

ORIGINAL

Decision No. C 347

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
CATHERINE A. BROCKS, owner of Laguna
Heights Water System, for an order
authorizing the issuance of a note
and mortgage given for water bearing
lands necessary to serve water in the
unincorporated town of Laguna Beach.

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) Application No. 4490.
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Joe W. Skidmore, for applicant.

BRODDICE, Commissioner.

O P I N I O N

This application, as amended at the hearing, involves the issue of a 7 per cent \$3,000.00, 25-year note and the execution of a mortgage to secure the payment of the note.

Catherine A. Brooks is engaged in the business of serving domestic water in Laguna Heights, Arch Beach, Seawood and Rock Ledge, all in the Laguna Beach Road district, Orange County, California.

The testimony shows that in 1918 she purchased from L. F. Moulton certain necessary water bearing lands at a cost of \$3,000.00 and in payment therefor issued her 7 per cent \$3,000.00, 25-year note and executed a mortgage to secure the payment of the note. The note was issued and the mortgage executed without an Order from the Railroad

Commission. Under Section 51 and Section 52 of the Public Utilities Act both the mortgage and the note are void. The testimony shows that applicant issued the note and executed the mortgage through inadvertence and with no intent to evade the provisions of the Public Utilities Act. I therefore recommend that applicant be permitted to issue a 7 per cent \$3,000.00, 25-year note and to execute a mortgage for the purpose of acquiring the properties referred to in the application herein and exhibits attached thereto.

I herewith submit the following form of Order:-

O R D E R

CATHERINE A. BROOKS having applied to the Railroad Commission for permission to issue a note and execute a mortgage, a public hearing having been held, and it appearing to the Railroad Commission that the money, property or labor to be procured or paid for by such issue is reasonably required for the purpose or purposes specified in the Order; and that the expenditures for such purpose or purposes are not in whole or in part reasonably chargeable to operating expenses or to income;

IT IS HEREBY ORDERED that Catherine A. Brooks be, and she is hereby, granted authority to issue to L. F. Moulton a 7 per cent \$3,000.00, 25-year note and execute a mortgage substantially in the same form as the mortgage attached to the petition herein and marked Exhibit "B" for the purpose of securing the payment of said note.

The authority herein granted is upon the following conditions and not otherwise:-

1.-The note issued on January 14, 1918 and the mortgage executed on that date shall be cancelled before the issue of the note and the execution of the mortgage herein authorized.

2.-Within thirty days after the execution of the mortgage herein authorized, applicant shall file with the Railroad Commission a verified copy of such mortgage.

3.-Catherine A. Brooks shall keep such record of the issue of the note herein authorized and of the disposition of the proceeds as will enable her to file on or before the twenty-fifth day of each month a verified report as required by the Commission's General Order No. 24, which order, in so far as applicable, is made a part of this Order.

4.-The authority herein granted shall not become effective until applicant has paid the fee prescribed by Section 57 of the Public Utilities Act.

5.-The authority herein granted to issue a note and to execute a mortgage shall apply only to such note as may be issued and to such mortgage as may be executed on or before September 1, 1919.

The foregoing Opinion and Order are hereby approved and ordered filed as the Opinion and Order of the Railroad Commission of the State of California.

Dated at San Francisco, California 22nd day of May, 1919.

Edwin C. Edgerton
H. A. Brundage
James H. ...

RAILROAD COMMISSION OF THE STATE OF CALIFORNIA
John P. ...
MAY 26 1919
H. C. ...
EX-_____
ADULT (MUT) SECRETARY

Commissioners.