

HS

ORIGINAL

Decision No. 8282.

BEFORE THE RAILROAD COMMISSION OF THE
STATE OF CALIFORNIA.

--oOo--

In the Matter of the Application of)
MOORPARK FARMERS WATER COMPANY,)
a corporation, for order authorizing)
issue of stock and bonds.)

Application No. 5210
Supplemental

- - - - -

Durley & Downes, by W. Mark Durley, for applicant;
R.L. Horton for bondholders of Moorpark Mutual Water Co.

BY THE COMMISSION:

FIRST SUPPLEMENTAL OPINION

On May 10, 1920, by Decision No. 7543, the Railroad Commission authorized Moorpark Farmers Water Company to issue on or before November 1, 1920, \$20,000.00 of stock, \$40,000.00 of bonds and execute a mortgage. Applicant in a supplemental application, filed August 23rd, reports that it was unable to sell the bonds and therefore not in a position to carry out its former plans.

In its supplemental application, applicant ask permission to issue \$20,000.00 of stock, \$25,000.00 of bonds, \$3,000.00 of notes and execute a mortgage.

A hearing was had on the supplemental application on October 14th before Examiner Westover at Los Angeles.

Moorpark Mutual Water Company, as more particularly set forth in Decision No. 7543, is engaged in selling water to stockholders only. This company reports \$25,000.00 of 6 per cent serial bonds and \$3,000.00 of notes outstanding. Bonds in the amount of \$5,000.00 have matured and remain unpaid. The company

intends to sell its properties to the Moorpark Farmers Water Company, a public utility. The bondholders of Moorpark Mutual Water Company have agreed to accept in payment for their bonds \$25,000. of Moorpark Farmers Water Company 7 per cent serial bonds at par. The holders of the \$3,000.00 of notes have likewise agreed to accept \$3,000.00 of notes of the new company payable in three equal annual installments.

Since the Commission's former decision in this matter, Charles T. Howland has expended \$11,837.00 to install, equip and acquire three wells with necessary casing, two 10-horsepower motors, two pumps, 2 carloads of cement, 550 feet of 12-inch pipe with fittings and valves. TO finally complete the work ^{it} may cost about \$100.00 more. The installation of the wells was necessary and was undertaken by Mr. Howland because of the company's inability to secure the necessary moneys. It was originally planned to pay for these improvements through the sale of bonds, but Mr. Howland has agreed to accept in payment for the wells and equipment and for advances made by him, stock of the Moorpark Farmers Water Company at par. Applicant asks permission to issue approximately \$12,000.00 of stock to Mr. Howland on account of above expenditures, and in addition, issue and sell \$8,000.00 of stock at par and use \$5,000.00 of the proceeds to retire a like amount of bonds, and \$1,000.00 to pay the first installment on the note which applicant asks permission to issue. The remaining \$2,000.00 applicant would use for paying accrued interest and for working capital and improvements. Through the issue of the stock, the company will reduce its debt immediately from \$28,000.00 to \$22,000.00.

FIRST SUPPLEMENTAL ORDER.

MOORPARK FARMERS WATER COMPANY having applied to the Railroad Commission for permission to issue \$25,000.00 of bonds,

\$20,000.00 of stock, \$3,000.00 of notes and to execute a mortgage, a public hearing having been held thereon and the Railroad Commission being of the opinion that the money, property or labor to be procured or paid for by the issue of the bonds, stock and notes herein authorized is reasonably required for the purpose set forth in this order and that this application should be granted subject to the condition of this order;

IT IS HEREBY ORDERED, that MOORPARK FARMERS WATER COMPANY be, and it is hereby, authorized to execute a mortgage substantially in the same form as the mortgage attached to the supplemental petition herein, filed August 23, 1920.

IT IS HEREBY FURTHER ORDERED, that MOORPARK FARMERS WATER COMPANY be, and it is hereby, authorized to issue \$20,000.00 of common stock, \$25,000.00 of 7 per cent serial bonds and \$3,000.00 of serial notes, -the authority herein granted to execute said mortgage and to issue said stock, bonds and notes being in lieu of the authority heretofore granted in the order in Decision No. 7543, dated May 10, 1920.

The Railroad Commission HEREBY DECLARES that public convenience and necessity will require applicant to operate the water system described in the petition herein.

The authority herein granted is subject to further conditions as follows:

1.--Of the stock herein authorized to be issued, not exceeding

\$12,000.00 may be delivered to Charles T. Howland in payment for the wells and equipment installed and acquired by him or for the liquidation of advances, and referred to in ^{the} supplemental application herein. The remainder of the stock shall be sold at par and \$5,000.00 of the proceeds used to pay bonds, \$1,000.00 to pay the first installment of the \$3,000.00 note herein authorized to be issued and the remainder to pay accrued interest, to pay for improvements

and provide necessary working capital.

2.--The bonds and notes herein authorized to be issued shall be issued for the purpose of paying or refunding the \$25,000.00 of outstanding bonds of the Moorpark Mutual Water Company and the \$3,000.00 of outstanding notes of said Moorpark Mutual Water Company.

3.--The authority herein granted to issue stock, bonds and notes shall not be urged before this Commission, or other public body having jurisdiction, as a finding of value of the property referred to herein for the purpose of determining rates or for any purpose other than the purposes of this proceeding.

4.--The approval herein given of said mortgage is for the purpose of this proceeding only and an approval in so far as this Commission has jurisdiction under the terms of the Public Utilities Act, and is not intended as an approval of said mortgage as to such other legal requirements to which such mortgage may be subject.

5.--Moorpark Farmers Water Company shall keep such record of the issue and sale of the stock and bonds 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.

6.--The authority herein granted will apply only to such stock, bonds and notes as may be issued on or before February 1, 1921.

IT IS HEREBY FURTHER ORDERED, that MOORPARK FARMERS WATER COMPANY be, and it is hereby, authorized through the issue of the stock, bonds and notes herein permitted, to acquire from Moorpark Mutual Water Company and Charles T. Howland the properties referred to in the supplemental application herein.

Dated at San Francisco, California, this 25th day of October, 1920.

C. T. Howland
Frank R. Miller
H. N. Bourdige
Dwight Mott
Commissioners.