

Decision No. 15697.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 SWEETWATER WATER CORPORATION,)
 a California corporation, to issue)
 and sell \$100,000.00 of bonds.)

Application No. 11919

ORIGINAL

Philip Storer Thatcher, for applicant.

BY THE COMMISSION:

O P I N I O N

SWEETWATER WATER CORPORATION asks permission to issue \$100,000.00 of first mortgage six percent. serial gold bonds and sell the same at not less than 98 percent. of their face value and accrued interest for the purpose of paying indebtedness, acquiring property and reimbursing its treasury on account of earnings expended for the acquisition and construction of properties.

Sweetwater Water Corporation was organized on or before January 12, 1920, for the purpose of acquiring, extending and operating the properties of Sweetwater Water Company. By Decision No. 7202 dated March 2, 1920 (Volume 17, Opinions and Orders of the Railroad Commission of California, page 853) the Commission allowed the company to issue \$1,000,000.00 of stock and \$450,000.00 of serial bonds in payment for the properties of Sweetwater Water Company, and to pay debts of that company assumed by applicant.

By Decision No. 7202 the Commission also authorized applicant to execute a mortgage to secure the payment of an authorized serial bond issue of \$650,000.00. The payment of the \$100,000.00 of bonds which applicant now asks permission to issue is secured by the mortgage executed pursuant to the authority granted in Decision No. 7202. The \$100,000.00 of bonds, though called in the

mortgage "Serial bonds", mature January 1, 1940.

Applicant in its Exhibit No. 1 reports net capital expenditures from January, 1921 to September, 1925, both inclusive, of \$160,269.69. To pay for such expenditures, applicant borrowed \$25,000.00 from the Southern Trust and Commerce Bank and invested in property part of its surplus earnings which, on September 30, 1925, are reported at \$147,899.98.

In this proceeding it asks permission to use the proceeds obtained from the sale of the \$100,000.00 of bonds to pay the \$25,000.00 note due Southern Trust and Commerce Bank, to expend \$9,500.00 to acquire the property now used by it for its garage, meter repair shop, and pipe storage yards, more particularly described as follows:-

The west seventy-five(75) feet of lots one,(1) to five (5) inclusive,also all of lots six (6) to eleven(11) inclusive, All situated in block ten(10), city plat of National City, San Diego County, California,

and to reimburse in part its treasury on account of earnings expended for the acquisition and construction of additions and betterments to its properties.

It is of record that the bonds will be issued from time to time as applicant may have need for the proceeds.

O R D E R

Sweetwater Water Corporation, having applied to the Railroad Commission for permission to issue \$100,000.00 of bonds, 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 such issue is reasonably required by applicant for the purposes specified in this order, and that such purposes are not in whole or in part reas-

onably chargeable to operating expenses or to income, and that this application should be granted, as provided in this order, therefore,

IT IS HEREBY ORDERED that the Sweetwater Water Corporation be, and it hereby is, authorized to issue and sell on or before June 30, 1926 at not less than 98 percent. of their face value and accrued interest, \$100,000.00 of its first mortgage six percent. serial gold bonds due January 1, 1940, and use \$25,000.00 of the proceeds to pay the \$25,000.00 note due Southern Trust and Commerce Bank of San Diego; referred to in the opinion that precedes this order, use \$9,500.00 to acquire the property described in the foregoing opinion, and use the remainder to reimburse its treasury on account of earnings expended for the acquisition, extension and construction of additions and betterments to its properties.

IT IS HEREBY FURTHER ORDERED that 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, and that 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 insofar as applicable, is made a part of this order.

DATED at San Francisco, California, this 30th day of November, 1925.



H. W. McAllister
Chairman
George D. Smith
Wm. H. Reed
Leon A. Whipple

Commissioners.