

Decision No. 8899

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

- - - - -

In the Matter of the Application of)	
ROSEVILLE WATER COMPANY, a Corpora-)	
tion, for order authorizing issuance)	Application No. 6717
of notes in the principal sum of)	
\$10,000.00.)	

Meredith, Landis and Chester, by James
D. Meredith, for applicant

MARTIN, Commissioner.

O P I N I O N

Roseville Water Company asks permission to issue and sell \$10,000.00 of its 8 per cent unsecured promissory notes at not less than 95 per cent of face value.

The company, which is distributing water in the City of Roseville in Placer County, was incorporated on March 4, 1912, with an authorized common stock issue of \$200,000.00, of which \$100,300.00 was reported outstanding on December 31, 1920.

The record shows that service to a portion of the city that lies on elevated ground has been very poor, because of an inadequate water supply and pressure. To improve this situation applicant intends to purchase, for \$3,510.00 a deep well turbine pump with vertical motor and electrical control devices. The pump will have a capacity of 300 gallons per minute under a head of 240 feet and be installed at a point near Grove and Jones Streets in Roseville.

Applicant further reports the necessity of purchasing

additional equipment including a reserve pumping plant consisting of a four inch centrifugal pump, equipped with a seventy-five horse-power motor, having a capacity of 600 gallons per minute, to be used as an equalizing unit, and approximately 4550 feet of pipe of varying dimensions to be used to connect the proposed pumps with existing mains and to renew and replace certain mains now in use,- all estimated to cost about \$5,639.00. The proposed additions and betterments are more fully described in Exhibits "1" and "2" attached to the petition herein.

To finance these contemplated improvements, applicant proposes to issue at 95, \$10,000.00 of its 8 per cent unsecured promissory notes, maturing in three equal annual installments, commencing one year after date of issue and callable at 101 and accrued interest on any interest payment date before maturity. Mr. W. C. Hemphill, applicant's manager, testified that the persons from whom applicant has arranged to purchase the proposed equipment have agreed to take the notes at 95, in payment for the equipment.

As of December 31, 1920, applicant reports its assets and liabilities as follows:

ASSETS:

Fixed Capital	\$ 129,109.05
Cash	448.11
Accounts Receivable	8,821.52
Sinking Funds	20,870.00
Unamortized Discount on Stock	80,000.00
Suspense	25.00
	<hr/>
Total Assets	\$ 239,273.68

LIABILITIES:

Capital Stock	\$ 100,300.00
Funded Debt	100,000.00
Interest Accrued	1,750.00
Reserve for Accrued Depreciation	8,906.29
Reserve Invested in Sinking Funds	20,870.00
Corporate Surplus	7,447.39
	<hr/>
Total Liabilities	\$ 239,273.68

I herewith submit the following form of order:

O R D E R

Roseville Water Company having applied to the Railroad Commission for permission to issue notes, a public hearing having been held, and the Railroad Commission being of the opinion that the money, property or labor to be procured or paid for by the issue of notes herein authorized is reasonably required for the purpose specified herein, and that the expenditures for such purpose are not in whole or in part reasonably chargeable to operating expense or to income,

IT IS HEREBY ORDERED, that Roseville Water Company be, and it is hereby authorized to issue and sell, at not less than 95 per cent of their face value, \$10,000.00 of its 8 per cent unsecured promissory notes to pay for the extensions, additions and betterments described in Exhibits "1" and "2" attached to the petition herein.

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

1. The notes herein authorized shall mature in three equal annual installments, commencing one year after date of issue and be callable at not exceeding 101 per cent of their face value plus accrued interest on any interest payment date before maturity.
2. The authority herein granted will not become effective until applicant has paid the fee prescribed in the Public Utilities Act.
3. Applicant shall keep such record of the issue and sale of the notes herein authorized and of the disposition of the proceeds as will enable it to file on or before the 25th day of each month a verified report as required by the Railroad Com-

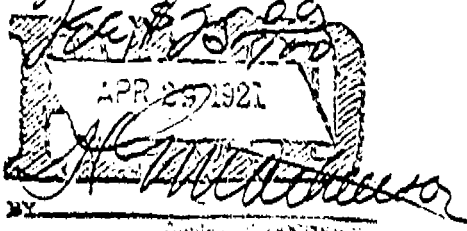
mission's General Order No. 24, which order in so far as applicable is made a part of this order.

4. The authority herein granted to issue notes, will apply only to such notes as may be issued, sold and delivered on or before July 31, 1921.

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 26th day of April, 1921.

Railroad Commission State of California



Frank Devlin
H. J. Lawrence
H. B. Bondage
Ernest M. Curtis
Commissioner.