

Decision No. 86980

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
HERBERT E. WALTZ, doing business as )  
LILAC TERRACE WATER COMPANY, to turn )  
over its facilities to Tuolumne )  
County Service Area No. 18 and the )  
abandonment of its Certificate of )  
Public Convenience and Necessity. }

Application No. 56883  
(Filed November 19, 1976)

O P I N I O N

Herbert E. Waltz, an individual doing business as Lilac Terrace Water Company, has operated as a public utility since 1967 under the authority of Commission Decision No. 72099 in Application No. 48580. The water system serves 25 flat rate customers in a subdivision of 83 lots known as Lilac Terrace, adjacent to the town of Twain Harte in Tuolumne County, California. It is surrounded by, but is not a part of, the Tuolumne County Water District No. 1. The operating plant consists of two wooden storage tanks with a combined capacity of 8,400 gallons, 4,055 feet of 2-inch steel pipe, 540 feet of 4-1/2-inch steel pipe, and 775 feet of 6-inch pipe. The water company was established to supply water to the entire subdivision area in 1947. No existing water supplier was interested at the time in serving this area. The water company has not been able to expand, and because of its size it will never operate at a profit. The applicant and other owners of lots in Lilac Terrace voted at a general election held on November 2, 1976 to turn the water company over to a water district. This election was verified and certified by the Tuolumne County Board of Supervisors on November 9, 1976. The Tuolumne County Board of Supervisors agreed to formation of County Service Area No. 18 when it received assurance that Tuolumne County Water District No. 1 would provide the area with treated water from No. 1's facilities, and

would also provide the operating personnel. The resale water contract under which Herbert E. Waltz currently receives his supply from the PG&E's Soulsbyville ditch is for two statutory miner's inches. It is understood that this entitlement will be transferred to the District.

Upon approval of this application the owner of Lilac Terrace Water Company will transfer, without charge, all of its facilities, tanks, mains, and laterals to Tuolumne County Service Area No. 18 for future operation of the system. All present equipment incidental to the operation of the system which is the personal property of Herbert E. Waltz will remain as his personal property. All books, accounts receivable, accounts payable, and cash on hand will remain the obligation or asset of the present owner. Applicant will continue to operate and to maintain the system until the transfer is authorized.

It is evident that applicant and all of his customers favor the transfer. It is also likely that turning the system over to the service area may result in sufficient modification for the entire system to be annexed to Tuolumne County Water District No. 1.

After consideration the Commission finds that:

1. The proposed transfer would not be adverse to the public interest.
2. The application should be granted; a public hearing is not necessary.

O R D E R

IT IS ORDERED that:

1. Within one year after the effective date of this order Herbert E. Waltz, doing business as Lilac Terrace Water Company, may transfer to Tuolumne County Service Area No. 18 the properties referred to herein, substantially in accordance with the terms attached to the application herein but subject to the conditions of this order.

2. Within ten days after the date of actual transfer, Herbert E. Waltz shall file in this proceeding written notification of the refunding of all customer deposits made to guarantee the payment of bills and main extension advance refunds due and payable, if any. The date of transfer shall be the date upon which Tuolumne County Service Area No. 18 shall have assumed the operation of the water system authorized herein to be transferred. A true copy of the instrument or instruments of transfer shall be attached to the written notification.

3. On or before the date of actual transfer Herbert E. Waltz shall deliver to Tuolumne County Service Area No. 18 all available records, memoranda, and papers pertaining to the construction and operation of the properties authorized herein to be transferred.

4. On or before the date of actual transfer Herbert E. Waltz shall deliver to each owner of each lot served by the Lilac Terrace Water Company a copy of this decision.

5. Upon completion of the transfer authorized by this order and upon compliance with all the terms and conditions of this order, Herbert E. Waltz shall be relieved of his public utility obligations in connection with the utility system transferred.

The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 15<sup>th</sup> day of FEBRUARY, 1977.

Paul Bateman  
President  
William J. ...  
...  
Richard D. ...  
Commissioners

Commissioner Vernon L. Sturgeon, being necessarily absent, did not participate in the disposition of this proceeding.