



Control Number: 43452



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T.B.P.E. #F-8632

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PUBLIC UTILITY COMMISSION
FILING CLERK

March 4, 2015

Ms. Irene Montelongo, Director, Docket Management
Public Utility Commission of Texas
1701 N. Congress Avenue
P.O. Box 13326
Austin, TX 78711-3326

RE: Town of Little Elm
Application to Amend Certificates of Convenience and Necessity
Application Nos. 37896-C and 37897-C
Docket No. 43452

Dear Ms. Montelongo:

Please find attached the completed responses to your Commission Staff Status Update dated December 12, 2014. Order No. 5 stated that the Town of Little Elm must amend its application on or before April 2, 2015. TRC Engineers has addressed your comments regarding the application for the CCN Amendment as follows:

1. PUC Comment – *The Town of Little Elm must provide an agreement with Mustang Special Utility District to decertify the relevant portion of Mustang Special Utility District's certificate of convenience and necessity.*

Response – Enclosed is a copy of the agreement between Mustang SUD and the Town of Little Elm.

2. PUC Comment – *The Town of Little Elm must clarify whether it intends to decertify portions of certificates of convenience and necessity held by Mustang Special Utility District (CCN Nos. 11856 and 20930), Terra Southwest Inc. (CCN No. 11608), the Town of Hackberry (CCN No. 12015) and the City of Oak Point (CCN No. 20908).*

Response – The Town of Little Elm intends to incorporate portions of existing CCNs owned by the other entities to become part of its own water and sewer CCNs. The Town does not wish to decertify the areas so that they are no longer certified under any CCN, but intends to expand its own service area as agreed upon with the other entities. The CCN portions to be amended are identified in the following tables:

Water CCN		
Tract Number	From Current Owner (CCN Number)	To Proposed Owner (CCN Number)
1	Not Certified	Town of Little Elm (11202)
2	Mustang SUD (11856)	Town of Little Elm (11202)
3	Not Certified	Town of Little Elm (11202)
4	Town of Hackberry (12015)	Town of Little Elm (11202)
5	Not Certified	Town of Little Elm (11202)
6	Valencia on the Lake WCID (13138)	Town of Little Elm (11202)

Sewer CCN		
Tract Number	From Current Owner (CCN Number)	To Proposed Owner (CCN Number)
1	Not Certified	Town of Little Elm (20931)
2	Not Certified	Town of Little Elm (20931)
3	Mustang SUD (20930)	Town of Little Elm (20931)
4	Not Certified	Town of Little Elm (20931)
5	Valencia on the Lake WCID (21015)	Town of Little Elm (20931)
6	Not Certified	Town of Little Elm (20931)
7	City of Oak Point (20908)	Town of Little Elm (20931)
8	Town of Little Elm (20931)	Town of Hackberry

3. PUC Comment – *The Town of Little Elm must state whether the decertification of Valencia on the Lake WCID's CCN Nos. 13138 and 21015 will result in the cancellation of such CCNs.*

Ms. Irene Montelongo
March 4, 2015
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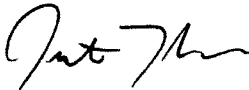
Response – Valencia on the Lake WCID has agreed to allocate its CCN Nos. 13138 and 21015 in its entirety to The Town of Little Elm CCN Nos. 11202 and 20931, effectively terminating the Valencia on the Lake WCID CCNs.

4. PUC Comment – *Additionally, the application should exclude any transfer of service areas from the Town of Little Elm to Terra Southwest Inc. Because Terra Southwest Inc. is an investor-owned utility, the Texas Water Code requires Terra Southwest Inc. to file an application for the transfer of such service areas.*

Response – The applicant requests to remove any references to Terra Southwest Inc. from this application. A disk is enclosed containing the updated Projectable Digital Data files with the Terra Southwest Inc. CCN area removed. A separate STM application pursuant to Texas Water Code, Chapter 13.301 requesting CCN transfer from Terra Southwest Inc. will be submitted to the PUC at a later date.

I would like to express our appreciation for granting additional time to address these issues. Please contact this office if you need additional information or have any other questions regarding this application.

Sincerely,



Justin L. Thomas, P.E.
Arlington CES Practice Leader

Enclosures

cc: Mr. Doug Peach, Director of Public Works, Town of Little Elm
Mr. Jason Laumer, Director of Development Services, Town of Little Elm
Mr. Sam Chang, Legal Division, Public Utility Commission
Ms. Debbie Reyes Tamayo, Program Specialist, Public Utility Commission



Enclosure 1

**Mustang SUD
CCN Transfer Agreement**

**AGREEMENT BETWEEN MUSTANG SPECIAL UTILITY DISTRICT AND THE
TOWN OF LITTLE ELM, TEXAS, REGARDING CCN RELEASE AND ACCEPTANCE**

This CCN release and acceptance agreement ("Agreement") is made this the 17th day of February, 2015, between the Town of Little Elm, Texas, ("Town"), 100 W. Eldorado Parkway, Little Elm, Texas 75068, and Mustang Special Utility District, a special utility district established under the authority of Article XVI, Section 59, of the Texas Constitution, as amended, Chapters 49 and 64 of the Texas Water Code, ("Mustang"), with its principal offices at 7985 FM 2931, Aubrey Texas 76227.

RECITALS

WHEREAS, Mustang holds a certificate of convenience and necessity ("CCN") issued by the Texas Commission on Environmental Quality ("TCEQ"), or a predecessor agency, for both retail water and sewer/wastewater service, which CCN water service area is shown in blue on *Exhibit A* and which CCN sewer/wastewater service area is shown in green on *Exhibit B*, both exhibits of which are incorporated herein by reference; and

WHEREAS, Mustang has agreed to release both the water and sewer/wastewater CCN to the Town, such that the released water CCN service area will be transferred to and be included within the Town of Little Elm Water CCN #11202 (as shown on *Exhibit A*) and such that the released sewer/wastewater CCN service area will be transferred to and be included within the Town of Little Elm Sewer CCN #20930 (as shown on *Exhibit B*), which CCN transfers are collectively referred to as the "Mustang CCN Transfers") ; and

WHEREAS, the Town has agreed to accept the Mustang CCN Transfers and to amend its CCN to accept the Mustang CCN Transfers.

NOW, THEREFORE, in consideration of the terms and conditions of this Agreement and mutual promises and covenants contained herein, Mustang and the Town agree as follows:

1. Mustang hereby releases both the water and sewer/wastewater CCN, which CCN water service area is shown in blue on *Exhibit A* and which CCN sewer/wastewater service area is shown in green on *Exhibit B*, to the Town, such that the released water CCN service area will be transferred to and be included within the Town of Little Elm Water CCN #11202 (as shown on *Exhibit A*) and such that the released sewer/wastewater CCN service area will be transferred to and be included within the Town of Little Elm Sewer CCN #20930 (as shown on *Exhibit B*).
2. The Town agrees to accept the Mustang CCN Transfers and to amend its CCN to accept the Mustang CCN Transfers.
3. Mustang and the Town agree to execute any documentation required by TCEQ to effectuate the Mustang CCN Transfers.

4. This Agreement expresses the entire agreement between the parties hereto regarding the subject matter contained herein and may not be modified or amended except by written agreement duly executed by both parties.

5. By execution of this Agreement, each party represents to the other that:

(a) In performing its duties and obligations hereunder, it will be carrying out one or more governmental functions or services which it is authorized to perform;

(b) The undersigned officer or agent of the party has been properly authorized by that party's governing body to execute this Agreement and that any necessary resolutions extending such authority have been duly passed and are now in effect;

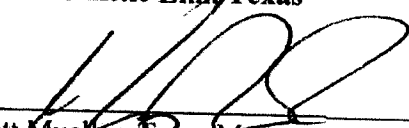
6. Notices sent pursuant to this Agreement shall be mailed to the addresses set forth in the preamble to this Agreement or served by personal delivery.

7. This Agreement is for the benefit of the Town and Mustang no provision of this Agreement will inure to the benefit of any third party. The Town and Mustang waive the immunities they have as political subdivisions of the Texas only to the extent necessary to enforce the terms and conditions of this Agreement and for no other purpose.

8. The prevailing party in the adjudication of any proceeding relating to this Agreement shall be authorized to recover its reasonable and necessary attorney's fees pursuant to Sec. 271.159 of the Texas Local Government Code.


[Execution pages follow]

Town of Little Elm, Texas


Matt Mucher, Town Manager

Date: 02-20-15

ATTEST:


Kathy Phillips, Town Secretary

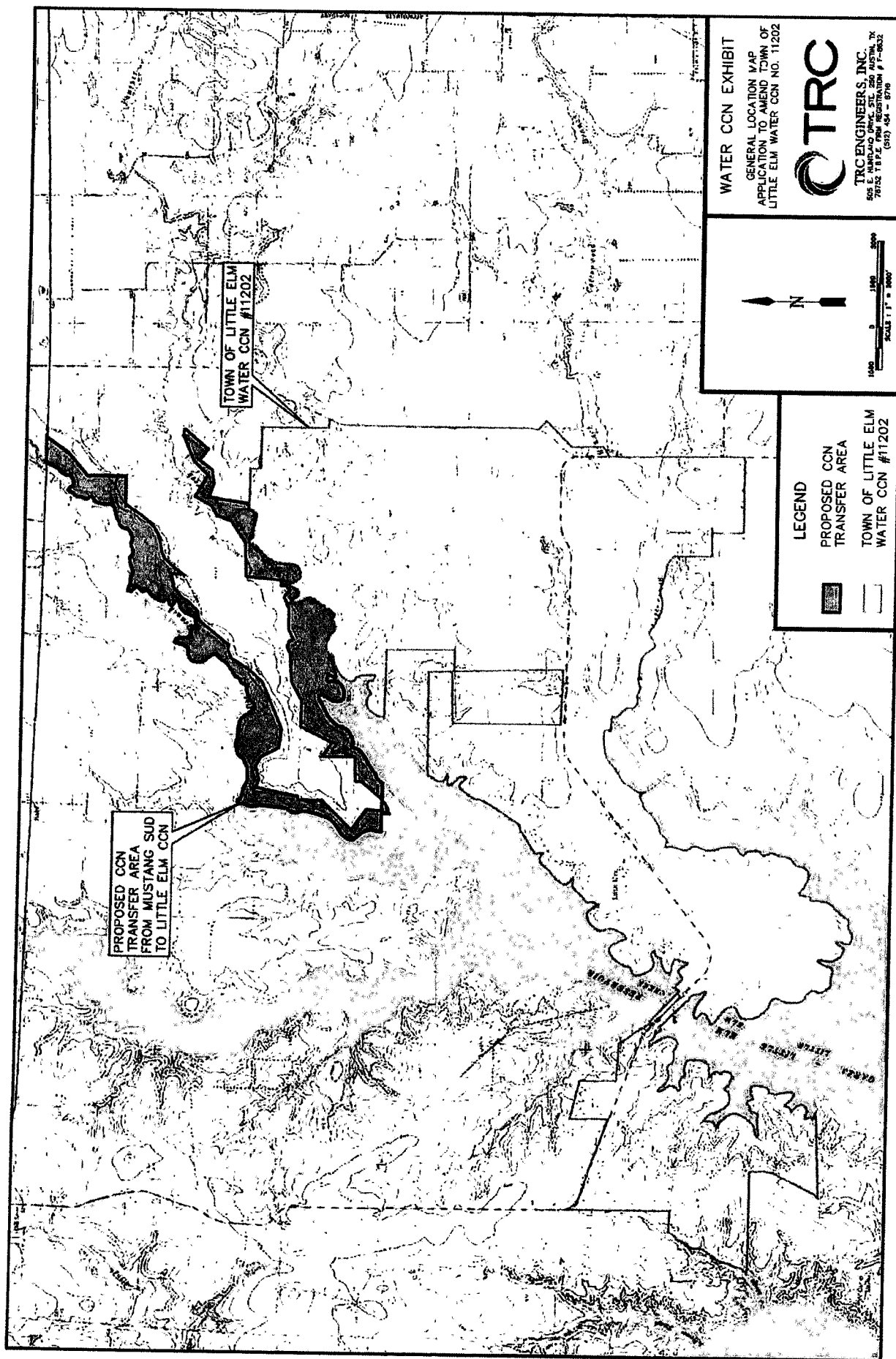
Mustang Special Utility District


Chris Boyd, General Manager

Date: 11 FEB 15

EXHIBIT A

[Water CCN Exhibit]

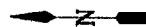


WATER CCN EXHIBIT

GENERAL LOCATION MAP
APPLICATION TO AMEND TOWN OF
LITTLE ELM WATER CCN NO. 11202



TRC ENGINEERS, INC.
6501 W. WILLOW AVE., SUITE 200, AUSTIN, TX 78735
TEL: 512.441.1111 FAX: 512.441.1112
(913) 434-8790



1000 0 1000 2000
SCALE 1" = 2000'

LEGEND

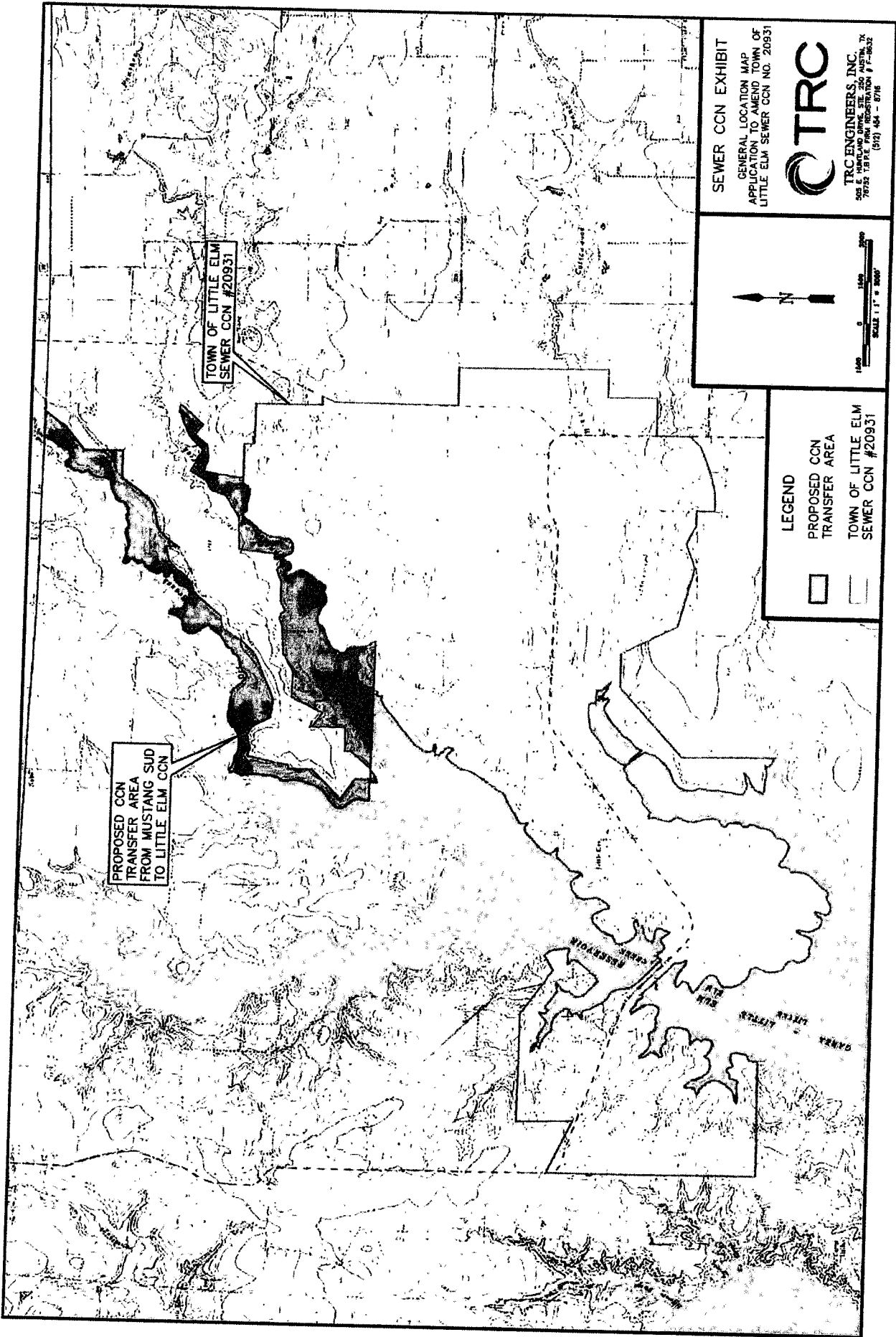


PROPOSED CCN
TRANSFER AREA

TOWN OF LITTLE ELM
WATER CCN #11202

EXHIBIT B

[Sewer CCN Exhibit]



Enclosure 2

Updated Water & Sewer CCN Maps

OVERSIZED MAP(S)

TO VIEW OVERSIZED MAP(S)
PLEASE GO TO
CENTRAL RECORDS

FOR ANY QUESTIONS
PLEASE CALL **CR** MAIN LINE
(512) 936-7180