

JUL 22 1992

Decision 92-07-059 July 22, 1992

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 Jacob Czerwieniec d/b/a Loleta Water)
 Works to sell; and Loleta Community)
 Services District to buy the water)
 system in Loleta, Humboldt County)

ORIGINAL
 Application 92-04-036
 (Filed April 13, 1992)

OPINION

Jacob Czerwieniec, doing business as Loleta Water Works (Company), and Loleta Community Services District (District) jointly apply, pursuant to Sections 851 through 854 of the California Public Utilities Code, for authority to transfer the water system known as Loleta Water Works from the Company to the District.

The Loleta Water Works consists of the following property, located and operating in the community of Loleta, Humboldt County, California, and serving approximately 215 customers:

Land: Five parcels, numbered 1 through 5, identifying function and County Assessors parcel numbers for area locations:

- | | | |
|----|---------------------------|------------|
| 1. | Wells and Treatment Plant | 309-041-12 |
| 2. | Water Storage Tank | 309-042-25 |
| 3. | Shop and Storage | 309-124-02 |
| 4. | Springs and Old Reservoir | 309-042-07 |
| 5. | Perrot Avenue Lot | 309-081-22 |

Wells: Sole source of supply.

<u>Number</u>	<u>Diameter</u>	<u>Depth</u>	<u>H.P.</u>	<u>G.P.M.</u>	<u>Parcel #</u>
1	8"	125'	5.0	40	1
2	12"	126'	7.5	60	1
3	8"	335'	Unused, Standby		2

Water Treatment Equipment:

Iron and Manganese Removal, 100 G.P.M. Capacity.
Potassium Permanganate Chemical Feeder.
Hypochlorite Chlorine Chemical Feeder.

Water Storage Reservoir: 220,000 Gal., Redwood Stave Construction

Water Mains: 21,870' Total; 2, 3, 4, 6, 8 and 12 inch diameters.

Services: 214 Total; Residential and Commercial.

Meters: 215 Installed; 5 Spares.

Fire Hydrants: 15-6"; 4-3"; and 2-6", Privately Owned.

Buildings: 1 Shop and Storage, 3 Pumphouses.

Office Equipment: Customer Roster. System Maps.

Transportation Equipment: 1 1979 Chevrolet 1/2 Ton Pickup, License #2F18179.

Other Equipment & Supplies: Horizontal Earth Borer, 2" Sump Pump, Pipe Dies to 2", Pipe Wrenches, Assorted Fittings, Nipples and Small Tools.

Authority for the Company to acquire the system was granted by Decision 71440 in Application 48829. The original cost of the property being transferred is \$212,728, and the depreciation reserve as of December 31, 1991, is \$122,214, resulting in a net book value of \$90,514. The property is to be sold to the District on a "where is as is basis" for the sum of \$200,000, which according to the terms of sale will be financed by a loan from the District's reserves.

The District is a public services district organized under California law, and is therefore not subject to the jurisdiction of this Commission. The reason for the proposed transfer is that the current owner of the Company wishes to retire.

The District desires to acquire this system to assure local control of its business management and perpetuate the existing service. The District has more than 60 years' experience operating the facilities of the former Loleta Sanitary District, and more than 30 years' experience operating the waste water treatment plant of that district. The District's December 31, 1991 balance sheet demonstrates that the District has sufficient reserves to finance the transfer in accordance with the terms of sale to which the District and the Company have agreed.

Notice of the application was mailed to each of the Company's customers on May 18, 1992, and no protest or other communication was received by the Commission in response thereto. The Water Utilities Branch has reviewed the application and supports the proposed transfer as being in the best interest of all concerned, and believes that the District has the necessary ability and experience to provide the Company's customers with uninterrupted water service. We therefore approve the application, effective immediately on the date the order is signed.

Findings of Fact

1. Applicant Jacob Czerwieniec, doing business as Loleta Water Works, is the duly authorized owner of a water utility serving the community of Loleta, Humboldt County, California.
2. Applicant Loleta Community Services District is a public services district duly organized under California law.
3. Loleta Public Services District has agreed to buy, and Jacob Czerwieniec has agreed to sell, the Loleta Water Works water system on mutually agreeable terms and conditions.
4. The Loleta Public Services District has the necessary ability and resources to operate the Loleta Water Works water system without interruption of service.
5. Ownership and operation of the Loleta Water Works by the Loleta Public Services District is in the public interest.

Conclusion of Law

The Commission should authorize transfer of the Loleta Water Works water system from Jacob Czerwieniec to the Loleta Community Services District on the terms contained in the application herein.

O R D E R

IT IS ORDERED that:

1. On or before 30 days from the effective date of this order, Jacob Czerwieniec may transfer the water system (and other assets) referred to in the application to Loleta Public Services District, in accordance to the terms and conditions set forth in the application.
2. On or before the date of transfer, seller shall refund any customer credit deposits which are subject to refund.
3. Buyer shall assume all liability for refunds of main extension advances, if any.
4. Within 10 days after transfer, seller shall write the Commission stating dates of transfer and deposit refunds, and date when buyer began operating the water system. A copy of the transfer documents shall be attached.
5. Upon compliance with this order, seller shall be relieved of its public utility obligation to the transferred system.

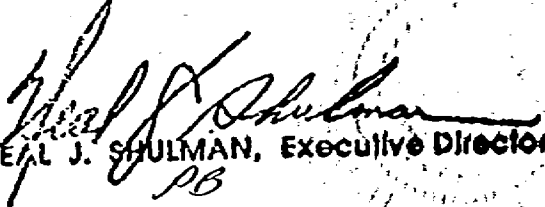
This authorization is not a finding of the value of the rights and properties to be transferred.

This order is effective today.

Dated July 22, 1992, at San Francisco, California.

DANIEL Wm. FESSLER
President
JOHN B. OHANIAN
PATRICIA M. ECKERT
NORMAN D. SHUMWAY
Commissioners

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


NEAL J. SHULMAN, Executive Director
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