

Decision 82 06 071 JUN 15 1982**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of SANTA YNEZ RANCHO)
 ESTATES MUTUAL WATER COMPANY, INC.)
 for authority to acquire operating)
 rights of Mission Hills Community)
 Services District and for Orders)
 Transferring said utilities out of)
 the jurisdiction and control of)
 the Public Utilities Commission.)

Application 82-01-33
 (Filed January 18, 1982)

O P I N I O N

At one time public utility water and sewer service in the Mission Hills area (near Lompoc) was provided by corporations controlled by the Garnier family. The same interests also owned a physically separate water system serving a subdivision just north of Santa Ynez, also located in Santa Barbara County. This application concerns the Santa Ynez system.

Property taxes on the systems were not paid; all of the land owned by the Garnier interests was, as a result, deeded to the State of California.

Decision (D.) 90359 (May 30, 1979) in Application (A.) 54023 authorized Park Water Company (Park) to temporarily manage and operate both systems. D.90596 (July 31, 1979) in that same application declared that the Commission would not authorize the retransfer of the operating property to any of the Garnier interests. The State subsequently deeded the properties to Santa Barbara County (County) which, in turn, deeded the Mission Hills systems to the Mission Hills Community Services District (District). County has retained title to the Santa Ynez system.

Park was authorized to cease operating the systems by D.91922 (June 17, 1980) in A.59559. At that time, District assumed

the responsibility of providing water service to Santa Ynez residents even though that subdivision was outside of its boundaries. Now, a mutual company, Santa Ynez Rancho Estates Mutual Water Company (Mutual), has been organized and is ready to assume the responsibility of providing water service to its member/residents. It has asked for an order:

- "(a) Granting Santa Ynez Rancho Estates Mutual Water Company, Inc. immediate operating rights in the Santa Ynez operation now served by Mission Hills Community Services District.
- "(b) Directing Mission Hills Community Services District to turn over all books, records, and funds pertaining to the Santa Ynez operation and forthwith relinquish management and control of said system to Santa Ynez Rancho Estates Mutual Water Company, Inc.
- "(c) Declaring the system above described to be free from utility status and no longer under the jurisdiction of the Public Utilities Commission.
- "(d) Directing the transfer of the property herein described from the County of Santa Barbara to Santa Ynez Rancho Estates Mutual Water Company."

District has joined in the application.

We have already found that any conveyance of these properties back to the Garnier interests would be adverse to the public interest. There is no other possible purchaser willing to assume the responsibility of serving the Santa Ynez customers' needs for water service.

It is not necessary to determine whether County, District, Park, or Mutual are governed by the provisions of Public Utilities (PU) Code § 851 through ownership or possession of what was once

public utility property. We will instead simplify the questions presented by exercising our powers under PU Code § 853. That section allows us to find that the public interest does not require the application of § 851 to transactions by which Mutual has acquired ex-utility property. We will relieve County, District, Park, and Mutual of any public utility responsibilities which may have been imposed on them by § 851.

Findings of Fact

1. No other entity is ready, willing, and able to assume the responsibility of operating the property in question to provide needed water service to the residents of the Santa Ynez Rancho Estates tract.

2. No public interest would be impaired if Mutual were to assume and perform that duty.

3. The public interest does not require the application of PU Code § 851 to any transaction by which Mutual might acquire, or has acquired, property used and useful in providing water service to its members.

4. Mutual, County, Park, and District should be relieved of any public utility responsibilities they may have incurred in owning or operating this system.

5. In order that all of the transfers authorized may be completed by the end of the current fiscal year, this order should be effective today.

Conclusions of Law

1. All of the transfers by which Mutual has acquired or will acquire former public utility property to provide water service to its members should be exempted from the operation of § 851.

2. Once the transfers described in the order are effective, this Commission's jurisdiction over the ownership and operation of the Santa Ynez system is terminated.

O R D E R

IT IS ORDERED that:

1. All of the transfers by which Santa Ynez Mutual Water Company, Inc. has acquired or will acquire former public utility property to provide water service to its members are exempted from the operation of PU Code § 851.

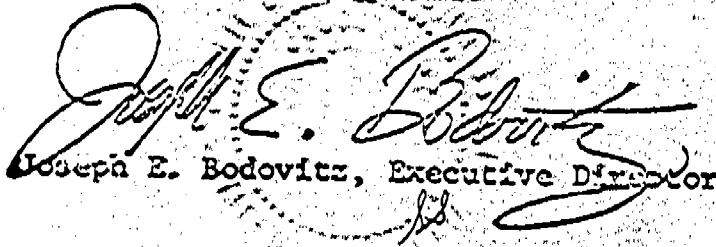
2. When Santa Barbara County (County) shall have transferred all of its right, title, and interest in the Santa Ynez system to Santa Ynez Mutual Water Company, Inc. (Mutual), and when Park Water Company (Park) shall have transferred operating control and possession of all records pertaining to this system, County, Park, and Mission Hills Community Service District are relieved of any responsibilities they may have under the Parts 1 and 2 of Division 1 of the PU Code with respect to water service to members of Mutual.

This order is effective today.

Dated June 15, 1982, at San Francisco, California.

JOHN E. BRYSON
President
RICHARD D. GRAVELLE
LEONARD M. GRIMES, JR.
VICTOR CALVO
PRISCILLA C. GREW
Commissioners

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


Joseph E. Bodovitz, Executive Director

O R D E R

IT IS ORDERED that:

1. All of the transfers by which Santa Ynez Mutual Water Company, Inc. has acquired or will acquire former public utility property to provide water service to its members are exempted from the operation of PU Code § 851.

2. When Santa Barbara County (County) shall have transferred all of its right, title, and interest in ~~this property~~ *the Santa Ynez system* to Santa Ynez Mutual Water Company, Inc. (Mutual), and when Park Water Company (Park) shall have transferred operating control and possession of all records pertaining to this system, County, Park, and Mission Hills Community Service District are relieved of ~~all~~ *any* responsibilities ~~under~~ *they may have* the Parts 1 and 2 of Division 1 of the PU Code with respect to water service to members of Mutual. SS

This order is effective today.

Dated JUN 15 1982, at San Francisco, California.

JOHN E. BRYSON
President
RICHARD D. GRAVELLE
LEONARD M. CRIMES JR.
VICTOR CALVO
PRISCILLA C. CREW
Commissioners