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ORIGINAL

Decision No. 91073 NOV 30 1979

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of VERNON L. BRESSIE
to sell and THE FORESTVILLE COUNTY
WATER DISTRICT to buy the water
system commonly known as V. L. BRESSIE
WATER SYSTEM AT MIRABEL, situated in
the County of Sonoma, State of
California.

Application No. 59110
(Filed August 29, 1979)

O P I N I O N

Vernon L. Bressie (Seller) and Forestville County Water District (Buyer) jointly request authority under Section 851 of the California Public Utilities Code for Seller to sell and transfer to Buyer the water system commonly known as the V. L. Bressie Water System at Mirabel (System).

System serves approximately 160 flat rate customers in the area known as the Mirabel Heights area, adjacent to the unincorporated community of Forestville, Sonoma County.

According to the application, as of December 31, 1978, the original cost of the property being transferred was \$42,108.44, materials and supplies were \$1,200, and depreciation was \$8,933.44, for a net book cost of \$34,375. The selling price is \$34,375, terms cash on close of escrow.

Seller was authorized to purchase System from the Mirabel Amusement Company by Decision No. 59467, dated January 5, 1960, in Application No. 41568.

An inventory of assets and descriptions of parcels to be transferred are included in the agreement for sale, Exhibit A to the application.

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Seller and Buyer warrant that there are no customer deposits to establish credit nor any main extension advances.

The condition of System is not good. It will be completely replaced with a new water distribution system and water supply.

Seller desires to dispose of System because of his age, his desire to retire, and his inability to make badly needed improvements to System. Buyer states it is obligated to buy System as it has been annexed to Buyer. Buyer has been operating a water system in Forestville since 1961 and presently has 580 customers.

Buyer has instituted special assessment district proceedings. Buyer now advises the staff that the proceedings have been completed. Buyer has, in addition, received substantial financial assistance from the U.S. Farmers Home Administration (FHA), which is also purchasing the assessment bonds. This financing results in lower costs for the water system.

Buyer has informed the Commission staff that it has operated system since September 1, 1979 and has replaced approximately 70 percent of the distribution system. When complete, the customers will be metered and charged the rates prevailing in Forestville County Water District. During the period subsequent to the transfer and before complete rebuilding, customers will be charged a flat monthly rate of \$6.75 by the district, which is less than Seller's annual rate of \$90.

Buyer advises that close of escrow is awaiting arrival of funds from FHA, expected within a month, and approval of this Commission. Approval should therefore be expedited.

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Customers have been fully advised of the proposed sale in connection with annexation of the property and the special assessment district proceedings for the construction of the new water system. No protests have been received.

Findings of Fact

1. The proposed sale and transfer is not adverse to the public interest.
2. As Buyer is presently operating System and is proceeding diligently with renewal of System, and as close of escrow is expected to await Commission approval, an early approval date is desirable.

Conclusions of Law

1. The application should be granted as set forth in the following order.
2. The effective date of this order should be the date of signing.

O R D E R

IT IS ORDERED that:

1. On or before January 31, 1980, V. L. Bressie may sell and transfer the water system at Mirabel as described in the application to Forestville County Water District, according to the terms and conditions attached to the application.

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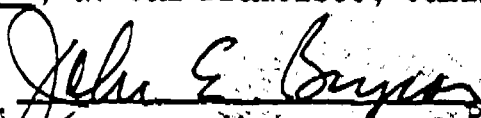
2. On or before the date of actual transfer, Seller shall refund all customers' deposits for the establishment of credit, and advances for construction, if any, which are subject to refund.


3. 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 Buyer shall have assumed operation of the water system. A true copy of the instruments of transfer shall be attached to the notification.

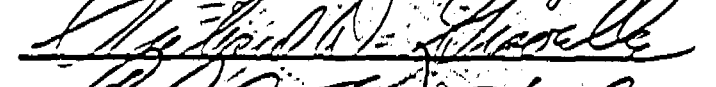
4. Upon compliance with all of the terms and conditions of this order, Seller shall be relieved of its public utility obligations in connection with the water system transferred.


The effective date of this order is the date hereof.

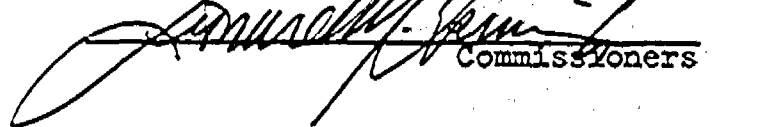
Dated NOV 30 1979, at San Francisco, California.



President







Commissioners