

Decision No. 30848

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
IVANHOE WATER CO.)
for order authorizing encumbrance of)
property by deed of trust and chattel) Application No. 21946
mortgage.)

Bradley & Bradley, for applicant.

ORIGINAL

BY THE COMMISSION:

O P I N I O N

This is an application for an order authorizing Ada H. March, doing business under the name and style of Ivanhoe Water Co., to execute a deed of trust and a chattel mortgage and to issue a note, or notes, in the total principal amount of not exceeding \$7,500.00 for the purpose of financing the cost of extensions and improvements to the water system.

It appears that Ada H. March is engaged in supplying water to residents of the Town of Ivanhoe, Tulare County, serving 103 consumers at the close of 1937. The water system consists primarily of a 12-inch well from which water is obtained by means of a Byron Jackson pump and delivered into a 6,000 gallon galvanized iron storage tank whence four 2-inch lines distribute the water.

An investigation made by E. R. Foster, one of the Commission's engineers, in connection with this proceeding, indicates that because of the limited elevation of the storage tank and the small size of the distribution pipes, the pressure and service of water to the outlying locations has become inadequate and that some measures must be taken to increase the existing pumping and storage facilities and to enlarge and extend the mains to meet the present and increasing demands for service.

To meet these conditions Mrs. March has made arrangements to replace the present pumping plant with a larger Byron Jackson pump, to install a new pressure tank, which will increase the pressure approximately three times, to install three and four inch pipe lines and to eliminate present dead-ends in the system.

The estimated cost of the proposed improvements is stated as follows:-

Approximately 2700 feet of 4-inch black pipe with welded joints at \$36.96 per 100 feet	\$ 997.92
Approximately 900 feet of 3-inch black standard screw pipe at \$43.04 per 100 feet	387.36
Approximately 1250 feet of 2-inch pipe to be laid (either new or used pipe) in addition to the above 4-inch and 3-inch piping, making a total length of ditch to be dug of 4850 feet at 12 $\frac{1}{2}$ ¢ per foot	606.25
Estimated cost of welding ends of 4-inch pipe	<u>100.00</u>
Subtotal	\$2,091.53
Contract price for pump, hydro-pneumatic tank, fittings from pump to tank, control equipment and foundation, including labor for removing present pump, installing new pump, and tank, and making necessary connections	3,187.70
Cost of Lot 9, Block 22	100.00
Other contingencies	<u>120.77</u>
Total estimated cost	<u><u>\$5,500.00</u></u>

It is proposed to use as much of the replaced two inch pipe as possible. If, however, inspection of the old pipe indicates it should be discarded and new pipe purchased, the above estimate will be increased accordingly. The estimate will also be increased by the cost of new extensions to take care of requests for service, all of which may call for an additional expenditure of \$2,000.00.

To finance the cost of proposed work, applicant has made arrangements to borrow up to \$7,500.00 to be evidenced by a promissory note payable in monthly installments of \$75.00 or more during the first year after date of issue and at \$100.00 or more thereafter, with interest at the rate of 7% per annum, secured by a deed of trust and a chattel mortgage. Copies of the indentures are attached to the application and

appear to be in satisfactory form.

An order accordingly will be entered.

O R D E R

Application having been made to the Railroad Commission for an order authorizing the execution of a deed of trust and a chattel mortgage and the issue of a note for not exceeding \$7,500.00, and the Commission being of the opinion that this is not a matter in which a public hearing is necessary and that the application should be granted, as herein provided, and that the money, property or labor to be procured or paid for is reasonably required for the purposes specified herein, therefore,

IT IS HEREBY ORDERED that Ada H. March, doing business under the firm name and style of Ivanhoe Water Co., be, and she is hereby, authorized to execute a deed of trust and a chattel mortgage in or substantially in the same form as those filed in this proceeding, provided that the authority herein granted is for the purpose of this proceeding only and is given only insofar as this Commission has jurisdiction under the terms of the Public Utilities Act and is not intended as an approval of said instruments as to such other legal requirements to which they may be subject.

IT IS HEREBY FURTHER ORDERED that Ada H. March be, and she is hereby, authorized to issue a promissory note, or notes, in the total principal amount of not exceeding \$7,500.00,^{pavable} as indicated in the foregoing opinion, with interest at the rate of not exceeding seven per cent per annum for the purpose of financing the cost of the extensions and improvements referred to in said opinion, provided that-

1. Within thirty(30) days after issue of the note, or notes, herein authorized, applicant shall file with the Commission a true and

correct copy of such note, or notes, as issued, and within thirty days after completion of the extensions and improvements, a statement containing a description of such extensions and improvements and the cost thereof, and

2. The authority herein granted will not become effective until applicant has paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which fee is Twenty-five(\$25.00) Dollars.

Los Angeles
DATED at ~~San Francisco~~ California, this 6th day of June, 1938.

Walter M. ...
Leon ...
Frank ...
Ray ...
Ray & Riley
Commissioners

