

ORIGINAL

Decision No. 34304

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of the
PORTOLA WATER COMPANY, a corporation,
for Permission to Borrow Money.

Application No. 24244

BY THE COMMISSION:

OPINION AND ORDER

This is an application by Portola Water Company for an order of the Railroad Commission authorizing it to issue a note for \$4,000 for the purpose of financing the cost of improvements to its properties.

By Decision No. 33419, dated August 20, 1940, in Case No. 4424, the Commission directed Portola Water Company, among other things, to proceed with the lining, roofing and screening of its 250,000 gallon storage reservoir and the installation of a suitable, visible float gauge to indicate the water level in the reservoir.

Thereafter, the company filed copies of its plans and specifications and has undertaken the construction and installation of the required improvements. It has reported the costs necessary to accomplish the work at \$5,316.50 as

follows:

140 Yards of concrete at \$20 per cubic yard	\$2,800.00
20M ft. of lumber at \$32.50	650.00
7,000 lbs. corrugated iron roofing at \$5.50	385.00
Excavating	300.00
Carpentry	700.00
Miscellaneous material and labor	<u>483.50</u>
Total	<u>\$5,318.50</u>

The company reports that it does not have sufficient funds in its treasury to pay the costs of this work and that accordingly it proposes to borrow the sum of \$4,000 from the Bank of America National Trust & Savings Association, Feather River Branch, to complete the financing of it.

The money to be thus borrowed will be evidenced by a note payable in monthly installments of \$200 with interest at the rate of 6 per cent per annum, payable monthly. A copy of the proposed note has been filed with the Commission. We are advised that the note will be unsecured.

The Commission has considered this matter and is of the opinion that a public hearing is not necessary; that the request of the company should be granted, as herein provided; that the money, property or labor to be procured or paid for 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 Portola Water Company be, and it hereby is, authorized, for the purpose of financing in part the improvements referred to herein, to issue a note in the principal amount of \$4,000, with interest payable monthly from the date thereof on deferred balances at the rate of

6 per cent per annum, said note to be payable in monthly installments of \$200, commencing on September 1, 1941 until April 1, 1943, on which date the entire balance of principal and interest then unpaid shall become due and payable.

IT IS HEREBY FURTHER ORDERED that within thirty (30) days after the issue of the note herein authorized, applicant shall file a copy of said note with the Railroad Commission.

IT IS HEREBY FURTHER ORDERED that applicant, within thirty (30) days after the completion of the construction of the improvements mentioned herein, shall file with the Commission a statement showing in detail the actual cost thereof.

IT IS HEREBY FURTHER ORDERED that 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 17th day of June, 1941.

Ray L. Riley
Justice J. Casper
Francis R. Havens
Richard L. Lachse
Commissioners.

