

SEP 3 1992

Decision 92-09-001 September 2, 1992

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Elia Najor
doing business as LIVE OAK SPRINGS
MANAGEMENT CORPORATION to sell
and to buy the water system in LIVE
OAK SPRINGS, SAN DIEGO County.

) Application 90-10-058
) (Filed October 23, 1990)

Nazar Najor, for Elia Najor, applicant.
Mary Lou White, for San Diego County Health
Department; C. Garin Dierkop; interested
parties.
Daniel R. Page, P.E., for the Water Utilities
Branch, Commission Advisory and Compliance
Division.

O P I N I O N

Elia Najor (Najor), doing business as Live Oak Springs Management Corporation, requests authority to transfer the business, property, capital assets, and operations of Live Oak Springs Water & Power Company, a California corporation, to applicant pursuant to Public Utilities (PU) Code §§ 851 through 854.

A duly noticed public hearing was held before Administrative Law Judge Orville I. Wright at Live Oak Springs Resort on June 28, 1991. The matter was submitted upon the Commission's receipt on May 15, 1992 of additional information concerning title to the water system.

Background

Live Oak Springs Water & Power Company, a California corporation, is a Class D water utility located at an elevation of 3,800 feet in the unincorporated community of Boulevard in eastern San Diego County. There are, presently, 138 customers being provided with water, and the service area also encompasses a general store, restaurant and resort facilities.

Commission records show that the water company was acquired by Samuel M. Krauth and Eleanor F. Krauth (Krauths) on February 27, 1979, as authorized in Decision 89999.

In July 1982, without Commission approval, Krauths transferred their ownership interests in the water company to Najor, an individual, who has been operating the utility since that time. In addition to the water company, the 1982 transfer included the general store, restaurant, resort facilities and all other properties owned by Krauths at Live Oak Springs.

In 1983, Najor's attorney advised the Commission that an application for approval of the transfer would be filed. No filing was made, however, and the attorney and both Krauths are now deceased.

Commission Staff Reports

Water Utilities Branch (staff), Commission Advisory and Compliance Division, conducted a field investigation with respect to this application. Staff's report and recommendations follow.

1. Report: The water system consists of two wells, one producing 65 gallons per minute and the other producing 160 gallons per minute; a 10,000 gallon storage tank; 21,000 feet of water mains; and a two-acre parcel of land (Assessor's Parcel No. 609-050-03-00.)

Recommendation: The transfer of these properties to Elia Najor should be authorized.

2. Report: The water system fails to comply with General Order No. 103, Rules Governing Water Service, with respect to storage capacity and pressure requirements.

Recommendation: Improvements to the system should be made and prior Commission approval obtained before additional service connections are made.

3. Report: An inspection of the utility's filed tariff schedules shows that the Title Page; Rule 15, Main Extensions; and

Rule 16, Service Connections, Meters and Customer's Facilities contain outdated material and should be revised.

Recommendation: Applicant should file revised Title Page in its tariff schedules, along with revised Rule 15, Main Extensions; and Rule 16, Service Connections, Meters and Customer's Facilities.

4. Report: During its field investigation, staff learned that the water utility operator, Elia Najor, has other business interests in the service area, i.e., store, restaurant, and resort. Formation of a separate business entity under the name "Live Oak Springs Water Company" would facilitate proper recording of revenues, expenses and investments and will assist the Commission in setting just and reasonable rates. Applicant agrees and has acted to formulate the suggested entity.

Recommendation: All water utility business should be accounted for under the name of Live Oak Springs Water Company.

Recommendation: Applicant should obtain the services of a licensed land surveyor to prepare and record in the San Diego County Recorder's Office a record of survey delineating the boundaries of all water company operating property; applicant should record such survey within 90 days after the effective date of the order approving the transfer.

Findings of Fact

1. Applicant Elia Najor seeks Commission authorization of the 1982 sale of Live Oak Springs Water & Power Company stock from Krauths to applicant.

2. Applicant is conducting utility water company business under the name of Live Oak Springs Water Company.

3. Sellers are deceased.

4. Staff recommends approval of the application subject to the following conditions:

- a. Improvements to the system shall be made and prior Commission approval obtained before additional service connections are made.
- b. Applicant shall file revised Title Page in its tariff schedules, along with revised Rule 15, Main Extensions; and Rule 16, Service Connections, Meters and Customer's Facilities.
- c. All water utility business shall be accounted for under the name of Live Oak Springs Water Company.
- d. Applicant shall obtain the services of a licensed land surveyor to prepare and record in the San Diego County Recorder's Office a record of survey delineating the boundaries of all water company operating property; applicant shall record such survey within 90 days after the effective date of the order approving the transfer.

5. The sale of the water system to Elia Najor is not adverse to the public interest.

Conclusions of Law

1. The sale of stock of Live Oak Springs Water & Power Company to Elia Najor should be approved subject to staff-recommended conditions.

2. This order should be effective on the date signed because applicant is currently operating the system and prior owners are deceased.

O R D E R

IT IS ORDERED that:

1. Elia Najor is authorized to purchase the stock of Live Oak Springs Water & Power Company in accordance with the terms of his agreement with Samuel M. Krauth and Eleanor F. Krauth, subject to the following conditions:

- a. Improvements to the system shall be made and prior Commission approval obtained before additional service connections are made.
- b. Applicant shall file revised Title Page in its tariff schedules, along with revised Rule 15, Main Extensions; and Rule 16, Service Connections, Meters and Customer's Facilities.
- c. All water utility business shall be accounted for under the name of Live Oak Springs Water Company.
- d. Applicant shall obtain the services of a licensed land surveyor to prepare and record in the San Diego County Recorder's Office a record of survey delineating the boundaries of all water company operating property; applicant shall record such survey within 90 days after the effective date of the order approving the transfer.

2. Applicant shall file with the Commission Advisory and Compliance Division a written acceptance of this order within 90 days of its effective date.

3. Upon applicant's compliance with Ordering Paragraph 2, all public utility rights and obligations in Live Oak Springs Water & Power Company shall transfer to applicant, Elia Najor.

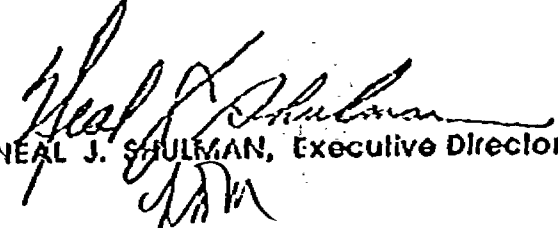
4. This application is granted as set forth above.
This order is effective today.

Dated September 2, 1992, at San Francisco, California.

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

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

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


NEAL J. SHULMAN, Executive Director