

Decision No. 36539

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application

of

VALLEJO WATER COMPANY

for an order authorizing it to
issue its securities.

Application No. 25702

BY THE COMMISSION:

O P I N I O N

Vallejo Water Company, hereinafter sometimes referred to as applicant, reports that on December 19, 1919, as a result of proceedings regularly had, it reduced its original, authorized capital from \$1,000,000, divided into 10,000 shares of the par value of \$100 each, to \$150,000, divided into 1,500 shares of the par value of \$100 each, all as more fully set forth in Exhibit "A" on file in this application.

On April 26, 1943, applicant filed with the Secretary of State an amendment to its Articles of Incorporation, whereby it changed its authorized capital stock from \$150,000, divided into 1,500 shares of the par value of \$100

each (presently outstanding) to 1,500 shares without par value. Applicant's Board of Directors at meeting had on June 30, 1943 reduced applicant's stated capital from \$150,000 to \$100,000. This action was approved by applicant's stockholders. The action of the Board of Directors was taken subject to the approval of the Railroad Commission.

Applicant requests permission to issue one share of its no par value capital stock for each one of its outstanding 1,500, \$100 par value shares, and permit applicant to evidence said no par value shares by stamping on the present form of stock certificate, the legend "Authorized Capital as per amendment of April 26, 1943 -- 1,500 shares without par value."

It is of record that all of applicant's stockholders have consented to the proposed change in applicant's outstanding stock. Its petition shows that its present stock is owned by the following:

Josephine Chabot Dieckmann	374	shares
Catherine Chabot Dunn	375	"
Clara Chabot Bocqueraz	374	"
Remi C. Knight	187	"
Claire K. Hyde	188	"
Robert S. Knight	1	"
J. H. Dieckmann, Jr.	<u>1</u>	"
Total	<u>1,500</u>	"

As of March 31, 1943, applicant reports assets and liabilities as follows:

ASSETS

Cash		\$ 7,132.69
Plant and Equipment - Depreciated:		115,721.71
Lands, Reservoirs and Improvements	\$81,170.55	
Transmission and Distribution System	60,853.87	
Trucks, Meters and Tools	2,427.81	
Total	<u>144,452.23</u>	
Less Depreciation Reserve	<u>28,730.52</u>	
Investments		2,956.25
Deposits		20.00
Accounts Receivable		2,350.00
Deficit		<u>21,843.55</u>
Total Assets		<u>\$150,024.20</u>

LIABILITIES

Capital Stock		\$150,000.00
Taxes		13.70
Service Account		<u>10.50</u>
Total Liabilities		<u>\$150,024.20</u>

Applicant proposes to charge against the reduction surplus created through the decrease in its stated capital, the deficit of \$21,843.55.

Applicant's water system supplies water to about 165 consumers residing in the City of Vallejo and vicinity. For 1942, its operating revenues are reported at \$4,992.56 and its operating expenses at \$5,040.81, resulting in a net operating loss of \$48.25. During the year applicant had non-operating revenues of \$988.17, resulting in a net income of \$939.92.

We have no objection to the change in applicant's outstanding stock, to the reduction in its stated capital

from \$150,000 to \$100,000 nor to the stamping of the present form of stock certificate to indicate that the company's outstanding stock is represented by 1,500 shares without par value.

O R D E R

The Commission having considered the request of Vallejo Water Company and it being of the opinion that this is not a matter on which a hearing is necessary; that the money, property or labor to be procured or paid for by the issue of the stock herein authorized is reasonably required by applicant for the purpose herein stated; that the expenditures for said purpose are not, in whole or in part, reasonably chargeable to operating expenses or to income, and that this application should be granted subject to the provisions of this order, therefore

IT IS HEREBY ORDERED that Vallejo Water Company be, and it is hereby, authorized to issue, on or before December 31, 1943, one share of its no par value stock for each of its outstanding 1,500, \$100 par value shares, or as an alternative to the issue of new stock certificates, imprint on its present form of stock certificate, the legend "Authorized Capital as per amendment of April 26, 1943 -- 1,500 shares without par value."

IT IS HEREBY FURTHER ORDERED that within thirty (30) days after exercising the authority herein granted, Vallejo Water Company shall file with the Commission a report indicating

whether it issued new certificates of stock in exchange for outstanding stock certificates or whether it has imprinted the present form of stock certificate as herein indicated.

IT IS HEREBY FURTHER ORDERED that the authority herein granted shall become effective upon the date hereof.

Dated at San Francisco, California, this 10th day of August, 1943.

Francis P. Havenner

Justice P. Calver

Francis P. Calver
Commissioners.