

Decision No. 27300
27900

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
SUTTER-BUTTE CANAL CO.,)
to sell to Richvale Irrigation Dis-) Application No. 16998
trict, and of latter to buy, certain)
property of Sutter-Butte Canal Co.)

BY THE COMMISSION:

ORIGINAL

FOURTH SUPPLEMENTAL ORDER

In the fourth supplemental petition filed on April 19th, 1935, in the above entitled matter the Railroad Commission is asked to enter its order approving an agreement by and between Sutter-Butte Canal Co., a public utility water company, Richvale Irrigation District, a public corporation, and Reconstruction Finance Corporation, a public corporation and an agency of the United States Government.

By Decision No. 23136 dated December 2, 1930 the Commission authorized Sutter-Butte Canal Co., to sell some of its properties to Richvale Irrigation District. The company received in payment for the properties \$515,000.00 of Richvale Irrigation District bonds. The company has until March 1, 1943 to remove any liens or encumbrances on the property sold to the District. Recently the Reconstruction Finance Corporation has offered to loan the District \$388,500.00 to enable it to redeem the \$515,000.00 of bonds, provided there be placed in escrow with a trustee and pledged to Reconstruction Finance Corporation \$524,000.00 of Sutter Butte Canal Co., bonds.

The Sutter-Butte Canal Co. has agreed to accept payment for the \$515,000.00 of District bonds on the basis of 74.951 cents for each dollar of principal amount of said bonds. It will then use the cash received from the sale of the bonds to buy \$524,000. of its bonds and deposit them as security for the loan of the Reconstruction Finance Corporation. The bonds will remain on deposit until such time as the company can release from the lien of its mortgage the property sold to

the District.

The agreement also provides that the company shall not issue any additional bonds until the property heretofore conveyed by it to the District shall be freed of all liens.

The Commission has considered applicant's request and believes that the company should be permitted to execute an agreement similar in form to that attached as Exhibit A to the fourth supplemental petition herein, therefore,

IT IS HEREBY ORDERED that Sutter-Butte Canal Co., be, and it hereby is, authorized to execute and enter into with Richvale Irrigation District, and Reconstruction Finance Corporation an agreement similar in form to that attached as Exhibit A to the fourth supplemental petition filed in this proceeding on April 19th, 1935, and which modifies in some respects the agreement of option between Sutter-Butte Canal Co., and Richvale Irrigation District, dated November 3, 1930, as amended.

DATED at San Francisco, California, this 22nd day of April, 1935.

Leon C. Williams
W. A. Curi
W. B. Harris
W. B. Harris
Frank R. Harris
Commissioners.