



Control Number: 44947



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DOCKET NO. 44947 RECEIVED

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

§ 2016 APR 29 PM 1:18 PUBLIC UTILITY COMMISSION  
§ PUBLIC UTILITY COMMISSION OF TEXAS  
§ FILING CLERK

### COMMISSION STAFF'S FIFTH 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. 6, its Fifth 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. 6, issued February 29, 2016, found the application administratively incomplete and directed Denton County MUD 7 to file supplemental materials by March 30, 2016 and directed Staff to file a supplemental recommendation by April 29, 2016. On March 30, 2016, Denton County MUD 7 filed supplemental mapping materials, and a request for a 30-day extension to provide the requested financial information. There was no ruling on Denton County MUD 7's request for extension. 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. The revised digital data filed by Denton County MUD 7 resolved the

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

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

outstanding mapping deficiency. However, Denton County MUD 7 requested an additional 30 days to file the required financial information.

In order to cure the identified deficiencies, Staff recommends that Denton County MUD 7 provide 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 May 17, 2016, to cure these deficiencies in its application, and that Staff be given until June 15, 2016, to file a supplemental recommendation.

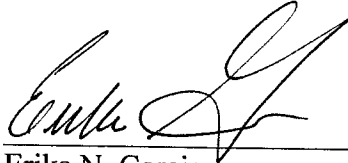
### **III. CONCLUSION**

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 May 17, 2016, and granting Staff until June 15, 2016, to file a supplemental recommendation.

Respectfully Submitted,

Margaret Uhlig Pemberton  
Division Director  
Legal Division

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

I certify that a copy of this document will be served on all parties of record April 29, 2016,  
in accordance with 16 TAC § 22.74.



Erika N. 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:** April 26, 2016

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

Digital data filed by the Applicant on March 30, 2016, addressed the outstanding mapping deficiency. No further mapping information is necessary at this time.

The application remains administratively incomplete due to the financial deficiencies detailed below.

### **Financial Review**

The application submitted did not include the following information which must be provided by the Applicant in order for Staff to complete the financial review. The Applicant should complete section 6 "Financial Information" found on pages 9-10 of the application and submit the following applicable pages of the application:

- 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.

Separate from the information required above, please note that the application submitted did not include the following information which must be provided by the Applicant in order for Staff to complete the technical review:

### **Technical Review**

The Applicant must submit written documentation from the following districts allowing the Applicant to provide retail water and sewer service within the district boundaries.

- Mobberly MUD
- Talley Ranch WCID 1 of Denton County