

ORIGINAL

Decision No. 69054

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of GOLCONDA UTILITIES COMPANY, a California corporation, for approval of the acquisition of the assets of Kentwood in the Pines Community Association; and to issue securities.

Application No. 46719
(Filed June 11, 1964)

WHISPERING PINES MUNICIPAL WATER DISTRICT,

Complainant,

vs.

Case No. 8054
(Filed October 29, 1964)

GOLCONDA UTILITIES COMPANY, a California corporation, and KENTWOOD-IN-THE-PINES COMMUNITY ASSOCIATION, INC., a California corporation,

Defendants.

W. Paul Payne, for Golconda Utilities Company, applicant in Application No. 46719 and a defendant in Case No. 8054.

Harry Hargreaves, for Whispering Pines Municipal Water District, protestant in Application No. 46719 and complainant in Case No. 8054.

Wilson W. Wied, for F. P. Boynton, Mr. and Mrs. Peter Bullan, et al., protestants in Application No. 46719.

Duane E. Wilson, for Title Insurance and Trust Company; and R. M. Switzler, in propria persona, protestants in Application No. 46719 and interested parties in Case No. 8054.

C. Strelinski and R. H. Knaggs, for the Commission staff.

O P I N I O N

In Application No. 46719, Golconda Utilities Company (GUC) seeks: authority for the transfer to it of a water system owned by Kentwood in the Pines Community Association ^{1/} (KPCA); authority to issue common stock in payment of its demand notes issued to KPCA for purchase of the water system; an order directing Kentwood in the Pines Municipal Water District ^{2/} (KPMWD) to transfer title to the properties used by KPCA in its operations; an order directing Title Insurance and Trust Company and Union Title Insurance Company to release to GUC certain deeds of trust wherein KPCA is trustor; an order restoring to KPCA certain water rights transferred to others; and authority to file and apply KPCA's present water rates.

In Case No. 8054, Whispering Pines Municipal Water District (WPMWD) seeks an order: declaring that each lot within Whispering Pines has certain water rights appurtenant thereto; declaring that all water diverted under a certain State Water Rights Board license is required for the reasonable domestic needs of the property within Whispering Pines; directing that, except for one specific customer, no users outside of Whispering Pines be served with water diverted under that license; determining that the Superior Court for San Diego County had jurisdiction to grant a certain preliminary injunction; prohibiting any successor of the water utility's original owner from violating the terms of the diversion license, violating a certain permanent injunction, or failing to recognize certain appurtenant water rights.

^{1/} All incorrect designations, such as "Kentwood in the Pines Community Association, Inc." and "Kentwood-in-the-Pines Community Association, Inc.," used by various parties, shall be considered herein to be "Kentwood in the Pines Community Association".

^{2/} Incorrectly referred to by GUC as "Kentwood Municipal Water District".

A public hearing on the two proceedings was held on a consolidated record before Examiner Catey at Julian on December 16, 1964. Copies of the application, the complaint, the answer of GUC to the complaint, and the notice of hearing had been served in accordance with this Commission's rules of procedure. GUC presented testimony in its behalf by its president and also called a staff engineer to introduce certain factual information. Protestants presented testimony by a former attorney of KPCA and by the president of WPMWD and also called a former officer of KPCA to verify certain documents. The president of WPMWD also presented testimony specifically related to the complaint. Provision was made for several late-filed exhibits to be furnished by the various parties. Defendant KPCA did not appear. Both proceedings were submitted on January 15, 1965.

Applicant, Complainant and Defendants

GUC is a California corporation owning and/or operating public utility water systems at Keeler in Inyo County, at Hinkley in San Bernardino County, and near San Bernardino in San Bernardino County. It is a wholly owned subsidiary of Golconda International Corporation (GIC), a Nevada corporation. The president of GUC is also president of GIC. He and other members of his family own more than 50 percent of the stock of GIC. He and his wife were members of the board of directors of KPCA when that body agreed to sell the water system to GUC.

KPCA is a nonprofit California corporation owning and operating public utility water systems in two separate areas known generally as Whispering Pines and Kentwood in the Pines, located near Julian in San Diego County. KPCA did not join in the application to transfer the water systems to GUC and did not appear herein.

WPMWD is a municipal water district organized and existing under the provisions of the California Municipal Water District Act of 1911. The district boundaries encompass the Whispering Pines tracts and the land adjacent thereto owned by KPCA and used for the development, storage and distribution of water to those tracts. WPMWD has not yet undertaken to own or operate a water distribution system.

History

The water systems serving Whispering Pines and Kentwood in the Pines have been the subject of controversy since their inception. Most of the problems which have plagued these systems have been created by failure of the various owners to follow procedures prescribed by statute and by this Commission.

The record in Application No. 29855^{3/} shows some of the early history of water operations in the two tracts known as Whispering Pines. In or about the year 1929, one Edith Austin Ayers (Ayers) subdivided those tracts and acquired some 150 acres of land adjacent thereto upon which there were certain springs which she utilized as the source of water supply for the tracts. An undetermined number of purchasers of the 350 to 400 lots in the tracts paid for shares of stock, at \$100 per share, in Whispering Pines Mutual Water Company, Ltd., from Ayers. The mutual water company stock was not issued, however, and Ayers apparently used the proceeds from the intended sale of the stock as though such funds were contributions in aid of construction of the water

^{3/} The records in the following proceedings were incorporated herein by reference at the hearing: A. 29855, original certificate proceeding; A. 40306, transfer to heirs of original owner; A. 40307, transfer to KPCA; A. 44452, rate proceeding of KPCA; A. 45303, proposed transfer to KPMWD.

system which she installed to serve the tracts. Inasmuch as plans for the mutual water company were abandoned, the construction of the water system without prior authorization of this Commission was in violation of Section 50(a) of the then Public Utilities Act (Section 1001 of the present Public Utilities Code).

Ayers operated the water system without authority of this Commission until the year 1949, when she was granted a certificate of public convenience and necessity.^{4/} After Ayers' death in 1950, her estate was probated and distributed to her heirs pursuant to a decree of the Superior Court in San Diego County. After operating the system for eight years without authorization of this Commission, the heirs requested^{5/} authority for their acquisition of the water system. Concurrently, the heirs requested^{6/} authority to transfer the system to KPCA. In their application, buyer and sellers pointed out that KPCA "is better qualified to properly operate this Public Utility by virtue of the perpetuity inherent in a corporation".

The record in Application No. 40307 shows that the purchase price to be paid by KPCA was \$30,000, of which \$15,000 was to be payable in cash and \$15,000 was to be represented by a promissory note, payable on or before December 31, 1958, secured by a deed of trust covering the land and rights-of-way used for the development, storage and distribution of water in Whispering Pines. Although the decision^{7/} in the proceeding permitted KPCA to issue the deed of trust only during the period from August 24,

4/ Decision No. 43245, dated August 23, 1949, in Application No. 29855.

5/ Application No. 40306.

6/ Application No. 40307.

7/ Decision No. 57222, dated August 19, 1958.

1958 through December 31, 1958, the authorized deed of trust was not issued, and all parties apparently relied upon the previous invalid deed of trust issued by KPCA on June 25, 1958. The copy of the promissory note filed as required by the decision shows that the note was assigned to two of the original directors of KPCA in November 1958, for an undisclosed sum. It also indicates that an extension of time was made for payment of \$7,500 of the principal on June 30, 1959 and the remaining \$7,500 on December 31, 1959. Inasmuch as the extension of time would have made the note payable at periods of more than 12 months after the date of issue, such extension of time appears to have been invalid because without Commission authorization.

Exhibit No. 4 in Application No. 44452 indicates that KPCA issued: (1) bonds dated July 1, 1958, in the total sum of \$35,000, secured by a First Trust Deed on the utility's real property together with a bill of sale on the physical property and equipment located on the real property; (2) a Second Trust Deed, dated November 4, 1960, in the sum of \$10,657.50; and (3) a Third Trust Deed, dated October 1, 1961, in the sum of \$8,885.48. The exhibit states that the \$35,000 related to the First Trust Deed was provided by various residents of the area who became bondholders of KPCA, for the purchase of the Whispering Pines water utility properties, whereas the Second Trust Deed and Third Trust Deed were related to funds which had been provided by two of KPCA's original directors, allegedly for operation, maintenance, repairs and other utility purposes. The exhibit shows that KPCA had not applied for nor received authority to issue the evidences of indebtedness and to encumber the utility property. The exhibit states that KPCA

planned to request Commission authority to reissue its notes in exchange for the invalid obligations.

Exhibits Nos. 1, 6 and 7 in Application No. 44452 indicate that KPCA: (1) installed a separate water system to serve Kentwood in the Pines, an area not contiguous to KPCA's line, plant or system serving Whispering Pines; (2) restated its books to show plant costs in excess of original costs actually incurred; (3) exacted contributions in aid of construction from new customers; and (4) could not account for over \$21,000 of its funds which had apparently not been spent for utility purposes. All of these actions may well have been in violation of the Public Utilities Code, the filed tariffs of KPCA or accounting procedures prescribed by this Commission. As stated in Decision No. 66255, dated November 5, 1963, KPCA's "entire method of operation appears to involve a deliberate disregard of the laws relative to either certificates, reports, or issuance of securities".

Decision No. 66255 also denied Application No. 45303 of KPCA to sell the Kentwood portion of the water systems to KPMWD. The Commission found that the proposed transfer would have been adverse to the public interest. Exhibit No. 5 herein shows that two of the directors of KPMWD were holders of the Second Trust Deed and Third Trust Deed referred to hereinbefore.

Decision No. 66255 authorized a 26 percent increase in KPCA's rates and required KPCA to adopt straight-line, remaining life depreciation, to correct its depreciation reserve and plant accounting records, to apply for Commission authorization for all long-term debt, to file reports showing proceeds and disbursement of funds from the long-term debts, to determine and record amounts

received as contributions in aid of construction, and to submit a report accounting for the missing \$21,400. Except for filing the increased rates, KPCA did not comply with the order.

Paragraph V of the application herein states that, on March 10, 1964, KPCA was without funds to continue the utility operations. KPCA and GUC entered into the agreement attached to the pleading as Exhibit No. 1, providing for GUC to operate and manage the water systems. Exhibit No. 14 herein, copies of KPCA minutes, shows that GUC's president and his wife were elected on March 14, 1964 by the KPCA board of directors to fill two vacancies on that body, that on May 23, 1964, the members of the board of directors recommended sale of the water systems to GUC, and that the directors then all resigned. Exhibit No. 2 attached to the application, the bill of sale for the transfer of the utility systems from KPCA to GUC, is dated May 23, 1964.

GUC's president testified that GUC had issued unsecured interest-free demand notes to KPCA in the amounts of \$37,690.15 and \$42,069.14 in payment for the water systems. The notes, Exhibit No. 6 herein, provide that the holder thereof will accept shares of GUC stock when issuance of such stock is authorized by this Commission. GUC's president further testified that the notes subsequently had been acquired by GIC, the parent corporation of GUC, for a price "in the neighborhood of" \$10. GUC and GIC jointly and severally agreed to indemnify the directors and officers and those members approving in writing the sale of the systems, against all actions, proceedings, claims and demands and against any loss, damage or injury which they may in any manner sustain by reason of the sale, and against all costs, damages or expenses which they may pay or incur in consequence of the sale.

As indicated in the discussion herein of the utility's history, KPCA may have violated the Public Utilities Code and various orders of this Commission. An order will be issued instituting an investigation into KPCA's operations.

Proposed Transfer

There are two questionable and significant aspects to the transfer proposed in Application No. 46719:

(1) The disposition by KPCA of its assets in exchange for GUC's promissory notes in the total amount of \$79,759.29 and subsequent sale of those notes to GIC for approximately \$10 would leave KPCA with no means of paying its remaining liabilities. It is quite clear, and we so find, that, pursuant to Section 825 of the Public Utilities Code, the bonds and deeds of trust issued by KPCA are void. Nevertheless, members of the public apparently purchased the bonds without being aware that they were invalid. These circumstances militate against a finding that the proposed transfer is not adverse to the public interest.

(2) The agreement by which GUC and GIC propose to indemnify certain KPCA directors, officers and members from consequences of the proposed sale is a form of indebtedness with indeterminate timing and amounts of payments. Neither GUC nor GIC have shown that they have the ability to pay the significant sums which might possibly result from litigation involving the indemnitees. These circumstances preclude a finding that GUC has the financial resources to acquire and operate the systems.

Proposed Stock Issue

If the proposed transfer were authorized, it would not be appropriate for this Commission to authorize GUC to issue \$79,759 par value of its common stock in payment of its two demand notes, aside from the fact that its parent corporation paid only about \$10 for those notes. If KPCA ultimately is required and permitted to make good on its stated intention in an earlier proceeding to request Commission authority to reissue evidences of indebtedness and encumber utility property, it would not be proper to authorize issuance of stock now which would be in duplication of whatever encumbrance might later be authorized.

KPMWD Transfer

GUC alleges that certain property sold to KPMWD by KPCA is used in the utility operations. The record will not support a finding as to the validity of the transfer because GUC did not establish the utility status of the property in question. We do not reach, therefore, the question of our jurisdiction to require KPMWD to make the requested transfer. The status of the property in question will be considered in the investigation of KPCA to be opened by this Commission.

Deeds of Trust, Bonds and Notes

Decision No. 57222 authorized KPCA to purchase the Whispering Pines system on the basis of \$15,000 cash and \$15,000 indebtedness. The resulting 50 percent equity would have provided a reasonably sound capital structure. KPCA did not disclose that it did not have the \$15,000 in cash and that it intended to finance the acquisition entirely with borrowed funds. It is extremely unlikely that the Commission would have authorized the \$35,000 bond

issue and the associated first deed of trust, leaving KPCA with no equity whatsoever in the system.

The second and third deeds of trust are apparently related primarily to the Kentwood system installation. Even if KPCA had financed the Whispering Pines system with 50 percent equity, it would not have been appropriate for the utility to incur further indebtedness for any portion of the Kentwood system which properly should have been financed by advances from the real estate developers, pursuant to the utility's filed main extension rule.

GUC requests an order of this Commission requiring the holders of the deeds of trust to release them to GUC. Conversely, the attorney for various bondholders moved that this Commission authorize and direct the reissuance of valid bonds in exchange for their invalid certificates. Neither action is appropriate because: (1) although we find that the deeds of trust, bonds and notes involved are all void, they may be of use to the holders thereof as evidence in any court actions against the parties responsible for issuance of the documents, and (2) this Commission is empowered to authorize, not direct, the issuance of evidence of indebtedness and encumbrance of utility property.

Counsel for various bondholders argued that the illegal bonds were, in effect, "demand bonds" not requiring Commission authorization. This argument is not valid, because: (1) the bonds included a provision permitting them to become payable at periods of more than 12 months after the date of issuance, and (2) the bonds provided for encumbrance of utility plant.

Counsel also argued that the utility plant covered by the bonds and first deed of trust should be presumed conclusively to be

nonutility plant, pursuant to Section 851 of the Public Utilities Code, which provides, in part:

"Nothing...shall prevent the...encumbrance...by any public utility of property which is not necessary or useful in the performance of its duties to the public, and any disposition of property by a public utility shall be conclusively presumed to be of property which is not useful or necessary in the performance of its duties to the public, as to any... encumbrancer dealing with such property in good faith for value....".

We do not concur in this view. A party cannot be said to have acted "in good faith" if he has not made a reasonable investigation and determined that the property involved was not useful or necessary in the utility's operations. This obviously could not be true of land upon which are located the springs which are the sole source of supply for the Whispering Pines water system. Moreover, bondholders here were familiar with the property, and there was no showing that they believed, in good faith, that it was not useful or necessary.

KPCA apparently has issued certain demand notes, the liability for payment of which is not proposed to be assumed by GUC. For example, the attorney who advised and counseled KPCA from its inception testified that payment has not been made on notes he accepted from KPCA, nor on bills he has rendered to KPCA for part of his services.

Wheyland Case

Ayers failed to provide purchasers of lots in Whispering Pines with shares or memberships in a mutual water company. The record herein does not show whether Ayers expressly deeded any "water rights" to lot purchasers or whether the promised shares or memberships in a mutual water company came to be commonly and

improperly termed "water rights". In any event, Ayers appropriated and diverted water from Banner Creek and delivered it to the residents of Whispering Pines for over 20 years before those property owners brought a class action in the Superior Court for the County of San Diego against Ayers to have their "water rights" adjudicated. That action, No. 141424, commonly known as the "Wheyland case", was initiated because Ayers had announced her intention to obtain a certificate of public convenience and necessity from this Commission and subsequently to serve additional areas which were outside Whispering Pines. The Wheyland case was settled on September 23, 1948, by a stipulated judgment declaring that there is a permanent primary domestic water right as to each lot within the Whispering Pines tracts, from Ayers' Banner Creek source.

GUC contends that the stipulation made by Ayers in the Wheyland case constituted the transfer of utility property, in the form of water rights, without Commission authorization. GUC asks this Commission to issue an order restoring the water rights to KPCA. WPMWD takes an opposing view and requests this Commission to affirm that each lot within Whispering Pines has appurtenant thereto a permanent and paramount right to a supply of water for domestic purposes.

The record herein does not show whether the stipulated judgment in the Wheyland case established water rights in lieu of the previously promised shares in a mutual water company or merely confirmed previous water rights which had come into being by deed or otherwise. Without this information and proof of the date of any dedication to public use, no finding on this issue can be made. This subject also will be covered by the investigation of KPCA to be opened by this Commission.

Musket Case

In 1951, various owners of property riparian to Banner Creek brought suit in the Superior Court for the County of San Diego to enjoin the appropriation and diversion of Banner Creek water for delivery to Whispering Pines, Julian and vicinity. That action, No. 166880, commonly known as the "Musket case", apparently was precipitated by Ayers' heirs' preparing to deliver Banner Creek water in large quantities to Julian Mutual Water Company. The Musket case was settled on May 23, 1956 by a stipulated judgment which declared that the Ayers water system had a prescriptive right to divert 17.5 acre-feet (762,300 cubic feet) of water annually from Banner Creek. In 1958, a supplemental complaint was filed in the Musket case, making KPCA a party thereto. This filing was prompted by KPCA's plans to supply the Kentwood area with Banner Creek water. A stipulated judgment entered therein on August 25, 1960 placed a further limitation on diversions from Banner Creek, requiring that the diverted rate of flow shall not exceed 0.03 cubic feet per second (13.5 gpm).

McNichols Case

In 1964, various individuals and WPMWD filed a complaint in the Superior Court for the County of San Diego, asking the court to restrain KPCA and GUC from prosecuting an application to the State Water Rights Board for a permit to extend the use area of the water entitlement under License No. 4759 of that Board, and from providing water to any property or user located outside the two Whispering Pines tracts and not then served. That action, No. 282736, which we shall call the "McNichols case", also requested other relief relative to recognition of paramount water rights of users within the Whispering Pines tracts.

On June 19, 1964, the Superior Court granted a temporary injunction prohibiting KPCA, and any successor or agent, from delivering water to Camp Bishop Stevens, owned by the Protestant Episcopal Church, when such water is reasonably required for domestic purposes within the two Whispering Pines tracts.

"Reasonably required" was defined as any actual weekly delivery to the two tracts up to 17,500 cubic feet, with the further requirement that there be at least 100,000 gallons of water in the 200,000-gallon reservoir whenever water is delivered to Camp Bishop Stevens.

WPMWD indicates that trial of the McNichols case is to be deferred until after Commission action herein.

Restriction of Service Area

KPCA has not been ordered previously by this Commission to limit its service area. In the absence of such restriction, Section 1001 of the Public Utilities Code permits extension into territory contiguous to the utility lines, plant or system. Section I.E. of General Order No. 96-A requires, however, that the utility shall file revised tariff service area maps for such extensions, before commencing service.

WPMWD requests an order of this Commission which would require that KPCA's Banner Creek sources and Whispering Pines water system be used solely for the two Whispering Pines tracts and one specific cottage outside those tracts. WPMWD bases this request upon the requirements and restrictions incorporated in the judgments in the Weyland and Mushet cases and upon KPCA's estimates that the present development within Whispering Pines will require greater peak deliveries in 1965 than can be diverted legally from Banner Creek.

We find that KPCA's Whispering Pines system has been dedicated to serve all of the lots in Whispering Pines, as is evidenced by the area certificated by Decision No. 43245 and the tariff service area map now on file for KPCA. The Mushet judgment, which established a right of only 17.5 acre-feet per year, has not been challenged and may be assumed to be in full force and effect. The testimony of GUC's president shows that, even with less than 150 of the approximately 350 Whispering Pines lots using water, about 10.4 acre-feet of water were used within the two tracts during 1964. It is apparent, then, and we so find, that the entire Banner Creek entitlement will be needed for the present dedicated area of service long before all of the lots are occupied. Under these circumstances, and whether or not the stipulated judgment in the Wheyland case is valid, it might be contrary to the public interest to add permanent customers outside of the present dedicated area of service. This is an appropriate subject for further review in the Commission's investigation of KPCA. In the meantime, the order herein will prohibit the addition of permanent customers.

The testimony of GUC's president indicates that water service from the Whispering Pines system has already been extended to seven customers, including Camp Bishop Stevens, outside of the Whispering Pines tracts. Of these customers, only Camp Bishop Stevens uses sufficient water to cause a significant drain on the Banner Creek diversions. Service to present customers other than Camp Bishop Stevens will be permitted to continue on a permanent service basis. It is apparent, and we find, that the temporary injunction in the McNichols case will provide reasonable interim

protection to lot owners in Whispering Pines until the question of dedication, the legality of KPCA's extension of service to Camp Bishop Stevens and other related matters can be covered in the Commission's investigation of KPCA.

Findings and Conclusions

In addition to the various detailed findings in the foregoing opinion, the Commission finds that:

1. The proposed transfer to GUC of the water systems owned by KPCA, under the terms set forth herein, is adverse to the public interest.

2. For the foreseeable future it will not be adverse to the public interest for GUC to manage and operate the water systems owned by KPCA, in accordance with the agreement attached as Exhibit No. 1 to Application No. 46719.

3. The present tariff service area maps on file by KPCA do not show clearly and completely the present dedicated areas of service.

4. The present source of supply for the Whispering Pines system is not adequate to supply the ultimate needs of the present dedicated area of service in and near Whispering Pines, and adequate proof has not been presented that the present source of supply of the Kentwood system can supply more than the ultimate needs of the present dedicated area of service in and near Kentwood in the Pines.

5. There has been no showing that the issuance by KPCA of \$35,000 in bonds primarily for purchase of the Whispering Pines system is appropriate and would result in a workable capital structure. In any event, this Commission is not empowered to

direct the issuance of such securities, as requested in the motion made on behalf of several holders of invalid bonds; nor has KPCA applied for authority to issue them.

The Commission concludes that the transfer of KPCA's water systems to GUC should be denied, that GUC should be authorized to manage and operate those systems pursuant to the agreement between the two utilities, and that appropriate restrictions should be placed on service areas and delivery of surplus water.

O R D E R

IT IS ORDERED that:

1. The application of Golconda Utilities Company (GUC) is denied.

2. Kentwood in the Pines Community Association (KPCA) and GUC are authorized to carry out the terms of the agreement attached as Exhibit No. 1 to Application No. 46719, providing for the management and operation by GUC of the water systems owned by KPCA in and about Whispering Pines and Kentwood in the Pines, San Diego County.

3. Within ten days after the effective date of this order, GUC shall file on behalf of KPCA revised tariff service area maps clearly showing:

- (a) The boundaries of the Whispering Pines area certificated by Decision No. 43245, dated August 23, 1949, in Application No. 29855.
- (b) The boundaries of any additional properties, other than Camp Bishop Stevens, which are

outside the certificated area but which have been furnished permanent water service from the Whispering Pines system prior to the date of this order.

- (c) The boundaries of Camp Bishop Stevens, with a notation showing that only surplus water is to be provided to that customer, in accordance with the temporary injunction in the McNichols case.
- (d) The boundaries of the water system and area served in the Kentwood in the Pines tracts.
- (e) The boundaries of any additional properties which are outside the Kentwood in the Pines tracts but which have been furnished permanent water service from the Kentwood system prior to the date of this order.

Such filing shall comply with General Order No. 96-A. The effective date of the revised tariff sheets shall be established by supplemental order herein.

4. Until otherwise authorized by further order of this Commission, neither KPCA nor any successor or agent thereof (including GUC) shall extend or provide service outside the service area delineated on the tariff service area maps to be filed pursuant to Paragraph 3 of this order.

5. The motion made on behalf of various bondholders, asking this Commission to authorize and direct the reissuance of valid bonds in exchange for their invalid certificates, is denied.

6. In all other respects, Case No. 8054 is dismissed.

The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 11th day of May, 1965.

President

George T. Thover

Commissioners

Commissioner Frederick B. Holoboff, being