

ORIGINAL

Decision No. 59835

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
MISSION WATER CO., a California
corporation, to sell assets to
RUBIDOUX COMMUNITY SERVICES DISTRICT.

} Application No. 41921
} (Amended)

OPINION AND ORDER

By this application, filed February 3, 1960, and amended
March 14, 1960, Mission Water Company¹, a corporation, seeks
authorization to sell and transfer its public utility water system²
to Rubidoux Community Services District, which joins in the
application.

Seller provides public utility water service in the
unincorporated community of Rubidoux, also known as West Riverside,
Riverside County. Seller's annual report to the Commission for the
year ended December 31, 1958, shows that the utility was serving
486 customers as of that date.

Commission records indicate that the subject water system
was established pursuant to a certificate of public convenience and
necessity granted to Seller by Decision No. 43688, issued
January 17, 1950, in Application No. 30633.

The terms and conditions of the proposed transfer are set
forth in an instrument entitled "Waterworks System Acquisition
Agreement 1959", dated September 3, 1959, a copy of which is attached
to the application as Exhibit "C". The transfer is contingent upon

1 Sometimes herein called "Seller".

2 Sometimes herein called "Purchaser".

authorization by this Commission. The consideration for the transfer is to be \$150,000 in cash, to which sum is to be added both the depreciated cost of all utility plant additions made between January 1, 1958, and the date of closing and the cost of construction work in progress as of the date of closing, and from which sum is to be deducted the depreciated cost, as of January 1, 1958, of all plant sold or retired subsequent to January 1, 1958, and before the closing date. The amendment to the application estimates that the purchase price so determined as of November 30, 1959, would have been \$154,825.72.

Exhibit "C" also provides that Purchaser is not to assume any customers' deposits nor any obligations under main extension agreements. Exhibit "D", attached to the application, is a copy of an instrument entitled "Declaration of Trust" with Farmers and Merchants Trust Company of Long Beach, a corporation, trustee, covering each party to such main extension agreements. Exhibit "D" provides for the deposit by Seller of \$715.29 in trust. According to the trust declaration, Seller, or its successors in interest, will obtain from Purchaser all information necessary to determine the amounts of refunds payable under each main extension agreement and, after computing such amounts, direct the trustee to make payments as they become due and payable. The agreement of sale provides that Purchaser will furnish Seller all information needed to determine the amounts of such refund payments.

The amendment to the application states that the boundaries of Purchaser include the entire service area of Seller and that Purchaser will offer service to all of Seller's customers.

Seller's balance sheet, Exhibit "A" attached to the application, indicates that, as of November 30, 1959, total utility plant amounted to \$75,385.08 and depreciation reserve to \$23,934.74, indicating net utility plant of \$51,450.34.

The application requests that this matter be acted upon as soon as possible in order that the utility will not be required to enter into any new main extension agreements, thus complicating negotiations between Seller and Purchaser. Seller's attorney has informed the Commission that Purchaser has sold bonds for the purchase of the system and wishes to take possession on April 1, 1960. For this reason the effective date of this order will be the date hereof.

The action taken herein shall not be construed to be a finding of the value of the property herein authorized to be transferred.

The Commission having considered the above-entitled application and being of the opinion that the proposed transfer will not be adverse to the public interest, that a public hearing is not necessary, and that the application should be granted; therefore,

IT IS HEREBY ORDERED that:

1. Mission Water Company, a corporation, may, on or after the effective date hereof and on or before September 30, 1960, transfer the herein described public utility property to Rubidoux Community Services District, pursuant to the instrument entitled "Waterworks System Acquisition Agreement 1959", dated September 3, 1959, a copy of which is attached to the application as Exhibit "C".

2. On or before the date of actual transfer, Mission Water Company shall refund all customers' deposits which customers are entitled to have refunded, and within thirty days thereafter shall notify this Commission in writing of the date of completion of such refunding.

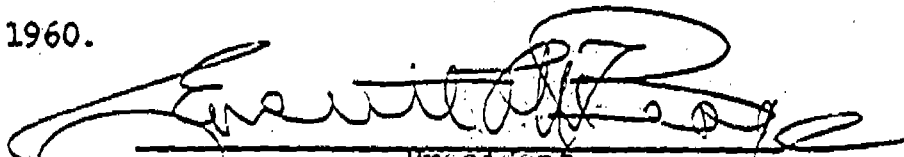
3. Mission Water Company, shall, on or after the effective date hereof and prior to the actual date of the transfer of property authorized hereinabove, deposit with Farmers and Merchants Trust Company of Long Beach, the sum of \$715.29 for the purposes, and according to the terms, of the "Declaration of Trust", Exhibit "D" attached to the application.

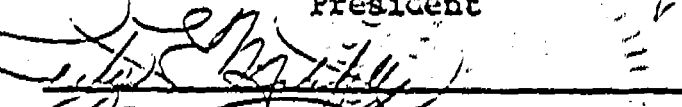
4. If the authority herein granted is exercised, Mission Water Company, shall, within thirty days thereafter, notify this Commission in writing of the date of completion of the property transfer herein authorized and of its compliance with the conditions hereof.


5. Upon due compliance with all of the conditions of this order, Mission Water Company shall stand relieved of all further public utility obligations and liabilities in connection with the operation of the public utility properties herein authorized to be transferred.

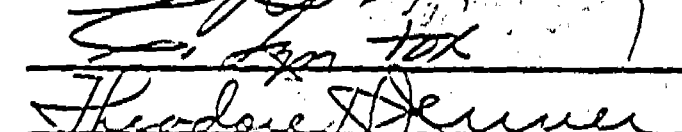
The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 29th day of March, 1960.



President






Commissioners