

Decision No. 76603

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of JULIO J. ROVAI and LOUIS J. ROVAI, a partnership, doing business under the firm name and style of RIO DELL WATER SYSTEM, for authority to sell its assets to CITY OF RIO DELL, CALIFORNIA, MUNICIPAL WATER CORPORATION, which, in turn, proposes to lease the acquired assets to the CITY OF RIO DELL, CALIFORNIA, for an order authorizing applicant to cease operations as a public utility, and for an order declaring that the Commission has no further interest in regulating the resulting water property operations.

Application No. 51540  
(Filed December 8, 1969)

O P I N I O N

Applicants request authority to sell a water system to the City of Rio Dell, California, Municipal Water Corporation, which, in turn, proposes to lease the system to the City of Rio Dell.

The water system is located generally in and adjacent to the City of Rio Dell, California.

The agreed consideration is \$335,000 to be paid in installments from the proceeds of the sale of the corporation's first mortgage bonds.

Upon the acquisition of the water system applicant purchaser proposes to lease the system to the City of Rio Dell pursuant to a lease agreement which will terminate on January 1, 1994. Upon the termination of the lease, or upon the payment of all indebtedness of the purchaser the nonprofit corporation shall

dissolve and the assets of the system shall be taken over by the City of Rio Dell.

Applicants Julio and Louis Rovai have no outstanding main extension agreements and will not negotiate agreements prior to the sale of the water system. Prepaid deposits collected by the Rovais will be paid to the city and administered by the city in accordance with the terms pursuant to which they were received by the Rovais.

It is alleged that the mortgage bonds will be delivered in December, 1969, which requires that Commission authority be obtained and the system transferred by December 31, 1969.

After consideration the Commission finds that the proposed transfer would not be adverse to the public interest and upon consummation of the transfer, that public convenience and necessity would no longer require applicant sellers to serve within the area herein considered. A public hearing is not necessary.

O R D E R

IT IS ORDERED that:

1. On or before July 1, 1970, Julio J. Rovai and Louis J. Rovai may transfer to City of Rio Dell, California, Municipal Water Corporation the water system herein referred to according to the terms and conditions of the agreement attached to the application.

2. Within thirty days after the consummation of the transfer authorized by ordering paragraph 1 hereof, Julio J. Rovai and Louis J. Rovai shall notify the Commission, in writing, of that fact and within said period shall file with the Commission a true

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copy of any bill of sale or other instrument of transfer which may be executed to effect said transfer.

3. Upon compliance with the conditions of this order, Julio J. Rovai and Louis J. Rovai shall stand relieved of their public utility obligations and may discontinue service concurrently with the commencement of service by the City of Rio Dell, California, Municipal Water Corporation.

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

Dated at San Francisco, California, this 23rd day of DECEMBER, 1969.

William J. ...  
President

August ...

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Vernon L. Sturgeon  
Commissioner