

Decision No. 22880

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 properties to  
the United States of America or Its Desig-  
nated Agency as security for the payment  
of said note. )  
Application No. 19200

BY THE COMMISSION:

**ORIGINAL**

FIRST SUPPLEMENTAL ORDER

Carpinteria Water Company by Decision No. 26626, dated December 11, 1933, was authorized to execute a mortgage and 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. payable on or before Ten years after date of issue with interest at the rate of not exceeding five percent per annum for the purpose of financing the cost of drilling and equipping a new well and of other additions and improvements.

It appears that the company did not until recently obtain the federal government's approval of its application to borrow the money and that it has not as yet exercised the authority granted by the order in Decision No. 26626. It reports that since the date of this Commission's order it found it imperative to drill the new well, to purchase pumps and to make the necessary connections with the water system and that it financed the cost thereof with moneys borrowed on a short term five percent note in the principal amount of \$6,000. since reduced to \$5,000., and with surplus earnings. It further reports that because of the unexpectedly large output of its new well it was necessary

to enlarge upon the program originally submitted in this proceeding and referred to in the former decision. It states that it now needs \$13,000. to pay the short term note and to complete its construction program. It filed with the Commission on June 14, 1937, a statement and description of its revised project.

In lieu of borrowing funds from the United States Government, the company now has made arrangements to obtain the money from Mr. Frank A. Assmann and to issue in evidence thereof its unsecured promissory note for \$13,000. payable in quarterly installments of \$500. with interest at the rate of 5% per annum. The note will be endorsed by applicant's principal stockholders who are Frank L. Stewart and E. S. Atkinson. It asks authority to issue the \$13,000. note in lieu of the note authorized by Decision No. 26626 dated December 11, 1933.

The Commission has considered this matter and is of the opinion that no further hearing is necessary on this application and that the company's request should be granted, therefore,

Good Cause Appearing,

IT IS HEREBY ORDERED that the order in Decision No. 26626, dated December 11, 1933, be, and it hereby is modified so as to permit Carpinteria Water Company to issue on or before September 30, 1937, in lieu of the note authorized in said order, its unsecured promissory note in the principal amount of \$13,000. payable in quarterly installments of \$500. with interest at the rate of not exceeding 5% per annum and to use the proceeds to pay the short term note for \$5,000. now outstanding and to finance the cost of the construction program referred to in this proceeding and in the revised statement filed on June 14, 1937, in this matter.

IT IS HEREBY FURTHER ORDERED that within thirty(30) days after the issue of said \$13,000. note the company shall file a copy thereof

with this Commission.

DATED at San Francisco, California, this 21<sup>st</sup> day of  
June, 1937.

Arthur M. M.  
Leon A. M.  
Frank R. M.  
R. S. M.  
Carl M.  
Commissioners.