



Control Number: 42899



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APPLICATION OF GREEN ACRES §
RIVERVIEW WATER WORKS AND §
GREEN ACRES MOBILE HOME PARK- §
RIVERVIEW ESTATES FOR SALE, §
TRANSFER, OR MERGER OF §
FACILITIES AND CERTIFICATE §
RIGHTS IN EL PASO COUNTY (37894-S) §

PUBLIC UTILITY COMMISSION
BEFORE THE SECRETARY'S OFFICE

OF

ADMINISTRATIVE HEARINGS

**COMMISSION STAFF'S MEMORANDA
IN SUPPORT OF THE JOINT PROPOSED NOTICE OF APPROVAL**

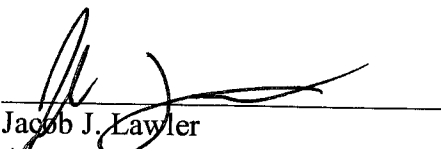
COMES NOW the Staff of the Public Utility Commission of Texas Commission, representing the public interest and files the attached Memoranda of Debbie Reyes Tamayo and Fred Bednarski III in support of the Joint Proposed Notice of Approval.

DATE: December 19, 2014

Respectfully Submitted,

Margaret Uhlig Pemberton
Division Director-Legal Division

Karen S. Hubbard
Managing Attorney-Legal Division

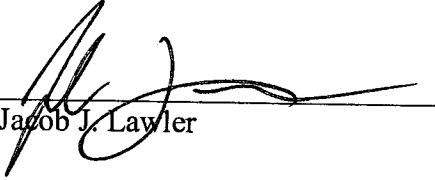


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Attorney-Legal Division
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Public Utility Commission of Texas
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AA

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on December 19, 2014, in accordance with P.U.C. Procedural Rule 22.74.



Jacob J. Lawler

Public Utility Commission of Texas


Memorandum

TO: Jacob Lawler
Attorney, Legal Division

FROM: Fred Bednarski III
Financial & Managerial Review Specialist, Water Utilities Division

DATE: December 19, 2014

RE: Docket No. 42899 – *Application of Green Acres Riverview Water Works and Green Acres Mobile Home Park-Riverview Estates for Sale, Transfer, or Merger of Facilities and Certificate Rights in El Paso County (37894-S)*

 In my opinion, the information provided by the applicant demonstrates adequate financial assurance that the applicant will be able to provide the service requested. These conclusions are based on information provided by the applicant prior to this date and may not reflect any changes in the applicant's status subsequent to this date. **Accordingly, I support the Joint Proposed Notice of Approval filed in this proceeding on December 19, 2014.**

Background

Brenda Lucero has applied to purchase CCN #11785 service area and facilities of Green Acres Riverview Water Works from Terry Bourbon. This area includes Green Acres Park and Riverview Estates which covers 163 acres and serves approximately 107 connections. Water associated with these systems contain elevated levels of arsenic however, Brenda Lucero is consulting with the Texas Rural Water Association for solutions and options to resolve the elevated arsenic issue. Ms. Lucero been an employee of Green Acres/River View Waterworks for the past 12 years and is a certified license water operator Class "D".

Historical and projected financial balances were provided with the application. For the current accounting year Green Acres Riverview Water Works reported total assets in the amount of \$174,956, total liabilities in the amount of \$0.00, total equity of 100% or \$174,956, and current period profit in the amount \$14,157. Since Green Acres Riverview Water Works reported \$0.00 in debt, their debt/equity ratio and debt service coverage ratio are sufficient. Green Acres Riverview Water Works also reported financial projections including the long term note to purchase the system what will be incurred with a balance in the amount of \$150,000. This note is being financed by the current owner of Green Acres Riverview Water Works, Terry Bourbon who has pledged to provided financially support if necessary. Based on the projections that include the note payments Green Acres Riverview Water Works will generate a net income for the next 5 years in the amount of \$26,268 and \$5,060 in year 1.

Public Utility Commission of Texas

Memorandum

TO: Jacob Lawler
Attorney, Legal Division

FROM: Debbie Reyes Tamayo *DET 12/19/14*
Water Utilities Division

DATE: December 19, 2014

RE: Docket No. 42899 – *Application of Green Acres Riverview Water Works and Green Acres Mobile Home Park-Riverview Estates for Sale, Transfer, or Merger of Facilities and Certificate Rights in El Paso County (37894-S)*

Brenda Lucero dba Green Acres Mobile Home Park has applied to purchase service area and facilities of Green Acres Riverview Water Works from Terry Bourbon, Certificate of Convenience and Necessity (CCN) No. 11785 in El Paso County pursuant to the criteria in Texas Water Code, Section 13.301, and Title 16, Texas Administrative Code, Sections 24.109 and 24.112. Based on my review of the information in the application and the applicable laws and rules, I have determined that the purchaser has the capability of providing continuous and adequate service to the proposed area. Furthermore, I believe the transaction will serve the public interest. Therefore, I recommend that the applicant be allowed to proceed with the proposed transaction and also note that a public hearing is not necessary.

I further recommend that the proposed transaction be completed and that the applicant send documentation as evidence that all assets have been transferred to the acquiring entity and that the disposition of any remaining deposits has been addressed. Pursuant to Title 16, Texas Administrative Code, Section 24.112(e), the approval of the sale expires one year from the date of the commission's written approval of the sale. If the sale has not been consummated within that period and unless the applicant has requested and received an extension from the commission, the approval is void and the applicant must reapply for the approval of the sale. In addition, I recommend the applicant be informed that the CCN will remain in the name of Green Acres Riverview Water Works until the transfer is complete and approved in accordance with the PUC rules and regulations.

Therefore, I support the Joint Proposed Notice of Approval filed in this proceeding on December 19, 2014.