

ORIGINAL

Decision No. 88467 FEB 7 1978

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of PARK WATER COMPANY,
and the CITY OF COMMERCE for an Order
authorizing the transfer of certain
properties of PARK WATER COMPANY to
the CITY OF COMMERCE.

Application No. 57733

O P I N I O N

Park Water Company (Park) seeks authority under Section 851 of the Public Utilities Code to sell and transfer, and the City of Commerce (Commerce) to acquire, those portions of the Park water system lying within the city limits of Commerce. Park further requests authority upon completion of the transfer to discontinue its public utility obligation within Commerce.

By resolution dated December 5, 1977, the City Council of Commerce unanimously authorized the acquisition of certain properties of Park located within Commerce, with such acquisition to be made by negotiation under threat of condemnation or through condemnation.

Applicants entered into a Water System Acquisition Agreement (Agreement) on November 23, 1977, copy attached to the application as Exhibit B, in order to avoid extensive litigation and the related costs thereof.

The portion of the Park system lying within Commerce serves approximately 568 connections. The total purchase price for the Park property, as described in the Agreement, is \$1,781,285.58. Of the total, \$917,258.58 is allocated for 568 water services and other properties described in the Agreement, and \$864,000 for 3,000 acre feet of total water rights, with currently allowed water pumping rights of 2,400 acre feet, calculated at \$360 per acre foot of allowed pumping rights. Park alleges that the original costs of the properties involved were \$589,627.

A map delineating the service area to be transferred by Park to Commerce is attached to the application as Exhibit C.

The Agreement provides that Commerce shall assume those main extension agreements of Park relating to the services sold by Park. Customer deposits held by Park will be refunded by Park. Commerce will charge customers of the facilities acquired from Park the same rates currently charged by Park.

Customer notification has been by local newspapers and city council meetings in connection with proposed condemnation or purchase. No protests have been received.

Payment to Park will be in full on the date of closing, by cashier's check or Commerce warrant. Adjustments payable pursuant to water service count will be paid within 10 days after completion of the count, or within 10 days after closing.

The Agreement provides that the time of transfer and closing shall be 8 a.m. on January 31, 1978. The Agreement terminates on January 31, 1978 if closing does not occur or if some later date has not been agreed on by Park and Commerce.

The decision should be effective on the date of approval in order to permit the earliest practical closing date.

The Commission finds that the proposed transfer will not be adverse to the public interest. It can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment. A public hearing is not necessary. The application should be granted, effective upon approval.

O R D E R

IT IS ORDERED that:

1. On or before July 1, 1978, Park Water Company may sell and transfer the portion of its water system referred to in the application to the City of Commerce in accordance with the terms of the Water System Acquisition Agreement attached to the application.

2. On or before the date of actual transfer, Park Water Company shall refund all customers' deposits for the establishment of credit, if any, which are subject to refund.

3. As a condition of this grant of authority, the City of Commerce shall assume all liability for refund of main extension advances, if any, which have been established in the City of Commerce.

4. Within ten days after the completion of the transfer, seller shall notify the Commission, in writing, of the date of transfer, of the refunding of the deposits, 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.

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

Due to the need of this authority at the earliest practical closing date, the effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 7th
day of FEBRUARY, 1978.

Robert Batinaich
President
William Agnew Jr.
Vernon L. Steichen
Clifford O. Howell
Clare J. DeLoach
Commissioners