

ORIGINAL

Decision No. 43018

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

IN THE MATTER OF THE APPLICATION  
OF THE QUINCY WATER WORKS,  
GRACE WEBB, OWNER,

FOR

ORDER AUTHORIZING LOAN AND  
ISSUANCE OF SECURITY THEREFOR

Application  
No. 30350

OPINION AND ORDER

In this application, as amended, Grace Webb has applied for an order of the Public Utilities Commission authorizing her to issue a note in the principal amount of \$5,500.00.

The application shows that Grace Webb is the owner of a water system known as Quincy Water Works used in supplying water to the inhabitants of the Town of Quincy, Plumas County, for domestic and other purposes. Her 1948 annual report to the Commission shows that the water system consists of one well, four reservoirs and approximately seven thousand two hundred (7,200) feet of distributing mains. It further shows that during 1948 the operating revenues of the system amounted to \$13,940 and net profit, before allowance for income taxes, to \$5,948.00. The report further shows net investment in fixed assets at \$25,495.00 and in current assets at \$1,749.00, making a total of \$27,244.00. It shows no outstanding liabilities.

Applicant now reports that it is necessary for her to borrow \$5,500.00 from Bank of America, National Trust & Savings Association, Quincy Branch, to meet the expense of drilling a new

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well and of making replacements of water mains. In this connection she reports that during 1948 she found it necessary to install a new 20 h.p. pump to replace a worn out 15 h.p. pump, that the present well could not supply the new pump with sufficient water, and that accordingly she proposes to drill a new well at a cost of \$2,200.00. In addition, she reports that the severe winter of 1948-1949 caused great damage to the distribution mains and that some pipe is now unsuitable for continued use, is constantly in need of repair, and should be replaced.

The money to be thus borrowed will be represented by a note in the principal amount of \$5,500.00 providing for the payment of interest at the rate of 5% per annum, payable quarterly, and for the payment of principal in quarterly installments as follows: During the first year, \$500.00 plus interest; during the second, third and fourth years, \$1,000.00 each year plus in- interest; and during the fifth year, \$2,000.00 plus interest. The note will be unsecured but will be issued pursuant to the terms of a loan agreement whereby applicant will agree, among other things, that she will not without the consent of the bank first obtained, create or incur any indebtedness for borrowed money, or become liable as a surety, guarantor, accommodation endorser, or otherwise, or mortgage, pledge, give deeds of trust, assign accounts receivable as security, or otherwise pledge or encumber any assets or properties or dispose of any real or personal property through sale or otherwise, or make any major improvements to her properties.

The Commission has considered this matter and is of the opinion that a public hearing is not necessary, that the application should be granted as herein provided, that the money,

property or labor to be procured or paid for through the issue of the note is reasonably required for the purposes specified herein, and that, except as otherwise permitted, such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income, therefore

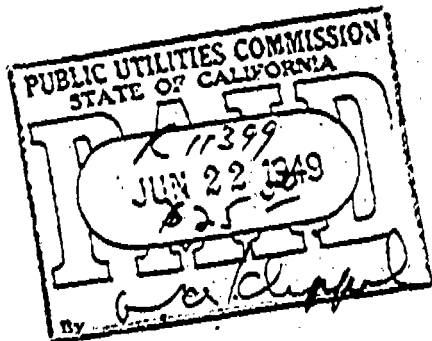
IT IS HEREBY ORDERED as follows:

1. Grace Webb, after the effective date hereof and on or before July 31, 1949, may issue a note in the principal amount of \$5,500.00, payable as indicated herein, for the purposes of meeting the expense of drilling a new well and of making replacements of water mains.

2. Grace Webb shall file with the Commission a report or reports, as required by General Order No. 24-A, which order insofar as applicable is made a part of this order.

3. The authority herein granted will become effective when Grace Webb 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 21<sup>st</sup> day of June 1949.



R. Z. [Signature]  
Justin F. [Signature]  
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Commissioners