



Control Number: 47027



Item Number: 7

Addendum StartPage: 0



RECEIVED

2017 MAY 19 AM 10:50

PUBLIC UTILITY COMMISSION
FILING CLERK

May 18, 2017

Mrs. Ashley Nwonuma
Attorney-Legal Division
State Bar No. 24096650
Public Utility Commission
1701 N. Congress Avenue
Austin, TX 78711-3326

Re: Docket No. 47027 – Commission Staff's Recommendation on Administrative Completeness
Regarding the Sales, Transfer, or Merger (STM) Application between Aqua WSC and Fayette WSC

Dear Mrs. Nwonuma:

In response to "Docket No. 47027 – Commission Staff's Recommendation on Administrative Completeness" containing the memorandum from Jolie Mathis, with the Water Utility Regulation Division and dated May 1, 2017, it was indicated that the application is not sufficient due to deficiencies in mapping and application content. Attached you will find documentation that should satisfy the Public Utility Commission (PUC) Staff's concerns.

Mapping

The total acreage to be transferred from Aqua WSC Water CCN No. 10294 to Fayette WSC Water CCN No. 10726 is 2,035 acres. The transfer acreage listed on the notice documents included in the STM application is inaccurate. Attached you will find updated notices indicating that 2,035 acres will be transferred.

Application Content

The original agreement regarding the transfer of service area between Aqua WSC and Fayette WSC was deemed not specific, nor was it signed by both parties. Attached you will find a detailed, and signed, agreement confirming the total acreage being transferred between Aqua WSC and Fayette WSC.

Additionally, PUC Staff has requested "A statement regarding how the TCEQ violation, if any noted from the investigation or currently open, will be addressed, or proof that the violations have been resolved."

Per Docket No. 47027, STM Application Exhibit "11B", page 8 states "Fayette Water Supply Corporation (FWSC) is working to correct the problem by increasing the flushing throughout the West Point area. FWSC will conduct routine testing until the water is in compliance with TCEQ/U.S. EPA drinking water standards. FWSC is drilling a new well at the intersection of Hwy 71 and Loop 543 and the water will be blended with the West Point water to assist in eliminating the problem."

As a side note to this issue, the TCEQ violation reported in this STM application occurred on a separate; and different, pressure plane than the one that will include the 2,035 acre proposed transfer area:

ADDRESS
1978 S. AUSTIN AVENUE | GEORGETOWN, TX 78626

PHONE
512.830.8412

FAX
512.830.8418

WEB
STGERBIZZELL.COM

TEXAS REGISTERED ENGINEERING FIRM F-181

SERVICES
>> ENGINEERS

>> PLANNERS

>> SURVEYORS

This page intentionally left blank.

May 18, 2017
Ms. Ashley Nwonuma
Page 2

If you have any questions or additional comments, please feel free to me at (512) 930-9412.

Sincerely,



Chris Robertson, GIS Manager

Enclosures: "Attachment A" – Updated Notice to Current Customers, Neighboring Systems and Cities and Notice to Current Customers, Neighboring Systems, Landowner and Cities that indicate 2,035 Ac will be transferred between Aqua WSC and Fayette WSC.

"Attachment B" – Signed agreement between Aqua WSC and Fayette WSC for the transfer of 2,035 acres in Bastrop county.

This page intentionally left blank.

"Attachment A"

FORM A

Docket No. 47027

Notice to Current Customers, Neighboring Systems and Cities

Aqua Water Supply Corporation (WSC) 'S
(Seller's or Transferor's Name)

NOTICE OF INTENT TO SELL FACILITIES AND TRANSFER CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) NO

10294

TO

Fayette Water Supply Corporation (WSC)

(Purchaser's or Transferee's Name)

IN Bastrop COUNTY, TEXAS

To: , 20
(Name of Customer, Neighboring System or City) Date Notice Mailed

(Address)

City State Zip

Sellers or Transferors' Name	Address	City/State/Zip Code
Aqua Water Supply Corporation (WSC)	415 Old Austin Hwy, Drawer P	Bastrop, TX 78602

has submitted an application with the Public Utility Commission of Texas to sell facilities and transfer
water or sewer (please select) CCN No. 10294 in Bastrop [County Name]

County to:

Purchasers or Transferee's Name	Address	City/State/Zip Code
Fayette Water Supply Corporation (WSC)	PO Box 724	La Grange, TX 78945

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(s):

Dolly Hellinger Subdivision

The area subject to this transaction is located approximately 3.5 miles northeast [direction] of
downtown Cistern, [City or Town] Texas, and is generally bounded on the north by
County Road 310; on the east by Bastrop / Fayette County Line
; on the south by Janca Shade Road; and on the west by County Road 297

The total area being requested includes approximately 2.035 acres and serves 0 current customers.

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

There are no current Aqua WSC customers in this area or effects on rates and services to these residents.

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.

"Attachment A"

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

James Rebecsek


Utility Representative

Fayette Water Supply Corporation (WSC)

Utility Name

"Attachment A"

FORM B

Docket No.

47027

Notice to Current Customers, Neighboring Systems, Landowner and Cities

Aqua Water Supply Corporation (WSC) **'S NOTICE OF INTENT TO SELL FACILITIES TO**
(Seller's or Transferor's Name)

Fayette Water Supply Corporation (WSC) AND FOR Fayette Water Supply Corporation (WSC)
(Purchaser's or Transferee's Name) Purchaser's or Transferee's Name)

TO OBTAIN OR AMEND A CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) IN
Bastrop COUNTY, TEXAS

To: _____ Date Notice Mailed _____, 20 ____
(Name of Customer, Neighboring System, Landowner or City)

(Address)

City State Zip

Aqua WSC 415 Old Bastrop Hwy, Drawer P Bastrop, TX 78602
Sellers or Transferors' Name Address City/State/Zip Code

has submitted an application with the Public Utility Commission of Texas to sell water or sewer (please
select) Facilities in Bastrop [County Name] County to:

Fayette Water Supply Corporation (WSC) PO Box 724 La Grange, TX 78945
Purchasers or Transferee's Name Address City/State/Zip Code

The transferee has also requested to obtain/amend a CCN in this application. The sale is scheduled to take place as approved by the
Commission (Texas Water Code §13.301). The transaction and the proposed service area include the following subdivision(s):

Dolly Hellinger Subdivision

The area subject to this transaction is located approximately 3.5 miles northeast [direction] of
downtown Cistern [City or Town] Texas, and is generally bounded on the north by
County Road 310 ; on the east by Bastrop / Fayette County Line
; on the south by Janca Shade Road ; and on the west by County Road 297

The total area being requested includes approximately 2,035 acres and serves 0 current customers.

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

There are no current Aqua WSC customers in this area or effects on rates and services to these residents.

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

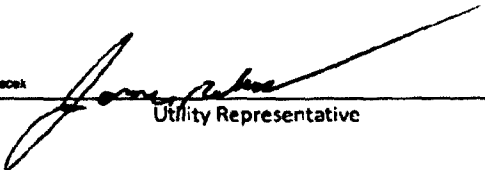
"Attachment A"

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**

James Rebecak 

Utility Representative

Fayette Water Supply Corporation (WSC)

Utility Name

"Attachment B"

Agreement Designating Retail Water Service Area Boundaries

Aqua Water Supply Corporation ("Aqua") and Fayette Water Supply Corporation ("Fayette"), being the only Parties to the Agreement Designating Retail Water Service Area Boundaries ("Agreement"), with an Effective Date from and after the date of execution by all Parties, do hereby enter into this Agreement. Exhibit A shows a map of the boundary transfer and Exhibit B shows a written description of the transfer area. The Parties agree as follows:

- 1) Aqua is a nonprofit rural water supply corporation organized under Texas Water Code, Chapter 67, for the purposes stated in Water Code §67.002. Aqua possesses Certificate of Convenience and Necessity ("CCN") No. 10294 ("Aqua Certificate") issued by the Texas Commission on Environmental Quality ("TCEQ").
- 2) Fayette is a nonprofit rural water supply corporation organized under Texas Water Code, Chapter 67, for the purposes stated in Water Code §67.002. Fayette possesses Certificate of Convenience and Necessity ("CCN") No. 10726 ("Fayette Certificate") issued by the Texas Commission on Environmental Quality ("TCEQ").
- 3) Aqua agrees to decertify the water service transfer area ("Transfer Area") depicted on the map attached hereto as Exhibit A, which map is incorporated herein for all purposes. The total Transfer Area is 2,035 Acres. Aqua further agrees that said Transfer Area be certified to Fayette.
- 4) Aqua shall cooperate with Fayette to transfer the Transfer Area described in paragraph (4) above through any appropriate process before the Public Utility Commission, including the process described by Texas Water Code §13.248.
- 5) Exhibit C attached hereto is reflective of the Transfer Area shown on Exhibit A and is the proposed map to be used in the Notice requirements of the Public Utility Commission. Exhibit C is subject to change during the Public Utility Commission review process.
- 6) Aqua does not have meters and/or facilities located within the CCN transfer area.
- 7) Aqua agrees that it shall not protest, directly or indirectly, or cause the protest of Fayette's Application.
- 8) Aqua is currently indebted to the United States Department of Agriculture – Rural Development ("USDA-RD") and CoBank on promissory notes used to finance improvements to Aqua's water utility system pursuant to 7 U.S.C. §1926. USDA-RD and CoBank hold security interests in Aqua's CCN pursuant to real estate deeds of trust executed in connection with the aforementioned promissory notes. Final consummation of this sale is contingent on approval of the release of Aqua's CCN for the Transfer Area from the security interests held by USDA-RD and CoBank.
- 9) Aqua shall file appropriate documentation with the USDA-RD and Cobank requesting release of their security interests in Aqua's water utility CCN for the area described in Exhibit A.
- 10) As compensation for the release by Aqua of the Transfer Area to Fayette, Fayette shall pay Aqua the compensation of \$10.00 and other valuable consideration.
- 11) The Parties agree to take all other actions necessary and convenient in connection with implementing this Agreement.
- 12) This Agreement shall be effective from and after the date of execution by all parties.
- 13) Upon execution, this Agreement shall be binding on Fayette and Aqua and their successors and assigns.

This page intentionally left blank.

"Attachment B"

Fayette Water Supply Corporation

By: James Rebecsek
James Rebecsek, General Manager

Date: 5/11/2017

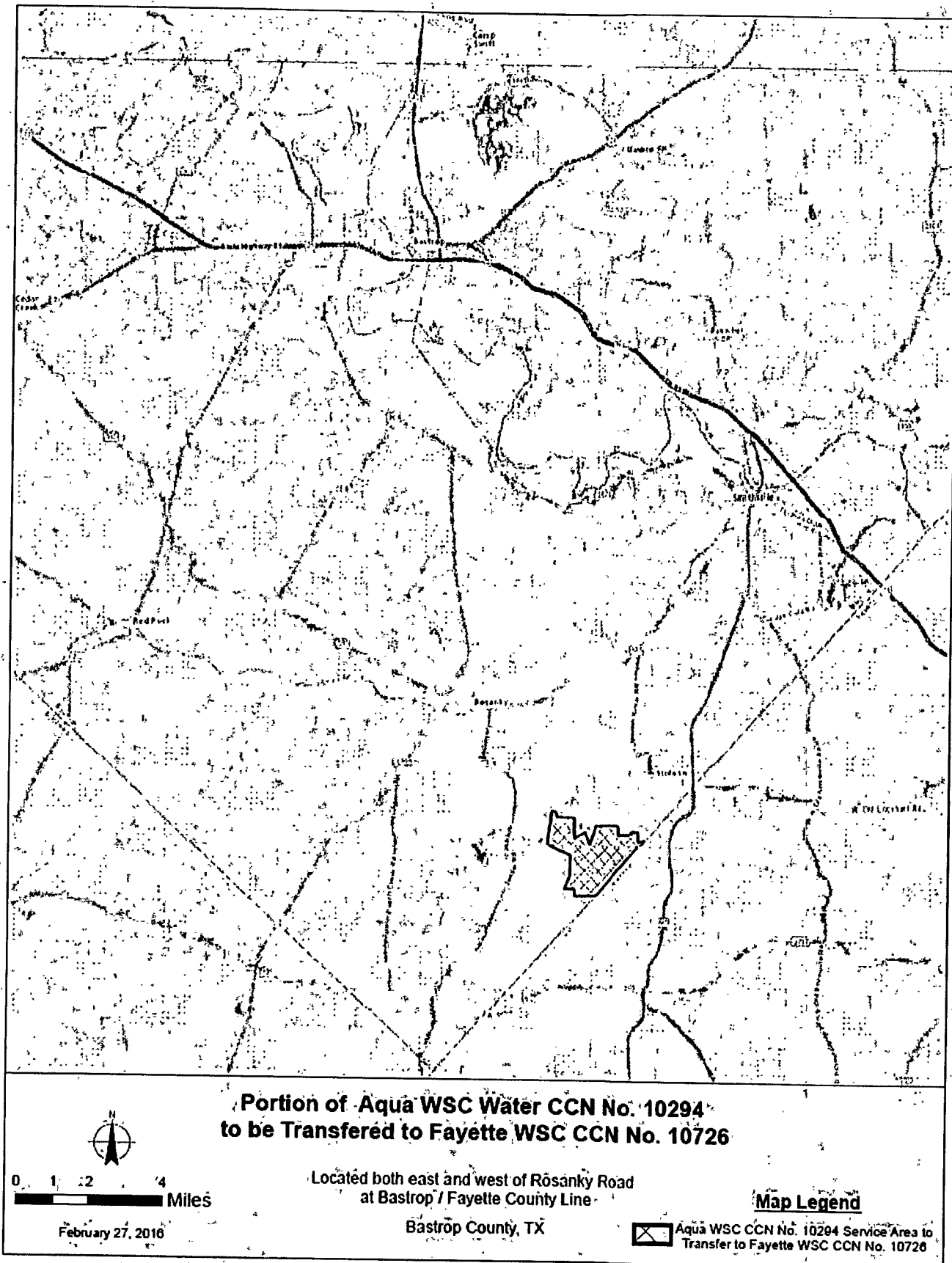
Aqua Water Supply Corporation

By: Dave McMurry
Dave McMurry, General Manager

Date: 5/10/2017

This page intentionally left blank.

"Attachment B"
EXHIBIT A
CCN TRANSFER MAP



This page intentionally left blank.

DESCRIPTION OF PROPOSED CCN TRANSFER AREA

Beginning at point along the western ROW of Bastrop County Road 328 (Cistern Road) approximately 1.4 miles east from the intersection from Bastrop County Road 297 and Bastrop County Road 328 (Cistern Road), just south of a private dirt driveway.

From this point, the Proposed CCN Transfer Area follows the western ROW of County Road 328 (Cistern Road) in a southeasterly direction for approximately 815' before crossing County Road 328 and heading in an east / southeasterly direction for approximately 2,470' and then heading in a due southerly direction 2,800'.

At this location, the proposed CCN transfer area heads in a northeasterly direction for 1,720' before turning and heading in a southeasterly direction for approximately 1,850', and then heading back in a northeasterly direction for approximately 2,666' to a turn in County Road 307 (Patterson Road), creating a "W" pattern for the proposed CCN transfer area in this area.

From this point along the southern ROW of County Road 307 (Patterson Road), the proposed CCN transfer area follows the southern ROW for 715' and then crosses County Road 307 (Patterson Road) for a total distance of 3,500' before turning and heading due south for an approximate distance of 1,300' before turning and heading due east approximately 1,940' before turning north for 321' and turning again and heading due east approximately 950' to the western ROW of County Road 308.

From this location, the Proposed CCN Transfer Area follows the western ROW of County Road 308 south for approximately 1,360' before turning in a southwesterly direction for approximately 30' before turning and heading due south approximately 40' and crossing County Road 308 (Hellinger Road).

The Proposed CCN Transfer Area then heads in an easterly direction for 70' before turning north for approximately 17', then turning and heading east for approximately 590' before turning north for approximately 96' before turning east, and continuing for approximately 260' to the Bastrop / Fayette County line and continuing on an additional 40' for a total distance of 300' for this segment.

From this point, the Proposed CCN Transfer Area will head in a southwesterly direction following the Bastrop / Fayette County line for 6,270' before crossing Bastrop County Road 309 (Robbins Cemetery Road) once, and then again in an additional 483'.

The Proposed CCN Transfer Area will then continue in a southwesterly direction, following the Bastrop / Fayette County line approximately 3,250' before intersecting County Road 328 (Cistern Road) and then continue on for an additional 830' for a total distance of 4,080' before turning and heading due west for approximately 3,105'. From this location, the proposed CCN transfer area heads due north for approximately 1,090' and crossing a dirt unimproved road named Migl Psencik Lane.

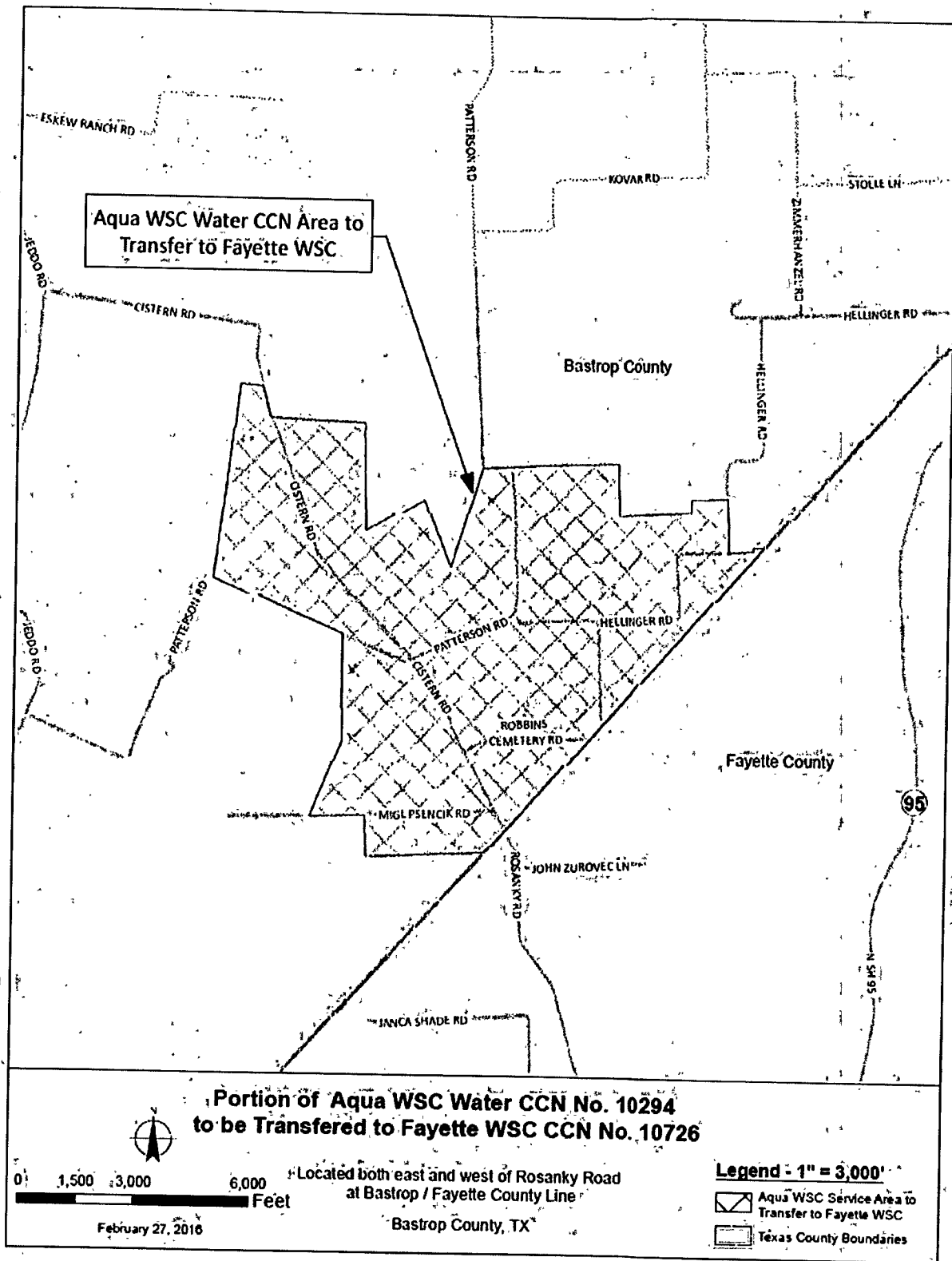
From this point on the north side of the road, the Proposed CCN Transfer Area heads due west approximately 1,450' before turning and heading in northeasterly direction for 2,116' before turning and heading due north and following a fence line near four (4) ponds and crossing County Road 307 (Patterson Road) for a total of approximately 2,770'.

Following the north ROW of County Road 307 (Patterson Road), the Proposed CCN Transfer Area follows County Road 307 (Patterson Road) west in a northwesterly direction for approximately 3,670' before turning and following a dense tree line in a north / northeast and heading 5,010' to a private dirt drive and then turning and heading in a southeasterly direction for 567' to the point of beginning in the western ROW of County Road 328 (Cistern Road).

This page intentionally left blank.

"Attachment B"
EXHIBIT C

MAP OF PROPOSED CCN TRANSFER AREA



This page intentionally left blank.