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PUBLIC UTILITY COMMISSION
PUBLIC UTILITY COMMISSION
OF TEXAS

**APPLICATION OF GOLDENROD §
ESTATE HOMEOWNERS §
ASSOCIATION INC. AND §
GOLDENROD WATER SUPPLY §
CORPORATION FOR SALE, §
TRANSFER, OR MERGER OF §
FACILITIES AND CERTIFICATE §
RIGHTS IN FORT BEND COUNTY §**

CORRECTED NOTICE OF APPROVAL

This corrected Notice addresses the application of Goldenrod Estate Homeowners Association Inc. (GEHA) and Goldenrod Water Supply Corporation (GWSC) (collectively, applicants) for sale, transfer, or merger of facilities and certificate of convenience and necessity (CCN) rights in Fort Bend County. Commission Staff recommended approval of the application. The Commission approves the application.

The Commission adopts the following findings of fact and conclusions of law:

I. Findings of Fact

Procedural History

1. On November 28, 2017, GEHA and GWSC filed an application for GEHA to transfer all of its water well assets and service area under water CCN No. 12933 to GWSC in Fort Bend County.
2. In Order No. 1 issued on December 1, 2017, the administrative law judge (ALJ) required Commission Staff to submit comments and a recommendation.
3. On December 21, 2017, Commission Staff recommended that the ALJ deem the application administratively complete and sufficient for filing.
4. In Order No. 2 issued on December 22, 2017, the ALJ found the application complete and sufficient, required notice, and established a procedural schedule.
5. On January 12, 2018, Commission Staff recommended the ALJ find the applicants' notice sufficient and proposed a procedural schedule.

6. In Order No. 3 issued on January 18, 2018, the ALJ found the notice sufficient and established deadlines for continued processing.
7. On March 7, 2018, Commission Staff recommended that the proposed transaction proceed.
8. In Order No. 4 issued on March 12, 2018, the ALJ authorized the applicants to proceed with the transaction.
9. On April 9, 2018, applicants filed closing documentation evidencing consummation of the transaction.
10. On April 24, 2018, Commission Staff recommended approval of the closing documentation and indicated that the applicants properly addressed the customer deposits.
11. In Order No. 5 issued on April 25, 2018, the ALJ found the closing documents sufficient, the customer deposits properly addressed, and established further deadlines for processing.
12. On May 14, 2018, GWSC filed a signed consent form agreeing to the map and certificate as prepared by Commission Staff.
13. On May 30, 2018, the parties filed a joint motion to admit evidence into the record.
14. In Order No. 6 issued on June 4, 2018, the ALJ admitted evidence into the record.

Notice

15. Notice of the application appeared in the December 15, 2017 issue of the *Texas Register*.
16. On January 4, 2018, the applicants mailed notice to current customers, neighboring utilities, and affected parties.
17. On January 8, 2018, applicants filed affidavits of proof of notice to current customers, neighboring utilities, and affected parties.

Informal Disposition

18. More than 15 days have passed since completion of the notice provided in this docket.
19. Commission Staff, GEHA, and GWSC are the only parties to this proceeding.
20. No parties filed protests, motions to intervene, or requests for a hearing; therefore, no hearing is necessary.

The Application

21. GEHA, a Texas non-profit corporation, operated a community water system to serve the Goldenrod Estates subdivision for approximately 13 years.
22. In 2017, GEHA members voted to form a water supply corporation. The members elected three residents to the board of directors of the newly formed GWSC.
23. GEHA and GWSC propose to sell and transfer GEHA service area and facilities to GWSC. The service area includes approximately 74 acres and water system assets serving 22 current customers.
24. GEHA and GWSC have agreed to the transaction. Thus, granting the sale of GEHA's water well assets and transfer of service area under CCN No. 12933 will not adversely affect any landowners in the area nor any retail public utility serving the proximate area.
25. Granting the sale of water system assets and transferring service area under CCN No. 12933 will not adversely impact the environmental integrity of the requested area since construction is not required.
26. GWSC will serve the current and future customers in the requested area using the existing facilities and water well.
27. GWSC has demonstrated that it has the financial, managerial, and technical capabilities to operate and manage the utility and the ability to provide continuous and adequate service to the transferred area.

II. Conclusions of Law

1. GEHA and GWSC are retail public utilities as defined in § 13.002(19) of the Texas Water Code, Tex. Water Code Ann. (West 2008 & Supp. 2017) (TWC).
2. The Commission has jurisdiction over the application under TWC §§ 13.041, 13.241, 13.246, 13.251, and 13.301.
3. GEHA and GWSC provided notice of the application as required by TWC § 13.301(a)(2).
4. The Commission processed the application as required by the TWC, the Administrative Procedure Act, Tex. Gov't Code Ann. §§ 2001.001-.902 (West 2016 & Supp. 2017) and Commission rules.

5. GEHA and GWSC completed the sale within 180 days from the date of the Commission's approval to proceed with the sale as required by 16 TAC § 24.109(o).
6. After consideration of the factors in TWC § 13.246(c), GWSC is entitled to approval of the application, having demonstrated adequate financial, managerial, and technical capability for providing continuous and adequate service to every customer in the service area, as required by TWC §§ 13.301(b) and 13.241.
7. Applicants have demonstrated that the sale of facilities and the granting and transfer of certificate rights requested in this application are in the public interest, as required by 16 TAC § 13.301(d).
8. GEHA and GWSC have demonstrated that the sale of facilities and the granting and transfer of certificate rights requested in this application are necessary for the service, accommodation, convenience and safety of the public as required by 16 TAC § 13.246(b).
9. Under TWC § 13.257(r) and (s), GWSC is required to record a certified copy of the approved CCN and map, along with a boundary description of the service area, in the real property records of each county in which the service area or a portion of the service area is located, and submit to the Commission evidence of the recording.
10. The application meets the requirements for informal disposition in 16 TAC § 22.35.

III. Ordering Paragraphs

In accordance with these findings of fact and conclusions of law, the Commission issues the following orders:

1. The Commission approves the application.
2. The Commission approves the certificate and map attached to this Notice.
3. The Commission transfers the service area and water well assets in Fort Bend County associated with CCN No. 12933 from GEHA to GWSC.
4. GWSC shall serve every customer and applicant for service within the areas previously served by GEHA under CCN No. 12933, and such service shall be continuous and adequate.

5. GWSC shall comply with the recording requirements in TWC § 13.257(r) and (s) for the area in Fort Bend County affected by the application and submit to the Commission evidence of the recording no later than 31 days after receipt of this Notice.
6. All other motions and any other requests for general or specific relief, if not expressly granted, are denied.

Signed at Austin, Texas the 11th day of June 2018.

PUBLIC UTILITY COMMISSION OF TEXAS



IRENE MONTELONGO
DIRECTOR, DOCKET MANAGEMENT

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