

LEM

Decision No. 28299

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
HILLSBOROUGH WATER COMPANY  
(formerly Cherry Canon Water Company)  
for an order of the Railroad Commis-  
sion of the State of California author-  
izing the execution of a Mortgage and  
Deed of Trust covering all of its  
presently owned and hereafter acquired  
properties.

ORIGINAL

Application No. 20877

Brobeck, Phleger & Harrison, for applicant.

BY THE COMMISSION:

O P I N I O N

Hillsborough Water Company in this proceeding asks permis-  
sion to execute and deliver a mortgage and deed of trust substantially  
in the same form as the mortgage and deed of trust filed in this pro-  
ceeding as Exhibit A, for the purpose of securing the payment of a  
one year \$13,000. 6% note.

Hillsborough Water Company is engaged in the business of  
buying, transmitting, distributing and selling water for the use of  
the Town of Hillsborough, San Mateo County, and the inhabitants thereof  
and to inhabitants of San Mateo County for domestic and irrigation  
uses.

The company for 1935 reports operating revenues of  
\$27,979.36 and operating expenses of \$22,595.72, leaving net operating  
revenues of \$5,383.64. The operating expenses include an allowance  
of \$4,472.83 for depreciation.

Applicant reports that it has outstanding \$13,000. face  
value of 6% first mortgage bonds. These bonds matured on November 1,  
1936. The bonds were issued under the authority granted by the Com-  
mission in Decision No. 3907 dated December 2, 1916 in Application No.

2618 or under the authority granted by Decision No. 24603 dated March 21, 1932 in Application No. 18023.

It is of record that the company proposes to borrow from Agnes M. Hayne the sum of \$13,000. and to issue to her its promissory note therefor payable one year after date with interest at the rate of 6% per annum. The moneys realized through the issue of this note will be used by the company to pay its outstanding bonds. The payment of the note will be secured by a mortgage and deed of trust, a copy of which is filed in this proceeding as Exhibit A. The order following will authorize the execution and delivery of the mortgage and deed of trust and the issue of the note.

O R D E R

Hillsborough Water Company having asked permission to execute a mortgage and deed of trust, the Commission having considered applicant's request and being of the opinion that this is not a matter in which a hearing is necessary and that applicant's request should be granted subject to the provisions of this order and that said applicant should be permitted to issue a note for the principal sum of not exceeding \$13,000. payable one year after date with interest at the rate of 6% per annum, that the money, property or labor to be procured or paid for by the issue of said note is reasonably required by applicant for the purpose herein stated and that the expenditures for such purpose are not in whole or in part reasonably chargeable to operating expenses or to income, therefore,

IT IS HEREBY ORDERED as follows:-

1. Hillsborough Water Company may, on or before February 1, 1937, execute and deliver a mortgage and deed of trust substantially in the same form as the mortgage and deed of trust filed in this proceeding as Exhibit A, provided that the authority herein granted to execute a mortgage and deed of trust is for the purpose of this proceeding

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

2. Hillsborough Water Company may on or before February 1, 1937 issue at not less than its face value a note for the principal sum of not exceeding \$13,000., payable one year after date thereof with interest at the rate of 6% per annum and use the proceeds realized from the issue of said note to pay its outstanding bonds.
3. Within thirty(30) days after the execution of the aforesaid mortgage and deed of trust and the issue of said note, Hillsborough Water Company shall file with the Railroad Commission a certified copy of said mortgage and deed of trust, and a copy of said note, and a statement showing the purposes for which it used the proceeds realized from the issue of said note.

DATED at San Francisco, California, this 23<sup>rd</sup> day of November, 1936.

M. B. Harris  
Leon O'Rourke  
W. A. Cunn  
Frank R. [unclear]  
Commissioners.