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SOAH DOCKET NO. 473-15-2671.WS
P. U. C. DOCKET NO. 44463

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PUBLIC UTILITY COMMISSION
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PETITION OF BLUEBERRY HILLS § BEFORE THE STATE OFFICE
WATER WORKS, LLC APPEALING §
A DECISION BY THE CITY OF § OF
BEEVILLE TO CHANGE WHOLESALE §
WATER RATES § ADMINISTRATIVE HEARINGS

PROPOSED AGREED ORDER

TO THE HONORABLE ADMINISTRATIVE LAW JUDGE:

The City of Beeville (Beeville), the Respondent, files the attached proposed SOAH Order No. 7 relating to the transfer of the escrow account that is acceptable to counsel for Beeville and counsel for Blueberry Hills Water Works, LLC.

Respectfully submitted,

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By: 

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**ATTORNEYS FOR CITY OF
BEEVILLE, TEXAS**

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document has been sent by fax to the persons on the service list this 7th day July, 2016



Patrick W. Lindner

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SOAH ORDER NO. 7
AUTHORIZING AND DIRECTING DISBURSEMENT OF FUNDS FROM ACCOUNT

On July 1, 2016, the City of Beeville filed a motion requesting an order authorizing and directing the First National Bank of Beeville to disburse all of the interim water rate funds on deposit in a certain account established by the City of Beeville as described in SOAH Order No. 4 and 6, and to transfer all of the funds to Bee County Title, Beeville, Texas on or before July 13, 2016, to be held in escrow until disbursed to Blueberry Hills Water Works, LLC on or before July 15 2016 in accordance with a compromise and settlement agreement and sales/purchase agreement between Blueberry Hills Water Works, LLC and the City of Beeville that was executed during a mediation on February 24, 2016. .

On June 15, 2016, pursuant to Order No. 5 issued in PUC Docket No. 45705, the Public Utility Commission authorized the parties to proceed with the sale and transfer of the assets of Blueberry Hills Water Works to the City of Beeville.

Staff did not file an objection to the motion.

Accordingly, based upon the representations of the attorneys representing the City of Beeville, the ALJ authorizes and directs the First National Bank of Beeville to transfer all funds in the escrow account created by the City of Beeville pursuant to SOAH Order No. 4 and 5 to the Bee County Title on or before July 13, 2016 and upon transfer of the funds, to close the escrow account. The ALJ further authorizes and directs the employees of the City of Beeville who are signatories on

the account to sign documentation as may be required by the First National Bank of Beeville to transfer all of the funds to Bee County Title on or before July 13, 2016 and to close the escrow account after the disbursement. The ALJ further orders Bee County Title to hold the funds in escrow until disbursed to Blueberry Hills Water Works, LLC, or the person(s) designated by Blueberry Hills Water Works, LLC, to receive the funds, upon closing of the purchase of the assets by the City of Beeville, currently projected to occur on July 14, 2016.

2. The ALJ further orders no additional deposits will be made to the escrow account established by Beeville pursuant to SOAH Order No. 4 but Beeville is ordered, on the final bill to Blueberry Hills for water supplied to Blueberry Hills based upon the final meter reading on July 8, 2016, to credit Blueberry Hills for the amount that would have otherwise been deposited by Beeville into the escrow account and that the balance due be off-set against the purchase price payable by Beeville to Blueberry Hills at closing. Blueberry Hills will bill its customers for water usage up to July 14, 2016 and the City of Beeville will bill Blueberry Hills' customers for water usage after July 14, 2016 if the closing of the sale of Blueberry Hills' water system to the City of Beeville occurs on July 14, 2016. For usage between July 8, 2016 and July 14, 2016 Blueberry Hills will bill its retail customer for the water used but Blueberry Hills does not have to pay the City of Beeville for the wholesale water supply during that time period.

3. The order is not intended to modify the contract between Blueberry Hills and Beeville regarding the purchase of the system or affect the rights of either party under such contract nor shall either party be deemed to be in violation of this order if the closing does not occur on the projected date of July 14, 2016.

4. Beeville is ordered to advise the Administrative Law Judge if Beeville's city council does not authorize the closing of the purchase on the currently projected closing date of July 14, 2016.

SIGNED July ____ 2016.

STEVEN D. ARNOLD
ADMINISTRATIVE LAW JUDGE
STATE OFFICE OF ADMINISTRATIVE
HEARINGS