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Decision No: S043S JUN 19 1979**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of INVERNESS WATER COMPANY)
 for an Order Approving the Disposition)
 of its Water System and Authorizing) Application No. 58857
 Applicant to Withdraw from Public Service) (Filed May 14, 1979)

O P I N I O N

Inverness Water Company (Inverness), a California corporation, requests authority under Section 851 of the California Public Utilities Code to sell and transfer its water system to the Inverness Public Utilities District (District).

Inverness provides water service to approximately 433 meter rate residential and commercial customers in or near the town of Inverness, Marin County, California.

District is a Public Utilities District organized and existing under and by virtue of the laws of the State of California.

The annual report for Inverness for the period ending December 31, 1978, shows a utility plant value of \$502,439, with a reserve for depreciation of \$113,520, for a net book value of \$388,919. The sale price is \$330,000, subject to adjustment and reimbursement as provided in the agreement. The sale price, reached under threat of condemnation, was stipulated by Inverness and District in Application No. 58061. The purchase does not include fee interest in approximately 200 acres of land, identified as Parcels 4, 11-1, 11-2, and 11-3 on the schedule of real property attached to the agreement.

Funds, in amounts and on terms sufficient to make the purchase, are to be derived from the sale of revenue bonds to the Farmer's Home Administration. The issuance of these bonds was approved by the voters in the Inverness Public Utility District by a vote of 247 to 57, or 81% favorable, in an election on June 5, 1979.

Closing date is a date to be agreed upon between Inverness and District, but not later than June 30, 1979, unless the Farmer's Home Administration has not purchased District's revenue bonds. In that event the District, at its option, may extend the closing date to December 30, 1979, or anytime sooner.

Inverness requests that the effective date of this order be simultaneous with the exchange and signing of documents at the closing of the sale of the Inverness water system to the District.

The customers of Inverness have been made aware of the proposed sale through two public meetings, through a series of newspaper advertisements espousing the sale, and through the bond issue election of June 5, 1979. No protests have been received.

Inverness states that there are no outstanding deposits. (Exhibit G to the agreement).

Inverness will continue to make all refunds of advances as and when required under existing main extension agreements, and District will continue to supply all information necessary for Inverness to do so, as stated in the application and in accordance with the terms of the agreement.

After consideration, the Commission finds that the proposed sale and transfer would not be adverse to the public interest. The application should be granted. A public hearing is not necessary.

The Commission concludes that in order to permit the parties to consummate the closing at their earliest convenience, the effective date of this order should be the date hereof.

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.

O R D E R

IT IS ORDERED that:

1. On or before December 30, 1979, Inverness Water Company may sell and transfer the water system (and other assets) referred to in the application to Inverness Public Utilities District, according to the terms and conditions attached to the application.

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. Seller will continue to make all refunds of main extension advances, in accordance with the terms of the application and the agreement attached thereto. Buyer will continue to supply all information necessary for seller to do so.

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 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 is the date hereof.

Dated at San Francisco, California, this 19th day of JUNE, 1979.

John E. Byrson
President
Leslie L. Spurgeon
Robert P. Swartz
W. Paul J. Dellich
Donald W. Smith
Commissioners