

**ORIGINAL**Decision No. 44746

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
of Gardens Water Corporation for )  
permission to mortgage its fixed )  
capital assets. )  
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Application  
No. 31627

O P I N I O N

Gardens Water Corporation, applicant herein, is a California corporation engaged in producing and distributing water, as a public utility, to approximately 300 consumers in and about Oakview, Ventura County.<sup>(1)</sup> In this application it seeks authorization to execute a deed of trust and a mortgage of chattels and to issue a note for \$18,000.

Applicant's properties include seven wells, with necessary land and buildings, approximately 15,000 feet of pipe lines, six tanks with an aggregate capacity of 200,000 gallons, and 325 meters. Applicant reports that it has found it necessary to replace the tanks and is engaged in excavating and constructing a 500,000-gallon reservoir at an estimated cost, including a cover, of approximately \$14,000. In addition, it reports that it requires \$4,000 to finance the cost of new pumping facilities.

(1)

For the last five years applicant reports the following:

	<u>Fixed Capital</u> <u>Dec. 31</u>	<u>Operating</u> <u>Revenues</u>	<u>Net</u> <u>Income</u>
1945	\$ 9,282	\$1,755	\$ (156)
1946	12,428	3,013	127
1947	14,373	6,514	1,647
1948	21,297	7,660	585
1949	27,705	8,449	495

The application shows that applicant does not have the funds to finance the cost of the proposed additions and improvements and that consequently it is negotiating a loan of \$18,000 from Reconstruction Finance Corporation.

The sum to be borrowed will be represented by a note payable in seventy-two monthly installments of \$250 with interest at the rate of 4% per annum. The payment of the note will be secured by a deed of trust and by a mortgage of chattels covering the properties comprising the water system.

Applicant has filed a copy of each of the proposed instruments. They appear to be in satisfactory form.

O R D E R

The Commission having considered the above entitled application and being of the opinion that a public hearing thereon 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 herein authorized is reasonably required for the purposes specified herein; and that 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. Gardens Water Corporation, after the effective date hereof and on or before December 31, 1950, may execute a deed of trust and a mortgage of chattels in substantially the same form as those filed in this proceeding, and may issue a note in the principal amount of not exceeding \$18,000, payable as indicated in

the opinion preceding this order, for the purposes set forth in this application.

2. Gardens Water Corporation 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 Gardens Water Corporation 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 1st day of September, 1950.

R. Z. Anderson  
Justice J. Calles  
James F. Powell

James F. Powell  
Commissioners

