To: Danny Kermode

From:Scott Sevall

Date:March 13, 2019

Subject**: Financial Review -** TG-190105, Vamonos Junk Haulers LLC

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# Recommendation

Staff finds the company is financially fit to provide the applied for solid waste service for at least 12 months. There is no statutory requirement for solid waste application to be reviewed for a 12 month feasibility. The 12 month review is required for other industries so staff finds it good practice for an application even when law does not specifically require it. There is no financial reason preventing the issuance of the company requested certificate of convenience and necessity (CC&N).

# Discussion

On December 11, 2018, Vamonos Junk Haulers LLC (Vamonos or company) filed with the Utilities and Transportation Commission an application to obtain a CC&N to provide solid waste service in Wenatchee and East Wenatchee cities. Staff reviewed the application including financials to determine whether the company has the financial resources to operate its proposed service. Staff has reviewed the filed financial information and has concluded that the company does have the resources to operate the proposed service for a twelve month period.

## Company Structure:

Vamonos started business in Washington on December 14, 2017, according to the Washington Secretary of State’s Corporations Division website and registered with the Department of Revenue on February 12, 2018. The company’s application indicates that Vamonos is owned by Miguel and Nina Sosa. The company indicated in its answers to staff questions that it has experience providing junk hauling, which is similar in nature to providing solid waste hauling and requires similar assets and experience that would be required to provide the applied for service. The company proposes to offer drop box solid waste hauling in the surrounding area of Wenatchee and East Wenatchee, Washington

The company currently owns a truck, trailer and drop boxes.[[1]](#footnote-1) The company already provides junk cleanup and hauling and is an established business. The company is applying to provide drop box service in the area in and around Wenatchee and East Wenatchee in Chelan and Douglas Counties.

## Balance Sheet Review:

* Assets, $123,943
* Liabilities, $7,183
* Equity, $116,760

The applicant reports $110,000 of cash on hand in its balance sheet provided to staff on March 15, 2019. Additionally, the applicant reports $116,760 in equity and $7,183 of liabilities which are all payroll related.

## Pro forma Income Statement:

* Revenue, $466,489
* Expenses, $327,536
* Net Income, $138,952

Since the company already provides junk cleanup and hauling, and is looking to add solid waste hauling to their business, staff used the actual income statement from the current company which showed a total annual revenue of $466,489, and total expenses of $327,536.The expenses listed seem appropriate for the type of business. Since Staff analyzed a current income statement of a company that provides service very similar to solid waste hauling staff has no reason to doubt the numbers provided by the company.

# Conclusion

Staff has reviewed the financial information submitted in Docket TG-190105 by Vamonos Junk Haulers, LLC, and concludes based on the financial records provided, the company has adequate resources. Therefore staff concludes Vamonos Junk Haulers LLC has the financial resources to operate the proposed service for at least twelve months.

1. Per phone call with Nina Sosa on March 12, 2019 [↑](#footnote-ref-1)