

Decision No. 37172

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application

of

EVE S. FITZHENRY, MAUDE E. STINSON
and LILLIAN R. HENSILL, as Sellers,
and DOUGLAS A. NYE and LUCIEN A. MARSH,
as Buyers, for an Order Authorizing
Sale and Transfer of STINSON BEACH
WATER WORKS and for an Order Author-
izing Buyers to Execute Note Secured
by Deed of Trust on Property of said
Utility.

Application
No. 26217

BY THE COMMISSION:

O P I N I O N

In this application, Eve S. Fitzhenry, Maude E. Stinson and Lillian R. Hensill, hereinafter sometimes referred to as Sellers, ask permission to sell their public utility water properties operated under the name of Stinson Beach Water Works to Douglas A. Nye and Lucien A. Marsh, hereinafter sometimes referred to as Buyers.

The Sellers have agreed to sell to the Buyers the property known as the Stinson Ranch in Marin County, California. The Stinson Beach Water Works' properties are

a part of the ranch properties and included in the sale agreement. The Stinson Ranch covers about 1,627 acres. The water properties are described in Application No. 24342 and in the exhibits filed therein. The Commission by Decision No. 35074, dated February 24, 1942, in Application No. 24342, fixed the rates which the Sellers may charge for water. The Buyers will continue in effect those rates. The operating revenues for 1943 of Stinson Beach Water Works are reported at \$1,925.68. All service connections are attached to the water system.

The Buyers are paying cash for the ranch and water properties. To place themselves in a position to make such payment and to make improvements on the properties, they ask permission to issue to the Bank of San Rafael their promissory note for \$25,000 and execute a deed of trust to secure the payment of the note. A copy of the proposed note and deed of trust are filed in this application. The lien of the deed of trust will cover the ranch property as well as the public utility properties. It refers to a water shed area of 300 acres. We are in this proceeding making no determination of how many acres of land are properly includible in the water system.

The \$25,000 note bears interest at the rate of 5% per annum, payable quarterly. The principal of the note is payable in annual installments of \$2,500 or more, beginning July 1, 1945 and continuing until the 15th day of May, 1954. On the 15th day of June, 1954, the entire balance of the principal and interest becomes due and payable.

O R D E R

The Commission has considered applicants' request and is of the opinion that this is not a matter on which a hearing is necessary; that the money, property or labor to be procured or paid for by the issue of the note herein authorized is reasonably required by said Buyers for the purpose herein stated, and that this application should be granted subject to the provisions of this Order, therefore,

IT IS HEREBY ORDERED as follows:

1. Eve S. Fitzhenry, Maude E. Stinson and Lillian R. Hensill may, after the effective date hereof and on or before October 1, 1944, sell and transfer to Douglas A. Nye and Lucien A. Marsh the public utility water properties operated under the name of Stinson Beach Water Works and described in this application.

2. Douglas A. Nye and Lucien A. Marsh, or either of them, may issue to the Bank of San Rafael a promissory note for the principal sum of \$25,000 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 on file in this application. The proceeds realized through the issue of said note shall be used to pay in part for the properties which they have agreed to purchase from Eve S. Fitzhenry, Maude E. Stinson and Lillian R. Hensill, or to make improvements on said properties.

3. The authority herein granted will become effective when said Buyers have paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is Twenty-five (\$25.00) Dollars.

4. Douglas A. Nye and Lucien A. Marsh, or either of them, shall within thirty (30) days after the acquisition of said properties, file with the Railroad Commission a copy of the deed under which they hold title to said properties and a copy of the note and deed of trust executed under the authority herein granted, together with a statement showing the purposes for which they expended said \$25,000.

5. On or before the date of the actual transfer of said public utility water properties, said Sellers shall refund all deposits which consumers are entitled to have refunded under the utility's filed rates, rules and regulations, and shall file a written statement prior to the transfer of said properties showing the disposition of any such deposits or that no deposits existed. They shall further file with the Commission a statement showing the date on which they will relinquish control and possession of said water system.

6. Douglas A. Nye and Lucien A. Marsh, or either of them, shall file, on or before October 1, 1944, four copies of rates for water service furnished by said Stinson Beach Water Works' properties which rates shall not be higher in any particular than the applicable rates now on file.

7. Douglas A. Nye and Lucien A. Marsh, or either

of them, shall file, on or before October 1, 1944, four sets of rules and regulations applicable to water service in the area now served by the Sellers at Stinson Beach, Marin County.

8. The action taken herein shall not be construed to be a finding of value for any purpose other than the proceeding herein involved.

Dated at San Francisco, California, this 11th day of July, 1944.

Richard L. Cook

Justus F. Craven

Francis R. Havenner

Justus F. Craven
Commissioners.

