

Decision No. 30220

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
FARMERS IRRIGATION COMPANY,  
a corporation, for an order author-  
izing it to issue notes to evidence  
moneys advanced.

Application No. 21504

Farrand and Slosson, for applicant.

BY THE COMMISSION:

O P I N I O N

In this proceeding Farmers Irrigation Company, a corporation, asks permission to issue \$35,000. face value of serial notes for the purpose of paying \$35,000. of notes, the issue of which the Commission heretofore authorized.

Farmers Irrigation Company is engaged in the business of distributing water for irrigation purposes in the City of Santa Paula and in adjoining territory in the County of Ventura, State of California. For 1936 the company reports operating revenues of \$51,793.48, all of which, except \$18.61, was obtained from the sale of water for irrigation purposes.

As of August 31, 1937 applicant reports assets and liabilities as follows:-

ASSETS

Fixed capital . . . . .	\$436,424.05
Cash . . . . .	8,413.04
Accounts receivable . . . . .	2,631.94
Materials and supplies . . . . .	424.10
Prepaid insurance . . . . .	124.99

Total assets .....\$448,018.12

### LIABILITIES

Capital stock . . . . .	\$225,800.00
Notes payable . . . . .	38,000.00
Accounts payable . . . . .	1,884.96
Taxes accrued . . . . .	1,033.57
Donations in aid of construction . . . . .	8,133.60
Reserve for accrued depreciation . . . . .	107,245.52
Corporate surplus . . . . .	67,920.47

Total liabilities..... \$448,018.12

The Commission by Decision No. 25084 dated August 22, 1932 in Application No. 18307 authorized applicant to issue not exceeding \$113,000. of serial notes bearing interest at not to exceed 7% per annum. Of these notes, \$35,000. are now outstanding. The company proposes to pay such notes through the issue of new notes bearing interest at not to exceed 5½% per annum, payable semi-annually, said new notes to mature in installments as follows:-

\$7,000.	due August 1, 1938
7,000.	due August 1, 1939
7,000.	due August 1, 1940
7,000.	due August 1, 1941
7,000.	due August 1, 1942

The notes will be issued, so applicant reports, only to persons resident within the State of California in compliance with Section (3) a(11) of an Act of Congress of the United States, approved May 27, 1933, designated "The Securities Act of 1933."

Applicant further requests authority to refund any of the notes when due by the issuance of notes similar in terms and amount maturing not later than August 1, 1942.

### O R D E R

Farmers Irrigation Company having asked permission to issue notes in the face amount of \$35,000., the Commission having considered applicant's request and being of the opinion that this is not a matter in which a hearing is necessary, that the money, property or labor to be procured or paid for by the issue of said notes is

reasonably required by applicant for the purposes herein stated and that the expenditures for such purposes are not in whole or in part reasonably chargeable to operating expenses or to income and that this application should be granted, therefore,

IT IS HEREBY ORDERED that Farmers Irrigation Company be, and it is hereby, authorized to issue and deliver only to persons resident within the State of California unsecured promissory notes in the aggregate amount of not exceeding \$35,000., such notes to bear interest at not to exceed 5½% per annum, payable semi-annually and to mature in the following amounts and at the following dates:-

\$7,000.	due August 1, 1938
7,000.	due August 1, 1939
7,000.	due August 1, 1940
7,000.	due August 1, 1941
7,000.	due August 1, 1942

IT IS HEREBY FURTHER ORDERED that Farmers Irrigation Company shall use the proceeds realized from the issue of said \$35,000. of notes to pay the \$35,000. of notes now outstanding and referred to in this application.

IT IS HEREBY FURTHER ORDERED that Farmers Irrigation Company may refund any or all of said \$35,000. of notes on or before maturity by the execution and delivery of a promissory note or notes whose face value in the aggregate shall not exceed the face value of the notes refunded. Such new notes shall bear interest at a rate not in excess of 5½% per annum, payable semi-annually and shall mature not later than August 1, 1942.

IT IS HEREBY FURTHER ORDERED that Farmers Irrigation Company shall keep such record of the issue, sale and delivery of the notes herein authorized 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.

DATED at San Francisco, California, this 11<sup>th</sup> day of October, 1937.

*[Signature]*  
*[Signature]*  
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*[Signature]*  
*[Signature]*  
Commissioners.