

Decision No. _____.

ORIGINAL

Decision No. 11318

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of SANTA PAULA WATER WORKS for au-)
thority to issue promissory notes)
in a total amount not exceeding)
\$8,000.00.)

Application No. 2832.

BY THE COMMISSION:

O P I N I O N

A public hearing was conducted by Examiner Westover upon above application to issue notes, the proceeds to be used to replace distributing mains and services underlying certain streets now about to be paved in Santa Paula, Ventura County, where applicant serves domestic and irrigating water, and for refunding one day notes.

By Decision No. 3609 of August 31, 1916, applicant was authorized to issue five serial notes for \$2,000.00 each, respectively, maturing January 1, 1918, 1919, 1920, 1921 and 1922, and use the proceeds to provide mains and services under certain other streets then about to be paved. The opinion accompanying the order gives a brief review of applicant's history, business, resources, liabilities and earnings. (See Vol. 10, Opinions and Orders of the Railroad Commission, p. 742.) Its assets and liabilities are shown by its annual reports to be:

SANTA PAULA WATER WORKS, COMPARATIVE BALANCE SHEET

ASSETS

	December 31, 1915	December 31, 1916
Fixed Capital	\$182,526.18	\$201,282.75
Cash	1,546.29	1,151.46
Notes Receivable	8,808.19	208.19
Accounts Receivable	2,807.52	4,234.22
Other Current Assets	478.95	-----
Miscellaneous Investments	1,300.00	1,300.00
Material and Supplies	-----	902.49
Total Assets - - - - -	<u>\$197,467.13</u>	<u>\$209,079.11</u>

LIABILITIES

Capital Stock	\$150,000.00	\$150,000.00
Notes Payable	-----	13,200.00
Total-Accounts Payable	2,157.79	298.44
Reserve for Accrued Depreciation	8,078.19	9,568.17
Corporate Surplus Unappropriated	37,231.15	36,012.50
Total Liabilities - - - - -	<u>\$197,467.13</u>	<u>\$209,079.11</u>

The above item of notes payable, \$13,200.00, represents applicant's five serial notes for \$2,000.00 each, and its two one-day notes in favor of First National Bank of Santa Paula, one dated June 23, 1916 for \$1,200.00, and one dated August 8, 1916, for \$2,000.00, the proceeds of both having been used for installing said mains and services. These one-day notes applicant wishes to refund with proceeds of long term notes. The only other indebtedness in its report as of December 31, 1916, is \$298.44 in accounts payable.

With the present application is submitted a detailed estimate of cost for installing mains and services totaling \$6,783.69. The Commission's engineers have checked the figures submitted and consider the estimate reasonable. They also estimate the cost of the pipe replaced at about \$2,700.00. Applicant wishes to add the difference between these amounts to its capital assets.

Applicant wishes to install the pipes in question before the streets are paved because the work can be then

done with greater satisfaction and economy. This course seems to be in the public interest.

O R D E R

SANTA PAULA WATER WORKS having applied to the Railroad Commission for authority to issue the notes described herein, and a public hearing having been held upon said application, and it appearing that the money to be procured by such issue is reasonably required for the purposes specified in the order, and that such purposes are not in whole or in part reasonably chargeable to operating expenses or to income.

IT IS HEREBY ORDERED that Santa Paula Water Works be and it is hereby authorized to issue its three serial notes in the principal sum of \$2000, \$3000 and \$3000 each, payable respectively in six, seven and eight years after date of issue, and bearing interest from their respective dates at a rate not in excess of 7% per annum; said notes to be sold at a price which will net not less than par to applicant; and to use \$3200 of the proceeds thereof for refunding its one day notes in favor of the First National Bank of Santa Paula, one dated June 23, 1916, for \$1200 principal, and one dated August 8, 1916, for \$2000 principal, and to use the remainder thereof for the purpose of installing distributing mains and service connections under streets in Santa Paula.

This order is made upon the following conditions:

1. On or before the 25th day of each month applicant shall file with the Commission a verified report showing the notes issued, the commissions paid, if any, the use made of the proceeds and other information required by

General Order No. 24, which order in so far as applicable is made part of this order.

2. This authority to issue notes shall apply only to such notes as may be issued within 90 days from the date hereof.

3. This authority to issue notes shall not become effective until the fee specified in the Public Utilities Act therefor shall have been paid.

Dated at San Francisco, California, this 17th
day of May, 1917.

Max Thelen

H. Howard

W. Gordon

Edwin O. Edinger

Frank P. Wilson
Commissioners.

Fee # 25.00
MAY 17 1917
BY J. C. Mackerson
Assistant Secretary.