

LEM

Decision No. LS 840.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
SAN JOSE WATER WORKS,)
a corporation, for permission to) Application No. 12391
renew outstanding notes.)

Leib and Leib, for applicant.

BY THE COMMISSION:

O P I N I O N

In this application San Jose Water Works asks permission to issue \$500,000.00 of one year notes for the purpose of refunding outstanding notes.

In Application No. 10689, filed with the Commission on December 23, 1924 the company reported that it had outstanding on November 30, 1924 \$618,460.00 of short term notes which it alleged had been issued to secure funds to finance in part construction work during the period from April 30, 1923 to November 30, 1924. In that application it asked for and received permission to issue \$589,100.00 of its common capital stock at 105 to pay such indebtedness and to issue short term notes in the aggregate amount of \$618,460.00, to renew such notes in the event that it found it impossible to dispose of its stock readily.

The company now reports it has sold \$355,100.00 of the stock authorized by the former decision and has applied the proceeds, amounting to \$372,855.00, for the payment of the outstanding notes, leaving a balance of \$245,605.00. In addition to these notes it reports that it has issued without an order from the Commission, as

authorized by statute, short term notes in the aggregate amount of \$254,395.00. These notes it alleges were issued to secure funds to finance temporarily capital expenditures made during the period between November 30, 1924 and December 1, 1925, which expenditures are reported in the application as follows:-

TANGIBLE CAPITAL:

Land devoted to water operations:

A. Source of water supply land	\$9,935.00	
B. General office and other land	<u>5,324.00</u>	
Total land devoted to water operations		\$15,259.00

Buildings, structures and grounds:

A. Source of water supply, buildings and fixtures	9,163.62	
B. Pumping station buildings and fixtures	2,600.88	
C. General office and other buildings and fixtures	<u>2,901.86</u>	
Total buildings, structures and grounds		14,866.36

SOURCE OF WATER SUPPLY:

Intake and suction mains	5,191.22
Wells	<u>11,043.32</u>

PUMPING STATION EQUIPMENT:

Pumping equipment	40,264.43
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TRANSMISSION AND DISTRIBUTION CAPITAL:

Distribution mains and canals	133,869.63
Distribution reservoirs, tanks and standpipes	11,112.59
Hydrants, fire cisterns, fountains, etc.	1,359.60
Services	19,257.85
Meters and measuring devices	<u>119,169.30</u>

GENERAL CAPITAL:

General equipment:

A. General office equipment	350.76	
B. General shop equipment	2,160.81	
C. General stable and garage equipment	<u>5,424.55</u>	
Total general equipment		<u>7,956.12</u>

Total Fixed Capital..... \$ 379,349.42

The outstanding notes aggregate \$500,000.00. It appears that a great many of them are now due and payable and the company therefore asks the Commission to make an order authorizing it to renew them from time to time for a period of one year.

ORDER

San Jose Water Works having applied to the Railroad Commission for permission to issue notes and the Commission being of the opinion that this is a matter in which a public hearing is not necessary and that the money, property or labor to be procured or paid for through such issue of notes is reasonably required by applicant for the purpose specified herein and that the expenditures for this purpose are not in whole or in part reasonably chargeable to operating expense or to income,

IT IS HEREBY ORDERED that San Jose Water Works be, and it is hereby, authorized to issue its notes in the aggregate amount of \$500,000. payable on or before one year after date with interest at not to exceed six percent. per annum for the purpose of renewing the notes to which reference is made in the foregoing opinion.

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

1. Applicant may, if it so desires, issue its notes for a period of one year or less and may renew such notes from time to time provided that the combined terms of the notes originally issued under the authority herein granted and of those given in renewal do not exceed one year from the date of the notes originally issued under the authority herein granted.
2. Applicant shall keep such record of the issue and delivery of the notes 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.

5. 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 \$255.00. Under such authority no notes may be issued after one year from the date of this order.

DATED at San Francisco, California, this 13th day of January, 1926.

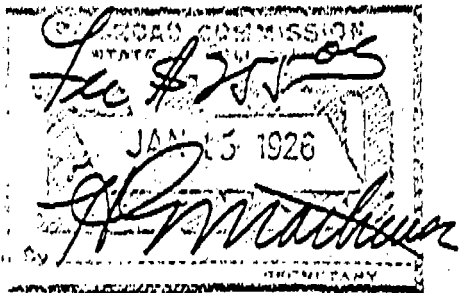
H. B. Brundage

Charles

George D. Tamm

Leon Whitall

Commissioners.



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