

Decision No. 90655 AUG 14 1979**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

APPLICATION OF ALFRED E. AUGENSTEIN and
 MARY Z. AUGENSTEIN, doing business as
 BUCKINGHAM PARK WATER COMPANY FOR ORDER
 AUTHORIZING TRANSFER OF ALL FACILITIES
 TO THE BUCKINGHAM PARK COUNTY WATER
 DISTRICT, A POLITICAL SUBDIVISION OF
 THE STATE OF CALIFORNIA IN THE COUNTY
 OF LAKE, STATE OF CALIFORNIA.

Application No. 58295
 (Filed August 16, 1978)

O P I N I O N

Alfred E. Augenstein and Mary Z. Augenstein (Sellers), dba Buckingham Park Water Company, and the Buckingham Park County Water District (Purchaser), request authority under the provisions of Section 851 of the Public Utilities Code to sell and transfer the complete plant and facilities of the water system.

The Buckingham Park Water Company furnishes domestic water service to approximately 269 customers in an area known as Buckingham Park, on the shore of Clear Lake, nine miles northeast of Kelseyville, Lake County. All services are metered.

Sellers were granted a certificate of public convenience and necessity by Decision No. 52007, dated October 4, 1955 in Application No. 36575. By Decision No. 81740, dated August 14, 1973, Sellers were authorized to enter into a lease purchase agreement with the County of Lake, acting on behalf of County Service Area No. 8. This agreement provided procedures for termination of the agreement, and the County of Lake, County Service Area No. 8, terminated it on July 1, 1977, with title reverting to the Sellers. The lease purchase agreement provided for semiannual payments of \$6,750, plus payment of all personal and real property taxes levied

or assessed against the property, for a period of 10 years, ending at midnight July 17, 1983, with an option to buy for \$1.00 at the end of the period.

There have been no annual reports filed by the utility since December 31, 1972. At that time the original cost was reported as \$172,758.44, with depreciation of \$69,222.01, for a net book cost of \$103,536.43. The purchase price is to be determined in proceedings in eminent domain. By the agreement attached to the application, Sellers agree to give possession within 10 days after approval of the agreement by this Commission or the issuance of an Order for Prejudgment Possession by the Superior Court of California for the County of Lake, whichever comes first. The agreement provides that commencing one month after taking possession, the Purchaser will pay Sellers \$1,000 per month for six months, then \$1,500 per month until final judgment of condemnation, or relinquishment of possession. All sums paid will be deducted from the amount finally awarded, except that Sellers may retain any overpayment as payment for the use and occupancy of the property. If Purchaser abandons eminent domain proceedings, possession of the system, together with all improvements thereto, shall revert to Sellers, who would also retain all payments made to them.

The Purchaser assumed control on September 11, 1978 under Order for Possession issued by Superior Court on September 7, 1978, and thereafter has operated the system. Since assuming control Purchaser paid Sellers the sum of \$1,000 for six months, and is presently paying \$1,500 to Sellers, in accordance with the agreement. The staff has been advised that Purchaser has secured a grant, and has proceeded to make improvement to the system. These improvements include a new well, which provides an adequate and potable water supply. Clear Lake will continue to be used, but only as a standby source.

An itemization of plant facilities and real estate to be transferred is contained in Exhibit A to the agreement. The application is silent on the matter of payment of refunds due on deposits to establish credit or on refunds becoming due on advances for main extensions. Sellers have advised the staff that there are none.

Purchaser desires to acquire immediate possession of the water system in order to begin engineering studies and other work to improve the system. The system is not in good condition. Improvement and additions are urgently needed which are beyond the financial capability of Sellers to accomplish. The earliest practical date that authorization can be granted will greatly assist in securing early accomplishment of the needed improvements and addition.

After consideration the Commission finds that the proposed transfer is not adverse to the public interest. The application should be granted. 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.

O R D E R

IT IS ORDERED that:

1. On or before December 31, 1979, Alfred E. Augenstein and Mary Z. Augenstein may sell and transfer the water system (and other assets) referred to in the application to Buckingham Park County Water District, according to the terms and conditions attached to the application.

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

3. Within ten days after the completion of the transfer Sellers 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.

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

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

Dated AUG 14 1979 at San Francisco, California.

John E. Cayo
President
James L. Sturgeon

Walter J. ...
Richard D. Gravelle
Commissioners

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