

Decision No. 38618

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application of RICHARD R. VERMILLION, SADIE VERMILLION, ROY E. SALYERS, HELEN B. SALYERS, RAYMOND C. WILLIAMS, and GERALDINE H. WILLIAMS, to Sell Public Utility Property.

Application No. 26406

BY THE COMMISSION:

ORDER

Richard R. Vermillion and Sadie Vermillion, his wife, owners and operators of Klamath Glen Resort and a public utility serving water to residents of the adjoining subdivision of Klamath Glen, located on the Klamath River about three miles up-stream from the Town of Klamath in Del Norte County, ask the Commission for authority to sell and transfer the water system.

The original application contemplated the sale of the system together with the real and personal property connected with the resort to C. LeRoy Rook and Ruby L. Rook for \$18,500, of which \$2,000 was to be paid upon execution of the agreement of sale and \$4,000 on or before October 1, 1944, the remainder to be paid in installments of \$200 per month together with interest upon all deferred payments at the rate of 6% per annum. The water system was valued at \$2,000 by applications for the purpose of the sale.

Thereafter Roy E. Salyers and Helen B. Salyers, his wife, became associated with the Rooks as partners in the plan to purchase and operate the resort and the water system. Some time later, this partnership was dissolved by the execution of a "Dissolution Agreement," dated July 12, 1945, wherein the Salyers assumed the entire obligation to consummate the contract to purchase the resort properties. The Salyers now desire to sell and transfer an undivided

one-half interest in said contract to Raymond C. Williams and Geraldine H. Williams, his wife. According to the amended application, the payments provided by the contract have been regularly paid, leaving a balance due the Vermillions of \$10,800 as of October 1, 1945. The purchasers now ask permission to issue to R. R. Vermillion and Sadie Vermillion, his wife, a promissory note for \$10,800 and to execute a deed of trust and a chattel mortgage to secure payment of the note which will bear interest at a rate of 6% per annum, payable monthly. The principal and interest is payable in monthly installments of \$200. The deed of trust will be a lien on the real property and the chattel mortgage will be a lien on the personal property. Copies of the note, deed of trust and the chattel mortgage have been filed with the Commission.

The fixed capital of the water system as of December 31, 1944, is reported as \$3,800. The operating revenues and operating expenses for the year were \$486 and \$268, respectively, leaving a net operating revenue of \$218. There were 30 consumers receiving service from the system.

It appearing that this is not a matter in which a public hearing is necessary, that the money, property or labor to be procured or paid for by the issue of a note for \$10,800 is reasonably required for the purpose specified in this Order, and that the application should be granted subject to the provisions of this Order, now, therefore,

IT IS HEREBY ORDERED as follows:

1. Richard R. Vermillion and Sadie Vermillion, his wife, may, after the effective date hereof and on or before April 1, 1946, transfer and convey to Roy E. Salyers, Helen B. Salyers, his wife, Raymond C. Williams and Geraldine H. Williams, his wife, that certain public utility water system used in supplying domestic service to consumers in a subdivided area known as Klamath Glen, Del Norte County, said property being more particularly described in the agreement attached to the original application herein;

2. That Richard R. Vermillion and Sadie Vermillion, his wife, shall file a certified copy of the final instrument of conveyance with this Commission on or before April 1, 1946;

3. That Richard R. Vermillion and Sadie Vermillion, his wife, shall file a written statement with this Commission, on or before April 1, 1946, indicating the date on which control and possession of this water system were relinquished;

4. That, upon compliance with the above Order of the Commission, Richard R. Vermillion and Sadie Vermillion, his wife, shall be relieved of all public utility obligations and liabilities in connection with said system;

5. Roy E. Salyers, Helen B. Salyers, his wife, Raymond C. Williams and Geraldine H. Williams, his wife, may, after the effective date hereof and on or before April 1, 1946, for the purpose of paying in part for said water system and other properties, issue a promissory note for the sum of \$10,800, and execute a deed of trust and a chattel mortgage to secure the payment of said note; said note, deed of trust and chattel mortgage to be in, or substantially in, the same form as filed with the application;

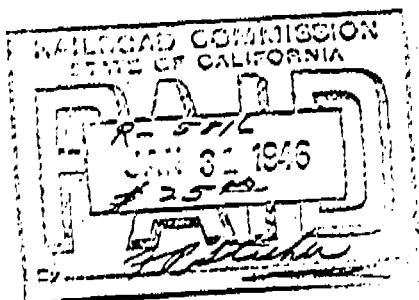
6. If Roy E. Salyers, Helen B. Salyers, his wife, Raymond C. Williams and Geraldine H. Williams, his wife, acquire said water system, they are hereby directed to file, on or before April 1, 1946, four copies of rates for water service furnished by this system in and in the vicinity of the subdivided area known as Klamath Glen, Del Norte County, California, which rates shall not be higher, in any particular, than the applicable rates now on file;

7. If Roy E. Salyers, Helen B. Salyers, his wife, Raymond C. Williams and Geraldine H. Williams, his wife, acquire said water system, they are hereby directed to file on or before April 1, 1946, a statement that they will abide by the rules and regulations now in effect on the system serving Klamath Glen;

IT IS HEREBY FURTHER ORDERED that the authority herein granted will become effective when Roy E. Salyers, Helen B. Salyers, his wife, Raymond C. Williams and Geraldine H. Williams, his wife, have paid the minimum fee required by Section 5 of the Public Utilities Act, which fee is twenty-five (\$25.00) dollars.

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 15th day of January, 1946



David Anderson
Justice F. Curran
Wm. H. Brown
Wm. H. Kippell
Harold P. Kula
Commissioners.