

ORIGINAL

Decision 82-06-070 August 18, 1982

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of John Bernard Williams III )  
for authorization to acquire the shares )  
of common stock of Donner Lake Utility )  
Company and to control Donner Lake )  
Utility Company now held by John Bernard )  
Williams. )

Application 82-06-58  
(Filed June 24, 1982)

O P I N I O N

Under Public Utilities Code Sections 851-854

John Bernard Williams (seller) requests authority to transfer his interest in the Donner Lake Utility Company (Donner) and John Bernard Williams III (buyer) requests authority to acquire control of Donner through purchase of common stock now held by seller.

Donner was granted a certificate of public convenience and necessity to operate a water utility service at Donner Lake by Decision (D.) 50545 dated September 14, 1954 in Application (A.) 35585. The control of Donner was transferred to John Bernard Williams by D.85077 dated October 28, 1975 in A.55918. Donner renders service to about 1,000 customers in the vicinity of Donner Lake located in the High Sierra near Truckee. Most of the service area is located in Nevada County, while a portion of the southside distribution system extends into Placer County.

The issued and outstanding stock of Donner totals 161,242 shares. Seller holds 137,242 shares, or 85.1% of Donner's shares, and it is the transfer of these shares to buyer, seller's son, for which authorization is sought. 24,000 shares, or 14.9% of Donner's common stock, are held by Robert E. Ruhberg, president and general manager of Donner. The application avers that Ruhberg, as a minority stockholder, has no objection to the requested transfer of control.

The filed annual report as of December 31, 1981 indicates that the net plant investment for Donner totals \$317,564. The net income earned by Donner in 1981 totaled \$17,659. The sale price for the 137,242 shares is \$186,000. \$20,000 is due as a down payment on the date of closing; the balance of \$166,000 is to be paid in annual installments of \$18,000, with interest accruing at 10% per annum. To secure payment of the balance due, buyer will grant seller a security interest in the transferred stock. A copy of the purchase agreement is attached to the application as Exhibit A.

Buyer is a licensed professional civil engineer in California and Nevada. He has had 16 years experience in heavy construction, mainly in the area of pumping plants and water treatment facilities. He has served as construction superintendent for the mechanical work at the Glendale Water Treatment Facility in Reno, Nevada, as well as for the Dechlorination Facility for the Regional Treatment Plant, County of Sacramento, California, and for additional pumping plants in the Truckee/Lake Tahoe area.

Buyer's most recent financial statement indicates assets of \$513,400, liabilities of \$99,150, with a resulting net worth of \$414,250. The financial statement, Exhibit B to the application, indicates that buyer is financially capable of operating and maintaining the system.

It is seller's apparent desire to transfer the system because of his advanced age and illness. Buyer desires to acquire the control of the system because he is interested in continuous proper operation of Donner.

Notice of this application appeared in the Commission's Daily Calendar published June 28, 1982. Applicants have also published notice of the application in a local newspaper of general circulation in the service area. No protests to the transfer have been received.

Findings of Fact

1. Buyer has adequate financial resources to acquire control of Donner and to operate the water utility.
2. Buyer is an experienced water plant operator.
3. A public hearing is not necessary for approval of this application.
4. It can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

Conclusions of Law

1. The proposed sale and transfer of the controlling interest in Donner is not adverse to the public interest and should be granted.

2. Buyer should be obligated to ensure that Donner continues to meet its public utility obligations and continues to comply with all pertinent Commission requirements, including the directives contained in D.92446, issued December 2, 1980.

3. The authorization granted in this decision should not be construed as a finding of the value of the rights and properties authorized to be transferred nor as indicative of amounts to be included in proceedings for the determination of just and reasonable rates.

4. In the absence of protest and in view of seller's deteriorating health, this order should be effective today to allow immediate transfer of the controlling interest in Donner.

O R D E R

IT IS ORDERED that:

1. Within 60 days of the effective date of this order, John Bernard Williams may sell and John Bernard Williams III may purchase 137,242 shares of common stock constituting a controlling interest in the Donner Lake Utility Company. None of the properties to be acquired in this sale and transfer may be disposed of without specific authorization of this Commission.

2. John Bernard Williams III is authorized to control Donner Lake Utility Company.

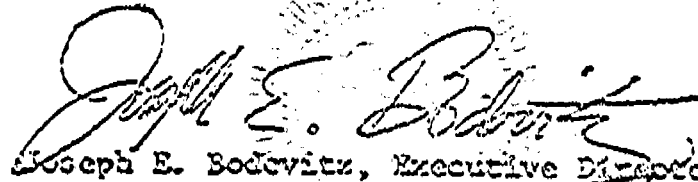
This order is effective today.

Dated August 18, 1982, at San Francisco, California.

JOHN E. BRYSON  
President  
RICHARD D. GRAVELLE  
LEONARD M. GRIMES, JR.  
VICTOR CALVO  
Commissioners

Commissioner Priscilla C. Grew,  
being necessarily absent, did not  
participate.

I CERTIFY THAT THIS DECISION  
WAS APPROVED BY THE ABOVE  
COMMISSIONERS TODAY.

  
Joseph E. Bodovitz, Executive Director

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Decision SZ OS 070 AUG 18 1982

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average minimum yield of approximately 110,000 gallons per day or about 75 gallons per minute (gpm). The lake-source facilities consist of a 300 gpm pump with a 185 gpm flow restriction device. The distribution system consists of approximately 83,250 feet of mains ranging in size from two to eight inches. Under present operating conditions the distribution system consists of two zones; the upper zone serves the eastern part of the system, and the lower zone serves the western and southern parts of the system. About two-thirds of the customers are served by the lower zone and one-third by the upper zone. K2

Four of the five storage tanks are located on the north side of the lake and the fifth is on the south side. The northside storage tanks are paired, two at an elevation near the lake and two considerably higher and across Freeway I-80 which skirts the north end of Donner Lake on its way through Truckee on the east to Reno. The two lower tanks hold a total of 60,000 gallons and the two upper tanks, 100,000 gallons. The southside tank holds 210,000 gallons for the system total of 370,000 gallons.

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2. John Bernard Williams III is authorized to control Donner  
SS Lake Utility Company.

This order is effective today.

Dated AUG 18 1982, at San Francisco, California.

JOHN E. BRYSON  
President  
RICHARD D. GRAVELLE  
LEONARD M. GRIMES, JR.  
VICTOR CALVO  
Commissioners.

Commissioner Priscilla C. Grew,  
being necessarily absent, did  
not participate