



Control Number: 48680



Item Number: 38

Addendum StartPage: 0

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1840 Acton Highway
Granbury, Texas 76049
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Metro: (817) 279-8385
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November 26, 2019

VIA UPS DELIVERY

Public Utility Commission of Texas
Attention: Filing Clerk
1701 N. Congress Avenue
Austin, Texas 78711-3326

Re: Amended and Supplemental Filings for the Application for Sale, Transfer, or Merger of a Retail Public Utility Bluebonnet Hills Water Supply Corporation (Transferor) City of Cresson, Texas (Transferee) Docket No. 48680

To Whom It May Concern:

Enclosed herein please find an amended first 3 pages of the Application for Sale, Transfer, or Merger of a Retail Public Utility, as referenced above, between Bluebonnet Hills Water Supply Corporation as Transferor, and the City of Cresson, Texas as Transferee, as well as a letter from the TCEQ authorizing the City of Cresson to proceed with a new well project for Blue Bonnet Hills Water Supply Corporation, to increase capacity, and a letter from the Texas Department of Agriculture authorizing the City of Cresson to use grant funds to construct said well.

This supplemental filing is made upon the request of Patricia Garcia in order to clarify that the City of Cresson is requesting the Blue Bonnet Hills WSC CCN be canceled and that the City be assigned a new CCN. Additionally, this filing is made because the City has been informed by Mrs. Garcia that there is a water capacity issue with Blue Bonnet Hills WSC and has accordingly attached documentation showing the steps which the City is currently taking to rectify said capacity issue. Please process the enclosed documents.

Should you have any questions or require any additional documentation, please contact my office.

Kindest regards.

Very truly yours,



Samuel I. Reid
Attorney, City of Cresson, Texas



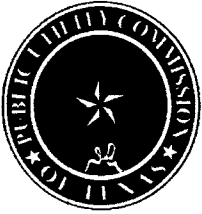
SIR

Enclosures:

Amended first 3 pages of the Application for Sale...

TCEQ Well Authorization Letter

Texas Dept. of Agriculture Grant Authorization Letter



Application for Sale, Transfer, or Merger of a Retail Public Utility

Pursuant to Texas Water Code § 13.301 and 16 Texas Administrative Code § 24.109

Sale, Transfer, or Merger (STM) Application Instructions

- I. **COMPLETE:** In order for the Commission to find the application sufficient for filing, the Applicant should:
 - i. Provide an answer to every question and submit any required attachment applicable to the STM request (i.e., agreements or contracts).
 - ii. Use attachments or additional pages to answer questions as necessary. If you use attachments or additional pages, reference their inclusion in the form.
 - iii. Provide all mapping information as detailed in Part G: Mapping & Affidavits.
- II. **FILE:** Seven (7) copies of the completed application with numbered attachments. One copy should be filed with no permanent binding, staples, tabs, or separators; and 7 copies of the portable electronic storage medium containing the digital mapping data.
 - i. **SEND TO:** Public Utility Commission of Texas, Attention: Filing Clerk, 1701 N. Congress Avenue, P.O. Box 13326, Austin, Texas 78711-3326 (**NOTE: Electronic documents may be sent in advance of the paper copy, however they will not be processed and added to the Commission's on-line Interchange until the paper copy is received and file-stamped in Central Records.**)
- III. The application will be assigned a docket number, and an administrative law judge (ALJ) will issue an order requiring Commission Staff to file a recommendation on whether the application is sufficient. The ALJ will issue an order after Staff's recommendation has been filed:
 - i. **DEFICIENT (Administratively Incomplete):** Applicants will be ordered to provide information to cure the deficiencies by a certain date, usually 30 days from ALJ's order. ***Application is not accepted for filing.***
 - ii. **SUFFICIENT (Administratively Complete):** Applicants will be ordered by the ALJ to give appropriate notice of the application using the notice prepared by Commission Staff. ***Application is accepted for filing.***
- IV. Once the Applicants issue notice, a copy of the actual notice sent and an affidavit attesting to notice should be filed in the docket assigned to the application. Recipients of notice may request a hearing on the merits.

HEARING ON THE MERITS: An affected party may request a hearing within 30 days of notice. In this event, the application may be referred to the State Office of Administrative Hearings (SOAH) to complete this request.
- V. **TRANSACTION TO PROCEED:** at any time following the provision of notice, or prior to 120 days from the last date that proper notice was given, Commission Staff will file a recommendation for the transaction to proceed as proposed or recommend that the STM be referred to SOAH for further investigation. The Applicants will be required to file an update in the docket to the ALJ every 30 days following the approval of the transaction. The transaction must be completed within six (6) months from the ALJ's order (Note: The Applicants may request an extension to the 6 month provision for good cause).
- VI. **FILE:** Seven (7) copies of completed transaction documents and documentation addressing the transfer or disposition of any outstanding deposits. After receiving all required documents from the Applicants, the application will be granted a procedural schedule for final processing. The Applicants are requested to consent in writing to the proposed maps and certificates, or tariff if applicable.
- VII. **FINAL ORDER:** The ALJ will issue a final order issuing or amending the applicable CCNs.

FAQ:

Who can use this form?

Any retail public utility that provides water or wastewater service in Texas.

Who is required to use this form?

A retail public utility that is an investor owned utility (IOU) or a water supply corporation (WSC) prior to any STM of a water or sewer system, or utility, or prior to the transfer of a portion of a certificated service area.

Terms

Transferor: Seller

Transferee: Purchaser

CCN: Certificate of Convenience and Necessity

STM: Sale, Transfer, or Merger

IOU: Investor Owned Utility

Application Summary

Transferor: Bluebonnet Hills Water Supply Corporation

(selling entity)

CCN No.s: 12290

Sale
 Transfer
 Merger
 Consolidation
 Lease/Rental

Transferee: City of Cresson

(acquiring entity)

CCN No.s: _____

Water
 Sewer
 All CCN
 Portion CCN
 Facilities transfer

County(ies): Parker

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Please mark the items included in this filing

<input checked="" type="checkbox"/> Contract, Lease, Purchase, or Sale Agreement	Part A: Question 1
<input type="checkbox"/> Tariff including Rate Schedule	Part B: Question 4
<input type="checkbox"/> List of Customer Deposits	Part B: Question 5
<input type="checkbox"/> Partnership Agreement	Part C: Question 7
<input type="checkbox"/> Articles of Incorporation and By-Laws (WSC)	Part C: Question 7
<input type="checkbox"/> Certificate of Account Status	Part C: Question 7
<input type="checkbox"/> Financial Audit	Part C: Question 10
<input checked="" type="checkbox"/> Application Attachment A & B	Part C: Question 10
<input type="checkbox"/> Disclosure of Affiliated Interests	Part C: Question 10
<input type="checkbox"/> Capital Improvement Plan	Part C: Question 10
<input type="checkbox"/> List of Assets to be Transferred	Part D: 11.B
<input type="checkbox"/> Developer Contribution Contracts or Agreements	Part D: 11.D
<input type="checkbox"/> Enforcement Action Correspondence	Part E: Question 18 (Part D: Q12)
<input type="checkbox"/> TCEQ Compliance Correspondence	Part F: Question 22
<input type="checkbox"/> TCEQ Engineering Approvals	Part F: Question 24
<input type="checkbox"/> Purchased Water Supply or Treatment Agreement	Part F: Question 26
<input checked="" type="checkbox"/> Detailed (large scale) Map	Part G: Question 29
<input checked="" type="checkbox"/> General Location (small scale) Map	Part G: Question 29
<input checked="" type="checkbox"/> Digital Mapping Data	Part G: Question 29
<input checked="" type="checkbox"/> Signed & Notarized Oath	Page 13-14

Part A: General Information

1. Describe the proposed transaction, including the effect on all CCNs involved, and provide details on the existing or expected land use in the area affected by the proposed transaction. Attach all supporting documentation, such as a contract, a lease, or proposed purchase agreements:

Land use is all the same. Transferring all CCN to the City of Cresson.

2. The proposed transaction will require (check all applicable):

For **Transferee** (Purchaser) CCN:

- Obtaining a NEW CCN for Purchaser
- Transfer all CCN into Purchaser's CCN (Merger)
- Transfer Portion of CCN into Purchaser's CCN
- Transfer all CCN to Purchaser and retain Seller CCN
- Uncertificated area added to Purchaser's CCN

For **Transferor** (Seller) CCN:

- Cancellation of Seller's CCN
- Transfer of ~~a Portion of~~ Seller's CCN to Purchaser
- Only Transfer of Facilities, No CCN or Customers
- Only Transfer of Customers, No CCN or Facilities
- Only Transfer CCN Area, No Customers or Facilities

Part B: Transferor Information

Questions 3 through 5 apply only to the *transferor* (current service provider or seller)

3. A. Name: Bluebonnet Hills Water Supply Corporation
(individual, corporation, or other legal entity)
 Individual Corporation WSC Other: _____

B. Mailing Address: P.O. Box 632, Cresson, Texas 76035

Phone: (817) 396-4729 Email: _____

C. Contact Person. Please provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney, accountant, or other title.

Name: James McAnear Title: President

Mailing Address: P.O. Box 632, Cresson, Texas 76035

Phone: (817) 602-5802 Email: N/A

4. If the utility to be transferred is an Investor Owned Utility (IOU), for the most recent rate change, attach a copy of the current tariff and complete A through B:

A. Effective date for most recent rates: May 1, 2016

B. Was notice of this increase provided to the Public Utility Commission of Texas (Commission) or a predecessor regulatory authority?

No Yes Application or Docket Number: _____

If the transferor is a Water Supply or Sewer Service Corporation, provide a copy of the current tariff.

Jon Niermann, *Chairman*
Emily Lindley, *Commissioner*
Toby Baker, *Executive Director*



PWS_1840086_CO_20190627_Plan Ltr

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

June 27, 2019

Mr. Robert T. Childress, P.E.
Childress Engineers
211 North Ridgeway Drive
Cleburne, Texas 76033

Re: Bluebonnet Hills Water Supply Corporation (WSC) - Public Water System ID No. 1840086
Proposed Water Well No.3A - Water Plant No. 3
Engineer Contact Telephone: (817) 645-1118
Plan Review Log No. P-04292019-251
Texas Department of Agriculture (TDA) Project No. 7218101
Parker County, Texas

CN: 600642466; RN: 101197051

Dear Mr. Childress:

On April 29, 2019, the Texas Commission of Environmental Quality (TCEQ) received planning material with your letter dated April 26, 2019 for the proposed water well (Well No. 3A) at Water Plant No. 3 for the above referenced public water system. Based on our review of the information submitted, the project generally meets the minimum requirements of Title 30 Texas Administrative Code (TAC) Chapter 290 - Rules and Regulations for Public Water Systems and is **conditionally approved for construction** if the project plans and specifications meet the following requirements:

1. Three corrosive indices (Langelier Saturation Index, Ryznar Stability Index and the Aggressive Index) will be used to calculate corrosivity of the water from new source(s). Corrosive or aggressive water could result in aesthetic problems, increased levels of toxic metals, and deterioration of household plumbing and fixtures. **If the water appears to be corrosive, the system will be required to conduct a study and submit an engineering report that addresses corrosivity issues or may choose to install corrosion control treatment before use may be granted.** All changes in treatment require submittal of plans and specifications for approval by TCEQ.
2. Based on the sanitary control easement documents submitted, the new 150-foot sanitary control easements boundary for the new well site will add additional areas to the existing sanitary control easements (for existing well at the same site) in Lot 10 (property owned by Janie Sideris and Terry L. Barns) and Lot 25 (property owned by Steve R. Furkin). Additionally, the right-of-way of Mountain Ridge North Road and Overlook Court Road is within a 150-foot sanitary control easement of this new well. Please be reminded that the public water system must secure the easements from all these land owners for Lot 10 and Lot 25, and for the right-of-way of these roads from the appropriate authority at the time of well completion data submittal. Otherwise, an exception to the sanitary control easement requirement must be submitted to the TCEQ for review and approval before we can approve this well for use.

Mr. Robert T. Childress, P.E.
Page 2
June 27, 2019

Texas Water Code Section 36.0015 allows for the creation of groundwater conservation districts (GCDs) as the preferred method of groundwater management. GCDs manage groundwater in many counties and are authorized to regulate production and spacing of water wells. **Public water systems drilling wells within an existing GCD are responsible for meeting the GCD's requirements.** The authorization provided in this letter does not affect GCD authority to manage groundwater or issue permits.

The design engineer or water system representative is required to notify the Plan Review Team in writing by fax at (512) 239-6972 or by emailing kamal.adhikari@tceq.texas.gov and cc: vera.poe@tceq.texas.gov at least 48 hours before the well casing pressure cementing begins. If pressure cementing is to begin on Monday, then they must give notification on the preceding Thursday. If pressure cementing is to begin on Tuesday, then they must give notification on the preceding Friday.

The TCEQ does not approve this well for use as a public water supply at this time. We have enclosed a copy of the "Public Well Completion Data Checklist for Interim Approval (Step 2)". We provide this checklist to help you in obtaining approval to use this well.

The submittal consisted of seven sheets of engineering drawings, technical specifications and an engineering summary. The proposed project consists of:

- One (1) public water supply well (Well No. 3A) drilled to 900 feet with 750 linear feet (lf) of 6¾-inch outside diameter (od) pressure-cemented steel casing; 20 lf of 14-inch od steel surface casing;
- 120 lf of 6¾-inch od stainless steel wire wrapped screen, 20 lf of 6¾-inch od blank steel liner, with 150 lf of underream and gravel pack;
- The well is rated for 75 gallons per minute (gpm) yield with a submersible pump set at 850 feet deep. The design capacity of the pump is 75 gpm at 820 feet total dynamic head;
- Well head concrete sealing block and well head piping including vent, sample tap and flow meter;
- Modification of an existing chlorination system to add a chlorine injection system for the new well including chlorine gas cylinder with scale, feeder and related piping, valves and control; and
- Various valves, fittings and related appurtenances.

This approval is for the construction of the above listed items only

The Bluebonnet Hills WSC public water system provides water treatment.

The project site is at existing Water Plant No. 3 located east of the intersection of Mountain Ridge North Road and Overlook Court Road in Parker County, Texas.

An appointed engineer must notify the TCEQ's Region 4 Office in Dallas/Fort Worth at (817) 588-5800 when construction will start. Please keep in mind that upon completion of the water works project, the engineer or owner will notify the commission's Water Supply Division, in writing, as to its completion and attest to the fact that the completed work is substantially in accordance with the plans and change orders on file with the commission as required in 30 TAC Section 290.39(h)(3).

Please refer to the Plan Review Team's Log No. P-04292019-251 in all correspondence for this project.

Mr. Robert T. Childress, P.E.
Page 3
June 27, 2019

Please complete a copy of the most current Public Water System Plan Review Submittal form for any future submittals to TCEQ. Every blank on the form must be completed to minimize any delays in the review of your project. The document is available on TCEQ's website at the address shown below. You can also download the most current plan submittal checklists and forms from the same address.

<https://www.tceq.texas.gov/drinkingwater/udpubs.html>

For future reference, you can review part of the Plan Review Team's database to see if we have received your project. This is available on TCEQ's website at the following address:

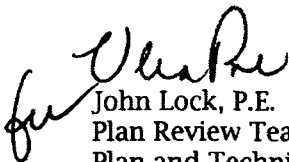
<https://www.tceq.texas.gov/drinkingwater/planrev.html/#status>

You can download the latest revision of 30 TAC Chapter 290 - Rules and Regulations for Public Water Systems from this site.

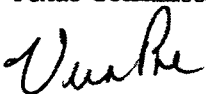
If you have any questions concerning this letter or need further assistance, please contact Kamal Adhikari at (512)239-0680 or by email at kamal.adhikari@tceq.texas.gov or by correspondence at the following address:

Plan Review Team, MC-159
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

Sincerely,



John Lock, P.E.
Plan Review Team
Plan and Technical Review Section
Water Supply Division
Texas Commission on Environmental Quality




Vera Poe, P.E., Team Leader
Plan Review Team
Plan and Technical Review Section
Water Supply Division
Texas Commission on Environmental Quality

VP/JL/KA/db

Enclosure: "Public Well Completion Data Checklist for Interim Approval (Step 2)"

cc: Bluebonnet Hills WSC - Attn: Water Utilities Official, P.O. Box 311, Cresson, Texas 76035-0311

Authority to Use Grant Funds	Texas Department of Agriculture P.O. Box 12847 Austin, TX 78711
The Honorable Bob Cornett Mayor, City of Cresson P.O. Box 619 Cresson, TX 76035	Ms. Latrice Hertzler Grant Development Services P.O. Box 33043 Austin, TX 78764
We received your Request for Release of Funds and Certification, form HUD-7015.15 on:	4/24/2019
Your Request was for State Identification Number:	CD 7218101
All objections, if received, have been considered. And the minimum waiting period has transpired. You are hereby authorized to use funds provided to you under the above HUD/State Identification Number. File this form for proper record keeping, audit, and inspection purposes.	
<p>This is to inform you that as of May 10, 2019, City of Cresson upon execution of an official contract is hereby authorized, according to the terms of such contract, to use funds provided to you under the above State Identification Number. The specific activities of this project identified below required a full Environmental Assessment under 24 CFR Part Sec. 58.36 Environmental Assessments and 58.40 Preparing the Environmental Assessment.</p> <p>Project/Activity: To undertake a project known as Water System Improvements, under TDA CDBG Contract #7218101. The Project includes installation of a new water well at the existing Paluxy Well at the intersection of Mountain Ridge and Overlook Court. The City of Cresson recently acquired a low performing well field, resulting in inadequate pressure and noncompliance with Texas Commission on Environmental Quality (TCEQ) regulations. Contractor shall construct a new well in the Trinity Aquifer, including pump, electrical controls, piping, and all associated appurtenances, including the associated administration and engineering work. With approval from the Upper Trinity Groundwater Conservation District, the existing Paluxy Well will remain on-site, the existing tanks and booster pumps will remain in service. Demolition of the old well may occur at a later date. Acquisition: Contractor shall acquire the easement needed for the water improvement project site. Contractor shall carry out all acquisition of needed real property, easements, and/or rights-of-way in compliance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. Sec. 4601 et. seq.) and HUD implementation regulations (24 C.F.R. Part 42). CDBG Grant amount: \$275,000; Other \$50,000.</p> <p>According to the documents provided by City of Cresson, all conditions requiring review under the National Environmental Policy Act for these activities have been met. If all other special conditions have been met, City of Cresson is authorized to use Texas Community Development Block Grant Program funds in the amount of \$275,000.00 made available to City of Cresson by the Texas Department of Agriculture for the approved project activities.</p> <p>TDA is aware that a Performance Statement Amendment, Modification or Change Order could affect this Release of Funds. The City is advised that this Release of Funds is only valid for the project activities noted above and associated Environmental Review Record. If the Performance Statement or contract activities change as a result of an amendment, change order or modification, a re-evaluation letter or a new Environmental Review may be required under 24CFR58.47 and/or a review by TDA.</p> <p>Thank you for your efforts to ensure compliance with all federal, state and program requirements. If you have any questions regarding environmental issues or if we can provide any further assistance, please do not hesitate to contact me at (512) 936-6709 or you can email me at Pamela.Wozniak@TexasAgriculture.gov.</p>	

Typed Name & Title of Authorizing Officer:	Signature of Authorizing Officer:	Date Signed:
Luci Cook-Hildreth Interim Environmental Specialist		5/10/2019