

Decision No. 32621

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
Emergency 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 Designated
Agency as security for the payment of
said note.

ORIGINAL

Application No. 19200

BY THE COMMISSION:

SECOND SUPPLEMENTAL ORDER

The Railroad Commission, by Decision No. 29880, dated June 21, 1937, authorized Carpinteria Water Company to issue an unsecured promissory note in the principal amount of \$13,000, payable in quarterly installments of \$500, with interest at the rate of 5% per annum, for the purpose of obtaining funds to pay outstanding indebtedness and of financing the cost of additions and improvements.

The company reports that pursuant to the authority granted by the Commission it issued, as of July 1, 1937, its promissory note for \$13,000. It reports further that it has complied with the terms of the note and that on January 1, 1940 the principal amount of the note will be reduced to \$8,000.

The company now has made arrangements with the holder of the note to borrow an additional sum of \$5,000 and to issue at this time a new note for \$13,000 to refund the \$8,000 balance on the note issued under the authority granted by Decision No. 29880 and to finance the cost of drilling and equipping a new well, which cost is estimated at

\$5,000, consisting of the following:-

Labor-

Rigging in preparation of drilling	\$900	
Drilling	<u>600</u>	
Subtotal		\$1,500

Material-

12" steel casing and conductor pipe	1,200	
25 h.p. turbine pump	1,500	
Electric switches, connections, etc	200	
Welding, gravel, cement, etc.	<u>600</u>	<u>3,500</u>
Total		<u>\$5,000</u>

The company reports that while it now has in operation three wells pumping about 63 miner's inches of water, the requirements of its service area have been steadily increasing to a point where the development of an additional supply of water has become necessary. It has alleged that if well number 3 should experience trouble, the other two would be unable to carry the load, so that a reserve well is necessary to insure continuous service.

The proposed new note will be in form identical with that heretofore authorized by the Commission in its former decision, that is, in the principal amount of \$13,000, payable in quarterly installments of \$500, with interest at the rate of 5% per annum. It will be endorsed by Frank L. Stewart and E. Stanley Atkinson, the company's principal stockholders.

The Commission has considered the company's request to issue the proposed note and is of the opinion that a public hearing is not necessary, that the money, property or labor to be procured or paid for through the issue of the note is reasonably required for the purpose specified herein and that the expenditures for such purpose are not, in whole or in part, reasonably chargeable to operating expenses or to

income, therefore,

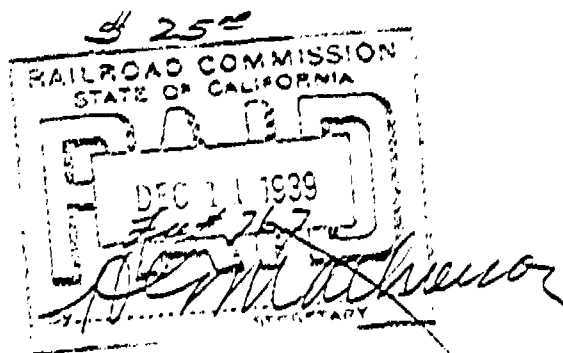
IT IS HEREBY ORDERED that Carpinteria Water Company be, and it hereby is, authorized to issue its promissory note in the principal amount of \$13,000, payable in quarterly installments of \$500, with interest at the rate of 5% per annum, and to use \$8,000 of the proceeds to pay in part the note now outstanding, issued under authority granted by Decision No. 29880, dated June 21, 1937, and to use the remaining proceeds to finance the cost of drilling and equipping the new well referred to herein, provided that

1. Within thirty(30) days after the issue of the note herein authorized, applicant shall file a copy thereof with this Commission.

2. Within thirty(30) days after completing the construction of the well, applicant shall file a statement showing in some detail the costs thereof; and

3. The authority herein granted will become effective when applicant has paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which fee is Twenty-five(\$25.00) Dollars.

DATED at San Francisco, California, this 25th day of December, 1939.



Paul Swabey
Frank R. Miller
Ray P. Rice
H. H. H.
Justice J. C. C.
Commissioners