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ORIGINAL

Decision No. 6593.

BEFORE THE RAILROAD COMMISSION OF  
THE STATE OF CALIFORNIA.

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In the Matter of the Application of the )  
NOVATO UTILITIES COMPANY )  
for permission to borrow money for the )  
purpose of water development. )

Application Number 4749.

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A.J. Cain, for applicant.

LOVELAND, Commissioner.

O P I N I O N.

NOVATO UTILITIES COMPANY asks the Railroad Commission to make its order authorizing applicant to issue a note or notes payable on or before five years after date in the aggregate sum of \$3,000.

A.J. Cain, secretary of Novato Utilities Company, testified that it has become necessary for applicant to extend its water system in order to give adequate fire protection and supply water to prospective consumers. The cost of the improvements, additions and betterments, as outlined by applicant, is estimated at \$3,000 and consist of the following:

Reservoir,.....	\$1,050
Pipe Line and Fittings,.....	725
Pump House,.....	225
Motor Pumps and Fittings,.....	575
Well and Casing,.....	35
Reservoir Site and Rights-of-Way,.....	300
Engineering,.....	100

Applicant proposes to build a pump house 18 x 32 feet with cement floor, put down an 8-inch cased well and install a triplex pump having a capacity of about 40 gallons per minute, driven by a 5 horse power

electric motor. Applicant intends to construct a reservoir with a capacity of about 80,000 gallons and install about 400 feet of 2-inch and 1000 feet of 4-inch main.

Applicant has advised the Railroad Commission that it has made arrangements to borrow \$3,000 with interest at the rate of 6 per cent per annum.

Applicant has no bonds outstanding and its notes payable on December 31, 1918, were reported at \$600 and its accounts payable at \$947.03. After paying operating expenses, taxes, interest and other fixed charges, in 1918 the company reports a surplus earning of \$1,316.40.

I herewith submit the following form of Order.

O R D E R.

NOVATO UTILITIES COMPANY having applied to the Railroad Commission for permission to issue a note or notes, 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 for the purpose or purposes specified in this order, and that the expenditures for such purpose or purposes are not in whole or in part reasonably chargeable to operating expenses or to income;

IT IS HEREBY ORDERED that NOVATO UTILITIES COMPANY be, and it is hereby, granted authority to issue a note or notes for the aggregate sum of \$3,000 payable on or before five years after date hereof and bearing interest at not exceeding 6 per cent per annum, provided:

- 1.-- The proceeds obtained through the issue of the note or notes will be used to pay for the construction of the improvements, additions and betterments described in the petition herein.

2.-- Novato Utilities Company will keep such record of the issue of the note or notes herein authorized and of the distribution of the proceeds, as will enable it to file on or before the twenty-fifth 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.

3.-- The authority herein granted will not become effective until applicant has paid the fee prescribed by the Public Utilities Act.

4.-- The authority herein granted will apply only to such note or notes as may be issued on or before December 31, 1919.

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 29<sup>th</sup> day of August, 1919.

Edwin C. Egan  
H. B. ...  
Frank ...  
H. B. ...  
Living Martin  
Commissioners.

Joe # 2509  
SEP 8 1919  
A. C. Mackerson