

Decision No. 18868

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
SANTA ROSA WATER WORKS, )  
a corporation, for an order author- ) Application No. 18868  
izing it to issue notes and to secure )  
the same by deed of trust. )

Arthur H. Redington and Albert J. Dibblee,  
for Applicant.

BY THE COMMISSION:

**ORIGINAL**

OPINION AND ORDER

Santa Rosa Water Works has applied to the Railroad Commission for an order authorizing it to execute a deed of trust and to issue a promissory note in the principal amount of \$21,000.00, payable three years after date of issue, with interest at the rate of six per cent per annum, for the purpose of refunding outstanding indebtedness.

It appears that applicant, under the authority granted by the Commission in Decision No. 23541, dated January 27, 1931, acquired the properties of The Santa Rosa Water Works subject to the lien of a deed of trust in the amount of \$32,000.00 securing the payment of three promissory notes, each bearing date the first day of June, 1926, payable three years after date thereof, with interest at the rate of seven per cent per annum; one note in the principal sum of \$16,000.00, payable to Isabelle J. McDonald, one in the sum of \$9,000.00, payable to M. L. McDonald, and one in the sum of \$7,000.00, payable to M. L. McDonald.

It is now reported in this application that since January 1,

1933, applicant has paid in full the note for \$7,000.00 and has paid \$4,000.00 on account of the note for \$9,000.00, leaving a balance of the original indebtedness now due and unpaid in the amount of \$21,000.00. It appears that the owners and holders of the outstanding notes have demanded payment and that the same will become barred by the statute of limitations on June 1, 1933, and that applicant has no available funds with which to make the payment of said notes. The company has arranged, however, to borrow from Isabelle J. McDonald the sum of \$21,000.00, to be evidenced by a three year six per cent promissory note secured by a deed of trust on its water plant and properties. It has filed in this proceeding a copy of the proposed deed of trust which we find to be in satisfactory form.

The Commission is of the opinion that this is not a matter in which a public hearing is necessary, that the application should be granted as herein provided and that the money, property or labor to be procured or paid for through the issue of the \$21,000.00 note is reasonably required for the purpose specified herein, which purpose is not, in whole or in part, reasonably chargeable to operating expense or to income, therefore,

IT IS HEREBY ORDERED, that Santa Rosa Water Works be, and it hereby is, authorized to execute a deed of trust, substantially in the same form as the deed of trust filed with this application as Exhibit "B", and to issue its promissory note to be secured by said deed of trust in the principal amount of \$21,000.00, payable on or before three years after date of issue, with interest at not exceeding six per cent per annum, for the purpose of refunding the outstanding notes of like amount referred to herein, provided:

- (1) That the authority herein granted to execute a deed

of trust is for the purpose of this proceeding only, and is granted insofar as this Commission has jurisdiction under the terms of the Public Utilities Act, and is not intended as an approval of said deed of trust as to such other legal requirements to which it may be subject; and

(2) That applicant, within thirty (30) days after the issue of the note and the execution of the deed of trust, file with the Commission a copy of the note issued and a copy of the deed of trust executed under the authority herein granted.

IT IS HEREBY FURTHER ORDERED, that the authority herein granted shall become effective upon the date hereof.

DATED at San Francisco, California, this 7th day of May, 1933.

C. C. Seavey  
Leon Williams  
M. A. C.  
M. B. Harris  
W. B. ...  
Commissioners.