



Control Number: 48388



Item Number: 12

Addendum StartPage: 0

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DOCKET NO. 48388

2018 JUN 20 PM 4: 37

APPLICATION OF CHUCK BELL DBA §
CHUCK BELL WATER SYSTEMS, LLC §
AND UNDINE TEXAS, LLC FOR SALE, §
TRANSFER, OR MERGER OF §
FACILITIES AND CERTIFICATE §
RIGHTS IN JOHNSON AND TARRANT §
COUNTIES §

PUBLIC UTILITY COMMISSION
PUBLIC UTILITY COMMISSION
FILING CLERK
OF TEXAS

COMMISSION STAFF'S RECOMMENDATION ON SUFFICIENCY OF APPLICATION

COMES NOW the Staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest, and files this Response to Order No. 1 and Recommendation on Sufficiency of Application. In support thereof, Staff shows the following:

I. BACKGROUND

On May 24, 2018, Chuck Bell dba Chuck Bell Water Systems, LLC (Chuck Bell) and Undine Texas, LLC (Undine) (together Applicants) filed an application for the sale, transfer, or merger of facilities and certificate rights in Johnson and Tarrant Counties. Specifically, Undine seeks approval to acquire all of the water system assets and service area held by Check Bell under water certificate of convenience and necessity number 12190. The requested area includes approximately 598 acres and 305 connections. Order No. 1, issued May 30, 2018, required Staff to file a recommendation on the administrative completeness of the application and notice by June 25, 2018, as well as propose a procedural schedule. This pleading is therefore timely filed.

II. RECOMMENDATION ON ADMINISTRATIVE SUFFICIENCY

Staff has reviewed Applicant's application and recommends it be found insufficient for filing, as supported by the attached memorandum of Emily Sears and Gary Horton, Jr. of the Water Utility Regulation Division. Staff recommends that the Applicants be given the deadline of July 20, 2018 to cure the noted deficiencies and Staff be given the deadline of August 20, 2018 to file a supplemental recommendation.

III. CONCLUSION

Staff respectfully requests the entry of an order consistent with the above recommendation.

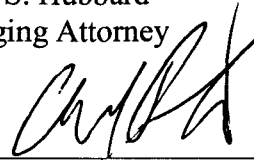
Dated: June 20, 2018

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF
TEXAS LEGAL DIVISION**

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**DOCKET NO. 48388
CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record June 20, 2018,
in accordance with 16 Texas Admin. Code § 22.74.



Alexander Petak

PUC Interoffice Memorandum

To: Alexander Petak, Attorney
Legal Division

Thru: Tammy Benter, Director
Lisa Fuentes, Manager
Water Utility Regulation

From: Emily Sears, Financial Analyst
Gary Horton, Jr., GIS Specialist
Water Utility Regulation

Date: June 20, 2018

Subject: **Docket No. 48388**, *Application of Chuck Bell dba Chuck Bell Water Systems, LLC and Undine Texas, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Johnson and Tarrant Counties*

On May 24, 2018, Chuck Bell dba Chuck Bell Water Systems, LLC (Seller) and Undine Texas, LLC (Purchaser) (collectively, Applicants) filed an application for Sale, Transfer, or Merger (STM) of facilities and certificate rights in Johnson and Tarrant Counties, Texas, pursuant to Texas Water Code Ann. (TWC) § 13.301 and the 16 Tex. Admin Code (TAC) § 24.109. Specifically, the Purchaser seeks approval to acquire facilities and to transfer water service area from the Seller under water Certificate of Convenience and Necessity (CCN) No. 12190, and amend the Purchaser's current CCN No. 13260. The requested area includes approximately 598 acres and 305 connections.

Staff has reviewed the information provided by the Applicants and recommends the application be deemed administratively incomplete and not accepted for filing due to the deficiencies detailed below:

1. Asset Purchase Agreement
The Applicant filed a signed, undated Asset Purchase Agreement. Please submit a signed and dated Asset Purchase Agreement.
2. Dual Certification
Staff identified several areas in which the requested area overlaps an existing CCN. Please submit agreements with the following entities showing consent for dual certification:
 - a. City of Cleburne (CCN No. 10917)
 - b. Johnson County SUD (CCN No. 10081)
 - c. Monarch Utilities I, LP (CCN No. 12983)In the alternative, the Applicant may submit updated mapping data to eliminate these overlaps.
3. Violations
Upon review of the Texas Commission on Environmental Quality's (TCEQ) Central Registry database there appears to be an unresolved violation for the public water system (PWS), Crowley II Acre Subdivision, associated with Chuck Bell Water Systems for

“Failure to provide a minimum pressure of 35 psi throughout the distribution system under normal operating conditions”. Please submit a statement detailing how the TCEQ violations will be addressed or a letter from the TCEQ indicating that the violations have been resolved.