

Decision No. 23908

**CONFIDENTIAL**

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
                                   F. T. COOK )  
 to borrow and The Security First )  
 National Bank, a corporation, to loan )  
 the sum of \$7,500.00 and for F. T. )  
 Cook to issue a promissory note to- )  
 gether with a deed of trust to secure )  
 the payment thereof. )

Application No. 17535

BY THE COMMISSION:

O P I N I O N

In the above entitled matter the Railroad Commission is asked to make its order authorizing F. T. Cook to execute a deed of trust and note in the principal amount of \$7,500.00 payable in monthly installments of \$200.00 on the tenth day of each month beginning September 10, 1931, with interest at the rate of eight percent per annum.

The application shows that F. T. Cook is the owner of a small public utility water system, located at Westmorland, Imperial County, which he operates under the firm name and style of Westmorland Water Company. In his financial statements heretofore filed with the Commission, he has reported his revenues and expenses as follows:

Period	Operating Revenues	Operating Expenses	Net
1928.....	\$5,280.03	\$3,271.93	\$2,008.10
1929.....	6,305.14	3,692.03	2,613.11
1930.....	6,695.15	5,539.65	1,155.50
1931 (6 months to June 30).....	3,902.45	1,928.83	1,973.62

Applicant reports his investment in his water system as of December 31, 1930, at \$24,228.09 and his expenditures for betterments between December 31, 1930 and June 30, 1931, at \$5,325.00, making a total of \$29,553.09 as of June 30, 1931. At that time he reports outstanding against the properties indebtedness of only \$1,500.00, consisting of a note for \$1,000.00 due The Oakley Company representing indebtedness incurred by applicant in 1922 when he purchased the system, and a short term bank loan for \$500.00 representing moneys borrowed since the first of this year, presumably in connection with the installation of the betterments made to the plant.

Applicant now desires to create a lien on his properties in the amount of \$7,500.00. It appears that this will constitute the only indebtedness standing against the properties, as it is applicant's intention to use \$1,500.00 of the proceeds to retire the present notes. The remaining \$6,000.00 will be used for the following purposes:

To purchase new pumps, motors, etc....	\$ 650
To pay for piping and fittings to install new pump and motors.....	350
To pay for a new 50,000 gallon tank and tower.....	<u>5,000</u>
Total.....	<u><u>\$6,000</u></u>

The Commission is familiar with the operating condition of applicant's facilities and with the need for the proposed improvements. It clearly appears that the installations to be made will be in the public interest and that this application should be approved.

Applicant has filed as Exhibit "A" a copy of the proposed deed of trust to be executed to Los Angeles Trust & Safe Deposit Company, as trustee for Security-First National Bank of

Los Angeles, and as Exhibit "B" a copy of the proposed note to Security-First National Bank of Los Angeles. Both instruments appear to be in satisfactory form.

O R D E R

F. T. Cook having applied to the Railroad Commission for permission to execute a deed of trust and to issue a note for \$7,500.00, and the Railroad Commission being of the opinion that this is not a matter in which a public hearing is necessary, that the application should be granted, as herein provided, and that the money, property or labor to be procured or paid for through the issue of the note 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 F. T. Cook be, and he hereby is, authorized to execute a deed of trust substantially in the same form as that filed with the application herein as Exhibit "A" and to issue his note to be secured thereby in the principal amount of \$7,500.00, payable in monthly installments of \$200.00, with interest at the rate of eight percent per annum.

The authority herein granted is subject to the following conditions:

1. Applicant shall use not exceeding \$1,500.00 of the proceeds to be received through the issue of the note herein authorized to pay notes now outstanding against his water properties, and shall use the remaining proceeds to finance the cost of the improvements and betterments to his water properties referred to in

the foregoing opinion.

2. The authority herein granted to execute a deed of trust 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 deed of trust as to such other legal requirements to which it may be subject.

3. Applicant shall keep such record of the issue of the note herein authorized and of the disposition of the proceeds as will enable him 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.

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. Under such authority no note nor deed of trust may be executed after December 31, 1931.

DATED at San Francisco, California, this 24th day of July, 1931.

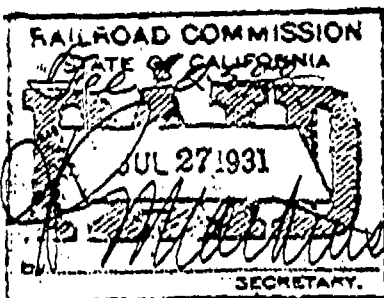
O. C. Jensen

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M. B. Harris

Frederick H. Clewett

Commissioners.



Fee # 25178