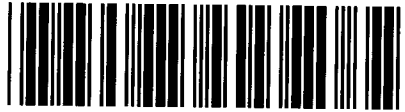




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DOCKET NO. 45369

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APPLICATION OF CITY OF §  
COTTONWOOD SHORES TO AMEND §  
ITS CERTIFICATES OF CONVENIENCE §  
AND NECESSITY IN BURNET COUNTY §

PUBLIC UTILITY COMMISSION  
OF TEXAS

PUBLIC UTILITY COMMISSION  
FILING CLERK

**COMMISSION STAFF'S RECOMMENDATION REGARDING LANDOWNER OPT-OUT**

COMES NOW the Staff of the Public Utility Commission of Texas (Staff), representing the public interest, and files this Commission Staff's Recommendation Regarding Landowner Opt-Out, and would show the following:

**I. BACKGROUND**

On November 20, 2015, the City of Cottonwood Shores (Cottonwood Shores) filed an application to amend its water certificate of convenience and necessity (CCN) No. 13185 and sewer CCN No. 21051 in Burnet County. Cottonwood Shores seeks to amend its CCNs to provide water and sewer services to an area east of the city limits.

In Order No. 1, issued December 2, 2015, Staff was given a deadline of December 21, 2015 to file a recommendation. On December 2, 2015, Staff filed a recommendation of deficiency. Order No. 2, issued December 22, 2015 found the application administratively incomplete and established new deadlines. Cottonwood Shores filed an amended application on January 19, 2016. On February 19, 2016 Staff filed a supplemental recommendation that the application be deemed administratively complete. Order No. 3, issued February 24, 2016 found the application administratively complete and directed Staff to file a recommendation by May 4, 2016. Therefore, this pleading is timely filed.

**II. RECOMMENDATION**

Pursuant to 16 Tac § 24.102(h), landowners with 25 acres or more, whose property is wholly or partially located within the proposed area, may elect to exclude some or all of their property from the proposed area. On February 29, 2016, Cottonwood Shores mailed notifications of its proposed CCN amendments to each owner of a tract of land that is at least 25 acres and is wholly or partially included in the area proposed to be certified. In addition, notice was published in *The Highlander-Burnet Bulletin* on March 1, 2016 and March 8, 2016. Order No. 3 set the

deadline to intervene, file comments, or request a hearing as 30 days after the issuance of notice, which was March 8, 2016.

On March 8, 2016, landowner CGG Holdings V, LLC filed a request to opt-out of the proposed area. As detailed in the attached memorandum from Andrew Novak of the Water Utilities Division, Staff recommends that Cottonwood Shores submit additional mapping information. The following information conforming to the opt-out request should be submitted: 1) a large scale (detailed) map showing the accurate location of the entire property subject to CGG Holdings V, LLC's request; 2) a revised large scale map for the sewer service area, which accurately removes the property subject to CGG Holdings V, LLC's request; 3) revised digital data for the sewer service area, which accurately removes the property subject to CGG Holdings V, LLC's request; 4) revised total acreage for the proposed sewer service area, which accurately removes the property subject to CGG Holdings V, LLC's request; 5) a revised large scale map for the water service area, which accurately removes the property subject to CGG Holdings V, LLC's request; 6) revised digital data for the water service area, which accurately removes the property subject to CGG Holdings V, LLC's request; and 7) revised total acreage for the proposed water service area, which accurately removes the property subject to CGG Holdings V, LLC's request.

Staff requests that Cottonwood Shores is given until June 3, 2016 to provide this additional information, and that Staff is given until June 30, 2016 to file a supplemental recommendation.

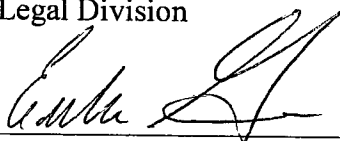
### **III. CONCLUSION**

Staff respectfully requests the entry of an order consistent with the above recommendation.

Respectfully Submitted,

Margaret Uhlig Pemberton  
Division Director  
Legal Division

Karen S. Hubbard  
Managing Attorney  
Legal Division



Erika N. Garcia  
Attorney-Legal Division  
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Public Utility Commission of Texas  
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P.O. Box 13326  
Austin, Texas 78711-3326

**DOCKET NO. 45369**  
**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record May 4, 2016,  
in accordance with 16 TAC § 22.74.

  
Erika N. Garcia

## PUC Interoffice Memorandum

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**To:** Erika Garcia  
Legal Division

**Thru:** Tammy Benter, Director  
Lisa Fuentes, Team Lead  
Water Utilities Division

**From:** Andrew Novak, Financial Analyst  
Water Utilities Division

**Date:** April 26, 2016

**Subject:** **Docket 45369**, *Application of the City Of Cottonwood Shores to Amend its Certificates of Convenience and Necessity in Burnet County*

On November 20, 2015, the City of Cottonwood Shores (Cottonwood Shores) filed with the Public Utility Commission of Texas (Commission) an application to amend its water Certificate of Convenience and Necessity (CCN) No. 13185 and sewer CCN No. 21051 in Burnet County. Cottonwood Shores seeks to amend its CCNs to provide water and sewer services to an area east of the city limits. On February 19, 2016, Staff recommended that the application be deemed sufficient for filing and found administratively complete.

On February 29, 2016, Cottonwood Shores provided individual notice to customers, neighboring systems, landowners, cities and affected parties in Burnet County. In addition, Cottonwood Shores published notice of the application on March 1, 2016, and March 8, 2016, in *The Highlander-Burnet Bulletin* in Burnet County. Affidavits of published notice and notice to all affected parties were filed with the Commission on March 24, 2016. The comment period ended April 25, 2016.

Pursuant to 16 Tex. Admin. Code §24.102(h) (TAC), landowners with 25 acres or more, whose property is wholly or partially located within the proposed area, may elect to exclude some or all their property from the proposed area. On March 8, 2016, landowner CGG Holdings V, LLC filed a request to opt-out of the proposed area.

Staff recommends that the City of Cottonwood Shores submit additional mapping information conforming to the opt-out request:

- 1) A large scale(detailed) map showing the accurate location of the entire property subject to the landowners' opt-out request,
- 2) A revised large scale map for the sewer service area, which accurately removes the property subject to the landowners' opt out request,
- 3) Revised digital data for the sewer service area, which accurately removes the property subject to the landowners' opt out request, and
- 4) Revised total acreage for the proposed sewer service area, which accurately removes the property subject to the landowners' opt out request.

- 5) A revised large scale map for the water service area, which accurately removes the property subject to the landowners' opt out request,
- 6) Revised digital data for the water service area, which accurately removes the property subject to the landowners' opt out request, and
- 7) Revised total acreage for the proposed water service area, which accurately removes the property subject to the landowners' opt out request.