



Control Number: 47280



Item Number: 5

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APPLICATION OF GASTONIA §
SCURRY SPECIAL UTILITY §
DISTRICT TO AMEND A §
CERTIFICATE OF CONVENIENCE §
AND NECESSITY IN KAUFMAN §
COUNTY §

PUBLIC UTILITY COMMISSION

2017 JUL 13 PM 1:14

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 (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 June 13, 2017, Gastonia Scurry Special Utility District (Gastonia) filed an application to amend its water Certificate of Convenience and Necessity (CCN) No. 10837 in Kaufman County. Gastonia requests that a portion of its CCN containing 26 connections be decertified so that another utility can serve the connections.

On June 14, 2017, Order No. 1 was issued, establishing a deadline of July 13, 2017 for Staff to file a recommendation on the administrative completeness of the application and propose a procedural schedule. This pleading is therefore timely filed.

II. ADMINISTRATIVE COMPLETENESS

As detailed in the attached memorandum from Sean Scaff in the Commission's Water Utility Regulation Division, Staff has reviewed the application and recommends that it be found administratively incomplete. Specifically, Staff recommends that Gastonia be directed to provide missing documentation and corrected mapping information as detailed in the attached memorandum.

III. PROCEDURAL SCHEDULE

Staff recommends that the application be found administratively incomplete. Staff therefore proposes that a deadline of August 14, 2017 be established for Gastonia to supplement

its application to cure the noted deficiencies. Staff further recommends that a deadline of September 13, 2017 be established for Staff to file a supplemental recommendation on administrative completeness.

IV. CONCLUSION

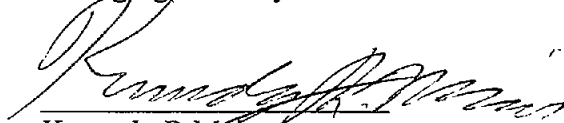
For the reasons detailed above, Staff recommends that the application be deemed administratively incomplete and that the procedural schedule proposed above be adopted for continued processing of this docket.

Respectfully Submitted,

PUBLIC UTILITY COMMISSION OF TEXAS LEGAL DIVISION

Margaret Uhlig Pemberton
Division Director

Katherine Lengieza Gross
Managing Attorney

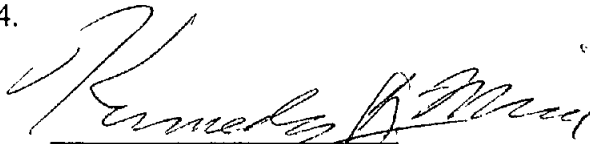


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DOCKET NO. 47280

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on this the 13th of July, 2017 in accordance with 16 TAC § 22.74.


Kennedy R. Meier

Public Utility Commission of Texas

Memorandum

TO: Kennedy Meier, Attorney
Legal Division

FROM: Sean Scaff, Engineering Specialist
Water Utilities Division

THRU: Lisa Fuentes, Manager
Water Utilities Division

DATE: July 10, 2017

RE: **Docket No. 47280:** *Application of Gastonia Scurry Special Utility District to Amend a Certificate of Convenience and Necessity in Kaufman County*

On June 13, 2017, Gastonia Scurry Special Utility District (Gastonia or Applicant) filed an application to amend its water CCN No. 10837 in Kaufman County. Gastonia requests that a portion of its CCN be decertified and 26 connections be transferred to West Cedar Creek MUD.

Staff has reviewed the application and recommends that the application be found administratively incomplete and insufficient for filing. Staff recommends that the Applicant be ordered to provide the items listed below in order to proceed with the application process.

Mapping Content:

- A general location map identifying the requested area in reference to the nearest county boundary, city, or town.
- A detailed map identifying the requested area in reference to verifiable man-made and natural landmarks, such as roads, rivers, and railroads.
- Digital mapping data for the requested area, as a single polygon record, in shapefile (SHP) format, georeferenced in either NAD83 Texas Statewide Mapping System (Meters) or NAD83 Texas State Plane Coordinate System (US Feet); **OR** metes and bounds survey sealed or embossed by either a licensed state surveyor or a registered professional land surveyor.

Administrative Review

- Documentation showing that West Cedar Creek MUD has agreed to take over the 26 connections.
- A capital improvement plan including the cost for Gastonia to install the lines for West Cedar Creek MUD to serve the 26 connections in the area requested to be decertified.
- Pursuant to 16 TAC § 24.11(e)(4)(A) and (B) please provide the required information for Gastonia and West Cedar Creek MUD to show that the financial tests are met. Please consider providing a copy of Gastonia's and West Cedar Creek MUD's most recent two years of financial statements, including the auditors opinion letter, if available and three years of projections, including a balance sheet, income statement, and an expense statement pursuant to 16 TAC § 24.11(e)(4)(B). Pursuant to 16 TAC § 24.11(e)(4)(C), in lieu of meeting the leverage and operations tests, Gastonia Scurry SUD and West Cedar Creek MUD may substantiate financial capability with a letter from the district's financial advisor indicating that the district is able to issue debt (bonds) in an amount sufficient to cover

capital requirements to provide continuous and adequate service and providing the document specified by 16 TAC § 24.11(e)(4)(B)(i).

- A signed affidavit from West Cedar Creek MUD.
- A certificate or account status from the Texas Secretary of State for both Gastonia and West Cedar Creek MUD.