



Control Number 46205



Item Number 6

Addendum StartPage 0

RECEIVED

APPLICATION OF JOHN FRIAS §  
WASTE WATER UTILITY AND §  
OLMITO WATER SUPPLY §  
CORPORATION FOR SALE, §  
TRANSFER, OR MERGER OF §  
FACILITIES AND CERTIFICATE §  
RIGHTS IN CAMERON COUNTY §

PUBLIC UTILITY COMMISSION

2016 AUG 22 PM 1 50

OF TEXAS

PUBLIC UTILITY COMMISSION,  
FILING CLERK

## COMMISSION STAFF'S RECOMMENDATION ON ADMINISTRATIVE COMPLETENESS

COMES NOW the Staff of the Public Utility Commission of Texas, representing the public interest, and files Commission Staff's Response to Order No. 1 and would show the following:

### I. BACKGROUND

On July 22, 2015, John Frias Waste Water Utility (Frias) and Olmito Water Supply Corporation (Olmito) filed an application for sale, transfer, or merger of certificate rights in Cameron County. Applicants seek approval of a sale, transfer or merger in which Olmito will acquire all of Frias's certificated service area under sewer Certificate of Convenience and Necessity (CCN) No. 20714 in Cameron County, and associated facilities. Olmito's CCN would be amended. There are 79 customers.

On July 26, 2016, in Order No. 1, the Commission administrative law judge (ALJ) directed Staff to file, on or before August 22, 2016, a recommendation regarding administrative completeness of this application, comments on whether additional notice may be required to comply with the applicable procedural rules, and propose a schedule for processing. Staff's recommendation regarding sufficiency of the application and notice is therefore timely filed.

### II. COMMENTS ON ADMINISTRATIVE COMPLETENESS OF APPLICATION

Staff has reviewed the application and recommends that the application be found administratively complete in accordance with Tex. Water Code Ann. § 13.246 and 16 Tex. Admin. Code § 24.106 (TAC). Furthermore, 16 TAC § 24.105 provides the Commission's requirements for CCN applications, and 16 TAC § 24.106 provides the Commission's notice requirements for

CCN applications. Staff has reviewed the application and based on the attached memorandum (Attachment A) from Fred Bednarski of the Water Utilities Regulation Division, Staff recommends the application be deemed administratively complete and recommends that the application be accepted for filing. Staff also recommends that the Applicant be instructed to issue notice. Attachment A provides instructions for the Applicant regarding notice. Attachment B provides sample notice.

### **III. PROPOSED PROCEDURAL SCHEUDLE**

Staff proposes the following procedural schedule:

<b>Event</b>	<b>Date</b>
Deadline for Applicant to file proof of notice with the Commission	September 22, 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 that an order be issued consistent with this Recommendation on Administrative Completeness.

PUBLIC UTILITY COMMISSION  
LEGAL DIVISION

Respectfully Submitted,

Margaret Uhlig Pemberton  
Division Director

Karen S. Hubbard  
Managing Attorney




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**DOCKET NO. 46205**

**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on August 22, 2016, in accordance with P.U.C. Procedural Rule 22.74.



Landon J. Lill

## PUC Interoffice Memorandum

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**To:** Landon Lil, Attorney  
Legal Division

**Thru:** Heidi Graham, Work Leader  
Water Utilities Division

**From:** Fred Bednarski III, Financial Examiner  
Jolie Mathis, Engineer Specialist  
Gary Horton, GIS Review Specialist  
Water Utilities Division

**Date:** August 22, 2016

**Subject:** **Docket No. 46205**, *Application of John Frias and Olmito Water Supply Corporation for Sale, Transfer or Merger of Facilities and Certificate Rights in Cameron County*

On July 22, 2016, Olmito Water Supply Corporation, (Purchaser or Olmito), Certificate of Convenience and Necessity (CCN) No. 20784, and John Frias, (Seller or Frias), CCN No. 20714, (collectively. Applicants), filed an application for sale, transfer or merger (STM) of facilities and certificate rights in in Cameron County. The application was filed under the provisions in the Tex. Water Code Ann. § 13.301 (TWC) and 16 Tex. Admin Code §§ 24.109 and 24.112 (TAC). Specifically, Olmito seeks approval to acquire the water system assets, customers and service area of the Seller and to cancel Certificate of Convenience and Necessity (CCN) No. 20714. Olmito plans to incorporate the service area into their CCN No. 20784.

Staff has reviewed the application and supplemental information and finds the application administratively and sufficient for filing. The notice to current customers, neighboring systems and cities are attached. Staff recommends the Applicants be required to:

1. Provide notice to the following:
  - a) any districts, groundwater conservation districts, counties, utilities, and cities within two miles of the outer boundary of the proposed service area;
  - b) any city with an extraterritorial jurisdiction which overlaps the proposed service area; and
  - c) any customers transferred, or other affected parties in the requested area.
2. Provide notice to the following neighboring entities in addition to the neighboring entities listed in the application:
  - Brownsville Navigation District
  - Cameron County
  - Cameron-Hidalgo-Willacy Regional Water Authority
  - Cameron County Drainage District 1
  - Cameron County Drainage District 3
  - Cameron County Drainage District 6
  - City of Brownsville (CCN 20217)
  - City of Los Fresnos (CCN 20792)
  - City of Rancho Viejo

- East Rio Honda WSC (CCN 20861)
- Los Fresnos MUD 1
- Military Highway WSC (CCN 20571)
- Rio Grande Palms Water District
- Rio Grande Regional Water Authority
- Southmost RWA
- Valley MUD 2 (CCN 20640)

Within 30 days of the Commission order, Staff recommends that the Applicants be required to file a copy of the actual individual notice sent with attached signed and notarized affidavit that the notice was given.

**Technical Review:**

In order to complete the technical review, the Applicants should:

1. Provide a notarized Oath for Seller or Former Service Provider.
2. Provide a notarized Oath for Purchaser or Acquiring Entity.

***Notice to Current Customers, Neighboring Utilities, Cities, and Affected Parties***

**JOHN FRIAS NOTICE OF INTENT TO SELL WASTEWATER SYSTEM  
FACILITIES AND TRANSFER SERVICE AREA TO OLMITO WATER SUPPLY  
CORPORATION IN CAMERON COUNTY TEXAS**

To: \_\_\_\_\_  
(Name of customer, neighboring system or city)

Date Notice Mailed: \_\_\_\_, 2016

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
(City State Zip)

John Frias	6005 Old Alice Rd	Brownsville, Texas	78526
(Seller's or Transferor's Name)	(Address)	(City) (State)	(Zip Code)

has submitted an application with the Public Utility Commission of Texas to cancel CCN No. 20714, sell facilities and transfer sewer service area in Cameron County, Texas to:

Olmito Water Supply Corporation	101 Clara Bennett Dr.	Olmito, TX	78575.
(Purchaser's or Transferee's Name)	(Address)	(City) (State)	(Zip Code)

The sale is scheduled to take place as approved by the Commission (V T.C.A. Water Code § 13.301). The transaction and proposed service area include the following subdivision: Saint Francis of Assisi Subdivision.

The area subject to this transaction is located approximately 2.5 miles north of downtown Olmito, Texas, and is **generally** bounded on the north by SH 100; on the east by FM 803; on the south by Saucito St; and on the west by St. Anne Ave.

The total area being requested includes approximately 51 acres and serves 79 current customers. This transaction will have the following effect on current customer's rates and services: The transferred customers will pay Olmito Water Supply Corporation's rates including a monthly minimum of \$17.00 up to 2,000 gallons, plus \$1.50 for every 1,000 gallons thereafter.

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**

Katheleen Ann Becker de Diener  
Utility Representative

John Frias Waste Water Utility  
Utility Name



# PUBLIC UTILITY COMMISSION



## AFFIDAVIT OF NOTICE TO CUSTOMERS, NEIGHBORING UTILITIES, CITIES, AND AFFECTED PARTIES DOCKET NO. 46205

STATE OF TEXAS  
COUNTY OF \_\_\_\_\_

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

\_\_\_\_\_

who being by me duly sworn, deposes and that (s)he is the

\_\_\_\_\_ of the \_\_\_\_\_  
(TITLE) (NAME OF UTILITY)

that the attached notice was provided to customers and other affected parties by

\_\_\_\_\_  
(METHOD USED TO PROVIDE NOTICE)

on or about the following date, to wit \_\_\_\_\_,  
(DATE)

\_\_\_\_\_  
(SIGNATURE OF UTILITY OFFICIAL)

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 \_\_\_\_\_