

ORIGINAL

Decision No. 90265 MAY 8 1979

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of V. L. Bressie,
P.O. Box 547, Bodega Bay, CA
94923, doing business as
"Jenner Water Works" Jenner,
Sonoma County, California to
sell and Kevin J. Campbell
and K. Hendrik Belcher,
P.O. Box 12, Jenner, California
95450, to buy the water system
in Jenner, California, Sonoma
County.

Application No. 58536
(Filed December 20, 1978)

O P I N I O N

V. L. Bressie (Seller), dba Jenner Water Works, requests authorization under Section 851 of the California Public Utilities Code to sell and transfer the water system and related assets to Kevin J. Campbell and K. Hendrik Belcher (Buyers).

The Jenner Water Works provides unmetered domestic water service to approximately 102 customers located in and near Jenner, Sonoma County, California. Authority to purchase the system was granted to V. L. Bressie and Elizabeth C. Bressie (now deceased) by Decision No. 65128, dated March 26, 1963, in Application No. 45156.

The filed annual report as of December 31, 1977, indicates that the original cost of the property being transferred is \$27,562.99, that the depreciation reserve is \$5,498.75, that there are \$11,624.91 unrefunded advances for construction and \$2,242.11 contributions in aid of construction for a net book cost of \$8,197.22. The sale price is \$25,000, terms \$5,000 down, balance \$200 per month with interest at 8% on the unpaid balance.

A. 58536 FG

A note and deed of trust will be issued to secure payment of the balance due. Buyers allege their understanding that they can earn a return only on the \$8,197.22.

The water system plant and assets are described in the application. Water supply consists of three developed springs and two stream diversions with a maximum capacity of 300 gpm. There are four storage tanks totalling 45,500 gallons, two 5 hp pumps, two chlorinators, approximately 24,000 feet of distribution lines primarily two-inch diameter, and eight and a fraction lots.

The Seller has advised the Commission staff that not all of the eight and a fraction lots are necessary for the operation of the water system, but that due to an inaccurate location survey of the system, and missing lot markers, he is unable to say at this time just which of the lots are unnecessary. Although he cannot identify it by number, he points out that one unnumbered lot provides a good building site, and that a comparable adjoining lot was recently sold for \$25,000. He has no personal desire to take advantage of the opportunity to sell this lot separately, saying, in effect, that he bought the lots with the property and will sell them with the property.

The system is old and does not meet present Commission standards in some respects, although it is alleged that it met the standards in effect when installed. It is stated in the application that several thousand feet of pipe have been replaced in the past fifteen years, and that the two pumps are relatively new. Buyer Kevin J. Campbell has been operating the system for approximately six months and is familiar with its deficiencies. He also plans to qualify for water treatment operator.

Buyers allegedly have plans to upgrade the system gradually, including enclosing all springs and replacing the piping from them at an early date, and improving the filtering of water from Jenner Creek.

A copy of the transfer agreement and proposed deeds to the real property are attached to the application as Exhibits A and B.

The financial statements of Buyers, Exhibits C and D to the application, indicate that they are financially capable of operating and maintaining the system.

Seller desires to dispose of the system because of advanced age (77) and illness, which make him unable to perform proper operation of the system. Buyers desire to acquire the system because they are residents and property owners in Jenner and are interested in continuous proper operation of its water system.

Applicants allege that there are no customer deposits to establish credit, and that Buyers will pay refunds on main extension advances which fall due in the future.

The community of customers has been informed of this proposed sale by individual letters, of which the staff has received a copy. No protests to the sale have been received.

The Commission finds that Buyers have adequate financial resources to acquire and operate the Jenner Water Works; Buyer Campbell is an experienced water plant operator; the proposed sale and transfer is not adverse to the public interest and should be granted, but that restrictions must be placed on the further sale of any property acquired by this authorization to enable this Commission to be assured that no property useful to the water system is so sold; and a public hearing is not necessary.

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

The authorization herein granted shall not be construed as a finding of the value of the rights and properties herein authorized to be transferred nor as indicative of amounts to be included in proceedings for the determination of just and reasonable rates.

O R D E R

IT IS ORDERED that:

1. On or before June 30, 1979, V. L. Bressie may sell and transfer the water system (and other assets) referred to in the application to Kevin J. Campbell and K. Hendrik Belcher. None of the properties to be acquired in this sale and transfer may be disposed of without specific authorization of this Commission.
2. On or before the date of actual transfer, Seller 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, Buyers shall assume the public utility obligations of Seller within the area served by the water system being transferred and shall assume liability for refunds of all main extension advances pertaining to the water system being transferred.
4. Within ten days after completion of the transfer, Buyers shall notify the Commission, in writing, of the date of completion and of the assumption of the obligations set forth in paragraph 2 of this order.
5. Buyers shall either file a statement adopting the tariffs of Seller now on file with this Commission or refile under its own name those tariffs in accordance with the procedures prescribed by General Order No. 96-A. No increase in rates shall be made unless authorized by this Commission.

6. On or before the date of actual transfer, Seller shall deliver to Buyers, and the latter shall receive and preserve all records, memoranda, and papers pertaining to the construction and operation of the water system authorized to be transferred.

7. On or before the end of the third month after the date of actual transfer, Buyers shall cause to be filed with the Commission, in such form as it may prescribe, an annual report covering the operations of Seller for the period commencing with the first day of the current year to and including the effective date of the transfer.

8. 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.

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

8th Dated at San Francisco, California, this
day of MAY 1, 1979

John E. Byrson
President
James L. Sturgeon

Commissioner Richard D. Gravelle, being necessarily absent, did not participate in the disposition of this proceeding.

Clare T. DeWitt
Richard D. Gravelle
Commissioners