

Decision No. 17041

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 M. F. REAGAN,
 and
 LOS ALAMITOS WATER COMPANY
 for an order approving sale and cer-
 tificate of public convenience and
 necessity.

ORIGINAL

Application No. 12921

William A. Conover, for applicant.

BY THE COMMISSION:O P I N I O N

In this proceeding the Railroad Commission is asked to make an order authorizing M. F. Reagan to transfer a small public utility water system to Fred Schneider and authorizing Fred Schneider to transfer the properties to a trust known as Los Alamitos Water Company.

M. F. Reagan is the owner of a water system used to supply water for domestic purposes in and about the town of Los Alamitos, Orange County. From his annual report to the Commission for the year 1925 it appears that water is obtained by pumping from two wells, located in Los Alamitos, and distributed from a 10,000 gallon redwood tank through about 30,850 feet of standard screw pipe to about 145 consumers, all metered. Mr. Reagan reports that his investment in fixed capital is \$15,249.00 and that there is no encumbrance or indebtedness outstanding against the system.

It now appears that due to ill health Mr. Reagan is compelled to retire from actual management and operation of the water plant and that he has arranged, for a nominal consideration, to transfer a one-third interest in the properties to Robert C.

Bloomquist who will have direction of the business and look after all the details of maintenance and administration and a one third interest to Jennie W. Bloomquist, who will have charge of the office work, book-keeping, collections, correspondence, etc., and that he will retain a one third interest for himself. It further appears that it has been decided to operate the properties and business by a trust, rather than by another form of organization, and to that end an agreement and declaration of trust was entered into as of May 27, 1926, a copy of the instrument being filed with the petition herein as Exhibit "A".

As a first step in effecting the new arrangement M. F. Reagan will transfer the water properties to Fred Schneider. Thereafter Fred Schneider, as trustor, will transfer the properties, as provided in the agreement and declaration of trust, to Jennie W. Bloomquist, Robert C. Bloomquist and Michael F. Reagan, as trustees of the trust created by the agreement, who in their collective capacity, are to be designated as Los Alamitos Water Company. The trustees thereupon will operate the water system, during the duration of the trust, which will continue for a period of twenty-five years after the date thereof, for the beneficial owners, who, in the first instance, will be Michael F. Reagan, Jennie W. Bloomquist and Robert C. Bloomquist.

Although the agreement provides that the beneficial interests, or any part thereof, are assignable, no authority is requested to issue certificates of beneficial interest or ownership. We believe that in the event any of the beneficial owners hereafter desire to transfer their interest that application must first be made to, and permission received from, the Commission.

Upon the record herein we are of the opinion that it will be in the public interest for this application to be granted, as provided in the order following this opinion and for Los Ala-

mitos Water Company to acquire and operate the water system and properties now owned and operated by M. F. Reagan.

O R D E R

Application having been made to the Railroad Commission for an order authorizing the transfer of a public utility water system, a public hearing having been held before Examiner Williams and the Commission being of the opinion that the application should be granted as herein provided,

IT IS HEREBY ORDERED that M. F. Reagan be, and he hereby is, authorized to transfer to Fred Schneider the public utility water system owned by him in Los Alamitos, Orange County, and referred to in the foregoing opinion, and Fred Schneider be, and he hereby is, authorized to transfer the system to Michael F. Reagan, Jennie W. Bloomquist and Robert C. Bloomquist, trustees of the trust created by the agreement and declaration of trust, dated May 27, 1926, which agreement and declaration of trust said Fred Schneider and Michael F. Reagan, Jennie W. Bloomquist and Robert C. Bloomquist, trustees, are hereby authorized to execute.

The authority herein granted is subject to the following conditions:-

1. The authority herein granted to execute an agreement and declaration of trust is for the purpose of this proceeding only and is granted only insofar as this Commission might have jurisdiction under the terms of the Public Utilities Act and is not intended as an approval of said agreement and declaration of trust as to such other legal requirements to which said agreement and declaration of trust may be subject.
2. Within thirty days after the transfer of the properties herein authorized Los Alamitos Water Company shall file with the Commission a certified copy of the deed.

or deeds, under which it acquires or holds title to the properties herein authorized to be transferred, and shall at the same time file a certified statement showing the exact date upon which it took possession of such properties.

3. The authority herein granted shall become effective upon the date hereof.

DATED at San Francisco, California, this 2^d day of

July, 1926.

H. B. Brundage

C. A. Seaver

Frank Scott

Commissioners.