

LBM

Decision No. 24603.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
HILLSBOROUGH WATER COMPANY, )  
a corporation, to issue and sell )  
bonds and to assume obligation and ) Application No. 18023  
liability. )

Brobeck, Phleger & Harrison, for applicant.

ORIGINAL

BY THE COMMISSION:

OPINION AND ORDER

In this application Hillsborough Water Company has applied to the Railroad Commission for permission to issue \$12,000. of its first mortgage six percent bonds due 1936, at not less than ninety percent of their face value plus accrued interest, and to assume the payment of a deed of trust and note in the principal amount of \$3,000.00, payable in three annual installments of \$1,000.00 due two, three and four years from the date thereof, with interest at six percent per annum.

Hillsborough Water Company is a corporation organized under the laws of the State of California and engaged as a public utility in purchasing water from the City and County of San Francisco and in distributing it in and about Hillsborough. It appears that heretofore there has been some cause for complaint about the water delivered by the company and that the Commission by Decision No. 24106, dated October 5, 1931, directed it to proceed with the installation and operation of facilities providing for the filtration of the entire supply of water received by it from the main of the

water department of the City and County of San Francisco.

The company reports that the estimated cost of acquiring necessary lands and rights of way and in constructing such a filtration plant is \$15,009.97, as follows:

|  |                    |
|--|--------------------|
| Land .....   | \$5,000.00         |
| Tapping 44" pipe and moving meters...                  | 150.00             |
| Filter house 24' by 56' and concrete foundations ..... | 1,995.00           |
| Filter equipment, 500 g.p.m.capacity                   | 4,965.00           |
| Pipe and fittings .....                                | 627.66             |
| Installation of piping .....                           | 258.00             |
| 12" sewer pipe and specials .....                      | 113.82             |
| Installation of drain .....                            | 60.00              |
| Electrical wiring .....                                | 268.49             |
| Pump, 300 g.p.m., and 30 h.p. motor..                  | 482.00             |
| Moving existing pump .....                             | 50.00              |
| Pressure reducing valve .....                          | 240.00             |
| Installation and main line connections                 | 100.00             |
| Incidentals .....                                      | 200.00             |
| Engineering .....                                      | <u>500.00</u>      |
| Total cost.....  | <u>\$15,009.97</u> |

It is proposed that title to the lands and rights of way will be acquired by John A. Hoey, applicant's president, for \$5,000., of which \$2,000.00 will be paid in cash and the balance will be represented by a deed of trust, a copy of which is filed in this proceeding, and a note for \$3,000.00 payable in three equal annual installments of \$1,000.00, as hereinbefore set forth. The properties then will be transferred to applicant, subject to the deed of trust and note for \$3,000.00. The balance of \$12,009.97 of the estimated price will be provided, in part, through the issue of the \$12,000.00 of bonds.

The company reports its investment in fixed capital, as of December 31, 1931, at \$293,242.88. Its bonded debt is reported at only \$11,000.00 and its notes payable at \$3,500.00. Its financial statement indicates that its assets, heretofore have been financed

largely through the issue of \$200,000.00 of common stock and through the use of surplus earnings and reserve moneys. The earnings of the company, as well as the assets, in the Commission's opinion, are ample to support the proposed bond issue.

The Commission is 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 bonds and the assumption of notes is reasonably required for the purpose specified herein, which purpose is not, in whole or in part, reasonably chargeable to operating expense or to income,

IT IS HEREBY ORDERED, that Hillsborough Water Company be, and it hereby is, authorized to issue \$12,000.00 of first mortgage six percent bonds, due 1936, at not less than ninety percent of face value plus accrued interest, and to assume the payment of a deed of trust, substantially in the same form as that filed herein, and a six percent promissory note in the principal amount of \$3,000.00 payable, as set forth herein, for the purpose of financing the cost of acquiring lands and of constructing its proposed filtration plant.

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

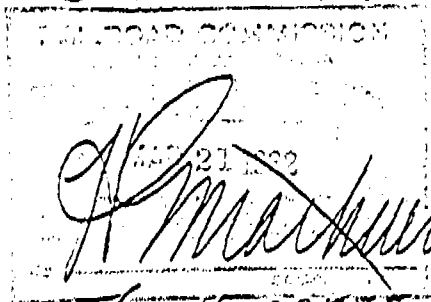
1. Applicant shall keep such record of the issue of the bonds and of the disposition of the proceeds as will enable it to file, on or before the 25th day of each month, a verified report, as required by the Railroad Commission's General Order No. 24, which order, insofar as applicable, is made a part of this order.

2. The authority herein granted 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 21<sup>st</sup> day of March, 1932.

C. Leaveney  
Leon Whitney  
M. A. C.  
W. B. Hayes  
Fred G. Stewart  
Commissioners.

Fee \$25 <sup>00</sup>/<sub>100</sub>



Fee # 29555