



Control Number: 42967



Item Number: 27

Addendum StartPage: 0

**DOCKET NO. 42967**

**CONSOLIDATED APPLICATIONS §  
OF LOWER COLORADO RIVER §  
AUTHORITY AND CORIX UTILITIES §  
(TEXAS) INC. FOR SALE, §  
TRANSFER, OR MERGER OF §  
WATER AND SEWER FACILITIES §  
AND TO OBTAIN CERTIFICATE OF §  
CONVENIENCE AND NECESSITY §**

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PUBLIC UTILITY COMMISSION  
OF TEXAS

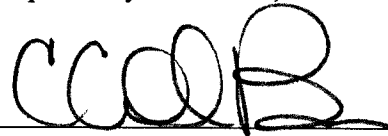
**JOINT PROPOSED NOTICE OF APPROVAL**

Corix Utilities (Texas), Inc. (Corix), Lower Colorado River Authority (LCRA), and the Staff of the Public Utility Commission of Texas (Staff) file this Joint Proposed Notice of Approval of the application of LCRA (Seller) and Corix (Purchaser) for the sale, transfer or merger of water and sewer system and certificate rights pursuant to TEX. WATER CODE ANN. §§ 13.254 and 13.301 and P.U.C. SUBST. R. 24.109 and 24.112.<sup>1</sup>

The Proposed Notice of Approval includes findings of fact, conclusions of law, and ordering paragraphs. The Joint Proposed Notice of Approval is timely filed on or before May 8, 2015, pursuant to PUC Order No. 7.

Corix, LCRA and Staff respectfully request that the Commission approve the Proposed Notice of Approval.

Respectfully submitted,



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**ATTORNEYS FOR CORIX UTILITIES (TEXAS) INC.**

<sup>1</sup> 16 TEX. ADMIN. CODE § 24.109.

**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on the 8<sup>th</sup> day of May, 2015 in accordance with P.U.C. PROC. R. 22.74.

A handwritten signature in black ink, appearing to read "C. O. B.", is written over a horizontal line.

**ATTACHMENT 1**

**DOCKET NO. 42967**

<b>CONSOLIDATED APPLICATIONS</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>OF LOWER COLORADO RIVER</b>	<b>§</b>	
<b>AUTHORITY AND CORIX UTILITIES</b>	<b>§</b>	<b>OF TEXAS</b>
<b>(TEXAS) INC. FOR SALE,</b>	<b>§</b>	
<b>TRANSFER, OR MERGER OF</b>	<b>§</b>	
<b>WATER AND SEWER FACILITIES</b>	<b>§</b>	
<b>AND TO OBTAIN CERTIFICATE OF</b>	<b>§</b>	
<b>CONVENIENCE AND NECESSITY</b>	<b>§</b>	

**NOTICE OF APPROVAL**

This Notice of Approval addresses the applications of Corix Utilities (Texas) Inc. (Purchaser) and Lower Colorado River Authority (Seller) for the sale, transfer or merger of water and sewer systems and transfer of Seller's Certificate of Convenience and Necessity (CCN) to purchaser pursuant to P.U.C. SUBST. R. 24.109 and 24.112.

Consistent with the above discussion, the Commission makes the following findings of fact and conclusions of law.

**I.     Findings of Fact**

1.     On April 29, 2013, Corix Utilities (Texas) Inc. (Purchaser) filed 17 applications with the Texas Commission on Environmental Quality (TCEQ) for the sale, transfer or merger of water and sewer systems of Lower Colorado River Authority (Seller) pursuant to the Texas Water Code (TWC) and TCEQ Rule 291.102 and for approval of the assignment of Seller's CCN to Purchaser pursuant to TCEQ Rule 291.109 (Applications). The Applications were filed for the following water and sewer systems: Lake Buchanan water system (TCEQ No. 37593-S); Paradise Point water system (TCEQ No. 37594-S); Camp Swift sewer system, McKinney Roughs sewer system, Windmill Ranch sewer system (TCEQ No.37595-S); Alleyton water and sewer system (TCEQ Nos. 37594-S and 37598-S); Spicewood Beach water system (TCEQ No. 37601-S); Matagorda Dunes water and sewer system (TCEQ Nos. 37602-S and 37603-S); Ridge Harbor water and sewer system (TCEQ Nos. 37605-S and 37613-S); Quail Creek water system (TCEQ No. 37606-S); Sandy Harbor water and sewer system (TCEQ No. 37607-S); Smithwick Mills water

system (TCEQ No. 37608-S); and Lometa water and sewer system (TCEQ Nos. 37704-S and 37705-S).

2. The Applications also requested a new Certificate of Convenience and Necessity (CCN) be granted to Purchaser and requested approval of the transfer of all water and sewer assets held under Seller's CCN No. 20769 to Purchaser.
3. Seller holds CCN No. 20769 for the provision of sewer service in Bastrop, Burnet, Colorado, Lampasas and Matagorda Counties.
4. Public notice was provided to all affected and interested parties by August 13, 2013.
5. By letter dated December 3, 2013, TCEQ notified Purchaser that a public hearing was not necessary, instructed Purchaser to proceed with the sale and ordered Purchaser to provide final documentation of assets being transferred to Purchaser and along with documents supporting the disposition of customer deposits.
6. On August 29, 2014 Purchaser provided TCEQ the signed sale contract and information regarding disposition of customer deposits.
7. On September 1, 2014, pursuant to House Bill 1600 and Senate Bill 567 of the 83<sup>rd</sup> Legislature, Regular Session, functions relating to the economic regulation of water and sewer utilities were transferred from TCEQ to the Public Utility Commission of Texas (Commission).
8. The Applications were part of the transfer and are now under the Commission's purview. The Applications were received by the Commission between September 15 and September 22, 2014. The Applications were reviewed pursuant to TWC 13.254 and 13.301 and P.U.C. SUBST. R. 24.109 and 24.112.
9. Staff filed a status update on October 6, 2014 stating that it determined that adequate notice was given for the Applications, and that Purchaser has the financial, managerial and technical capability to provide the water and wastewater service within the areas being requested in the applications.

10. On October 6, 2014, Staff requested consolidation of the Applications in Docket Nos. 42967, 42968, 42969, 42970, 42971, 42972, 42973, 42976, 42977, 42978, 42979, 42980, 42986, 42987, 43112, 43124, and 43126 pursuant to P.U.C. PROC. R. 22.34(a) because all the dockets stem from the same financial transactions between Purchaser and Seller.
11. On October 15, 2014, the Applications were consolidated into Docket No. 42967, and deemed administratively complete.
12. On February 9, 2015 and February 25, 2015, authorized parties for Purchaser and Seller signed documents consenting to the map and CCN certificates prepared by Staff.
13. On February 26, 2015, Staff recommended that the Applications be approved.
14. No requests to intervene or requests for hearing were filed in this proceeding and there are no disputed issues of fact; therefore, no hearing is necessary.
15. The Commission admits into evidence Staff's recommendation, along with the maps, consents, approved tariffs and Certificates of Convenience and Necessity attached thereto.

## **II. Conclusions of Law**

1. The Commission has jurisdiction over this proceeding pursuant to TWC §§ 13.041, 13.246, 13.251, 13.254 and 13.301 and P.U.C. SUBST. R. 24.109 and 24.112.
2. Seller is a Section 59 of the Texas Constitution Texas River Authority operating pursuant to Chapter 8503 of the Special District Local Laws Code.
3. Purchaser is a water and sewer utility as defined in TWC § 13.002(23).
4. Public notice of the Applications was provided as required by TWC § 13.301(a)(2).
5. The Applications were processed in accordance with the requirements of the Administrative Procedures Act,<sup>2</sup> TWC § 13.301, P.U.C. SUBST. R. 24.109 and 24.112.

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<sup>2</sup> Administrative Procedures Act, TEX. GOV'T CODE ANN. §§ 2001.001-.902 (Vernon 2008 & Supp. 2014).

6. Seller and Purchaser completed the sale within 365 days from the date of TCEQ's approval of the sale, consistent with P.U.C. SUBST. R. 24.112(e).
7. Purchaser has demonstrated adequate financial, managerial, and technical capability for providing continuous and adequate service to the requested area and any areas certificated to the Purchaser.
8. After consideration of the factors in TWC § 13.246(c), Purchaser and Seller have demonstrated that Purchaser is capable of rendering adequate and continuous service to every consumer within the certificated areas.
9. Purchaser has demonstrated that approval of the Applications is necessary for the service, accommodation, convenience and safety of the public, and serves the public interest.
10. The requirements of informal disposition pursuant to P.U.C. PROC. R. 22.35 have been met in this proceeding.

### **III. Ordering Paragraphs**

In accordance with these findings of fact and conclusions of law, the Commission orders:

1. The Applications for sale, acquisition, lease, rental, merger, or consolidation proposed by Purchaser and Seller pursuant to P.U.C. SUBST. R. 24.109 are approved.
2. CCN No. 21081 is hereby granted to Purchaser, who shall serve every future customer and applicant for service within the area certified and such service shall be continuous and adequate.
3. CCN No. 20769 is hereby transferred to Purchaser's CCN No. 21081 in Bastrop, Burnet, Colorado, Lampasas, and Matagorda Counties, Texas.
4. CCN No. 20769 is hereby cancelled.
5. Pursuant to P.U.C. SUBST. R. 24.106(f), Purchaser shall submit to the commission evidence of the recording of a certified copy of the maps of CCN No. 21081 in the real

property records of Bastrop, Burnet, Colorado, Lampasas and Matagorda Counties no later than the 31<sup>st</sup> day after the date of this final order.

6. All other motions, requests for entry of specific findings of fact or conclusions of law, and any other requests for general or specific relief, if not expressly granted herein, are hereby denied.

**SIGNED AT AUSTIN, TEXAS THE \_\_\_\_ DAY OF MAY, 2015**

**PUBLIC UTILITY COMMISSION OF TEXAS**

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**[     ]  
ADMINISTRATIVE LAW JUDGE**