

Decision No. 36498

**ORIGINAL**

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
 BANK OF SAN RAFAEL,  
 a corporation,  
 and E. C. COMPTON,  
 an individual,

Application  
No. 25681

For an Order Authorizing and Approving  
 The Sale of OLEMA WATER SYSTEM and the  
 Execution of an Agreement Subjecting  
 said OLEMA WATER SYSTEM to the Lien of  
 a Deed of Trust.

BY THE COMMISSION:

O P I N I O N

The Bank of San Rafael is the owner of the Olema Water System, situated at Olema, Marin County, California, which supplies water to about twenty domestic consumers. Recently the Bank of San Rafael sold to Gene Compton's Corporation, a Nevada corporation, the tract of land known as the Bear Valley Ranch. The Olema Water System is situated on this ranch.

The Bank of San Rafael asks permission to transfer the Olema Water System to E. C. Compton, President of Gene Compton's Corporation. He agrees to operate and manage, conduct and maintain the Olema Water System toward the end that the service of water for domestic use to the water consumers of the Olema Water System will not in any manner be

interrupted or impaired by virtue of said transfer and sale of said Olema Water System.

The Olema Water System properties are described as follows:

1. The right to a proportionate beneficial use of water flowing from the dam in the first canyon north of Bear Creek known and designated as Canyon Number 1, and which said Canyon Number 1 is situated in that certain ranch which is known as Bear Valley Ranch.
2. The right to convey said water through that certain four inch casing from said dam through said Canyon Number 1 to the bridge at Bear Creek, near the dairy buildings on said Bear Valley Ranch, a distance of approximately 5100 feet.
3. 1220 feet of one and one-half inch pipe connected with said four inch casing at said bridge hereinabove described and running thence in a general southeasterly direction to a certain 10,000 gallon wooden tank, which said tank is situated upon the land of the said Bear Valley Ranch.
4. That certain 10,000 gallon wooden tank hereinbefore described.
5. 1510 feet of two inch pipe running from said 10,000 gallon wooden tank to the Town of Olema, Marin County, California.
6. Approximately 4400 feet of two inch distribution pipe located over, along and under the highway running through the Town of Olema, Marin County, California.
7. Approximately 500 feet of three-quarter inch pipe (service pipe) together with meters, valves and other accessories.
8. A right of way of ingress and egress over and along and following said pipe and casing line from said dam to the said Town of Olema for purposes of operation of said Olema Water System and maintenance and repairs thereto.

On or about April 21, 1943, Gene Compton's Corporation, of which E. C. Compton is President, gave its note to the Bank of San Rafael for the principal amount of \$85,000 in part payment of said Bear Valley Ranch and executed a deed of trust to

secure the payment of said note. At the time it was agreed between the Bank of San Rafael and Gene Compton's Corporation that if E. C. Compton acquired the Olema Water System, such water system would be subject to the lien created by said deed of trust. A copy of the agreement by which said Olema Water System will be subjected to the lien created by said deed of trust is on file in this proceeding as Exhibit "C." Applicants request the Commission to authorize them to execute such agreement.

We are in this decision making no finding as to the value of said public utility water system for the purpose of fixing rates.

O R D E R

The Commission having considered applicants' request and it being of the opinion that this is not a matter on which a hearing is necessary, and that this application should be granted, therefore,

IT IS HEREBY ORDERED as follows:

1. The Bank of San Rafael may, on or before September 1, 1943, transfer to E. C. Compton the Olema Water System properties described in the deed and bill of sale filed in this application as Exhibit "A," which deed and bill of sale said Bank of San Rafael and said E. C. Compton may execute.

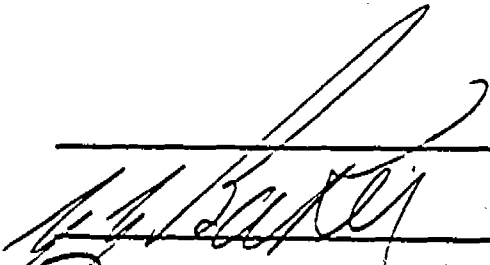

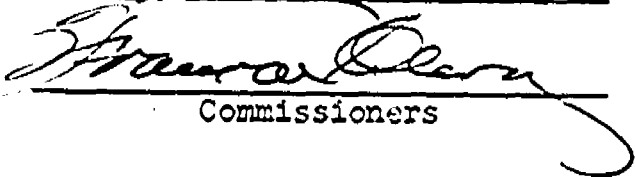
2. For the purpose of subjecting said Olema Water System properties to a lien created by a deed of trust made, executed and delivered by Gene Compton's Corporation in favor of the Bank of San Rafael, a copy of which is filed in this application as Exhibit "C," E. C. Compton may, on or before

September 1, 1943, execute and deliver to the Bank of San Rafael an agreement similar in form to the agreement filed in this application as Exhibit "B."

3. E. C. Compton shall, within thirty (30) days after the transfer of said properties, file with the Commission a copy of said deed and bill of sale and a copy of said agreement executed under the authority herein granted.

4. The authority herein granted will become effective upon the date hereof.

Dated at San Francisco, California, this 20<sup>th</sup> day of July, 1943.

  
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Justice D. Agnew  
  
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Arthur H. Haskins  
  
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Howard C. Dean  
Commissioners