

LEM

Decision No. 12905.

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
WHITTIER WATER COMPANY, )  
a corporation, for an order authoriz- )  
ing it to issue refunding promissory )  
notes and to issue additional promis- )  
sory notes. )

Application No. 13353

James S. Bennett, by L. W. Meyers,  
for applicant.

BY THE COMMISSION:

O P I N I O N

Whittier Water Company asks permission to issue, in the aggregate, \$86,500.00 of three year six percent notes, secured by trust indenture or trust deed, for the purpose of refunding outstanding indebtedness and of paying for additions, betterments and improvements. It further asks permission to issue its notes, if it so desires, for a term of less than three years and to issue further notes in renewal thereof, provided that the combined terms of the notes, and the renewals, shall not exceed a period of three years from the date of the Commission's order.

Whittier Water Company has an authorized capital stock of \$200,000.00, divided into 4000 shares of the par value of \$50. each, all common, all of which is outstanding. Its bonded indebtedness, as of October 31, 1926, consists of \$112,500.00 of first mortgage six percent serial bonds due on or before July 1, 1937, and \$70,000.00 of three year six percent trust notes due September 14, 1925. Other indebtedness consists of \$11,494.62 of accounts

payable and \$3,747.63 of interest and taxes accrued. Its assets and liabilities, as of October 31, 1926, are reported as follows:-

ASSETS:

Fixed capital . . . . .	\$494,180.45
Cash . . . . .	6,392.04
Notes receivable . . . . .	265.00
Accounts receivable . . . . .	14,335.89
Investments . . . . .	17,728.13
Materials and supplies . . . . .	773.47
Prepaid insurance . . . . .	415.26
Suspense . . . . .	108.55
Construction work in progress . . . . .	1,018.23

Total assets ..... \$535,217.02

LIABILITIES:

Capital stock . . . . .	\$200,000.00
Bonds . . . . .	112,500.00
Trust notes . . . . .	70,000.00
Accounts payable . . . . .	11,494.62
Accruals . . . . .	3,747.63
Reserve for depreciation . . . . .	154,622.64
Corporate deficit . . . . .	17,147.87

Total liabilities..... \$535,217.02

The \$70,000.00 of trust notes were issued under authority granted by the Commission by Decision No. 10403, dated May 3, 1922, and were used to provide funds to pay indebtedness of \$64,000.00 then outstanding, and to maintain and improve facilities and service. These notes are now past due and applicant proposes to refund them through the use of part of the \$70,000.00 of the notes applied for in this proceeding.

The company proposes to use the remaining \$16,500.00 of notes covered by this application to pay the cost of reconstructing a portion of its main transmission line and to augment its water supply. It reports actual or estimated expenditures for

these purposes as follows:-

Transmission line:

Syphons and culverts . . . . .	\$1,500.00	
Strengthening and re-lining by cement 800 feet of the old Whit- tier Ditch . . . . .	2,000.00	
Replacing 450 feet of main line by the installation of 450 feet of 30-inch steel dipped and wrapped steel pipe . . . . .	<u>3,000.00</u>	\$6,500.00
New well and new equipment . . . . .		<u>10,000.00</u>
Total.....		<u>\$16,500.00</u>

It appears that the company's main transmission line, which carries water from the sources of supply on the Bassott and Bartolo water lands, runs along the state highway in the vicinity and through the City of Whittier, and that recently the State Highway Commission has let a contract for the paving of a portion of the highway which requires the reconstruction work, outlined above, on applicant's transmission line before the pavement is laid. As to the expenditures of \$10,000.00 for the new well and new equipment, applicant reports that in the past it derived approximately 250 inches of water from its Bassett water bearing lands, but that in the last year the water receded so far in the wells that it was unable to produce more than one half of the supply, making a new source urgently required to meet the demand. Applicant used approximately \$10,000.00 from its current funds to dig a new well and equip the same. This money is, according to the record herein, needed by the company to meet its ordinary expenses.

The company asks permission to execute a trust indenture or trust deed to secure the payment of the \$86,500.00 of notes substantially in the same form as that now securing the payment of the \$70,000.00 of notes outstanding. The execution of the instrument was authorized by the Commission by Decision No. 10990, dated September 16, 1922.

O R D E R

Whittier Water Company having applied to the Railroad Commission for authority to execute a mortgage and to issue notes, a public hearing having been held before Examiner Fankhauser, and the Commission being of the opinion that the application should be granted as herein provided, and that the issue of the notes is reasonably required for the purposes specified herein,

IT IS HEREBY ORDERED that Whittier Water Company be, and it hereby is, authorized to execute a trust indenture or trust deed substantially in the same form as the instrument authorized to be executed by Decision No. 10990, dated September 16, 1922, and to issue at not less than their face value \$86,500.00 of promissory notes, bearing interest at not exceeding six percent per annum and payable on or before three years after date, for the purpose of paying or refunding the \$70,000.00 of trust notes now outstanding and of financing the cost of additions and improvements of \$16,500.00 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 the notes herein authorized for a term of less than three years and renew them from time to time, provided that the combined terms of the notes originally issued and of those issued in renewal do not exceed a period of three years from the date of this order.
2. The authority herein granted to execute a trust indenture or trust deed is for the purpose of this proceeding only and is granted only insofar as this Commission has jurisdiction under the terms of the Public Utilities Act and is not intended as an

approval of said trust indenture or trust deed as to such other legal requirements to which said trust indenture or trust deed may be subject.

3. Within thirty days after the execution of said trust indenture or trust deed applicant shall file a certified copy thereof with the Railroad Commission.
4. The authority herein granted will become effective when applicant has paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which fee is \$25.00.
5. Applicant shall keep such record of the issue 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.

DATED at San Francisco, California, this 13<sup>th</sup> day of January, 1927.

*James West*

*Chas. A. ...*

*Leon B. ...*

Commissioners.

