

ORIGINAL

Decision No. 45600

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
SONOMA WATER & IRRIGATION COMPANY, )  
a corporation, )  
for Authority to Issue 16,400 Shares of )  
Additional Common Stock. )  
----- )

Application  
No. 32260

OPINION AND ORDER

This is an application by Sonoma Water & Irrigation Company to issue 16,400 shares of its common stock without par value and to sell said shares for \$3 each to holders of its outstanding shares of stock, for the purpose of paying indebtedness.

Applicant is engaged in supplying water for domestic and commercial purposes to approximately 1,000 consumers in and about the communities of Boyes Springs Park, Agua Caliente, El Verano, Sonoma Vista and Fetters Springs, in Sonoma County. At the close of 1950 it reported its investment in fixed capital at \$161,538.13 and its reserve for depreciation at \$20,683.46, leaving its net investment at \$140,854.67, an amount which has been provided in part with borrowed moneys and in part with equity capital, including earnings from operations. It has outstanding 3,520.53 shares of common stock without par value, of which approximately 80% is reported held by E. D. and R. D. Keil. It has paid no dividends on its outstanding common stock since 1943.

Under authority granted by Decision No. 42072, dated September 28, 1948, applicant executed a mortgage and issued a

five-year 5% note in the principal amount of \$60,000 to Olga M. Thompson and Ralph Thompson for the purpose of refunding outstanding indebtedness which had been incurred by it in meeting capital requirements. Applicant now reports that it desires to liquidate this indebtedness and that holders of its stock have agreed to purchase 16,400 shares at \$3 a share for this purpose, the remaining funds to be obtained from funds in its treasury.

The Commission has considered this matter and is 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 stock herein authorized is reasonably required by applicant for the purpose specified herein; and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:

1. Sonoma Water & Irrigation Company, after the effective date hereof and on or before September 30, 1951, may issue and sell not exceeding 16,400 shares of its common stock at not less than \$3 a share, and use the proceeds to finance in part the cost of retiring the \$60,000 note now outstanding to which reference has been made.

2. The authority herein granted shall not be construed to be a finding of the value of the stock herein authorized or of applicant's properties.

3. Applicant 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.

4. The authority herein granted will become effective twenty (20) days after the date hereof.

Dated at San Francisco, California, this 24<sup>th</sup> day of April, 1951.

*R. F. [unclear]*  
*Justin J. Cooney*  
*Harold A. Huler*  
*Samuel H. [unclear]*  
*Robert L. [unclear]*  
Commissioners