

Decision No. 26826.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
CARPINTERIA WATER COMPANY,
a corporation, for permission to
petition a loan from the Federal Emer-
gency Administration of Public Works
and to issue a note to the United
States of America or Its Designated
Agency therefor, and for permission
to mortgage its public utility pro-
perties to the United States of Amer-
ica or Its Designated Agency as secur-
ity for the payment of said Note.

ORIGINAL

Application No. 19200

Schauer, Ryon & McMahon, by Harrison Ryon,
for applicant.

BY THE COMMISSION:

O P I N I O N

In this application Carpinteria Water Company asks permission to execute a mortgage and to issue its note in the principal amount of \$12,000.00 payable on or before ten (10) years after date of issue, with interest at not exceeding five percent. per annum.

Carpinteria Water Company is engaged in supplying water for domestic, industrial and municipal purposes to consumers located in, and adjacent to, the unincorporated community of Carpinteria, Santa Barbara County. It reports that its water supply used in its service has been obtained from two wells, but that it has been troubled by an increasing amount of sand in its wells and that during the summer of 1933, one well was completely blocked. Applicant had to purchase water to render service.

It reports further that therefore it deems the drilling of another well and the installation of additional facilities necessary at this time and that accordingly it has acquired a suitable site and has made arrangements to construct the additional facility.

The proposed construction work will include a well, gravel-packed, 300 feet deep, cased with double ten-gauge California casing and equipped with a deep well pump, belt-connected to a ten H. P. General Electric motor and a two inch centrifugal booster pump, together with connections, switchboard, pump house and 1,224 feet of six inch cast iron pipe, 1,710 feet of four inch cast iron pipe and 80 feet of standard screw pipe. The estimated costs, set forth in Exhibit "B" are as follows:-

Preliminary	\$125.
Land- 1/4 acre	600.
Well	2,806.
Deep well pump	2,804.
Booster pump	444.
Connections for pump	150.
Switchboard, etc	232.
Pump house	325.
Setting up and reconditioning three existing tanks	300.
1,224 feet of 6-inch pipe	1,432.
1,710 feet of 4-inch pipe	1,497.
80 feet of standard screw pipe	110.
Engineering-6 percent	720.
Legal services	250.
Audit for application	175.
Survey for lot	<u>30.</u>
Total	<u>\$ 12,000.</u>

To finance the cost of the project Carpinteria Water Company has filed with the Federal Emergency Administration of Public Works an application to borrow \$12,000.00 to be evidenced by a note payable on or before ten (10) years after date of issue with interest at not exceeding five percent per annum, secured by a first mortgage on all its properties. A copy of its application to the federal board and a copy of the proposed mortgage have been filed with this Commission in this proceeding, the former as

Exhibit "B" and the latter as Exhibit "D".

Carpinteria Water Company, as of June 30, 1933, has no outstanding mortgages. Its indebtedness, as set forth in its application, includes an unsecured ninety-day note to Bank of America for \$2,500.00, a contract payable for \$660.00 and current obligations of \$2,809.77. Its financial report for the twelve months ending June 30, 1933, shows operating revenues of \$11,600.56, net operating revenues, before depreciation charges and other adjustments, of \$5,196.41 and gross corporate income, after such charges and adjustments, of \$2,009.39. It estimates the original cost of its properties, as of July 1, 1933, at \$70,059.00.

It appears to the Commission that the company's assets and earnings are ample to support the proposed note issue and that the application should be granted.

ORDER

Carpinteria Water Company having applied to the Railroad Commission for authority to execute a mortgage and to issue a \$12,000.00 note, and the Commission being 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, that the money, property or labor to be procured or paid for through the issue of the note 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 Carpinteria Water Company be, and it hereby is, authorized to execute a mortgage in substantially the same form as that filed with the application herein as Exhibit

"D", to issue a note to be secured by said mortgage in favor of the United States of America or Its Designated Agency in the principal amount of \$12,000.00 payable on or before ten (10) years after date of issue, with interest at not exceeding five percent per annum, and to use the proceeds to be received through the issue of said note to finance the expenditures of \$12,000.00 described in Exhibit "B" filed in this proceeding and referred to in the foregoing opinion, provided:-

1. That the authority herein granted to execute a mortgage 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 mortgage as to such other legal requirements to which said mortgage may be subject.

2. That applicant keep such record of the issue of the note 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 Commission's General Order No. 24, which order, insofar as applicable, is made a part of this order.

3. That the authority herein granted will become effective when applicant has paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which fee is Twenty-five (\$25.00) Dollars.

4. That under the authority herein granted the company may not execute the mortgage nor issue the note later than March 31, 1934.

DATED at San Francisco, California, this 11th day of December, 1933.

Fee \$ 75 ⁰⁰/₁₀₀
DEC 11 1934
See # 20719

W. B. Lewis
L. A. Williams
M. A. Gann
W. B. Lewis
W. B. Lewis
Commissioners.