

ORIGINAL

Decision No. 25560

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application

of

HEBBRON WATER COMPANY, for an order authorizing said company to refinance its indebtedness and to set aside certain property for the use of said company.

Application No. 25040

BY THE COMMISSION:

O P I N I O N

Allen N. Hebbron and Glayds L. Hebbron, his wife, are the owners of a public utility water system operated under the name of Hebbron Water Company. They furnish and distribute water to consumers in a subdivision located about one mile north of Salinas, which subdivision is known as Rodeo Tracts No. 1, 2 and 3. They are also the owners of about 75 acres of land east of said Rodeo Tracts No. 1, 2 and 3, which land is now being farmed by them.

All of the property owned by them is presently subject to a first deed of trust held by the Monterey Trust and Savings Bank, on which there is now due a balance of about \$8,800. They desire to refinance such indebtedness through issuing to Salinas Post No. 31, American Legion, Inc., of Salinas, California, their \$11,000 six per cent note, payable on or before three years after date, and execute

a deed of trust to secure the payment of said note. The record indicates that the new deed of trust will not be a lien on any of applicants' public utility properties. They may, therefore, under the provisions of Section 51 of the Public Utilities Act, execute the same without permission from the Railroad Commission. We believe, however, that in view of the fact that applicants are engaged in the public utility business the issue of the \$11,000 note comes within the provisions of Section 52 of the Public Utilities Act. The order herein will authorize the issue of the note.

Applicants ask the Commission to enter its order authorizing them to set aside for public utility operations, a portion of Lot 11 located in said Rodeo Tract No. 2. The area is shown on the map on file in this proceeding. They propose to exclude from the lien of the new deed of trust the said area and the well, the tank and the pipe line located in said area. This setting aside of a portion of Lot 11 for public utility purposes does not constitute a sale or transfer of utility property and, therefore, need not be authorized by the Commission.

ORDER

The Commission having considered this application and it being of the opinion that it does not raise any issue on which a hearing is necessary; that the money, property or labor to be procured or paid for through the issue of the note herein authorized is reasonably required by Allen N. Hebbron and Gladys L. Hebbron, his wife, owners of Hebbron Water Company, for the purpose of paying

indebtedness and acquiring properties, and that they may execute said deed of trust without authorization from the Commission, therefore

IT IS HEREBY ORDERED that Allen N. Hebbroon and Gladys L. Hebbroon, his wife, owners of Hebbroon Water Company, be, and they are hereby, authorized to issue, for the purpose of paying indebtedness and acquiring properties, a note in the face amount of \$11,000, payable on or before three years after date, with interest at the rate of six per cent per annum, payable semi-annually, said note to be in substantially the same form as the note on file in this proceeding.

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

IT IS HEREBY FURTHER ORDERED that within thirty (30) days after the issue of said note, Allen N. Hebbroon shall file with the Railroad Commission a copy of said note, together with a statement showing the purposes for which the proceeds realized through the issue of said note were expended.

Dated at San Francisco, California, this 7th day of July, 1942.

Ray L. Ciley

Francis L. Staver

Arthur Mackie
Commissioners.

