

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

ORIGINAL

In the matter of the application of)
San Dimas Water Company for order)
authorizing the issue of bonds of) Application No. 835.
the face value of \$15,000.)

E. H. Sanford, for applicant.

THE COMMISSIONER:

O P I N I O N -

This is an application for authority to issue bonds of the face value of \$15,000.00 for the purposes hereinafter specified. Applicant is a water company supplying water to its stockholders in and around San Dimas, Charter Oak and a part of Lordsburg. As one of its stockholders, namely, the San Dimas-Charter Oak Domestic Water Company, is clearly a public utility, it would seem to follow under the provisions of Chapter 80 of the laws of 1913 that the San Dimas Water Company is also a public utility. Application for authority to issue the bonds herein referred to is made on the theory that the San Dimas Water Company is such public utility, so that there may be no question concerning the validity of the bonds.

A detailed statement concerning the financial affairs and the business of applicant will be found in this Commission's opinion and order in its decision No. 424, rendered on January 27, 1913, in application No. 338, to which opinion and order reference is hereby made. The Commission therein authorized applicant to issue its 30-year 6 per cent bonds of the face value of \$100,000, to be sold at not less than 90 per cent of their face value, the proceeds to be used partly to refund certain bonded and other indebtedness and in part for the acquisition of property necessary in the development of the water company's business. The bonds so authorized have

been sold for the sum of \$90,000 and the proceeds with the exception of \$172.78, now remaining on hand, have been devoted to the purposes authorized in the Commission's said order.

It is now desired to issue additional bonds of the face value of \$15,000, at not less than 90 per cent of their face value plus accrued interest, and to devote the proceeds thereof, together with the remaining sum of \$172.78, to the following purposes:

(1) To complete payment for drilling and casing Lordsburg wells	\$2,941.91
(2) To pay for a site for the Charter Oak well and for the well and equipment	\$6,442.22
(3) To complete payment on the Lordsburg water mains and connections	\$2,622.08
(4) Partial payment on Lordsburg lands	\$11,400.00
Total,	\$23,406.21

The balance of the foregoing amount which cannot be secured from the sale of the bonds is to be secured by an assessment on the stock.

The Lordsburg property and wells were acquired for the purpose of increasing applicant's supply of water and are referred to in this Commission's said decision No. 424.

The Charter Oak well is located some 1-1/2 miles west of San Dimas and was acquired for the same purpose after the date of said decision. It appears that the acquisition of these various properties is necessary in the conduct of applicant's business and that the authority requisite should be granted.

Applicant also asks authority to pay a promissory note for \$2,500, dated August 14, 1913, payable 3 months after date, to the First National Bank of Pomona. The note is now overdue. Its proceeds were used for expenditures in connection with said wells, properly chargeable to capital account.

Applicant proposes to meet the interest on the additional bonds by assessments on the stock. The actual cost of this supply of water is paid by the users of water according to their use, while

permanent improvements are assessed upon all the stockholders.

I find that the purposes for which the proceeds of said bonds are to be used are not reasonably chargeable to operating expenses or to income and recommend that the application be granted. I submit herewith the following form of order:

O R D E R

San Dimas Water Company having applied to the Railroad Commission for an order authorizing the issue of its 6 per cent, 30-year bonds of the face value of \$15,000.00 for the purpose hereinafter specified, and a public hearing having been held upon such application, and the Commission finding that the purposes for which the proceeds of said bonds are to be used are not in whole or in part reasonably chargeable to operating expenses or to income,

IT IS HEREBY ORDERED that San Dimas Water Company be and the same is hereby authorized to issue its 30-year 6 per cent bonds of the face value of \$15,000.00, of the denomination of \$500 each, bearing interest at the rate of 6 per cent per annum, payable semi-annually, and secured by a mortgage and deed of trust to title Guarantee & Trust Company of Los Angeles, California, on the following conditions, and not otherwise, to-wit:

(1) San Dimas Water Company shall sell said bonds so as to net in cash not less than 90 per cent of their face value plus accrued interest.

(2) San Dimas Water Company shall use the proceeds of said bonds, in so far as they go, for the following purposes, and not otherwise, to-wit:

(a) To complete payment for drilling and casing Lordsburg wells.	\$2,941.91
(b) To pay for a site for the Charter Oak well and for the well and equipment	\$6,442.22
(c) To complete payment on the Lordsburg water mains and connections	\$2,622.08
(d) Partial payment on Lordsburg lands	\$11,400.00

Total.

\$23,406.21

(e) To pay promissory note for \$2,500, dated August 14, 1913, payable to First National Bank of Pomona, 3 months after date, and bearing interest at the rate of 6 per cent per annum.

(3) San Dimas Water Company shall keep separate, true and accurate accounts showing the receipt and application in detail of the proceeds of the sale of said bonds hereby authorized to be issued, and on or before the 25th day of each month the company shall make a verified report to the Commission, in accordance with the Commission's General Order No. 24, stating the sale or disposition of said bonds during the preceding month, the terms and conditions of such sale or other disposition, the moneys realized therefrom and the use and application of said moneys.

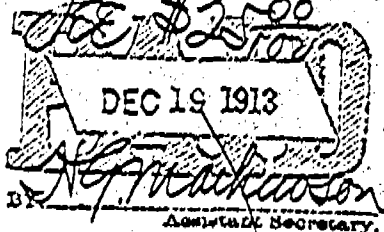
(4) The authority hereby given to issue bonds shall apply only to bonds issued on or before the first day of July, 1914.

(5) The authority hereby given to issue bonds shall not become effective until applicant has paid the fee prescribed by Section 57 of the Public Utilities Act.

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 13th day of December, 1913.

Railroad Commission State of California



John McShann
H. Loveland
H. Gordon
Wm. Thelen
Edwin O. Egey
COMMISSIONERS.