

ORIGINAL

Decision No. 42618

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
SATICOY WATER COMPANY, )  
a corporation, )  
for authority to borrow \$45,000.00 )  
and issue notes evidencing said )  
indebtedness. )  
----- )

Application  
No. 30810

O P I N I O N

In this application, Saticoy Water Company asks permission to issue, for the purpose of paying indebtedness, extending its water system and improving its water service, its unsecured 4% promissory notes in the aggregate principal sum of not exceeding \$45,000.

Applicant is supplying water service within the unincorporated communities of Saticoy, Montalvo and adjacent territory in Ventura County, California. As of November 1, 1949, it had 627 service connections on its water system. For the 10 months ended October 31, 1949, applicant reports operating revenues of \$19,497.13. Its net loss for the 10-month period is reported at \$4,973.59.

Applicant's petition shows that it is indebted in the sum of \$36,650 to Alta Mutual Water Company, owner of all of its outstanding stock. The amount is evidenced on applicant's books by accounts payable. Of the amount, \$7,672.33 was used to develop a new well at Montalvo, \$10,581.63 to extend applicant's distribution system in the Montalvo area, \$10,724.64 for new pipe lines in the

Saticoy area, \$253.55 for new office equipment, and \$7,417.85 was borrowed to pay operating expenses.

Applicant seeks authority to borrow not exceeding \$45,000, and issue notes therefor, from the stockholders of Alta Mutual Water Company. If the entire amount cannot be obtained from said stockholders, applicant intends to borrow the balance from a bank or banks. The notes will be payable in five years, with interest at the rate of 4% per annum. The money raised through the issue of the notes will be applied first to the extinguishment of the open account indebtedness payable to Alta Mutual Water Company. The balance of the money obtained through the note issue will be used to install service lines and meters in the Montalvo subdivision, and to purchase a truck and welding equipment.

O R D E R

The Commission has considered this application and is of the opinion that a hearing thereon is not necessary, that the money, property or labor to be procured or paid for by Saticoy Water Company through the issue of its promissory notes in the sum of not exceeding \$45,000 is reasonably required by it for the purposes herein stated, and that this application should be granted, subject to the provisions of this order; therefore,

IT IS HEREBY ORDERED as follows:

1. Saticoy Water Company may issue, at not less than their face amount, after the effective date hereof and on or before April 30, 1950, its unsecured promissory notes in the aggregate principal

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sum of not exceeding \$45,000, such notes to be payable within five (5) years after their date, with interest at the rate of 4% per annum.

2. Saticoy Water Company may use the proceeds obtained through the issue of said notes to extinguish its open account indebtedness payable to Alta Mutual Water Company, and to acquire and construct the improvements to its water system referred to in this application.

3. The authority herein granted will become effective when Saticoy Water Company has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is forty-five (\$45.00) dollars.

4. Saticoy Water Company shall file with the Commission within thirty (30) days after the issue of any notes under the authority herein granted, a statement showing the purposes for which it expended the proceeds realized through the issue of said notes, and a copy of each note issued.

Dated at San Francisco, California, this 13<sup>th</sup> day of December, 1949.

R. Z. Anderson  
Justin F. Casper  
Robert H. Galloway  
Harold F. Hubbs  
Samuel H. Lottel  
Commissioners

