

ORIGINAL

Decision No. \_\_\_\_\_

Decision No. 4716

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

---00000---

In the Matter of the Application of )  
CITY WATER COMPANY OF OCEAN PARK ) Application No. 3156.  
to issue notes. )

-----

G.M. Jones for applicant.

BY THE COMMISSION.

O P I N I O N.

In its amended petition in the above-entitled matter, the CITY WATER COMPANY OF OCEAN PARK asks authority to issue its note or notes for the sum of \$9,000.00. The moneys obtained through the issue of its note or notes applicant desires to use to pay a \$1,000.00 note due Olive B. Jones, a \$3,000.00 note due the Ocean Park Bank and a \$5,000.00 note due the First National Bank of Ocean Park.

A public hearing was held at Venice by Examiner Westover.

By Decision Number 4108, dated February 15, 1917, the Railroad Commission authorized the City Water Company of Ocean Park to issue and sell at not less than 98 per cent. of their face value \$30,000.00 of its 6 per cent. serial bonds. A part of the proceeds obtained from the sale of the bonds were to be used by applicant to pay among others the notes which it now desires to refund.

Applicant reports that it has sold \$15,000.00 of

the bonds at par and used the proceeds to reduce its floating indebtedness. It does not desire at this time authority to sell additional bonds, but rather prefers to issue short term notes to refund its existing note indebtedness.

Applicant also asks authority to pledge \$6,000.00 of bonds to secure the payment of \$5,000.00 of the notes which it proposes to issue. G.M. Jones, president of the City Water Company of Ocean Park, has satisfactorily assured the Commission that title to the bonds which are to be pledged will not be permitted to pass under the pledge.

O R D E R.

CITY WATER COMPANY OF OCEAN PARK having applied to the Railroad Commission for authority to issue its note or notes in the sum of \$9,000.00, and a public hearing having been held and the Railroad Commission being of the opinion 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 City Water Company of Ocean Park be, and it is hereby, granted authority to issue for a term not exceeding two years its note or notes for the sum of \$9,000.00, said note or notes to bear interest at not more than 7 per cent per annum.

IT IS HEREBY FURTHER ORDERED that City Water Company of Ocean Park be, and it is hereby, granted authority to pledge \$6,000.00 of its 6 per cent. serial bonds to secure the payment of \$5,000.00 of notes hereby authorized to be issued.

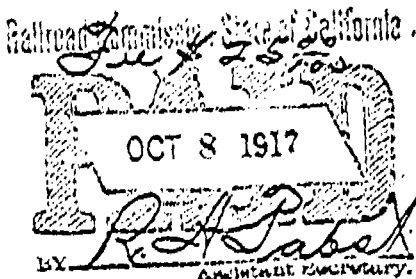
The authority hereby granted is granted upon the following conditions and not otherwise:

- 1.- Applicant may, if it so desires, issue notes for a period of less than two years and renew said notes from time to time, provided that the combined terms of the notes hereby authorized and those issued in renewal, shall not exceed two years.
- 2.- The proceeds of the notes hereby authorized shall be used by applicant to pay its \$1,000.00 6 per cent note due and payable to Olive B. Jones on September 11, 1916; to pay its \$3,000.00 6 per cent. note due and payable to Ocean Park Bank on June 11, 1917, and to pay its 5 per cent \$5,000.00 note due and payable to First National Bank of Ocean Park on May 16, 1917.
- 3.- Upon payment of the \$5,000.00 of notes, the payment of which is to be secured by the pledging of \$5,000.00 face value of bonds, the said \$5,000.00 of bonds shall be returned to applicant's treasury and thereafter issued only upon an order of this Commission.
4. City Water Company of Ocean Park shall report to the Railroad Commission within ten days after the issue of the respective note or notes hereby authorized the fact and the date of issue, the face value of the note or notes, the rate of interest and the application of the proceeds, all in accordance with this Commission's General Order No. 24, which order in so far as applicable, is made a part of this order.

5.- The authority hereby granted is conditioned upon the payment of the fee prescribed by the Public Utilities Act.

6.- The authority hereby granted shall apply only to such note or notes as may be issued on or before July 1, 1919.

Dated at San Francisco, California, this 3<sup>d</sup>  
day of October, 1917.



Max Thelen  
H. S. Loveland  
W. L. Gordon  
Edwin Q. Edgerton

Commissioners.