

Decision No. 32438

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
OAKS WATER COMPANY OF HILLSBOROUGH,  
a corporation, and WELLS FARGO BANK  
& UNION TRUST CO., a corporation, for  
an order authorizing (1) the sale and  
transfer of the operative properties  
of Oaks Water Company of Hillsborough  
to the Town of Hillsborough; and (2)  
the discontinuance by Oaks Water Com-  
pany of Hillsborough of its obliga-  
tion to render service as a water cor-  
poration.

ORIGINAL

Application No. 23003

BY THE COMMISSION:

O P I N I O N

In this application Oaks Water Company of Hillsborough and Wells Fargo Bank & Union Trust Co. ask permission to sell to the Town of Hillsborough, public utility properties used in distributing water to consumers in the Carolands Subdivision and to discontinue public utility water service.

The Commission by Decision No. 28087, dated June 28, 1935, in Application No. 19555, granted to the Oaks Water Company of Hillsborough a certificate of public convenience and necessity to operate a water system for the purpose of supplying water for domestic and other uses in Carolands, a subdivided tract of land situate within the corporate limits of the Town of Hillsborough.

By Decision No. 31629, dated January 9, 1939, in Application No. 22463, the Commission authorized Oaks Water Company of Hillsborough to transfer its properties described in the deed and bill of sale and in the indenture filed in Application No. 22463, to the Town of Hillsborough. These documents, among other things, excluded the company's properties in the Carolands Subdivision. In its order in said Decision No. 31629 the Commission provided that concurrently with the sale

and transfer of said properties to the Town of Hillsborough, Oaks Water Company of Hillsborough is relieved from its public utility obligations within the territorial limits of the Town of Hillsborough, provided that if the Town of Hillsborough does not acquire the public utility properties necessary to serve consumers in the subdivision known as Carolands, said Oaks Water Company of Hillsborough shall, upon the termination of the agreement filed in Application No. 22463, resume public utility water service to consumers residing in said subdivision known as Carolands. The agreement to which reference has been made runs for a term of one year from and after November 23, 1938.

The transaction now before the Commission contemplates the transfer by Oaks Water Company of Hillsborough of all of its properties and rights in said Carolands Subdivision, to Wells Fargo Bank & Union Trust Co. and the immediate transfer by the latter of certain of said property and rights and certain other interests in realty to the Town of Hillsborough. The Wells Fargo Bank & Union Trust Co. now holds title to the unsold portion of the Carolands Subdivision and will transfer to the Town of Hillsborough the properties and rights desired by the Town of Hillsborough.

The Town of Hillsborough has offered \$4,432 for the properties. Of this sum, \$1,250 will be paid to the bank and \$3,182 to the water company. The purchase of the properties will enable the Town of Hillsborough to serve the consumers in the Carolands Subdivision.

#### ORDER

The Commission has considered applicants' requests and is of the opinion that this is not a matter on which a public hearing is necessary and that this application should be granted subject to the provisions of this order, therefore,

IT IS HEREBY ORDERED that Oaks Water Company of Hillsborough be, and it hereby is, authorized to transfer, on or before December 31, 1939, all of its operative property, real and personal, now comprising the water distribution system in the Carolands Subdivision in the Town of Hillsborough, to Wells Fargo Bank & Union Trust Co. upon condition that said Wells Fargo Bank & Union Trust Co. thereupon immediately transfer to the Town of Hillsborough such of said property as the Town of Hillsborough has offered to purchase.

IT IS HEREBY FURTHER ORDERED that concurrently with the transfer of the aforesaid properties to the Town of Hillsborough, Oaks Water Company of Hillsborough may withdraw from the business of a water corporation, and is thereupon relieved of its public utility obligations.

IT IS HEREBY FURTHER ORDERED that within thirty(30) days after the transfer of said properties to the Town of Hillsborough, Oaks Water Company of Hillsborough shall file with the Railroad Commission a copy of the deed or other instrument of conveyance by means of which it transferred title to its properties to the Wells Fargo Bank & Union Trust Co., and Wells Fargo Bank & Union Trust Co. shall file with the Commission a copy of each and every instrument which it will execute to transfer properties and rights to the Town of Hillsborough.

DATED at San Francisco, California, this 20<sup>th</sup> day of October, 1939.

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Grant D. Miller  
Ray J. Greig  
Justice J. Querner  
COMMISSIONERS.