



Control Number: 46150



Item Number: 6

Addendum StartPage: 0

APPLICATION OF PK-RE §
DEVELOPMENT COMPANY, INC. DBA §
OAK SHORES WATER SYSTEM AND §
UNDINE DEVELOPMENT, LLC FOR §
SALE, TRANSFER OR MERGER OF §
FACILITIES AND CERTIFICATE §
RIGHTS IN TRAVIS COUNTY §

RECEIVED
2016 AUG 10 PM 1:43
PUBLIC UTILITY COMMISSION
OF TEXAS
FILING CLERK

**COMMISSION STAFF'S RECOMMENDATION
ON ADMINISTRATIVE COMPLETENESS**

Comes now the Staff of the Public Utility Commission of Texas (Staff), representing the public interest, and files its Recommendation on Administrative Completeness in response to Order No. 1. In support thereof, Staff would show the following:

I. Background

On July 11, 2016, PK-RE Development Company, Inc. d/b/a Oak Shores Water System (Oak Shores) and Undine Development, LLC (Undine or Applicant) filed an application for the sale, transfer, or merger of facilities and certificate rights in Travis County. Specifically, Undine seeks approval to acquire all of the water and sewer assets of Oak Shores, including 372 acres and 220 customers. Oak Shores water and sewer certificates of convenience and necessity (CCN) Nos. 12407 and 20948 will be transferred to Undine.

In Order No. 1, issued July 13, 2016, the Administrative Law Judge (ALJ) ordered Staff to file comments regarding the administrative completeness of the application and a proposed procedural schedule by August 10, 2016. Therefore, this pleading is timely filed.

II. Staff's Recommendation

Staff has reviewed the application, and as detailed by the attached memorandum of Sean Scaff and Komal Patel of the Water Utilities Division, Staff recommends that the application be deemed administratively complete and sufficient for filing.

Staff has included as Attachments A and B proposed notice for the Applicant to provide that meets the requirements of 16 Tex. Admin. Code § 24.112 (TAC). Staff recommends that the Applicant be directed to provide this notice to: (i) any districts, utilities, and cities within two miles

of the proposed service area; (ii) the county judge of Travis County; (iii) each groundwater conservation district that is wholly or partly included in the proposed service area; and (iv) each city with an extraterritorial jurisdiction (ETJ) that is wholly or partly included in the proposed service area. The attached memorandum includes a list of additional neighboring entities to whom the Applicant should give notice. The Applicant should include a copy of a map showing the proposed service area with the individual notices. Additionally, Staff recommends that the Applicant publish notice once each week for two consecutive weeks in a newspaper of general circulation in Travis County, pursuant to 16 TAC § 24.112(c)(2).

Staff recommends the Applicant file a copy of the actual notice and map sent, along with signed affidavits indicating that the notice was given.

III. Proposed Procedural Schedule

Staff recommends the application be found administratively complete. Staff therefore proposes the following procedural schedule:

Event	Date
Deadline for Applicant to file proof of notice with the Commission	September 12, 2016
Deadline for Staff to file a recommendation on sufficiency of notice	Within 10 days of Applicant filing proof of completed notice with the Commission
Deadline to intervene	30 days after notice is issued

IV. Conclusion

Staff respectfully requests the ALJ issue an order deeming the application administratively complete, requiring Applicant to provide notice in accordance with Staff's recommendation, and adopting the above proposed procedural schedule.

Dated: August 10, 2016

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director

Katherine Lengieza Gross
Managing Attorney




Michael Crnich
State Bar No. 24059626
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326
(512) 936-7255
(512) 936-7268 (facsimile)

DOCKET NO. 46150

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on August 10, 2016, in accordance with 16 TAC § 22.74.


Michael Crnich

To: Michael Crnich, Attorney
Legal Division

Through: Tammy Benter, Director
Water Utilities Division

From: Sean Scaff, Engineering Specialist
Komal Patel, GIS Specialist
Water Utilities Division

DATE: August 9, 2016

SUBJECT: *Docket No. 46150, Application of PK-RE Development Company, Inc. DBA Oak Shores Water System and Undine Development, LLC for sale, transfer, or merger (STM) of facilities and certificate rights in Travis County.*

On July 11, 2016, PK-RE Development Company, Inc. d/b/a Oak Shores Water Systems and Undine Development, LLC filed an application for the sale, transfer, or merger of facilities and certificate rights in Travis County. Specifically, Undine seeks approval to acquire all of the water and sewer assets of Oak Shores, including 372 acres and 220 customers. Oak Shores' water and sewer certificate of convenience and necessity (CCN) Nos. 12407 and 20948 will be transferred to Undine.

Based on Staff's review of the above referenced application, Staff recommends that the application be deemed sufficient for filing. Staff further recommends the following:

- 1) The Applicant be ordered to provide correct notice of the application to the following:
 - a. any districts, utilities, and cities within two (2) miles of the proposed service area;
 - b. the county judge of the county;
 - c. each groundwater conservation district and city with an extraterritorial jurisdiction (ETJ) that is wholly or partly included in the proposed service area; and
 - d. publish notice once each week for two (2) consecutive weeks in a newspaper of general circulation in Travis County;
- 2) The Applicant should provide correct notice of the application to the following entities:
 - a. Travis County WCID 10
 - b. Loop 360 WSC
 - c. City of Austin
 - d. Aqua Texas, Inc.
 - e. Travis County WCID 20
 - f. Travis County WCID 18
 - g. River Place MUD
 - h. Lower Colorado River Authority
 - i. City of West Lake Hills
 - j. Travis County
 - k. Travis County MUD 3
 - l. Travis County MUD 4
- 3) The Applicant be ordered to include copy of a map showing the proposed service area with the individual notices to neighboring utilities, other affected parties, and each landowner. It is the Applicant's burden to provide an accurate map delineating the proposed area with each individual notice. Information related to districts including addresses can be obtained from the TCEQ's web site located at <http://www14.tceq.texas.gov/iwud/>; and

- 4) The Applicant file a copy of the actual notice and map issued, along with signed affidavits indicating that the notice was given. It is recommended that the Applicant use the attached notices and affidavits to meet these requirements.

ATTACHMENT A

Notice to Current Customers, Neighboring Systems and Cities

PK-RE DEVELOPMENT COMPANY, INC. DBA OAK SHORES WATER SYSTEM

**NOTICE OF INTENT TO SELL FACILITIES AND TRANSFER OF CERTIFICATE OF
CONVENIENCE AND NECESSITY (CCN) NOS. 12407 AND 20948 TO UNDINE DEVELOPMENT, L.P.
IN TRAVIS COUNTY, TEXAS**

To: _____

Date Notice Mailed: _____, 2016

(Name of Customer, Neighboring System or City)

(Address)

City

State

Zip

PK-RE DEVELOPMENT COMPANY, INC. DBA OAK SHORES WATER SYSTEM Hill Country Galleria,
Bldg B, 13301 Galleria Circle, Suite B175 Bee Cave, Texas 78738

has submitted an application with the Public Utility Commission of Texas to transfer all of their water CCNs No. 12407 and sewer No. 20948 in Travis County to:

Undine Development, L.P. 10913 Metronome Dr., Houston Texas 77043.

The sale is scheduled to take place as approved by the Commission (V.T.C.A., Water Code §13.301). The transaction and the transfer of the CCN include the following subdivision: **Oak Shore, Oak Shore on Lake Austin, Briarpatch, Smokey Ridge Annex and three tracts south thereof, Pearce Annex, Skishores Restaurant and Marina, West Greenshores and Pearce Rd Area; Woods of Greenshores subdivision, Greenshores on Lake Austin**

The area subject to this transaction is located within approximately 6.5 miles Northwest of downtown Austin, Texas, and is generally located on the north by Pearce Rd; on the east by Lake Austin; on the south by Pearce Rd; and on the west by City Park Road

The total area being requested includes approximately 372 acres and serves 220 current customers.

This transaction will have the following effect on the current customer's rates and services:

- (1) Current customer water rates will remain unchanged; (2) service quality will remain the same or improve; and
- (3) Undine Development, LLC service policies will apply at the completion of this transaction when it becomes the certificated retail public water utility for Oak Shores' customers.

Affected persons may file written protests and/or request a public hearing within 30 days of this notice.

To request a hearing, you must:

- (1) state your name, mailing address and daytime telephone number;
- (2) state the applicant's name, application number or another recognizable reference to this application;
- (3) include the statement "I/we request a public hearing";
- (4) write a brief description of how you, the persons you represent, or the public interest would be adversely affected by the proposed transaction and transfer of the CCN; and
- (5) state your proposed adjustment to the application or CCN which would satisfy your concerns and cause you to withdraw your request for a hearing.

Only those persons who submit a written request to be notified of a hearing will receive notice if a hearing is scheduled. The Commission will issue the CCN requested in the referenced application unless a hearing is scheduled to consider the transaction. If no protests or requests for hearing are filed during the comment period, the Commission may issue the CCN 30 days after publication of this notice.

Persons who wish to protest or request a hearing on this application should write the:

Filing Clerk

Public Utility Commission of Texas

1701 North Congress Avenue

P.O. Box 13326

Austin, Texas 78711-3326

Se desea informacion en Espanol, puede llamar al 1-888-782-8477.

Utility Representative

PK-RE DEVELOPMENT COMPANY, INC. DBA OAK SHORES WATER SYSTEM

PUBLIC UTILITY COMMISSION



AFFIDAVIT OF NOTICE TO NEIGHBORING UTILITIES AND AFFECTED PARTIES

DOCKET NO. 46150

STATE OF TEXAS

COUNTY OF

Travis

PK-RE DEVELOPMENT COMPANY, INC. DBA OAK SHORES WATER SYSTEM

has provided

individual notice to the following entities:

DATE

OATH

I, _____, being duly sworn, file this form as


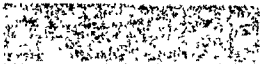
_____ (indicate relationship to applicant, that is,


owner, member of partnership, title of officer of corporation, or other authorized representative of applicant); that in such capacity, I am qualified and authorized to file and verify such form, am personally familiar with the notices given with this application, and have complied with all notice requirements in the application and application acceptance letter; and that all such statements made and matters set for therein are true and correct.

Applicant's Authorized Representative

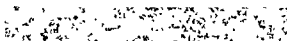
Docket #46150

If the applicant to this form is any person other than the sole owner, partner, officer of the applicant, or its attorney, a properly verified Power of Attorney must be enclosed.

Subscribed and sworn to before me this  day of , 20 , to
certify which witness my hand and seal of office.



Notary Public in and for the State of Texas

Print or Type Name of Notary Public
Commission Expires 

ATTACHMENT B

NOTICE FOR PUBLICATION

PK-RE DEVELOPMENT COMPANY, INC. DBA OAK SHORES WATER-SYSTEM

NOTICE OF INTENT TO SELL FACILITIES AND TRANSFER OF CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) NOS. 12407 AND 20948 TO:

Undine Development, L.P.

The sale is scheduled to take place as approved by the Commission (V.T.C.A., Water Code §13.301). The transaction and the transfer of the CCN include the following subdivision: **Oak Shore, Oak Shore on Lake Austin, Briarpatch, Smokey Ridge Annex and three tracts south thereof, Pearce Annex, Skishores Restaurant and Marina, West Greenshores and Pearce Rd Area, Woods of Greenshores subdivision, Greenshores on Lake Austin**

The area subject to this transaction is located within approximately 6.5 miles Northwest of downtown Austin, Texas, and is generally located on the north by Pearce Rd; on the east by Lake Austin; on the south by Pearce Rd; and on the west by City Park Road

The total area being requested includes approximately 372 acres and serves 220 current customers.

Affected persons may file written protests and/or request a public hearing within 30 days of this notice.

To request a hearing, you must:

- (1) state your name, mailing address and daytime telephone number;
- (2) state the applicant's name, application number or another recognizable reference to this application;
- (3) include the statement "I/we request a public hearing";
- (4) write a brief description of how you, the persons you represent, or the public interest would be adversely affected by the proposed transaction and transfer of the CCN; and
- (5) state your proposed adjustment to the application or CCN which would satisfy your concerns and cause you to withdraw your request for a hearing.

Only those persons who submit a written request to be notified of a hearing will receive notice if a hearing is scheduled. The Commission will issue the CCN requested in the referenced application unless a hearing is scheduled to consider the transaction. If no protests or requests for hearing are filed during the comment period, the Commission may issue the CCN 30 days after publication of this notice.

Persons who wish to protest or request a hearing on this application should write the:

Filing Clerk

Public Utility Commission of Texas

1701 North Congress Avenue

P.O. Box 13326

Austin, Texas 78711-3326

Se desea informacion en Espanol, puede llamar al 1-888-782-8477.

PUBLIC UTILITY COMMISSION



PUBLISHER'S AFFIDAVIT

DOCKET NO. 46150

STATE OF TEXAS

COUNTY OF

Travis

Before me, the undersigned authority, on this day personally appeared

[REDACTED], who being by me

duly sworn, deposes and that (s)he is the

[REDACTED]
(TITLE)

of the

[REDACTED]
(NAME OF NEWSPAPER)

that said newspaper is regularly published in:

[REDACTED]
(COUNTY/COUNTIES)

and generally circulated in

[REDACTED]
(COUNTY/COUNTIES)

, Texas: and

that the attached notice was published in said newspaper on the following date(s); to wit:

Docket #46150

1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 2674, 2675, 2676, 2677, 2678, 26

1. The first step in the process is to identify the problem. This involves gathering information about the situation and understanding the needs of the stakeholders involved.

[illegible]

[Illegible handwritten notes]