Decision No. 7308.

BEFORE THE RAILROAD COMMISSION OF THE
STATE OF CALIFORNIA.

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In the Matter of the Application of)
  FARMERS IRRIGATION COMPANY)
for an order authorizing it to issue)
and sell securities and to devote)   Application No. 5248.
the proceeds of same to public utili-)
ty purposes; viz.- to improvements in)
its water system.)

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George E. Farrand, for applicant.

MARTIN, Commissioner.

O P I N I O N.

In this application, as amended at the hearing, FARMERS
IRRIGATION COMPANY asks permission to issue and sell at par $76,200.00
par value of its common capital stock.

Farmers Irrigation Company reports an authorized stock
issue of $250,000.00, divided into 2,500 shares of the par value of
$100.00 each.   On December 31, 1919, it reported $118,200.00 of
stock outstanding, of which $94,600.00 is owned by the Limoneira
Company.   Applicant owns and operates the ditch systems formerly
known as "The River Street Ditch" and "Farmers Ditch and Water System",
and through these ditch systems supplies water for irrigation purposes
in and about Santa Paula, Ventura County, California.

The record shows that applicant is engaged in replacing
open ditches with concrete pipe varying from 36 inches to 48 inches in
diameter and the construction of concrete pipe laterals varying from 12
inches to 18 inches in diameter, and that the cost of the improvements
as estimated by its engineers is $76,160.08.   The estimated cost is
set forth in   detail in the petition herein.   The construction of

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the concrete pipe lines should result in a considerable saving of water on account of prevention of seepage, a reduction in operation expenses because of obviating the necessity of cleaning ditches and may make it possible to supply water to additional acreage.

The testimony shows that Farmers Irrigation Company has paid out of income for the construction of permanent improvements the sum of $4,015.98.   These improvements were constructed by the Santa Clara Water and Irrigating Company during the period in which it operated Farmers Ditch and Water System for and on behalf of Farmers Irrigation Company and under the agreement under the terms of which the Farmers Ditch and Water System was sold by the Santa Clara Water and Irrigating Company to Farmers Irrigation Company.   I believe that applicant should be permitted to issue stock at par for the purpose of reimbursing its treasury because of the $4,015.98   , paid to the Santa Clara Water and Irrigating Company.

I herewith submit the following form of Order.

O R D E R.

FARMERS IRRIGATION COMPANY having applied to the Railroad Commission for authority to issue $76,200.00 par value of stock, 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 part reasonably chargeable to operating expenses or to income;

IT IS HEREBY ORDERED, that FARMERS IRRIGATION COMPANY be, and it is hereby, authorized to issue, and sell at

not less than par, on or before December 31, 1920, $76,200.00 par value of its common capital stock and to use $4,015.98 of the proceeds to reimburse its treasury, and the remainder –$72,184.02– to pay for the construction of the improvements, additions and betterments described in the petition herein;

PROVIDED that, Farmers Irrigation Company will keep such record of the issue and sale of the stock herein authorized and of the disposition 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 Number 24, which order, in so far as applicable, is made a part of this order.

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 23d day of March, 1920.

Commissioners.