

Decision No. 5818

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of SESPE LAND AND WATER COMPANY,
a corporation, for an order authoriz-
ing it to convey to Fillmore Irriga-
tion Company, a corporation, certain
water rights and rights of way and
for an approval of an agreement enter-
ed into between said corporations of
date December 12, 1917.

Application No. 3965

In the Matter of the Application of
SESPE LAND AND WATER COMPANY, a cor-
poration, and the City of Fillmore,
a municipal corporation, for an order
authorizing the sale of public utility
property and approving a certain agree-
ment between the parties.

Application No. 3966

George E. Farrand for Sespe Land & Water Company,
John A. Galvin, city attorney for the City of Fillmore.

BY THE COMMISSION.

O P I N I O N

In Application Number 3965, Sespe Land and Water Company, hereinafter also referred to as the Sespe Company, asks authority to convey to Fillmore Irrigation Company, hereinafter also referred to as the Fillmore Company, certain rights of way, easements, water and water rights described in the agreement marked Exhibit Number "1" and attached to the petition in said application, and to carry out the terms and provisions of said agreement.

In Application Number 3966, Sespe Land & Water Company asks authority to sell to the City of Fillmore for \$15,000.00 the property described in the agreements marked Exhibits "A" and "B" and attached to the petition in said application.

A hearing was had on the above applications before Examiner Encell at Ventura on August 9. The applications were consolidated for hearing and decision.

Sespe Land & Water Company was organized April 22, 1886 for the purpose of buying and selling land and water. It is a public utility but does a large amount of private business.

On October 1, 1888 Sespe Land & Water Company caused to be organized the Fillmore Irrigation Company, a mutual water company, as an instrumentality and means for the distribution and sale of its lands. From time to time, certain other properties consisting of water and water rights were transferred by the Sespe Land & Water Company to the Fillmore Company and the Fillmore Company transferred to the Sespe Company certain shares of stock, which shares of stock were later given by the Sespe Company to purchasers of land from it.

The ultimate purpose to be accomplished through the transactions referred to in these applications is to transfer to the City of Fillmore the water distributing system located within the city and thus divest Sespe Land & Water Company from its public utility functions. The first step toward this end is the exchange of certain properties between Sespe Land & Water Company and Fillmore Irrigation Company; the second, the sale of the Sespe Land & Water Company's distributing system in Fillmore to the city.

In 1917 the Board of Trustees of the City of Fillmore demanded the Sespe Company to improve its water service. For this purpose the Sespe Company and the Fillmore Company entered into the agreement of December 12, 1917, (Exhibit "1", Application Number 3965). This agreement provides for the transfer by the Sespe Company to the

Fillmore Company of 50 inches of water described in the agreement of September 13, 1892, and recorded in Book 37 of Deeds, at Page 63, Ventura County Records, and certain rights of way; and for the transfer by the Fillmore Company to the Sespe Company all of its right, title and interest which it has in certain distributing lines, stop-cocks, mains and appliances necessary to supply inhabitants of the City of Fillmore with water for domestic purposes. Upon the completion of the exchange of the properties the Sespe Company agreed to improve the water distributing system.

Several months ago the voters of the City of Fillmore by a vote of 210 for and 25 against, approved the issue of \$60,000.00 of bonds for the purpose of acquiring and developing a municipal water system. The offer of the Sespe Company to sell its distributing system, located within the city limits for \$15,000.00 was accepted by the City Trustees. Sespe Company in Application Number 3966 asks authority to transfer these properties to the City.

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SESPE LAND & WATER COMPANY, FILLMORE IRRIGATION COMPANY and CITY OF FILLMORE having applied to the Railroad Commission for authority to execute certain agreements referred to herein below, relating to the exchange, sale and purchase of public utility properties; a public hearing having been held, and the Commission being of the opinion that the applications herein should be granted;

IT IS HEREBY ORDERED that Sespe Land & Water Company and Fillmore Irrigation Company be, and the same are hereby, granted authority to transfer the properties described in the agreement marked Exhibit "1" attached to the petition in Application Number 3965 and to perform such other acts as may be necessary to carry out the terms and conditions of said agreement.

IT IS HEREBY FURTHER ORDERED that Sespe Land & Water Company be, and the same is hereby, granted authority to transfer its properties described in the agreements marked Exhibit "A" and marked Exhibit "B" attached to the petition in Application Number 3966, and to perform such other acts as may be necessary to carry out the terms and provisions of said agreements.

The authority herein granted is upon the following conditions:--

1.-The authority herein granted to transfer the properties referred to shall apply only to such transfer as may be executed on or before December 31, 1918.

2.-Within twenty days after the transfer of the properties herein authorized, Sespe Land & Water Company shall file with the Commission a statement showing the terms and conditions under which the transfer has been effected.

3.-The price for which Sespe Land & Water Company is transferring part of its properties to the City of Fillmore shall never be urged upon this Commission as a measure of value of said properties for purposes other than the transfer herein authorized.

Dated at San Francisco, California, this 1st day of October ~~September~~, 1918.

Edwin O. Edgerton
H. S. Loveland
Alfred G. Smith

Commissioners.