

Decision No. 62939

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of GEORGE AND GLADYS BUMGARDNER, husband and wife, dba GEORGE BUMGARDNER WATER COMPANY for authority to issue a note in the amount of \$50,000.

Application No. 43965  
Filed November 28, 1961

O P I N I O N

This is an application for an order of the Commission authorizing George Bumgardner and Gladys Bumgardner, husband and wife, doing business as George Bumgardner Water Company, applicants herein, to execute a deed of trust and a mortgage of chattels, and to issue a \$50,000.00 note.

The verified application shows that -

1. Applicants are engaged in operating a public utility water system in a portion, and in the vicinity, of the City of Modesto.
2. Under authority previously granted by the Commission applicants issued notes in the aggregate principal amount of \$84,000.00, the estimated total outstanding balances of which will be \$33,822.81 on March 31, 1962.
3. In addition, applicants issued an unsecured \$4,500.00 note dated April 30, 1961, to obtain funds for improving water circulation and fire protection, which note is presently outstanding.
4. In the spring of 1962, applicants propose to continue improving their water system by drilling a new well, installing a new pump, and further improving the circulation, the estimated costs of which are as follows:

Change 25 hp. pump to 40 hp. pump	\$ 3,300.00
1,550 ft. ODTW 6" pipe @ \$2.75	4,262.50
800 ft. ODTW 8" pipe @ \$3.25	2,600.00
Drill new 14" well	<u>1,900.00</u>
Total	<u>\$12,062.50</u>

5. Applicants have made arrangements with The Bank of California, National Association, whereby, subject to receiving authorization from this Commission, they propose to renew said outstanding notes and to obtain funds to finance, in part, said additional improvements, by issuing a 6-1/4%, \$50,000.00 note in favor of said bank, payable in monthly installments of \$561.50, and secured by a deed of trust and a mortgage of chattels.

The Commission has considered this application, including the financial statements attached thereto, and finds and concludes that (1) applicants do not have sufficient funds on hand to finance the proposed improvements; (2) that their assets and earnings should be ample to support the proposed borrowing and to enable them to meet their obligations as to payment of principal and interest on the proposed note; (3) that the proposed note issue is for proper purposes; (4) that the money, property or labor to be procured or paid for by the issue of the note herein authorized is reasonably required by applicants for the purposes specified herein; and (5) that such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income.

We will enter an order in accordance with the foregoing findings. The authorization herein granted is for the issue of a note and is not to be construed as indicative of amounts to be

included in a future rate base for the determination of just and reasonable rates.

O R D E R

The Commission having considered the above-entitled matter and being of the opinion that a public hearing is not necessary and that the application should be granted, therefore,

IT IS ORDERED that -

1. George Bumgardner and Gladys Bumgardner, jointly and severally, on or after the effective date hereof and on or before April 30, 1962, may execute a deed of trust and a mortgage of chattels, and may issue a note in the principal amount of not to exceed \$50,000.00 in the terms and for the purposes set forth in this application.

2. George Bumgardner and Gladys Bumgardner 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. This order shall become effective when George Bumgardner and Gladys Bumgardner have paid the minimum fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$25.00.

Dated at San Francisco, California,  
this 19<sup>th</sup> day of DECEMBER, 1961.

*Charles W. Rogers*  
President

*Edmund E. Hartnett*

*S. Lynn Fox*

*George G. Brewer*

*Fredrick B. Hallock*  
Commissioners

