

ORIGINAL

Decision No. 66713

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of JURUPA HILLS WATER)
CO., a California corporation, to)
sell all its assets to RUBIDOUX)
COMMUNITY SERVICES DISTRICT.)

Application No. 45665
Filed August 9, 1963

O P I N I O N

Jurupa Hills Water Co., a corporation, originally certified as a proprietary public utility to serve Units 1, 2, 3 and 4 of Jurupa Hills Subdivision, in Riverside County (Decision No. 60502, August 2, 1960, Application No. 40932), requests authority to transfer its assets to Rubidoux Community Services District, which joins in the application, for the agreed basic price of \$147,451.93 cash. A form of the agreement to be used for the transaction has been submitted and is hereby included in this record as Exhibit 1.

Applicants allege that proceedings are pending to annex all of the utility's service area north of Limonite Avenue to the district and that the district will continue to serve the present area of the utility that lies outside the district's boundaries.

The utility's balance sheet as of December 31, 1962 (Exhibit B) indicates, under "Liabilities", advances for construction totaling \$50,580.93 and customers' deposits amounting to \$192.50. The acquisition agreement provides that "Seller agrees to carry out, or to arrange for the carrying out of, all such obligations." (Agreement, Section 3(e).) Neither the application nor the agreement, however, reveals whether the indicated liability for advances is for refunds due December 31, 1962 or

represents the total face value of refund contracts outstanding as of that date, or what was the situation with regard to such obligations as of the date (August 9, 1963) the application was filed. Moreover, the utility has not indicated the method by which its undertaking to carry out such obligations would be implemented.

The Commission finds that:

1. The proposed transfer is not adverse to the public interest.
2. Seller should formulate a plan acceptable to this Commission, as evidenced by a supplemental order to that effect, for payment of its refund obligations relating to outstanding advances for construction by placing in trust or escrow a suitable portion of the proceeds from the sale of its water system.

The Commission concludes that the proposed transfer should be authorized subject to the conditions set forth in the following order. A public hearing is not necessary.

O R D E R

IT IS ORDERED that:

1. Jurupa Hills Water Co., a corporation, after the effective date of this order and on or before July 1, 1964, may sell and transfer its assets to Rubidoux Community Services District, a public corporation, substantially in accordance with the terms and conditions of the "Waterworks System Acquisition Agreement" included in this proceeding as Exhibit 1 and subject to compliance with the provisions of this order.
2. On or before the date of actual transfer, Jurupa Hills Water Co. shall refund all customers' deposits for the establishment of credit, if any, which are subject to refund.
3. Jurupa Hills Water Co. shall deposit in escrow with a suitable bank, trust company, or other agent approved by the ✓

Commission, the total amount of unrefunded advances, to be disbursed, in a manner to be approved by supplemental order of this Commission, in part to seller and in part to settle refund obligations related to outstanding advances for construction.

4. Within ten days after the date of actual transfer, Jurupa Hills Water Co. shall submit written notification to this Commission of the refunding of deposits and establishment of escrow required herein, the date of transfer, and the date upon which purchaser shall have assumed operation of the water system authorized herein to be transferred. A true copy of the instrument or instruments of transfer shall be attached to the written notification.

5. Upon compliance with the above conditions of this order, as evidenced by a supplemental order to that effect, Jurupa Hills Water Co. shall stand relieved of all of its public utility obligations except refund of advances for construction, in the area served by the transferred system, and may discontinue service concurrently with the commencement of service by purchaser.

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

Dated at San Francisco, California, this 28th day of January, 1964.

Halberson W. Sturges
President
George T. Crover
Frederick B. Halckhoff
Commissioners