

Decision No. 8751

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application)
of RUSSIAN RIVER WATER COMPANY to)
acquire from Hugh Breen and Mary)
Breen, his wife, the operative)
properties used in connection with) Application No. 5720.
serving water to the public in and)
adjacent to Monte Rio, Sonoma)
County, California.)

A. F. Lemberger for applicant.

BY THE COMMISSION.

O P I N I O N

Russian River Water Company, an incorporated public utility, applies in this proceeding for authority to purchase from Hugh Breen and Mary Breen, his wife, a certain water system owned and operated by them in Sonoma County, and to issue its stock at par in payment therefor in such amount as shall be fixed by appraisal of the Railroad Commission. Hugh and Mary Breen have joined in said application and subscribed to all the facts set out therein as the parties desiring to sell said system and properties, said properties being more particularly described in an inventory and proposed bill of sale attached to the application and made a part thereof.

A public hearing was held in this matter before Examiner Satterwhite at Monte Rio.

It appears that the system in question, hereinafter some-

times referred to as the Breen system, is so situated that Russian River Water Company proposes to and can advantageously connect said system directly with its present water system, thereby improving service conditions and increasing the water supply, which has heretofore at times been inadequate to meet the demands of the consumers of the Breen system.

For the purpose of determining the amount of stock to be issued in payment for the Breen system, an appraisal of the properties was submitted at the hearing by Mr. E. A. Noble, one of the Commission's hydraulic engineers. In addition to the structural properties there is included in the transfer certain rights-of-way and easements for pipe mains and tank sites at present utilized and reserved for possible future extensions or changes in the system. There is also included a parcel of land for a tank site of dimensions 175' x 100'.

After a careful consideration of all the evidence and facts set forth it is found that \$800 represents the fair value of this system for the purposes of this proceeding. We are of the opinion that for the purpose of acquiring these properties, Russian River Water Company should be permitted to issue \$800 par value of its common stock.

O R D E R

RUSSIAN RIVER WATER COMPANY having applied to the Railroad Commission for permission to acquire from Hugh Breen and Mary Breen, his wife, certain operative properties used in connection with serving water to the public in and adjacent to Monte Rio, Sonoma County, and said Hugh Breen and Mary Breen having joined in said application;

a public hearing having been held and the Commission being of the opinion that the application should be granted and that the Russian River Water Company be permitted to issue \$800 of its common stock in payment for said Breen system, and it appearing that the expenditures for the purpose of acquiring said properties are not in whole or in part reasonably chargeable to operating expenses or to income;

IT IS HEREBY ORDERED, that Hugh Breen and Mary Breen be and they are hereby authorized to sell, and Russian River Water Company to purchase at a cost of \$800, free and clear of all liens and encumbrances, those certain structures, mains and rights-of-way comprising the present operative water properties of what is known as the Breen system, said properties being more particularly described in an inventory which was submitted for the purposes of this proceeding, said sale and transfer to be made in accordance with the terms and conditions of the proposed bill of sale attached to the application herein.

IT IS HEREBY FURTHER ORDERED, that Russian River Water Company be and it is hereby authorized to issue in full payment for the properties which it is herein authorized to purchase \$800 of its common capital stock.

The authority herein granted is subject to the following conditions:

1. The stock herein authorized to be issued in payment for the properties which Russian River Water Company is herein permitted to acquire shall not be urged before this Commission or any other public body as a finding of value of said properties for rate fixing or any purpose other than the transfer herein permitted.
2. Russian River Water Company shall keep such record of the issue and sale of the stock herein authorized and of the disposition of the proceeds as will enable it to file on or before the 25th day of each month a verified report as required by the Railroad Commission's General Order No. 24, which order, insofar as applicable, is made a

part of this order.

3. Within fifteen (15) days after the transfer of the properties herein authorized is effected, a certified copy of the instrument of conveyance under which Russian River Water Company receives and holds title to the properties shall be filed with the Commission.
4. Within ten (10) days from the date on which Hugh and Mary Breen shall have relinquished possession and control of the public utility properties herein authorized to be transferred, said parties shall file with the Railroad Commission a certified statement setting forth the date on which such possession and control was actually relinquished.
5. The authority herein granted to transfer properties and issue stock will apply only to such properties as may be transferred and to such stock as may be issued on or before July 1, 1921.

Dated at San Francisco, California, this 16th
day of March, 1921.

Francis P. Wilson
H. H. Leonard
James Watson

Commissioners.