

61679

**ORIGINAL**

Decision No. \_\_\_\_\_

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application  
of Dyke Water Company for an Order  
authorizing it to Sell, Transfer  
and Convey its water system to the  
City of Garden Grove.

Application No. 42454

SUPPLEMENTAL OPINION AND ORDER

In order to comply with the requirements of this Commission's Decision No. 61642 in this matter, issued March 13, 1961, Dyke Water Company has filed appropriate copies of four separate "Declarations of Trust" by which funds are made available for discharging the obligations of the company as specified in said decision.

Referring to the numbered ordering paragraphs of said Decision No. 61642, the Commission finds as follows:

A. Dyke Water Company has elected to meet the requirements of ordering paragraph 2 of said decision, rather than paragraph 1, and has established in trust, with the Farmers and Merchants Trust Company of Long Beach, the sum of \$208,800 in compliance therewith. The trust agreement is appropriate for the purpose intended.

B. For the purpose of meeting the requirements of ordering paragraph 3, Dyke Water Company has established in trust, with the Farmers and Merchants Trust Company of Long Beach, the sum of \$15,919.91 covering customers' deposits in Account 227. The funds are to be paid out by not later than May 1, 1961. The trust agreement is appropriate for the purpose intended.

C. For the purpose of meeting the requirements of ordering paragraph 4, Dyke Water Company has established in trust, with the Farmers and Merchants Trust Company of Long Beach, the sum of \$39,946.77 for the purpose of repayment to the designees listed in Appendix A to said Decision No. 61642. The trust agreement is appropriate for the purpose intended.

D. Dyke Water Company and the City of Garden Grove have mutually set the closing date for the transfer of properties as March 23, 1961. With such closing date, time will not permit the execution of all of the refund main-extension agreements treated in numbered paragraph 5 and in Appendix B to said Decision No. 61642. Dyke Water Company has appropriately amended its "Declaration of Trust" as originally set forth in Exhibit No. 4 in this proceeding so as to make each of the designees listed in said Appendix B primary beneficiaries under the trust. This will adequately protect the designees. In view of this protection and of the time element involved, it is reasonable to permit filing of copies of the executed agreements on or before May 1, 1961, instead of as a condition precedent to closing.

E. Dyke Water Company has appropriately amended the "Declaration of Trust" in accordance with the requirements of numbered paragraph 6.

F. The shareholders of Dyke Water Company have executed the "Assumption and Guarantee Agreement" as required by numbered paragraph 7.

G. Dyke Water Company has paid the fine of \$3,000 ordered by this Commission on January 10, 1961.

H. The modification permitted by numbered paragraph 9 has been made and is acceptable.

I. Compliance with the requirements of numbered paragraph 10, directing the carrying out of existing terms and conditions of the "Reimbursement Contracts," will be carried out by the trustee.

J. The Commission now further finds that Dyke Water Company has satisfactorily met compliance with the conditions precedent to actual transfer and should now be authorized to effect such transfer.

Good Cause Appearing therefor,

IT IS ORDERED that Dyke Water Company, on or after the effective date of this order and on or before May 3, 1961, may exercise the authorization to transfer its properties and assets to the City of Garden Grove in accordance with the above findings and the provisions of this Commission's Decision No. 61642 issued March 13, 1961.

IT IS FURTHER ORDERED that verified statements of the trustee (specified for March 31 and April 15, 1961) required by numbered paragraph 2 of Decision No. 61642 are hereby waived.

The effective date of this order shall be March 23, 1961.

Dated at San Francisco, California, this 20<sup>th</sup> day of March, 1961.

*George B. Brown*  
 President

*W. L. Fox*

*George B. Brown*

*Fredrick B. Hallock*  
 Commissioners