



Control Number: 47012



Item Number: 7

Addendum StartPage: 0

<p>APPLICATION OF MOUNTAIN CITY OAKS WATER SYSTEM AND CITY OF MOUNTAIN CITY FOR SALE, TRANSFER, OR MERGER OF FACILITIES AND CERTIFICATE RIGHTS IN HAYS COUNTY</p>	<p>§ § § § § § §</p>	<p>PUBLIC UTILITY COMMISSION OF TEXAS</p> <p>2017 APR 23 PM 1:23 PUBLIC UTILITY COMMISSION OF TEXAS FILING CLERK</p>
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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 this Recommendation on Administrative Completeness in response to Order No. 1 and would show the following:

I. BACKGROUND

On March 31, 2017, Mountain City Oaks Water System (MCOWS) and the City of Mountain City (Mountain City or “the City”) filed an application for the sale, transfer, or merger of facilities and certificate rights in Hays County. The City seeks approval to acquire all assets held by MCOWS under water certificate of convenience and necessity (CCN) No. 11427.

On April 5, 2017, the administrative law judge (ALJ) issued Order No. 1 which required that Staff file comments on the administrative completeness of MCOWS’s and the City’s application, whether additional notice may be required, and propose a procedural schedule by April 28, 2017. This pleading is therefore timely filed.

II. RECOMMENDATION ON ADMINISTRATIVE COMPLETENESS

Staff has reviewed the application pursuant to Tex. Water Code §§ 23.241, 23.246, and 13.301 (TWC) and 16 Texas Administrative Code §§ 24.102, 24.109, 24.112. As explained in the attached memorandum of Sean Scaff and Gary Horton of the Water Utilities Division, Staff recommends that the application be deemed administratively complete.

III. NOTICE REQUIREMENTS

Staff has attached the notice the Applicants must provide to any districts, utilities, and cities within two miles of the proposed service area, the county judge of the county, and each groundwater conservation district and city with an extraterritorial jurisdiction that is wholly or partly included in the proposed area to be certified. In addition to those systems identified in the

7

Application, Staff recommends that Applicants notify the entities identified in the attached memorandum.

Further, Staff has attached the affidavit the Applicants must sign and file with the Commission after providing notice in accordance with 16 TAC § 24.112(c). Additionally, the Applicants should provide an accurate map delineating the proposed area with each mailed notice. Staff recommends that Applicants publish notice once each week for two consecutive weeks in a newspaper of general circulation in Hays County.

At this time, Staff recommends that the Applicants be allowed to proceed with providing notice for the proposed transaction and be given until May 30, 2017.

IV. PROPOSED PROCEDURAL SCHEDULE

Staff proposes the following procedural schedule:

Event	Date
Deadline for Applicant to file proof of notice with the Commission	May 30, 2017
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

V. CONCLUSION

Staff respectfully requests that the ALJ issue an order consistent with the above recommendation.

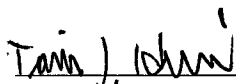
Dated: April 28, 2017

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF
TEXAS
LEGAL DIVISION**

Margaret Uhlig Pemberton
Division Director

Stephen Mack
Managing Attorney

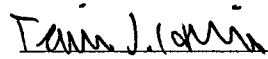


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DOCKET NO. 47012

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on April 28, 2017 in accordance with 16 TAC § 22.74.



TJ Harris

PUC Interoffice Memorandum

To: TJ Harris, Attorney
Legal Division

Through: Lisa Fuentes, Director
Water Utilities Division

From: Sean Scaff, Engineering Specialist
Gary Horton, GIS Specialist
Water Utilities Division

DATE: April 28, 2015

SUBJECT: **Docket No. 47012:** *Application of Mountain City Oaks Water System and City of Mountain City for Sale, Transfer, or Merger of Facilities and Certificate Rights in Hays County*

On March 31, 2017, Mountain City Oaks Water System (MCOWS) and the City of Mountain City, (Collectively Applicants), filed an application for a sale, transfer, merger (STM) of facilities and Certificate of Convenience and Necessity (CCN) rights in Hays County, Texas, pursuant to Texas Water Code § 13.301 (TWC) and the 16 Tex. Admin. Code §§ 24.109 and 24.112 (TAC). Specifically, City of Mountain City seeks approval to acquire all water system assets by MCOWS, and for the transfer of all certificated service area under CCN No. 11427 from MCOWS to the City. CCN No. 11427 will be amended.

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 area to be certified;
 - d) publish notice once each week for two (2) consecutive weeks in a newspaper of general circulation in Hays County;

- 2) The Applicant should provide correct notice of the application to the following entities:
 - a. Aqua Texas Inc (CCN No. 11157)
 - b. Barton Springs-Edwards Aquifer Conservation District
 - c. City of Buda
 - d. City of Kyle (CCN No. 11024)
 - e. Guadalupe-Blanco River Authority
 - f. Hays County Judge
 - g. Lower Colorado River Authority
 - h. Monarch Utilities I LP (CCN No. 12983)
 - i. Ruby Ranch WSC (CCN No. 12849)

- 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.

Notice to Current Customers, Neighboring Systems, and Cities

CITY OF MOUNTAIN CITY NOTICE OF INTENT TO PURCHASE WATER FACILITIES AND TO TRANSFER WATER SERVICE AREA UNDER CCN NO. 11427 FROM THE MOUNTAIN CITY OAKS WATER SYSTEM IN HAYS COUNTY, TEXAS

To: _____ Date Notice Mailed: _____, 201__
(Name of Customer, Neighboring System, or City)

(Address)

(City State Zip)

City of Mountain City 101 Mountain City Drive Mountain City TX 78610
(Purchaser's or Transferee's Name) (Address) (City) (State) (Zip Code)

has submitted an application with the Public Utility Commission of Texas (Commission) to purchase all water facilities and to transfer water service area under CCN No. 11427, in Hays County, TX from:

Mountain City Oaks Water System 3314 Meadow Oaks Drive Temple TX 76052
(Seller's or Transferor'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 the transfer of the CCN includes the following subdivision: City of Mountain City as a whole.

The area subject to this transaction is located approximately 0 miles from downtown Mountain City, Texas, and is generally bounded on the north by the terminus of Poplar Drive; on the east by FM 2770 (Jack C. Hays Trail); on the south by Live Oak Drive; and on the west by Maple Drive.

The total area being requested includes approximately 211 acres and serves 237 current customers.

This transaction will have the following effect on the current customers' rates and services: rates will remain the same. Service will transfer to a contracted license water operator to maintain the same level of service.

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

Hearing requests, comments or requests to intervene should be filed with the:

Public Utility Commission of Texas
Central Records
1701 North Congress Avenue

P.O. Box 13326
Austin, Texas 78711-3326

within thirty (30) days from the date of this publication or notice. A public hearing will be held only if a legally sufficient hearing request is received or if the Commission on its own motion requests a hearing. Only those individuals who submit a written hearing request will receive notice if a hearing is scheduled.

If a valid public hearing is requested, the Commission will forward the application to the State Office of Administrative Hearings (SOAH) for a hearing. If no settlement is reached and an evidentiary hearing is held, SOAH will submit a recommendation to the Commission for final decision. An evidentiary hearing is a legal proceeding similar to a civil trial in state district court.

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

Utility Representative

Utility Name

PUBLIC UTILITY COMMISSION



AFFIDAVIT OF NOTICE TO CURRENT CUSTOMERS, NEIGHBORING UTILITIES AND
AFFECTED PARTIES
DOCKET NO. 47012

STATE OF TEXAS
COUNTY OF _____

_____ has provided individual notice to
the following entities and customers:

	DATE OF NOTICE
_____	_____
_____	_____
_____	_____

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

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 _____