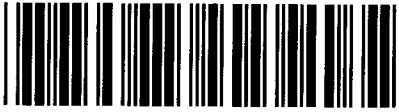




Control Number: 44947



Item Number: 16

Addendum StartPage: 0

APPLICATION OF DENTON COUNTY  
MUNICIPAL UTILITY DISTRICT NO.  
7 TO OBTAIN WATER AND SEWER  
CERTIFICATES OF CONVENIENCE  
AND NECESSITY IN DENTON COUNTY

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§

PUBLIC UTILITY COMMISSION

2016 JUL 20 PM 1:38  
PUBLIC UTILITY COMMISSION  
OF TEXAS  
FILING CLERK

### COMMISSION STAFF'S 4<sup>TH</sup> RECOMMENDATION ON SUFFICIENCY

COMES NOW the Staff of the Public Utility Commission of Texas (Staff), representing the public interest, and files this Commission Staff's Response to Order No. 5, 4<sup>th</sup> Recommendation on Sufficiency. In support thereof, Staff shows the following:

#### I. BACKGROUND

On July 16, 2015, Denton County Municipal Utility District No. 7 (Denton County MUD 7) filed an application to obtain new water and sewer certificates of convenience and necessity in Denton County, Texas pursuant to Tex. Water Code (TWC) Subchapter G and 16 Tex. Admin. Code (TAC) Subchapter G. Denton County MUD 7 is seeking dual certification with Mustang Special Utility District.<sup>1</sup> In its application, Denton County MUD 7 included an Agreement for Dual Certification whereby Mustang Special Utility District consents to the dual certification.<sup>2</sup>

Order No. 4, issued December 7, 2015 found the application administratively incomplete and established new deadlines. On January 7, 2016 Denton County MUD 7 filed a request for extension. Order No. 5, issued January 13, 2016, granted Denton County MUD 7's extension and directed Denton County MUD 7 to file supplemental materials by February 5, 2016, and directed Staff to file a supplemental recommendation by February 26, 2016. Therefore, this pleading is timely filed.

#### II. RECOMMENDATION ON ADMINISTRATIVE COMPLETENESS

Staff has reviewed Denton County MUD 7's amended application and, as supported by the attached memorandum of Jolie Mathis and Tracy Montes of the Water Utilities Division, Staff recommends that there are material deficiencies in the amended application rendering it administratively incomplete. While the revised digital data for Tract 1 filed by Denton County

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<sup>1</sup> Application at 4.

<sup>2</sup> *Id.*

MUD 7 resolved the previous overlaps of the proposed service area with Aqua Texas Inc.'s water CCN No. 13201 and the City of Celina's corporate boundaries, the revised digital data for Tract 2 does not correspond to the same proposed service area shown on the large scale map filed on November 18, 2015.

Further, the application does not include the financial information required in section 6 of the application form, pages 9-10.

In order to cure the identified deficiencies, Staff recommends that Denton County MUD 7 provide: 1) revised digital data for Tract 2 matching the proposed service area as shown on the hard copy maps previously filed; and 2) historical and projected financial statements as required by the application form, and further detailed in the attached memorandum. Staff also notes that Denton County MUD 7 will need to provide written documentation of consent to provide service within district boundaries from Mobberly MUD and Talley Ranch WCID 1 of Denton County. This consent will be required during Staff's technical review of the application, after the application has been deemed administratively complete.

Staff requests that Denton County MUD 7 be given until March 30, 2016 to cure these deficiencies in its application, and that Staff be given until April 29, 2016 to file a supplemental recommendation.

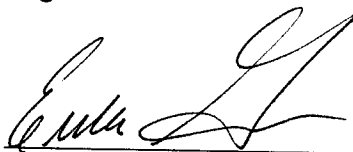
### **III. CONCLUSION**

For the reasons stated above, Staff respectfully requests that an order be issued finding Denton County MUD 7's application administratively incomplete, ordering Denton County MUD 7 to cure the deficiencies by March 30, 2016, and granting Staff until April 29, 2016 to file a supplemental recommendation.

Respectfully Submitted,

Margaret Uhlig Pemberton  
Division Director  
Legal Division

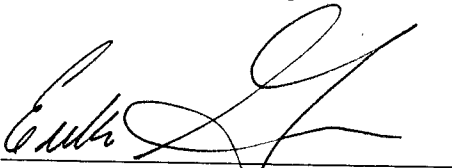
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Austin, Texas 78711-3326

**DOCKET NO. 44947**  
**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record February 26, 2016, in accordance with 16 TAC § 22.74.

  
Erika Garcia

## PUC Interoffice Memorandum

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**To:** Erika Garcia, Attorney  
Legal Division

**Through:** Tammy Benter, Director  
Water Utilities Division

**From:** Jolie Mathis, Engineering Specialist  
Tracy Montes, GIS Specialist  
Water Utilities Division

**SUBJECT:** Docket No. 44947, *Application of Denton County Municipal Utility District No. 7 to Obtain Water and Sewer Certificates of Convenience and Necessity in Denton County*

**DATE:** February 24, 2016

On July 16, 2015, Denton County Municipal Utility District No. 7 (Applicant) filed an application to obtain water and sewer Certificates of Convenience and Necessity (CCNs) in Denton County, Texas. The Applicant is seeking dual certification with Mustang Special Utility District's CCN Nos. 11856 (water) and 20930 (sewer). This application is being reviewed pursuant to the criteria in the Texas Water Code Chapter 13 (TWC), and under 16 Tex. Admin Code §§24.102 – 24.107 (TAC).

Staff has reviewed the information provided by the Applicant on February 2, 2016, and recommends the application be deemed administratively incomplete and not accepted for filing due to the deficiencies detailed below:

### **Mapping Content:**

The revised digital data for Tract 2 of the proposed service area, filed on February 5, 2016, does not correspond to the same location as shown on the large scale map filed on November 18, 2015.

The Applicant must submit the following to resolve the remaining mapping deficiency:

1. Revised digital data for Tract 2 of the proposed service areas in a shapefile (SHP) format on a data disk (CD). The digital data for Tract 2 must be provided in the same location as shown on hard copy maps previously filed.
  - a. The proposed digital data must include the projection or coordinate system used to create the digital data.
    - i. If submitting a drawing (DWG) formatted file, include the coordinate

- system in a text file or add to the label on the CD.
- ii. If submitting a SHP formatted file, include the projection (PRJ) file.
  - iii. Submit seven CD's labeled with the utility name and docket number assigned.

### **Financial Review**

The application as filed did not include the following information, which must be provided by the Applicant in order for Staff to complete the financial review. Please complete section 6 "Financial Information", found on pages 9-10 of the Application to Obtain or Amend a Water or Sewer Certificate of Convenience and Necessity form and submit the following:

- Historical Financial statements: Income Statement, Balance Sheet, Expenses Statement.
- Projected Financial statements: Income Statement, Balance Sheet, Expenses Statement, & Projected Sources and Uses of Cash Statements. Projections should cover the next 5 years."

### **Technical Review**

Staff also requests the Applicant submit written documentation for consent from the following districts allowing them to provide retail water and sewer service within their district boundaries. Consent is not required for the application to be deemed administratively complete, however, it will be required in the technical review of the application after it has been deemed administratively complete.

- Mobberly MUD
- Talley Ranch WCID 1 of Denton County