

ORIGINAL

Decision No. 36917

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of O. R. Haile for permission to pay off the indebtedness against real and personal property constituting the water system at Denair, California, and to execute a mortgage and new deed of trust upon said property.

Application
No. 26022

BY THE COMMISSION:

O P I N I O N

O. R. Haile is engaged in the business of supplying the inhabitants of the unincorporated town of Denair in Stanislaus County, California, with water for domestic use. For 1943, he reports operating revenues of \$1,087.05. In his petition he shows the cost of his water system, as of January 31, 1944, at \$3,822.05.

Applicant is presently indebted to Towner E. Linkhorn for the sum of \$1,600. For the purpose of paying this indebtedness and making repairs and improvements to his water system, applicant has made arrangements to borrow \$3,200 from the Security State Bank of Turlock. He proposes to install a new pump, a new supply tank, and about 150 feet of 5" pipe to replace old pipe line.

Applicant asks permission to issue to the Security State Bank of Turlock two notes, one for the principal sum of \$1,200 and the other for the principal sum of \$2,000. Both of the notes will bear interest at the rate of 6% per annum. The principal of each note is payable in monthly installments of \$25. To secure the payment of the \$1,200 note, applicant asks permission to execute a deed of trust which will be a lien on "Lots 21, 22, 23, 24, and 25, in Block 3 of the town of Elmwood, according to the map filed in the office of the County Recorder of Stanislaus County, California, on March 8, 1897, in Volume 1 of Maps at page 51." A copy of the deed of trust is filed in this application as Exhibit "C." To secure the payment of the \$2,000 note, applicant asks permission to execute a mortgage of chattels which will be a lien on applicant's personal property used in his water operations. A copy of the proposed mortgage of chattels is filed in this application as Exhibit "B."

O R D E R

The Commission having considered O. R. Haile's request for permission to issue notes and execute a deed of trust and a mortgage of chattels and it being of the opinion that this is not a matter on which a hearing is necessary; that the issue of notes of O. R. Haile in the aggregate sum of \$3,200 is reasonably necessary for the purposes herein stated, and that this application should be granted subject to the provisions of this Order, therefore,

IT IS HEREBY ORDERED as follows:

1. O. R. Haile may, after the effective date hereof and on or before May 31, 1944, issue a note in the principal sum of not exceeding \$1,200 and a note in the principal sum of not exceeding \$2,000, said notes to bear interest at the rate of 6% per annum, and be payable in monthly installments of not less than \$25. Said O. R. Haile shall use the proceeds realized through the issue of said notes to pay \$1,600 due Towner B. Linkhorn and \$1,600 to make the repairs and improvements to his water system described in this application.

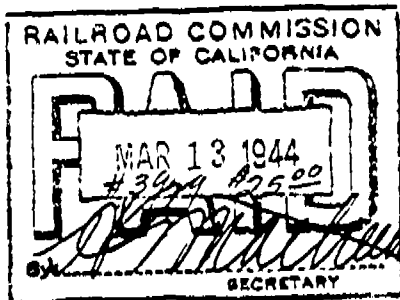
2. O. R. Haile may, after the effective date hereof and on or before May 31, 1944, execute for the purpose of securing the payment of said notes, a deed of trust and a mortgage of chattels in, or in substantially, the same form as the deed of trust and the mortgage of chattels filed in this application as Exhibits "C" and "B," respectively, provided that the authority herein granted to execute a deed of trust and mortgage of chattels 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 and mortgage of chattels as to such other legal requirements to which said deed of trust and mortgage of chattels may be subject.

3. Within ninety (90) days after the issue of said notes, O. R. Haile shall file with the Railroad Commission a

true and correct copy of each note issued and a true and correct copy of the deed of trust and of the mortgage of chattels executed under the authority herein granted, together with a statement showing the purposes for which he expended the proceeds realized through the issue of said notes.

4. The authority herein granted will become effective when O. R. Haile has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is Twenty-five (\$25.00) Dollars.

Dated at San Francisco, California, this 17th day of March, 1944.



Richard L. ...
Justice F. ...
Francis R. ...
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...
Commissioners.