to District's facilities. Water system is no longer needed and will be deactivated.

8. Water system holds no customer deposits or main extension advances.

9. District has the ability, including financial ability to acquire water system and continue service to water system's customers.

10. Public Utilities (PU) Code §§ 851 and 853 provide in part as follows:

"851. No public utility...shall sell, lease, assign, mortgage, or otherwise dispose of or encumber the whole or any part of its...line, plant, system, or other property necessary or useful in the performance of its duties to the public, or any franchise or permit or any right

thereunder, nor by any means whatsoever, directly or indirectly, merge or consolidate its...line, plant, system, or other property, or franchises or permits or any part thereof, with any other public utility, without first having secured from the commission an order authorizing it so to do. Every such sale, lease, assignment, mortgage, disposition, encumbrance, merger, or consolidation made other than in accordance with the order of the commission authorizing it is void. . . ."

"853. . . . '(b) The Commission may from time to time by order or rule, and subject to such terms and conditions as may be prescribed therein, exempt any public utility or class of public utility from this article if it finds that the application thereof with respect to the public utility or class of public utility is not necessary in the public interest. The commission may establish rules or impose requirements deemed necessary to protect the interest of the customers or subscribers of the public utility or class of public utility exempted under this subdivision. These rules or requirements may include, but are not limited to, notification of a proposed sale or transfer of assets or stock and provision for refunds or credits to customers or subscribers.'"

11. Under the particular facts in this proceeding, it is reasonable to exempt the transactions among Mario, Peter and Jeanne Gambi and between Gambi and District from the provisions of PU Code § 851 and approve the transfer of water system to District.

12. Because the public interest would best be served by having the transfer of water system ratified expeditiously, the ensuing order should be made effective on the date of issuance.

Conclusions of Law

1. The transactions among Mario, Peter and Jeanne Gambi and between Gambi and District should be exempted from the provisions of PU Code § 851.

2. The application should be granted.

This authorization is not a finding of the value of the rights and properties to be transferred.

ORDER

IT IS ORDERED that:

1. The transactions among Mario, Peter and Jeanne Gambi, which resulted in Mario Gambi acquiring ownership of the public utility water system known as Willow Creek Water Works (water system) prior to his death and the succession to the ownership of water system by Bianca Gambi (Gambi) upon the death of her husband Mario Gambi and the grant deed from Gambi dated September 21, 1988 and the bill of sale dated September 20, 1988 to Willow Creek Community Services District (District) are exempted from the provisions of PU Code § 851.

2. District is authorized to continue ownership, control and operation of water system in accordance with the terms set forth in the application.

3. Gambi is relieved of her public utility obligations with respect to the water system acquired by District.

This order is effective today.

Dated JUL 19 1989, at San Francisco, California.

G. MITCHELL WILK
President
FREDERICK R. DUDA
STANLEY W. HULETT
JOHN B. OHANIAN
Commissioners

Commissioner Patrick M. Eckert,
being necessarily absent, did
not participate.

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



Victor Weisser, Executive Director