

Decision No. 37956

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of
CLARENCE F. BERTSCH for Order
authorizing the purchase, and
of HENRY W. PERROTT for Order
authorizing the same of one-half
interest in the Loleta Water Works
and to execute a promissory note
and chattel mortgage.

ORIGINAL

Application
No. 26759

BY THE COMMISSION:

O P I N I O N

Clarence F. Bertsch and Henry W. Perrott, copartners, doing business under the name of Loleta Water Works, furnish the water supply to the inhabitants of the Town of Loleta. For 1944 they supplied water to about 100 consumers and report their operating revenues at \$1,967.40.

Clarence F. Bertsch desires to purchase the one-half interest of said Loleta Water Works properties from Henry W. Perrott at a cost of \$6,000. For the purpose of the transaction applicants have valued the properties at \$12,000. The undepreciated investment in the properties is reported at \$19,594.97.

To finance the purchase of a one-half interest in the water properties and to make improvements to the properties and purchase meters, Clarence F. Bertsch asks permission to issue to

the Bank of Loleta his promissory note for \$7,000 and, to execute a deed of trust to secure the payment of such note. A copy of his proposed note and deed of trust are filed in this application as Exhibit "A". The note provides that the principal is payable in monthly installments of \$80 or more. The note bears interest at the rate of 6 per cent per annum, payable monthly. The deed of trust will be a lien on two parcels of real property, on rights of way to lay and maintain pipe lines and on the distribution system and other properties used for supplying water to the inhabitants of the Town of Loleta and vicinity.

Applicants allege that it will be to the best interests of the consumers to have the ownership of the water properties in Clarence F. Bertsch rather than in a partnership. He has managed the properties for many years past and will continue to do so.

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 through the issue of the note herein authorized is reasonably required by Clarence F. Bertsch 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. Henry W. Perrott may, after the effective date hereof and on or before September 30, 1945, transfer his interests

in the Loleta Water Works properties to Clarence F. Bertsch.

2. Clarence F. Bertsch may, after the effective date hereof and on or before September 30, 1945, issue to the Bank of Loleta his promissory note for the sum of not exceeding \$7,000 and execute a deed of trust to secure the payment of said note, said note and said deed of trust to be in, or substantially in, the same form as the note and deed of trust on file in this application as Exhibit "A".

3. Clarence F. Bertsch shall use \$6,000 of the proceeds realized through the issue of said note to pay Henry W. Perrott for his one-half interest in said Loleta Water Works properties and \$1,000 of said proceeds to construct a new concrete settling tank at the reservoir site, purchase meters, and make other improvements to the water system.

4. The authority herein granted will become effective when Clarence F. Bertsch has paid the minimum fee required by Section 57 of the Public Utilities Act, which fee is Twenty-five (\$25.00) Dollars.

5. Within sixty (60) days after the issue of the note herein authorized, Clarence F. Bertsch shall file with the Railroad Commission a copy of the note and a copy of the deed of trust 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 note.

6. 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 5th day
of June, 1945.

Harold G. ...
Justice F. ...
Richard ...
Francis ...
James ...
 Commissioners

