

Decision No. 39506

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

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.

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O P I N I O N

O. R. Haile, an individual doing business under the firm name of Denair Water Works, has applied to the Railroad Commission to execute a deed of trust and a mortgage of chattels and to issue notes in the aggregate principal amount of \$6,500 for the purpose of paying indebtedness and of financing the cost of property:

Applicant is engaged in the business of supplying water for domestic use to the inhabitants of the unincorporated town of Denair, in Stanislaus County. (1) According to his 1945 annual report, his water system includes certain real property, one well, one 1,200 gallon pressure tank and approximately 9,700 feet of steel and galvanized iron pipe of various sizes. The cost of the properties, as of December 31, 1945, was reported at \$5,611. He presently owes the Security State Bank of Turlock \$800.

The application indicates that it is necessary for O. R. Haile to spend \$6,700 to improve and extend his system as follows:

(1) Applicant reports approximately eighty-five consumers and operating revenues of \$1,087 in 1943, of \$1,130 in 1944 and of \$1,217 in 1945.

To extend the present mains a distance of 3,600 feet,  
using 4" pipe

To install one additional 15 h.p. electric Pomona pump  
having a capacity of 350 gallons per minute against  
60 pounds pressure

To install two metal tanks, each of 1,300 gallons capacity

To install an additional 14" well

To construct such buildings as may be necessary to accommo-  
date the above equipment

To construct building for office and tenant

Of the estimated cost, applicant proposes to advance \$1,000 and to borrow the balance. He reports that he has made arrangements, subject to the approval of the Commission, to borrow the sum of \$6,500 from the Security State Bank of Turlock and to use \$5,700 thereof to complete the financing of the proposed extensions and improvements, and \$800 to pay the outstanding demand note in favor of the bank.

The amount to be borrowed will be represented by two notes, one for \$1,200 secured by a deed of trust on applicant's real property, and the other for \$5,300 secured by a mortgage of chattels on his water system. The \$1,200 note will be payable in monthly installments of \$25 commencing November 1, 1946, with interest at the rate of six percent per annum, and the \$5,300 note will be payable in monthly installments of \$50 commencing November 1, 1946, with interest at the rate of six percent per annum. Copies of the proposed instruments are on file in this proceeding.

#### O R D E R

O. R. Haile having applied to the Commission for permission to execute a deed of trust and a mortgage of chattels and

to issue notes, and the Commission having considered the matter and being of the opinion that a public hearing is not necessary, that the request of applicant should be granted, as herein provided, and that the money, property or labor to be procured or paid for through the issue of said notes is reasonably required for the purposes stated herein, therefore,

IT IS HEREBY ORDERED as follows:

1. O. R. Haile, after the effective date hereof and on or before November 30, 1946, may execute a deed of trust and a mortgage of chattels and may issue two notes, one in the principal amount of \$1,200 and the other in the principal amount of \$5,300, for the purposes of paying outstanding indebtedness of \$800 and of financing in part the cost of the extensions and improvements referred to in the opinion preceding this order, said notes, said deed of trust and said mortgage of chattels to be in, or substantially in, the same form as the notes, the deed of trust, and the mortgage of chattels on file in this proceeding.

2. O. R. Haile shall file with the Commission a report, or reports, of the issue of said notes and of the disposition of the proceeds, as required by the Commission's General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

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

Dated at San Francisco, California, this 8<sup>th</sup> day  
of October, 1946.

Harold P. Kula  
Justus J. Cassen  
Frank W. Place  
Earl H. Powell  
A. J. [unclear]  
 Commissioners

