

LBM

Decision No. 23976.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
PALOS VERDES WATER COMPANY,)
a corporation, for an order auth-) Application No. 17596
izing it to issue its note.)

Woodruff, Musick & Hartke, for applicant.

BY THE COMMISSION:

O P I N I O N

Palos Verdes Water Company has applied to the Railroad Commission for permission to issue its promissory six percent note for \$12,000.00, due ninety days after date, and to renew the same upon maturity, from time to time, for a period of one year, for the purpose of paying indebtedness and of financing the cost of a new well.

The application shows that Palos Verdes Water Company, operating as a public utility, supplies water to that locality in Los Angeles County known as "Palos Verdes Estates", and to the adjacent property of the Palos Verdes Corporation, for domestic purposes, and for the irrigation of estates, a golf course and a few farms, the entire territory so supplied being in the neighborhood of 5,000 acres and containing a population of about 600 persons.

The sources from which applicant obtains the water it distributes are two wells, known as Plant No. 1 and Plant No. 1-A.

The former produces about 750 gallons per minute and the latter, in an emergency but not regularly, about 600 gallons per minute. In the operation of its wells, applicant has experienced trouble with sand, and reports that it can develop only about 1,000,000 gallons per day, whereas at least 1,500,000 gallons are necessary for it to supply its customers properly. The company therefore has felt that the drilling of another well was necessary to protect its consumers and to obtain an adequate supply. Arrangements, accordingly, were made for the construction of a new well at an estimated cost of \$11,497.21.

In the financing of the construction cost applicant heretofore has borrowed the sum of \$3,706.96 from Bank of America National Trust & Savings Association. It now desires to borrow the sum of \$12,000.00 to pay the \$3,706.96 and to provide itself with the funds to complete the well. It reports that Bank of America National Trust & Savings Association is willing to advance the amount for a period of ninety days and thereafter to make renewals from time to time for a period of one year.

ORDER

Palos Verdes Water Company having applied to the Railroad Commission for permission to issue a note for \$12,000.00, and the Railroad 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 the issue of the note is reasonably required for the purposes specified herein;

IT IS HEREBY ORDERED that Palos Verdes Water Company be, and it hereby is, authorized to issue its six percent promissory note for \$12,000.00 due ninety days after the effective date of

this order, for the purpose of paying indebtedness and of financing the cost of the new well referred to in this application, provided that any proceeds realized through the issue of the note not needed for said purposes shall be used to reduce the indebtedness or to finance the cost of additions to applicant's properties.

IT IS HEREBY FURTHER ORDERED that Palos Verdes Water Company be, and it hereby is, authorized to renew or refund the note herein authorized, from time to time, provided that the combined terms of the original note to be issued under the authority herein granted and of the renewal or refunding notes shall not exceed the term of one year from and after the effective date of this order.

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

1. Applicant shall keep such record of the issue of the note herein authorized as will enable it to file within thirty days thereafter 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 will 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 24th day of August, 1931.

Leon White

W B King
Fred G. Stebbins

Commissioners.

Fee \$25.00

AUG 27 1931

R J Payne Fee #29204