

Decision No. 30566

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
SUNSHINE WATER COMPANY,  
a corporation, for an order authoriz-  
ing the issue and sale of \$30,000.00  
of its capital stock and for a certi-  
ficate of public convenience and  
necessity.

Application No. 21647

ORIGINAL

W. R. Williams, for applicant.

BY THE COMMISSION:

O P I N I O N

Sunshine Water Company, a corporation, asks permission to issue \$30,000. of common stock to pay indebtedness and acquire properties. The company also asks the Commission to find that public convenience and necessity require and will require applicant to construct, maintain and operate a water distribution system in Tracts 10444, 9779 and 10506, Los Angeles County, and also in that certain portion of Lot 4 of Tract 3152 lying immediately to the south of and adjoining Tract 7868, as per map recorded in Book 113, pages 18 to 21 of maps in the office of the County Recorder of Los Angeles County, California.

The area now served by applicant and the additional area for which it is now seeking a certificate of public convenience and necessity is shown on the map filed in this proceeding as Exhibit 1.

Sunshine Water Company is a corporation organized under the laws of California. It has issued and outstanding \$20,000. of common capital stock. By Decision No. 19836 dated May 28, 1928 in Application No. 14612 the Commission authorized the company to construct, maintain and operate a public utility water system for the purpose of supplying water for domestic purposes in Tract 7868, 7920, 10298 and 9891. It appears from the record that applicant has extended its service into adjacent tracts. This was done under the advice and belief that such

extensions of service were authorized by the franchise which applicant has obtained from the County of Los Angeles (Ordinance No. 1448 New Series) and by the Commission's decision granting it a certificate of public convenience and necessity. Upon being advised that the aforesaid decision does not authorize applicant to operate in the additional territory, it has filed the instant application.

The Sunshine Water Company is indebted to Loftus Land Company in the sum of \$27,166.44. At the present time applicant has about 375 active service connections. Only a few of these are metered. It proposes to install additional meters and extend its water system. It is for the aforesaid purposes that applicant desires authority to issue \$30,000. of stock.

We have considered applicant's request and believe that it should be authorized to issue not exceeding \$25,000. of stock to pay the indebtedness due the Loftus Land Company. It should collect the amount due from its officers and use said money to pay the balance of the debt due the Loftus Land Company. The record shows that this will be done. Stock in the amount of \$5,000. will be authorized to pay the cost of additions and betterments to applicant's properties.

#### O R D E R

Sunshine Water Company, a corporation, having asked permission to issue \$30,000. of its common capital stock and to extend its water system, a public hearing having been held before Examiner Fankhauser, and the Commission being of the opinion that the money, property or labor to be procured or paid for by applicant through the issue of the stock herein authorized 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, as provided in this order, therefore,

IT IS HEREBY ORDERED that Sunshine Water Company, a corporation, be and it is hereby authorized to issue at not less than par,

on or before December 31, 1938, \$30,000. par value of its common capital stock for the following purposes and none other:-

a. \$25,000. of said stock or the proceeds thereof, shall be delivered to Loftus Land Company in payment of a like amount of indebtedness, provided applicant as a condition precedent to the issue of said \$25,000. of stock, collect from its officers the amount due from them and apply the money so collected to the payment of debt due Loftus Land Company; and

b. The proceeds realized from the sale of \$5,000. of stock shall be used by applicant to pay the cost of additions and betterments to its water system properly chargeable to fixed capital accounts under the classification of accounts prescribed by the Commission for water corporations.

IT IS HEREBY FURTHER ORDERED THAT Sunshine Water Company, a corporation, shall keep such record of the issue, sale and delivery of the stock 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-A, which order insofar as applicable, is made a part of this order.

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity require and will require that Sunshine Water Company, a corporation, construct, maintain and operate a public utility water system for the purpose of supplying water for domestic purposes in Tracts 10444, 9779 and 10506, and in that portion of Lot 4 of Tract 3152 lying immediately south of and adjoining Tract 7868 as per map recorded in Book 113, page 18 to 21 of Maps, in the office of the County Recorder of Los Angeles County, California, and as more particularly delineated on the map filed in this proceeding as Exhibit 1.

IT IS HEREBY FURTHER ORDERED that a certificate of public convenience and necessity be, and the same is hereby, granted to Sunshine Water Company, a corporation, to construct, maintain and operate said public utility water system.

DATED at San Francisco, California, this 31<sup>st</sup> day of January, 1938.

Malcolm  
Tom  
Frank

W. P. & A. C.  
Commissioners.