

DEA

Decision No. 15093.

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of the }  
SAN GERONIMO VALLEY WATER COMPANY, }  
a corporation, for an order authorizing }  
the issue and sale of 50,000 shares of }  
its capital stock. }

Application No. 11173

Dunne, Brobeck, Phleger & Harrison,  
by H. E. Phleger, for applicant.

BY THE COMMISSION:

O P I N I O N

San Geronimo Valley Water Company asks permission to issue and sell at par \$50,000.00 of its common capital stock and use the proceeds to pay indebtedness and provide itself with funds to construct additions and betterments and for general corporate purposes.

Applicant has an authorized stock issue of \$200,000.00 divided into 200,000 shares of the par value of \$1.00 each. Stock in the amount of \$50,000.00 is now outstanding. Substantially all of the outstanding stock is owned by Lagunitas Development Company.

As of April 30, 1924, applicant reports assets and liabilities as follows:-

ASSETS

Plant Account	\$78,323.95
Accounts Receivable (Consumers)	2,185.89
Accounts Receivable (Others)	9.10
Stock (Material on hand)	1,560.54
Real Estate	6,110.00
Cash	90.45
Deficit	<u>24,791.82</u>

T O T A L - - - - \$113,071.75

LIABILITIES

Capital Stock	\$50,000.00
Bills Payable	31,695.85
Accounts Payable	11,866.68
Benicia Shipbuilding Corpn.	136.90
Lagunitas Development Co.	<u>11,729.78</u>
Customers Deposits	7.50
Reserve for Depreciation	<u>19,501.72</u>

T O T A L - - - - \$113,071.75

The \$31,695.85 reported under bills payable consists of a note the issue of which was authorized by the Railroad Commission by Decision No. 14235 dated November 3, 1924. This note was issued to and is held by the Lagunitas Development Company. The accrued and unpaid interest on the note to June 1, 1925 amounts to \$1,098.79. In addition to the note of \$31,695.85 and the accrued and unpaid interest applicant is indebted to the Lagunitas Development Company in the amount of \$11,729.78 appearing in its balance sheet under accounts payable. The total amount due the Lagunitas Development Company is \$44,524.42. The Development Company has agreed to accept in payment for such debt \$44,525.00 par value of applicant's common stock.

It is of record that the additional stock of \$5,475.00 which applicant asks permission to issue will from time to time be purchased by the Lagunitas Development Company at par. The proceeds from sale of such stock will be used to pay indebtedness which applicant may incur to Lagunitas Development Company or will be sold and the proceeds used to pay for additions and betterments or for general corporate purposes.

The financial statement filed by applicant shows that its business has not been conducted at a profit. The authority herein granted to issue stock should not be construed as a finding of a value for applicants properties, nor as a basis for the increase of rates, nor as a precedent for the issue of additional stock.

O R D E R

San Geronimo Valley Water Company having applied to the Railroad Commission for permission to issue \$50,000.00 of its common stock, a public hearing having been held before Examiner Fankhauser and the Railroad Commission being of the opinion that the money, property or labor to be procured or paid for by the issue of such stock is reasonably required by applicant and that this application should be granted as herein provided,

IT IS HEREBY ORDERED that the San Geronimo Valley Water Company be, and is hereby, authorized to issue and sell on or before December 31, 1925 at not less than par \$50,000.00 of its common capital stock and use the proceeds obtained from the sale of such stock to pay the indebtedness referred

to in this application and to provide itself with monies necessary to pay the cost of additions and betterments to its properties.

The authority herein granted is subject to further conditions as follows:-

1. San Geronimo Valley Water Company shall keep such record of the issue, sale and delivery of the stock 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 Commission's General Order No. 24 which order in so far as applicable is made a part of this order.
2. The authority herein granted will become effective upon the date hereof.

DATED at San Francisco, California, this 22<sup>d</sup> day of June, 1925.

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*C. Seavey*  
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*George D. Ingham*  
*Ernest Scott*  
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Commissioners.