

LRA

Decision No. 2008;

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
DIAMOND RIDGE WATER COMPANY,)
a corporation, for permission to re-)
new a note for two thousand seventy)
and 00/100 dollars. (\$2,070.00).)

Application No. 14855.

BY THE COMMISSION:

O P I N I O N

Diamond Ridge Water Company has applied to the Railroad Commission for an order authorizing it to renew a seven per cent promissory note, in the principal amount of \$2,070.00, now outstanding.

The application shows that Diamond Ridge Water Company was organized during March, 1916, and that it has been and now is engaged in the business of supplying water for industrial, commercial and irrigation purposes in and about the towns of Diamond Springs and El Dorado in El Dorado County. It reports its assets and liabilities, as of June 1, 1928, as follows:-

ASSETS:

Fixed Capital	\$119,261.12	
Cash and deposits	117.57	
Treasury securities	16,600.00	
Corporate deficit	25,631.18	
Total Assets.		<u>\$161,609.87</u>

LIABILITIES:

Capital Stock	\$100,250.00	
Assessments on stock.	58,072.22	
Notes payable	2,070.00	
Accounts payable.	460.00	
Consumers' deposits	757.65	
Total Liabilities		<u>\$161,609.87</u>

On June 22, 1925, applicant filed an application with this Commission for permission to discontinue service. Thereafter, it appears, a number of the consumers of the water system, in order to have operations continued, purchased the outstanding stock from the then owners. It is reported that at that time the flumes and ditches were in a poor operating condition and that an expenditure in excess of \$5,000.00 was made to repair the lines so as to insure delivery of the water.

To obtain a portion of this amount and to make further repairs applicant issued its short term unsecured seven percent note for \$2,070.00 to El Dorado County Bank, which, as shown in the foregoing balance sheet, is the only note indebtedness now outstanding. Rather than to discharge or reduce its indebtedness at this time the company reports that it deems it advisable to use its funds to improve its system and accordingly it seeks permission to issue its renewal note.

The company asks for authority to renew the note from time to time at intervals of six months until it is able to pay or reduce the amount. We do not believe, however, that we should enter an order of such a nature and accordingly will permit the company to renew its note for a combined term of five years.

ORDER

Diamond Ridge Water Company having applied to the Railroad Commission for permission to issue a renewal note, and the Railroad Commission being of the opinion that this is a matter in which a public hearing is not necessary, and that the issue of the note is reasonably required by applicant,

IT IS HEREBY ORDERED that Diamond Ridge Water Company, for the purpose of paying or refunding the \$2,070.00 note now outstanding, be, and it hereby is, authorized to issue its unsecured promissory note in the principal amount of not exceeding \$2,070.00, with interest at not exceeding seven percent per annum, payable on or before six months after date of issue, and to renew such note, or portion thereof, from time to time, provided that the combined terms of the notes to be originally issued under the authority herein granted and of the notes to be given in renewal, shall not exceed a period of five years from the date of the note to be originally issued hereunder.

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

1. Within thirty (30) days after the issue of the notes herein authorized applicant shall file with the Commission a 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 minimum fee prescribed by Section 57 of the Public Utilities Act, which fee is Twenty-five (\$25.00) Dollars.

DATED at San Francisco, California, this 2nd day of August, 1928.

Leon A. Whipple

Wm. D. Lott

W. J. Lane

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Commissioners.

