

ORIGINAL

Decision No. 880-1

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of SCHEISER MANUFACTURING COMPANY for permission to sell its water plant to DAVIS WATER COMPANY.

Application No. 594.

O. G. Hopkins for applicant.

WEBER, Commissioner.

OPINION.

This is an application for authority to sell a water plant located in the town of Davis and to lease property heretofore devoted to the business of a public utility water corporation.

Schmeiser Manufacturing Company is engaged in the business of supplying water as a public utility principally for domestic purposes to some 54 or 55 consumers in the unincorporated town of Davis, Yolo county, California. The owners of the company desire to separate the utility business from their other business, and for that reason have caused the incorporation of the Davis Water Company, to which company the Schmeiser Manufacturing Company now asks authority to sell that portion of its property which has hitherto been devoted to the public utility water business, with the exception of one tank, to which particular reference will hereinafter be made. The property which Schmeiser Manufacturing Company desires to sell consists of Lots 5 and 6, Block 72, in the town of Davis, including the well located thereon, and the water distributing system and appurtenances connected therewith, except a private storage water tank of 10,000 gallons capacity, located within the factory inclosure of the Schmeiser Manufacturing Company. Applicant presents an estimate of the value of this property as \$6300.00, and proposes to sell the property to the Davis Water Company for its capital stock of the par value of \$6300.00. While not passing on the value of this property for rate fixing purposes, I am convinced, particularly in view of the

fact that the Davis Water Company is to make important extensions and improvements in the town of Davis, that the price to be paid in its capital stock is not unreasonable. I recommend that this portion of the application be granted.

The private water storage tank hereinbefore referred to is considered by the Schmeiser Manufacturing Company to be necessary in the conduct of its business. The company, nevertheless, is willing to lease the tank to Davis Water Company until the latter company can construct its own tanks. The Manufacturing Company accordingly asks authority to lease this tank for a period of three years, at a rental of \$50.00 per year, which rental appears to be reasonable. While it is not entirely clear that this Commission's authority is necessary with reference to this proposed lease, I nevertheless recommend that the authority be given for what it may be worth.

For further information with reference to the plans of the Davis Water Company reference is hereby made to this Commission's opinion and order in Application No. 593.

I recommend that the application be granted, and submit herewith the following form of order:

ORDER.

SCHMEISER MANUFACTURING COMPANY having applied to this Commission for authority to sell to the DAVIS WATER COMPANY its water plant in the town of Davis, with the exception of the storage tank which applicant asks authority to lease to Davis Water Company, and a public hearing having been held on said application, and it appearing that public convenience and necessity will be served by the grant thereof,

IT IS HEREBY ORDERED as follows:

1. Schmeiser Manufacturing Company is hereby authorized to sell to Davis Water Company, in exchange for capital stock of the latter company of the par value of sixty three hundred (\$6300) dollars, the Schmeiser Manufacturing Company's water plant in the town of Davis,

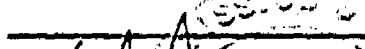
California, including its system of pipe lines, well, pump, pump house, equipment, appliances and appurtenances, except the private storage water tank of ten thousand (10,000) gallons capacity, located within the factory inclosure of the vendor, together with its franchises or permit secured from the Board of Supervisors of Yolo county by resolution dated April 15, 1913, a copy whereof is attached to the application, together with a good and marketable title to Lots 5 and 6, Block 72, in said town of Davis.

2. Schmeiser Manufacturing Company is hereby authorized to lease to Davis Water Company the water storage tank of lessor, having a capacity of ten thousand (10,000) gallons, located on the western half of Block 73 in the town of Davis, California, for the term of three (3) years, at a rental not to exceed the sum of fifty (\$50.00) dollars per year, said lease to be in form substantially the same as the form which is attached to the petition in this proceeding.

3. Schmeiser Manufacturing Company shall file with this Commission certified copies of the deed and the leases necessary to convey and lease its property to Davis Water Company, as specified in Sections 1 and 2 of this order.

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, this 15th day of August, 1913.


H. B. ...
...
Max ...
Edwin ...
Commissioners.