

LEM

29038

Decision No.

29038

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
MOUNTAIN PROPERTIES, INC.,
a California corporation, for order
authorizing assignments of certifi-
cates of public convenience and
necessity to operate water systems
from Martin and Gould Water Co., a
California corporation, and George
V. Smith and for an order authorizing
the mortgaging of said water systems.)

Application No. 20655

ORIGINAL

George C. Lyon, for applicant.

BY THE COMMISSION:

OPINION AND ORDER

The Railroad Commission has been asked to make its orders (1) authorizing Martin and Gould Water Co., a corporation, to transfer to Mountain Properties, Inc. a public utility water system located near New Westminster, Orange County; (2) authorizing George V. Smith to transfer to Mountain Properties, Inc. a public utility water system located near Santa Ana, Orange County; and (3) authorizing Mountain Properties, Inc. to execute deeds of trust and chattel mortgages covering such systems to secure the payment of two notes, one for \$825. and one for \$950.

It is reported that the two water systems referred to in this proceeding are situated at some distance from the main activities of the present owners and that such owners find it inconvenient and costly to supervise the operations and therefore desire to dispose of them. Accordingly, arrangements have been made for the transfer of the properties to Mountain Properties, Inc.

The consideration to be paid for the Martin and Goold Water Co. plant is \$750.00 and that for the George V. Smith plant, \$500.00. While applicants allege the present value of the former system to be \$5,000. and of the latter \$3,000., it appears that the owners have agreed to dispose of them at the prices stated in their desire to retire from the operations. Incidentally it is reported that the George V. Smith system is in urgent need of immediate repairs which the present owner is unable and unwilling to provide.

To finance the purchase prices and to take care of repairs, Mountain Properties, Inc. proposes to borrow the sum of \$825.00 to be secured by a deed of trust and a chattel mortgage on the Martin and Goold Water Co. plant and the sum of \$950.00 to be secured by similar indentures covering the George V. Smith plant. The notes for these amounts which are to be issued in evidence of the indebtedness will be payable in monthly installments of \$35.00 each, commencing September 1, 1936 with interest at the rate of eight percent. per annum. Copies of the four instruments proposed to be issued have been filed in this proceeding.

Mountain Properties, Inc. at present is operating, under the jurisdiction of the Commission, a public utility water system at Lake-Brook Park, San Bernardino County. It now reports that it is acquiring properties in the vicinity of those referred to in this application and that it can readily supervise the operations of the plants it now proposes to buy and make the necessary repairs. It appears that there will be no change in the rates, rules or regulations, or lapse of service, as a result of the transfer, and that consumers' deposits will be turned over to the purchaser and repaid by it in accordance with the agreements for refund.

In the opinion of the Commission this application is not one in which a public hearing is necessary, that the money, property or labor to be procured or paid for through the issue of the notes is reasonably required for the purposes specified herein, and that the application accordingly should be granted, therefore,

IT IS HEREBY ORDERED that Martin and Gould Water Co., a corporation, and George V. Smith, be and they hereby are authorized to sell, transfer and assign to Mountain Properties, Inc. their respective water systems referred to in this application, such sale, transfer and assignment to be in accordance with the terms and conditions outlined in the application.

IT IS HEREBY FURTHER ORDERED that Mountain Properties, Inc., to pay the cost of acquiring the aforesaid water systems, and of making repairs thereto, be and it hereby is authorized to issue two promissory notes; one in the principal amount of \$825.00 and one in the principal amount of \$950.00, each note payable in monthly installments of \$35.00 with interest at the rate of 8% per annum, and to execute two deeds of trust and two chattel mortgages substantially in the same form as those filed in this proceeding, provided that the authority herein given to execute deeds of trust and chattel mortgages is for the purpose of this proceeding only and is granted only insofar as this Commission has jurisdiction under the terms of the Public Utilities Act and is not intended as an approval of said instruments as to such other legal requirements to which they may be subject.

IT IS HEREBY FURTHER ORDERED that Mountain Properties, Inc., within thirty(30) days after acquiring the properties under the authority herein granted, shall file with the Commission (1) a statement showing the exact date upon which it took possession of and commenced operating the properties, (2) a copy of each deed of conveyance by

which it acquired title to the properties herein authorized to be transferred to it, and (3) a copy of each note actually issued under the authority herein granted.

IT IS HEREBY FURTHER ORDERED that the authority herein granted will become effective when Mountain Properties, Inc. has paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which fee is Twenty-five (\$25.00) Dollars.

DATED at San Francisco, California, this 10th day of August, 1936.

Mr. A. C. ...

Frank ...

Commissioners.

Fee # 30854
ROAD COMMISSION
STATE OF CALIFORNIA
AUG 14 1936
[Signature]