

Decision No. 22781.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of the  
SANTA PAULA WATER WORKS, LTD.,  
a corporation, for authority to issue  
preferred stock.

**ORIGINAL**

Application No. 16594

Farrand and Slosson, by R. C. Fisher,  
for applicant.

BY THE COMMISSION:

O P I N I O N

Santa Paula Water Works, Ltd. asks permission to issue and sell at par \$96,200.00 par value of its six and one half percent cumulative preferred stock and use the proceeds to pay for six and one half percent unsecured notes of a like amount.

Applicant is engaged in the business of owning and operating a water system and selling and delivering through said water system, water to persons, firms and corporations in and near the City of Santa Paula, Ventura County, and to the municipality itself for domestic consumption, irrigation, industrial use, fire protection and municipal use.

It is of record that the company under its present Articles of Incorporation, has an authorized stock issue of \$750,000.00, divided into \$500,000.00 of common and \$250,000.00 of six and one half percent cumulative preferred stock. The company's shares of stock have a par value of \$100.00. The preferred stock is redeemable at the option of the company as a whole or in part at \$101.00 per share, plus

accrued and unpaid dividends. In the case of any liquidation or dissolution of the corporation, or the distribution of any assets of the corporation, the holders of the preferred stock are entitled to receive par plus accrued and unpaid dividends, before any payments are made to the holders of the common stock.

As of April 30, 1930 applicant reports assets and liabilities as follows:-

<u>A S S E T S</u>	
Fixed capital . . . . .	\$493,382.10
Cash . . . . .	3,181.81
Accounts receivable . . . . .	3,364.17
Prepayments . . . . .	828.36
Materials and supplies . . . . .	2,024.83
Total assets.....	<u>\$502,781.27</u>

<u>L I A B I L I T I E S</u>	
<u>Capital stock outstanding:</u>	
Common . . . . .	\$250,000.00
Notes payable . . . . .	96,200.00
Accounts payable . . . . .	2,770.79
Interest accrued . . . . .	769.17
Consumers advances for construction . . . . .	17,242.87
Donations in aid of construction . . . . .	21,066.93
Reserve for accrued depreciation . . . . .	56,626.59
Reserve for State Compensation Insurance . . . . .	332.34
Corporate surplus unappropriated . . . . .	57,772.58
Total liabilities.....	<u>\$502,781.27</u>

The record shows that the company's outstanding notes at \$96,200.00 were issued for the purpose of obtaining funds with which to pay for the construction of additions to and betterments of applicant's properties. The holders of these notes have agreed to accept the company's six and one half percent preferred stock at par in payment for their notes. The expenditures financed through the issue of the notes are set forth in Exhibit "D" filed in this proceeding and in Application No. 11471. The new construction cost approximately \$163,744.00, which was financed through the issue of the \$96,200.00 of notes, the investment of consumers' advances, donations in aid of

construction and moneys represented by reserves and surplus.

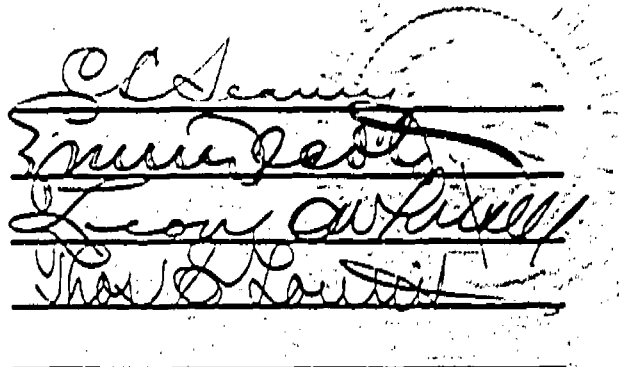
O R D E R

Santa Paula Water Works, Ltd. having asked permission to issue \$96,200.00 par value of its six and one half percent cumulative preferred stock, a public hearing having been held before Examiner Fankhauser and the Commission being of the opinion that the money, property or labor to be procured or paid for by the issue of such stock is reasonably required by applicant for the purpose herein stated, and that such purpose is not in whole or in part reasonably chargeable to operating expense or to income, and that this application should be granted as herein provided, therefore,

IT IS HEREBY ORDERED that Santa Paula Water Works, Ltd., be, and it is hereby, authorized to issue and sell at par on or before November 1, 1930, \$96,200.00 par value of its six and one half percent cumulative preferred stock and use such stock or the proceeds obtained therefrom, to pay the \$96,200.00 face value of notes listed in Exhibit "B" filed in this proceeding.

IT IS HEREBY FURTHER ORDERED that the authority herein granted will become effective upon the date hereof, and that applicant shall file with the Railroad Commission a report such as is required by the 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 August, 1930.



Four handwritten signatures are written over a circular stamp. The signatures are: C. C. Seaman, Ernest J. [unclear], Leon A. [unclear], and [unclear].

Commissioners.