

Decision No. 86607

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

JAMES R. WHITMAN, et al.,
Complainants,

vs.

GOLDEN HILLS WATER COMPANY, a
partnership,

Defendant.

Case No. 9957
(Filed August 8, 1975)

In the Matter of the Application
of Golden Hills Water Co. to turn
over its facilities to its
customers and the abandonment of
its Certificate of Public
Convenience and Necessity.

Application No. 56555
(Filed June 14, 1976)

Appearances in Case No. 9957

James R. Whitman and Ronald A. Fernandes, for
themselves, complainants.
Robin G. Kennedy, for Golden Hills Water Company,
defendant.
John W. Linder, for Placer County Health Depart-
ment, interested party.
Eugene M. Lill, for the Commission staff.

Appearances in Application No. 56555

Harold D. Hadley, Attorney at Law, for Golden
Hills Water Company, applicant.
W. T. Sweigert, Attorney at Law, for Water Users
(Golden Hills), protestants.
William J. Jennings, Attorney at Law, and Leslie
D. Hay, for the Commission staff.

O P I N I O N

In Case No. 9957 complainants are 19 of the 31 customers served by Golden Hills Water Company, a partnership composed of Robin G. Kennedy and Kathryn F. Lovejoy (owners), which was authorized to construct the water system to serve Golden Hills Estates, located approximately four miles east of Loomis, Placer County, in 1958 by Decision No. 56570. Complainants are residents of Golden Hills Estates. Their complaints against the owners allege, in synopsis form, as follows:

1. Adequate quantities of water have not been provided to the customers since purchase of ditch water was discontinued.
2. Flocculation and filtration equipment is not used to effectively remove the particulate matter and turbidity from the water.
3. The open storage reservoir is not kept clean, thereby creating bad taste and odors in the water.
4. There are numerous water outages caused by lack of water, poor system design, and poor management.
5. Water is served to homes at the higher elevations at inadequate pressures.

Owners' summarized answer alleges as follows:

1. Purchase of ditch water was discontinued because customers continually complained about dirty water and the Health Department would have required filtration.
2. The cost of filters would be \$9,000, an amount not available to the utility.
3. The proper algaecide or herbicide cannot be determined.
4. The water outages were caused by lack of water.
5. If the pressure is raised, customers' plastic service pipes begin to leak.

A hearing was held on the matter at Roseville on December 11, 1975 before Examiner Pilling. On March 9, 1976 by Decision No. 85540 the Commission issued its order in this case, but at the request of the defendant vacated the decision and reopened the proceeding on April 13, 1976 by Decision No. 85693 to allow the parties and the staff to explore the possibility of reaching an agreement concerning the water system.

In Application No. 56555 Robin G. Kennedy and Kathryn F. Lovejoy, owners of Golden Hills Water Company, seek approval to turn the water system over to the users of the system. A hearing was held at Rocklin on June 28, 1976 before Examiner Pilling. At the hearing evidence was adduced which showed that negotiations between the users and the owners of the system had been underway but that several points concerning the transfer had not been resolved. The examiner adjourned the hearing with instructions to the parties to submit in the proceeding as a late-filed exhibit copies of any final draft of the agreement of transfer when such agreement is reached. Subsequently, a final agreement was filed in the case which shows that the users have incorporated a nonprofit corporation known as Golden Hills Mutual Water Company to take over the system. Consideration for the transfer is \$2. Owners are to retain a possibility of reverter:

"That when the property is no longer needed for primary water purposes to service principally the homeowners of the Golden Hills Estates, this land and wells shall revert to Robin G. and Viola Kennedy and Kathryn Lovejoy or their heirs and assigns. Primary purposes shall be declared to include and be limited to the following: a primary source of water and storage and/or pumping and/or treatment of water principally for the homeowners of Golden Hills Estates."

for so long as the property is needed for primary water purposes for the use of Golden Hills Estates homeowners. The transferee company will operate as a mutual water company.

It can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

In Application No. 56555 the Commission finds and concludes that the transfer will be in the public interest and that the transfer should be authorized.

In Case No. 9957 the Commission finds and concludes that upon the transfer of the system by the present owners to Golden Hills Mutual Water Company that the subject matter of the complaint will become moot and that conditioned upon such transfer Case No. 9957 should be dismissed.

Since there are no protests in the application proceeding and since the parties are ready to complete the transfer, this order should be made effective on the date of signing.

O R D E R

IT IS ORDERED that:

1. On or before November 30, 1976 Robin G. Kennedy and Kathryn F. Lovejoy, sellers, may sell and transfer the water system referred to in Application No. 56555 to Golden Hills Mutual Water Company, purchaser, according to the terms and conditions in the agreement of transfer submitted in Application No. 56555.
2. Within ten days after the completion of the transfer seller shall notify the Commission in writing of the date of transfer and of the date upon which purchaser shall have assumed operation of the water system. A true copy of the instruments of transfer shall be attached to the notification.

3. Upon compliance with all of the terms and conditions of this order, seller shall be relieved of its public utility obligations in connection with the water system transferred.

4. Upon the Commission's receiving the notification set out in Ordering Paragraph 2 herein the Commission will order Case No. 9957 dismissed.

5. As a condition of this grant of authority, purchaser shall assume liability for refunds of all existing customer deposits and advances pertaining to the water system being transferred. Purchaser shall send notice of liability for refunds to all customers affected.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 9th day of NOVEMBER, 1976.

*I signed because of the effective date being the date hereof.
William Synovis J.*

[Signature]

President

[Signature]

Commissioner

[Signature]

Commissioner

Commissioner Leonard Ross, being necessarily absent, did not participate in the disposition of this proceeding.