

IRA

Decision No. 15420

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of the)
CITY WATER COMPANY OF BANNING, CALIFORNIA,)
a corporation, for an order authorizing)
the issue of bonds.)

Application No. 9084

ORIGINAL

BY THE COMMISSION:

FIRST SUPPLEMENTAL OPINION AND ORDER

City Water Company of Banning, California, by Decision No. 12261, dated June 25, 1923, in the above entitled matter, was authorized to issue \$35,000. of bonds for the purpose of paying for extensions, additions, betterments and improvements described in Exhibit "B", heretofore filed with the Commission in this proceeding, as follows:-

MATERIALS:

5,000 feet 8" 16 g riveted pipe @ \$.83	\$4,150.00
9,352 feet 8" 14 g riveted pipe @ .99	8,416.80
11,456 feet 4" 14 g riveted pipe @ .57	6,529.92
20 gate valves with companion flanges, bolts and gaskets	640.00
20 fittings for intersections, etc.	400.00
42 fire hydrants, pipe and gate type	1,360.00
400 saddles and pipe for resetting house connections on the rebuilt system	1,000.00
Minor details, use of money, superintendence, engineering, overhead	4,726.60

LABOR:

13,350 feet 8" haul and lay trench and backfill.	4,672.50
10,000 feet 4" haul and lay trench and backfill.	2,500.00
400 house connections-labor remaking.	800.00

Total.....\$35,195.82

The authority granted by the Commission was subject to the condition that no bonds might be issued until applicant had paid the fee prescribed by Section 57 of the Public Utilities Act, nor until the Commission, by supplemental order had authorized it to execute a mortgage or deed of trust to secure the payment of the bonds and had defined the terms and conditions under which the bonds might be sold.

On June 29, 1923, the company paid the required fee of \$35.00, and on August 17, 1925 it filed a copy of its proposed deed of trust.

The proposed indenture, to Title Insurance and Trust Company, trustee, secures the payment of a total authorized issue of \$35,000. of bonds. The bonds are to be dated April 1, 1925, instead of October 1, 1923, as originally reported, to bear interest at seven percent, to be callable at 103 after five years from April 1, 1925, and to mature in installments of \$2,000. on the first day of April of each of the years 1930 to 1946 inclusive, and of \$1,000. on April 1, 1947, instead of maturing during the years 1928 to 1945 as originally planned.

Applicant now reports that the construction work described in Exhibit "B" has been practically completed. It asks that it be permitted to sell its bonds at par and to use the proceeds to pay indebtedness that has been incurred in paying for such work.

The Commission has examined the proposed deed of trust and has given consideration to applicant's request. It is of the opinion that the instrument is in satisfactory form and that the company's request should be granted, as provided herein, and

that the money, property or labor to be procured or paid for through the sale of the bonds is reasonably required for the purposes specified herein and that the expenditures for such purposes are not in whole or in part reasonably chargeable to operating expenses or to income.

IT IS THEREFORE ORDERED that City Water Company of Banning, California, be, and it hereby is, authorized to execute a deed of trust substantially in the same form as that filed in this proceeding on August 17, 1925.

IT IS FURTHER ORDERED that City Water Company of Banning, California, be, and it hereby is, authorized to issue and sell the \$35,000. of seven percent serial bonds dated April 1, 1925, the payment of which is secured by such deed of trust, on or before June 30, 1926 at not less than face value plus accrued interest for the purpose of paying indebtedness incurred in financing the cost of the extensions, additions, betterments and improvements to which reference is made herein, or for such other purposes as may be hereafter authorized.

The authority herein granted is subject to the following conditions:-

1. The authority herein granted to execute a deed of trust is for the purpose of this proceeding only, and is granted only in so far as this Commission has jurisdiction under the terms of the Public Utilities Act, and is not intended as an approval of said deed

of trust as to such other legal requirements to which such deed of trust may be subject.

2. Applicant shall keep such record of the issue, sale and delivery of the bonds 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 No. 24, which order in so far as applicable, is made a part of this order.
3. The authority herein granted will become effective upon the date hereof.

DATED at San Francisco, California, this 19th day of September, 1925.

H. B. Brundage

C. L. Seavey

Leon Whelan

Commissioners.