

Decision No. 10674

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

ORIGINAL

In the Matter of the Application of
BAKERSFIELD WATER WORKS,
a corporation, for authority to is-
sue and sell \$35,000.00 par value of
its first mortgage 6% serial gold
bonds.

Application Number 7977.

Chickering and Gregory, by Evan Williams,
for Applicant.

BENEDICT, COMMISSIONER:

OPINION

BAKERSFIELD WATER WORKS asks permission to issue and sell at not less than 91% of their face value \$35,000.00 of 6% serial first mortgage bonds maturing at the rate of \$5,000.00 per annum from March 1, 1936 to 1942, both inclusive. The company further asks permission to use the proceeds obtained from the sale of \$25,000.00 of bonds to reimburse its treasury on account of moneys expended for additions and betterments. Though the company asks permission to sell bonds to reimburse its treasury, it is of record that none of the proceeds will be withdrawn from applicant's business for the purpose of paying dividends. The proceeds from the \$25,000.00 of bonds will be used to pay indebtedness incurred for capital purposes and to acquire and install meters, pipes, pumps and other improvements.

The proceeds from the sale of \$10,000.00 of the bonds will be deposited by applicant in a bank or banks and expended only for such purposes as the Commission may hereafter authorize.

Applicant reports \$60,500.00 of stock and \$80,000.00 of 6% serial first mortgage bonds outstanding. It owes the First Bank of Kern the sum of \$11,550.00, such debt being represented by a demand

note. This note will be paid with proceeds obtained from the sale of the bonds.

The testimony shows that applicant from January 1, 1921 to April 30, 1922 expended for additions and betterments the sum of \$33,883.96. This amount of money was expended for the following purposes:-

Pumping station land	\$1,822.23
Pumping station buildings	126.03
Pumping equipment	3,156.40
Distribution mains	7,332.20
Tanks	28.65
Distribution reservoir	8,776.23
Hydrants	64.10
Services	2,971.45
Meters	8,834.38
General office equipment	537.31
General equipment	234.98
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TOTAL	<u>\$33,883.96</u>

The \$25,000.00 of bonds which applicant now asks permission to issue and sell for the purpose of reimbursing its treasury, represents approximately 75% of the reported expenditures. The record shows that the expenditures incurred by applicant for capital purposes have been necessary and that through such expenditures, applicant has been enabled to give better service and install meters on part of its system.

I herewith submit the following form of order:-

ORDER

BAKERSFIELD WATER WORKS having applied to the Railroad Commission for permission to issue \$35,000.00 face value of bonds, a public hearing having been held and the Commission being of the opinion that the money, property or labor to be procured or paid for by such issue is reasonably required by applicant, and that the expenditures herein authorized are not in whole or in part reasonably chargeable to operating expenses or to income,

IT IS HEREBY ORDERED that Bakersfield Water Works Co. and it is hereby, authorized to issue and sell on or before December 31, 1922 at not less than 91% of their face value \$35,000.00 of 6% serial first mortgage bonds.

The authority herein granted is subject to further conditions as follows:-

1. The proceeds obtained from the sale of \$25,000.00 of bonds may be used by applicant for the purpose of paying indebtedness representing moneys expended for additions and betterments and reimbursing its treasury on account of earnings used to pay for additions and betterments.
2. The proceeds obtained from the sale of \$10,000.00 of bonds herein authorized to be issued shall be deposited in a bank or banks and expended only for such purposes as the Railroad Commission may hereafter authorize.
3. BAKERSFIELD WATER WORKS shall keep such record of the issue and sale of its bonds and 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 in so far as applicable, is made a part of this order.
4. The authority herein granted will not become effective until applicant has paid the fee required by Sec-

tion 57 of the Public Utilities Act, which
fee amounts to \$35.00.

The foregoing Opinion and Order are hereby approved and
ordered filed as the Opinion and Order of the Railroad Commission of
the State of California.

DATED at San Francisco, California, this 7th day of
July, 1922.

H. B. Brundage

West

J. H. Benedict

Commissioners.

RAILROAD COMMISSION
Fee \$ 35.00
JUL 8 1922
H. Mather