

Decision No. 35319

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

IN THE MATTER OF THE APPLICATION OF

FARNETTA DAVIS JOHNSON,

As sole owner of Melrose Boulevard Tract
Water Plant, to sell to

GEORGE C. REECE and MARCE L. REECE,

who desire to purchase said plant and who
unite herein as applicants with said
Farnetta Davis Johnson, for authorization
and order of sale and purchase of said water
plant, its assets, distribution system,
good will and business, and continuation of
said utility.

ORIGINAL

Application
No. 24966

BY THE COMMISSION:

O P I N I O N

Farnetta Davis Johnson is the sole owner of Melrose Boulevard Tract Water Plant situate in Oakland, California. The water plant consists of two wells, two electric 5-HP motor pumps, about 4,000 feet of two inch and one and one-half inch distribution pipes and materials and supplies. The water system now supplies water to 42 consumers at a flat rate of \$1.50 per month.

Farnetta Davis Johnson has agreed to sell to George C. Reece and Marce L. Reece, his wife, hereinafter sometimes referred to as buyers, for \$5,500, said water

system and the following described real property and property rights:

"REAL PROPERTY in the City of Oakland, County of Alameda, State of California, described as follows:

PARCEL 1: LOTS 74 and 75, as said lots are shown on the map of 'Melrose Boulevard Tract, Brooklyn Twp. Alameda County, Cal., 1909', filed November 26, 1909, in book 25 of Maps at page 16, in the office of the County Recorder of Alameda County.

PARCEL 2: AN EASEMENT AND RIGHT OF WAY with the privilege of maintaining the existing water supply pipe line and for no other purpose, with the right of ingress, egress and regress to inspect, repair and replace the same, over the northwestern 2 feet of lots 82, 42, and 35, as said lots are shown on the map of 'Melrose Boulevard Tract, Brooklyn Twp., Alameda County, Cal., 1909', filed November 26, 1909, in book 25 of Maps at page 16, in the office of the County Recorder of Alameda County;

conveyed by Fred H. Brown et al, to Charles Olsen, by deed dated April 29, 1911, recorded January 31, 1912, in book 2043 of Official Records of Alameda County at page 49."

A six-room stucco house and garage are on said property. The address of the residence and the water system is 5517 E. 16th Street, Oakland, California.

To finance the transaction, the buyers ask permission to issue to John M. Fitzpatrick and Bia M. Fitzpatrick (husband and wife) their 6% installment note for \$3,500 secured by a first deed of trust on said properties. The principal and interest are payable in monthly installments of Thirty-five (\$35.00) Dollars or more on the first day of each and every month, beginning June 1, 1942. The proceeds of this note will be paid to Farnetta Davis Johnson and part of said proceeds used by her to pay the balance due on a \$2,500 loan from the Community Federal Savings and Loan

Association. The buyers also ask permission to issue to Farnetta Davis Johnson their 6% installment note for \$1,500 secured by a second deed of trust on said properties. The principal and interest of this note are payable at the rate of Thirty (\$30.00) Dollars or more on the first day of each and every month, beginning June 1, 1942. Copies of the note and deeds of trust are filed in this proceeding as Exhibit "D" and Exhibit "E," respectively.

It is of record that because of ill health, Farnetta Davis Johnson desires to be relieved from the responsibility of operating the water system. The buyers desire to acquire her residence and are able to, and will, operate the water system at the same rates now charged by applicant.

O R D E R

The Commission having considered the request of applicants, and it being of the opinion that this is not a matter on which a hearing is necessary; that the transfer of said public utility water system, and the execution of notes and deeds of trust to effect said transfer should be authorized subject to the provisions of this order, therefore

IT IS HEREBY ORDERED as follows:

1. Farnetta Davis Johnson may, after the effective date of this order and on or before June 30, 1942, transfer to George C. Reece and Marce L. Reece the public utility water properties described in the deed filed in this proceeding as Exhibit "C."

2. George C. Reece and Marce L. Reece may, after the effective date hereof, and on or before June 30, 1942, issue their installment note for the sum of \$3,500 and execute a deed of trust to secure the payment of said note, said note and said deed of trust to be in substantially the same form as the note and deed of trust filed in this proceeding as Exhibit "D," provided that the authority herein granted to execute said deed of trust 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 deed of trust as to such other legal requirements to which said deed of trust may be subject.

3. George C. Reece and Marce L. Reece may, after the effective date hereof and on or before June 30, 1942, issue their installment note for \$1,500 and execute a second deed of trust to secure the payment of said note, said note and said second deed of trust to be in substantially the same form as the deed of trust filed in this proceeding as Exhibit "E," provided that the authority herein granted to execute said deed of trust 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 deed of trust as to such other legal requirements to which said deed of trust may be subject.

4. George C. Reece and Marce L. Reece shall use the proceeds realized through the issue of said \$3,500 note

and the issue of said \$1,500 note to pay in part the cost of the utility and the nonutility properties referred to in this Opinion and Order.

5. The authority herein granted will become effective when George C. Reece has paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which minimum fee is Twenty-five (\$25.00) Dollars.

6. Within thirty (30) days after the execution of said notes and said deeds of trust, George C. Reece shall file with the Railroad Commission a true and correct copy of said notes and said deeds of trust, together with a statement showing the purposes for which the money realized through the issue of said notes and the execution of said deeds of trust was expended.

Dated at San Francisco, California, this 5th day of May, 1942.

Justus F. Coe
Ray H. Rice
H. Baker
Frank R. Stevenson
Richard Sachs
Commissioners.

