

Decision No. 14129

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of )  
PORT COSTA WATER COMPANY, a corporation, )  
for an order authorizing the issuance )  
and sale by it of \$60,000.00 principal )  
amount of its first mortgage sinking )  
fund gold bonds, series "A", and the )  
issuance by it of its promissory note )  
in the principal sum of \$40,000.00. )

Application  
Number  
10499

Jones and Dall, by M. R. Jones,  
for Applicant.

MARTIN, Commissioner.

OPINION

Port Costa Water Company asks permission to issue and sell at 95 and accrued interest \$60,000.00 face value of 6½ per cent first mortgage bonds due July 1, 1936 and \$40,000.00 of 6 per cent unsecured notes to be dated October 15, 1924 and to mature serially at the rate of \$1,000.00 per month beginning November 15, 1924. It further asks permission to use the proceeds obtained from the issue of the bonds and notes to acquire approximately 364-9/10ths. acres of land on which it intends to drill wells and develop an additional water supply.

It is of record that George W. McNear has entered into an agreement for the benefit of the stockholders of the Port Costa Water Company, with Western Group Securities Company, to purchase about 1,716.33 acres of land in the Government Ranch in Contra Costa County on or before October 15, 1924, for the sum of \$150,000.00. Of this land about 364-9/10ths. acres which is believed to be water bearing

land and which is also the best agricultural land in the entire acreage, will be sold to the Port Costa Water Company for \$100,000.00. The company is also to receive the water rights in the adjoining lands purchased by George W. McNear. The testimony shows that there are now two wells located on the land which the water company intends to purchase; that such wells have been tested and that the investigations made convince the officers of the Port Costa Water Company that the land which it intends to acquire will enable it to develop an additional water supply. The land is located near the company's present pumping station at Galindo, Contra Costa County. The officers of the company believe that the land which the company now has an opportunity to purchase is the only land near its present holdings on which it can develop an additional water supply.

I herewith submit the following form of order :

ORDER

Port Costa Water Company having applied to the Railroad Commission for permission to issue \$60,000.00 of bonds and \$40,000.00 of notes, a public hearing having been held and the Railroad Commission being of the opinion that the money, property or labor to be procured or paid for through the issue of such bonds and notes is reasonably required by applicant and that the expenditures herein authorized are not in whole or in part reasonably chargeable to operating expense or to income,

IT IS HEREBY ORDERED as follows :-

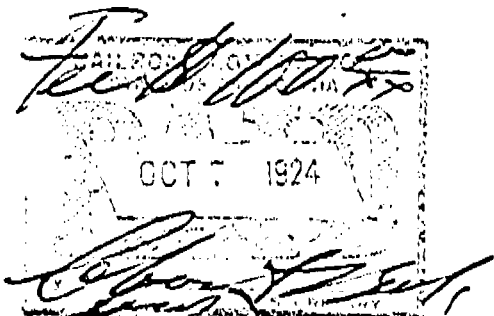
1. Port Costa Water Company may issue and sell at 95 and accrued interest on or before November 15, 1924 \$60,000.00 of 6½ per cent first mortgage bonds due July 1, 1936 and may issue and sell at not less than par a \$40,000.00 6 per cent unsecured note to be dated October 15, 1924 and mature monthly at

the rate of \$1,000.00 per month beginning November 15, 1924. The proceeds realized from the issue and sale of the bonds and note shall be used by the company to pay for the land, approximately 364-9/10ths., acres, referred to in the foregoing opinion and in this application.

2. Port Costa Water Company shall keep such record of the issue, sale and delivery of the bonds and note herein authorized and of the disposition of the proceeds as will enable it to file on or before the 25th. day of each month a verified report, as required by the Railroad Commission's General Order Number 24, which order in so far as applicable, is made a part of this order.
3. The authority herein granted will become effective when applicant has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is \$100.00.

The foregoing Opinion and Order are hereby approved and ordered filed as the Opinion and Order of the Railroad Commission of the State of California.

DATED at San Francisco, California, this 4<sup>th</sup> day of October, 1924.



H. C. [unclear]  
Dwight Martin  
J. T. Whittley  
Commissioners.