

LBM

Decision No. 19961.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of the)
MONTEBELLO LAND & WATER CO.,)
a corporation, for permission to sell)
\$25,000.00 bonds of the \$100,000.00)
First Mortgage 6-1/2 percent. Serial) Application No. 14820
Gold Bonds authorized under Applica-)
tion No. 13416.)

BY THE COMMISSION:

O P I N I O N

In the above entitled application the Railroad Commission is asked to make an order authorizing Montebello Land & Water Co. to issue and sell, at 95 percent. of face value plus accrued interest, \$25,000.00 of its first mortgage six and one half percent. serial bonds, due on or before August 1, 1938, for the purpose of paying indebtedness and of financing the cost of improvements and additions to its water system.

By Decision No. 17960, dated February 5, 1927, (Vol. 29, Opinions and Orders of the Railroad Commission of California, page 337) the Commission authorized applicant to execute a mortgage or deed of trust securing the payment of an authorized bond issue of \$100,000., payable serially as follows;-

August 1, 1927	\$5,000.	August 1, 1934	\$7,000.00
August 1, 1928	5,000.	August 1, 1935	7,000.00
August 1, 1929	5,000.	August 1, 1936	7,000.00
August 1, 1930	5,000.	August 1, 1937	10,000.00
August 1, 1931	5,000.	August 1, 1938	10,000.00
August 1, 1932	7,000.	August 1, 1939	10,000.00
August 1, 1933	7,000.	August 1, 1940	10,000.00

Heretofore the company has been authorized to issue and sell at not less than 95 percent of face value, \$50,000.00 of the above bonds. These bonds were sold but thereafter \$5,000. were paid on August 1, 1927 and, it is said, \$5,000. more will be paid on August 1, 1928. In making this present request to sell additional bonds the company reports that they will be of the following maturities;-

August 1, 1935	\$3,000.00
August 1, 1936	7,000.00
August 1, 1937	10,000.00
August 1, 1938	5,000.00

Total..... \$25,000.00

The company proposes to use the proceeds (\$23,750.00) to be received from the sale of its bonds, to pay outstanding indebtedness and to finance in part proposed expenditures as follows;-

INDEBTEDNESS:

Due S. F. Catey for drilling new well	\$7,557.90
Due Byron Jackson Pump Co. for pump installed in new well	3,979.79
Due Los Angeles Manufacturing Company for new lines	2,783.33
Due for piles ordered through Montebello Lum- ber company	1,171.20
Sub-total	<u>\$15,492.22</u>

PROPOSED EXPENDITURES:

Lumber (Lowest bid price)	\$ 2,704.24
Driving piles (Lowest bid price)	1,150.00
Screening, hardware, cement, etc. (estimated)	2,000.00
Engineering fees (estimate)	500.00
Labor (estimate)	3,000.00
Miscellaneous	645.76
Sub-total	<u>\$ 10,000.00</u>
Total.....	<u>\$ 25,492.22</u>

The company reports that in order to improve the quantity of water delivered, it had constructed for it, at a cost of \$7,557.90 a new well, twenty inches in diameter and drilled to a depth of 452 feet. The well has been equipped with a Byron Jackson patented No. 6 A.M. five stage deepwell turbine pump. It has also found it necessary to install 1400 feet of 6 inch No. 14 gauge, and 250 feet of four inch No. 14 gauge wrapped, riveted steel double dipped pipe along Los Angeles Street, and 1020 feet of similar pipe of four inch diameter along Fourth Street. The lines in the intersecting streets were tied into the new line. The job complete, including all fittings, was done under contract by Los Angeles Manufacturing Company for \$2,783.33.

The item of \$1,171.20 covers the cost of 144 piles, 22 feet long and of 9 to 10 inches diameter, and 46 piles, 16 feet long and of the same diameter. These have been ordered for the purpose of covering an open reservoir to eliminate the growth of algae. The item making up the proposed expenditure of \$10,000.00, in the above tabulation, represents expenses for labor and material to complete this improvement.

The application shows that the costs, in excess of the proceeds to be received from the sale of the bonds, will be financed with funds obtained from the operation of the water system.

ORDER

Montebello Land & Water Co. having applied to the Railroad Commission for permission to issue and sell bonds, and the Commission being of the opinion that this is not a matter in which a public hearing is necessary, and that the money, property or labor to be procured or paid for through such issue and sale is reasonably required for the

purposes specified herein, which purposes are not in whole or in part reasonably chargeable to operating expense or to income,

IT IS HEREBY ORDERED that Montebello Land & Water Co. be, and it hereby is, authorized to issue and sell, for cash, on or before September 30, 1928, at not less than 95 percent. of face value plus accrued interest, \$25,000.00 of its first mortgage serial bonds and to use the proceeds to pay indebtedness and to finance in part the estimated expenditures referred to in the foregoing opinion.

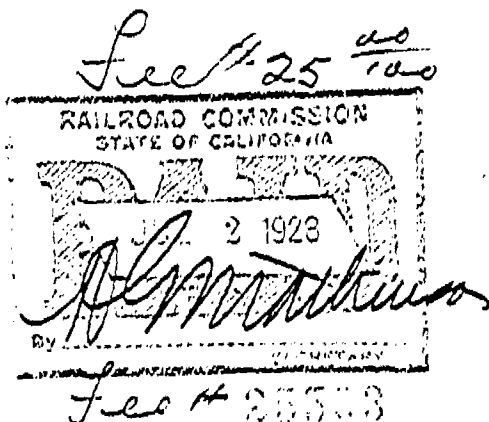
The authority herein granted is subject to the following conditions:-

1. Applicant shall keep such record of the issue and sale 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.

2. The authority herein granted shall become effective when applicant has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is \$25.00.

DATED at San Francisco, California, this 29th day of

June, 1928.



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Commissioners.