

Decision No. 40778

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of application of  
LOLETA WATER CO. (C. F. BERTSCH) for  
permission to pay off the indebtedness  
against real and personal property  
constituting the Water System of  
LOLETA, CALIFORNIA and to execute a  
mortgage and new deed of trust upon  
said property.

Application  
No. 28543

ORIGINAL

OPINION AND ORDER

This application shows that C. F. Bertsch, doing business under the firm name and style of Loleta Water Co., is engaged in supplying water to the inhabitants of the unincorporated town of Loleta, Humboldt County. He reports his investment in the water properties at \$28,505 as of December 31, 1946, and his operating revenues at \$4,227 with a net profit of \$1,806 for the year 1946.

Applicant reports that during 1946 in order to improve and extend his service and to meet increasing demands for water, he borrowed \$6,500 for the following purposes:

To pay for five acres of land	\$1,250
To pay for a 7½ h.p. pump	250
To pay for a well, 39 feet deep, yielding from 35 to 50 gallons per minute	1,000
To install a concrete reservoir and to lay 3500 feet of 3" transit pipe and 500 feet of 3" galvanized iron pipe	<u>4,000</u>
Total	<u>\$6,500</u>

The amounts thus borrowed were represented by three

notes described as follows:

- a. \$1,500.00 due H. C. HANSEN payable in monthly installments of \$20.00 with interest @ 6% per annum and secured by a deed of trust covering the five acres of land.
- b. \$1,000.00 due BANK OF LOLETA, unsecured, payable in monthly installments of \$10.00 with interest @ 6% per annum.
- c. \$4,000.00 due BANK OF LOLETA payable in monthly installments of \$50.00 with interest @ 6% per annum, secured by a deed of trust on other properties of applicant consisting of seven acres of land.

Applicant did not apply for, nor receive, an order from this Commission authorizing the issue of the notes and the execution of the deeds of trust. It appears, however, that his failure to obtain the approval of the Commission was through inadvertence and with no intent to evade the provisions of the Public Utilities Act. When the matter of the necessity of obtaining such approval was called to his attention, he forthwith filed the present application for an order authorizing the issue of the notes and the execution of the deeds of trust.

The Commission has considered this matter and is of the opinion that a public hearing is not necessary, that the application 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 purpose specified herein, which purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income, therefore,

IT IS HEREBY ORDERED as follows:

1. C. F. Bertsch may issue notes for not exceeding an aggregate amount of \$6,500 and may execute deeds of trust in, or substantially in, the same form as those filed in this proceeding, for the purpose of financing in part the cost of the additions

and improvements referred to herein.

2. C. F. Bertsch shall file with the Commission a report of the issue of the notes 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 C. F. Bertsch 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 6<sup>th</sup> day  
of October 1947.

Harold P. Kula  
Justus D. Galloway  
Irvin H. Kull  
R. E. Zimmerman

Commissioners

