

Control Number: 48897



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DOCKET NO. 48897

APPLICATION OF KERRVILLE §  
SOUTH WATER COMPANY, INC. §  
AND AQUA TEXAS, INC. FOR SALE, §  
TRANSFER, OR MERGER OF §  
FACILITIES AND CERTIFICATE §  
RIGHTS IN GILLESPIE AND KERR §  
COUNTIES §

PUBLIC UTILITY COMMISSION  
OF TEXAS

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**COMMISSION STAFF'S RECOMMENDATION ON ADMINISTRATIVE  
COMPLETENESS AND PROPOSED PROCEDURAL SCHEDULE**

COMES NOW the Staff of the Public Utility Commission of Texas (Staff), representing the public interest, and in response to Order No. 1, files this Recommendation on Administrative Completeness and Proposed Procedural Schedule. Staff recommends that the application be deemed administratively complete. In support thereof, Staff shows the following:

**I. BACKGROUND**

On November 20, 2018, Kerrville South Water Company, Inc. (Kerrville South) and Aqua Texas, Inc. (Aqua Texas) (collectively, Applicants) filed an application for Sale, Transfer, or Merger of Facilities and Certificate Rights in Kerr Counties, Texas. Specifically, Applicants seek to transfer all of Kerrville South's facilities and water service area under water certificate of convenience and necessity (CCN) number 11484 to Aqua Texas. The requested transfer includes approximately 3,671 acres and 1,298 current customers.

On November 29, 2018, Order No. 1 was issued establishing a deadline of December 20, 2018 for Staff to file a recommendation on the administrative completeness of the application and notice and propose a procedural schedule for further processing of the application. Therefore, this pleading is timely filed.

**II. ADMINISTRATIVE COMPLETENESS**

As detailed in the attached memorandum from Patricia Garcia in the Commission's Water Utility Regulation Division, Staff has reviewed the application and recommends that the application be found administratively complete.

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### III. NOTICE

The Commission's notice requirement for sale, transfer, merger applications are provided by 16 Texas Administrative Code (TAC) § 24.239. Specifically, Staff recommends that Applicants be ordered to provide notice according to the attached memorandum of Patricia Garcia.

### IV. PROCEDURAL SCHEDULE

Staff recommends the application be found administratively complete. Staff further proposes the following procedural schedule:

Event	Date
Deadline for Applicants to file with the Commission signed affidavits that the notice was given, along with a copy of the notice sent to the affected parties	January 22, 2019
Deadline for Staff to file a recommendation on sufficiency of notice	Within 10 days of Applicant filing proof of completed notice with the Commission
Deadline for intervention; deadline for intervenors to request a hearing on the merits	30 days after notice is issued

### V. CONCLUSION

For the reasons discussed above, Staff respectfully recommends that the application be found administratively complete, that Applicants be directed to provide notice as detailed above and in the attached memorandum, and that the procedural schedule proposed above be adopted for further processing of this docket.

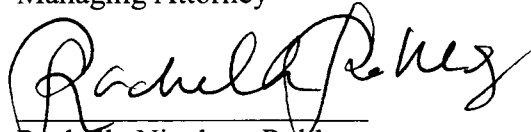
Dated: December 20, 2018

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

Margaret Uhlig Pemberton  
Division Director

Stephen Mack  
Managing Attorney



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**CERTIFICATE OF SERVICE**

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



Rachelle Nicolette Robles

## PUC Interoffice Memorandum

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**To:** Rachelle Robles, Attorney  
Legal Division

**Thru:** Lisa Fuentes, Manager  
Water Utility Regulation Division

**From:** Patricia Garcia, Staff Engineer  
Water Utility Regulation Division

**Date:** December 19, 2018

**Subject:** **Docket No. 48897**, *Application of Aqua Texas, Inc. and Kerrville South Water Company, Inc. for Sale, Transfer, or Merger of Facilities and Certificate Rights in Kerr County*

On November 20, 2018, Aqua Texas, Inc. (Aqua Texas or Purchaser) and Kerrville South Water Company (Kerrville South or Seller) (collectively, Applicants) filed an application for Sale, Transfer, or Merger (STM) of facilities and certificate rights in Kerr County, Texas, pursuant to Texas Water Code Ann. (TWC) § 13.301 and the 16 Texas Administrative Code (TAC) § 24.239.

Specifically, Aqua Texas, Certificate of Convenience and Necessity (CCN) No. 13254, seeks approval to acquire facilities and to transfer/cancel Kerrville South's water CCN No. 11484. The requested area includes approximately 3,671 acres and 1,298 connections.

Based on Staff's review of the above referenced application, Staff recommends that the application be deemed sufficient for filing and be found administratively complete.

Staff recommends the following:

- 1) Provide notice of the application to the following:
  - a) cities, districts, and neighboring retail public utilities providing the same utility service whose corporate boundaries or certificated service area are located within two miles from the outer boundary of the requested area;
  - b) the county judge of each county that is wholly or partially included in the requested area;
  - c) each groundwater conservation district that is wholly or partially included in the requested area; and
  - d) any affected customers, and other affected parties in the requested area.
- 2) Provide correct notice of the application to the following entities:
  - SWWC Utilities, Inc., CCN No. 11106
  - Harper Water Company, Inc., CCN No. 11421
  - Woods WSC, CCN No. 11879
  - Fremont Water Co, CCN No. 12821
  - City of Kerrville, CCN No. 12928
  - Upper Guadalupe River Authority
  - Headwaters UWCD
  - Kerr County Judge Tom Pollard
- 3) Provide an accurate map delineating the requested service area with each individual notice to neighboring utilities, other affected parties, and customers. Information related to districts including addresses can be obtained by the Applicant from the TCEQ web site located at

**<http://www14.tceq.texas.gov/iwud/>**

- 4) File in the docket an affidavit specifying every person and entity to whom notice was provided and the date that the notice was provided. It is recommended that the Applicant use the attached notice and affidavit to meet these requirements.

Please note, Staff may determine that additional information is needed to make a final recommendation in this docket. If additional information is needed Staff may send requests for information (RFI) to the Applicants. The Applicants will have 20 days from the receipt of the RFI to respond unless additional time is requested by the Applicants.

**Notice to Current Customers, Neighboring Systems, and Cities**

AQUA TEXAS, INC., CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) NO. 13254, NOTICE OF INTENT TO PURCHASE KERRVILLE SOUTH WATER COMPANY'S FACILITIES AND TO TRANSFER WATER SERVICE AREA UNDER CCN NO. 11484 FROM KERRVILLE SOUTH WATER COMPANY IN KERR COUNTY, TEXAS

To: \_\_\_\_\_ Date Notice Mailed: \_\_\_\_\_, 20\_\_  
(Name of Customer, Neighboring System, or City)  
\_\_\_\_\_  
(Address)  
\_\_\_\_\_  
(City State Zip)

Aqua Texas, Inc.                      1106 Clayton Ln, Ste. 400W                      Austin, TX                      78723-2476  
(Purchaser's Name)                      (Address)                      (City), (State)                      (Zip Code)

has submitted an application with the Public Utility Commission of Texas (Commission) to purchase water facilities and to transfer/cancel water CCN No. 11484 in Kerr County, TX of:

Kerrville South Water Company                      1106 Clayton Lane, Ste. 400W                      Austin, TX                      78723-2476  
(Seller's Name)                      (Address)                      (City), (State)                      (Zip Code)

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 includes the following subdivisions:

**Loma Vista Water System**

The requested area subject to this transaction is located approximately 0.6 miles southwest of downtown Kerrville, Texas, and is generally bounded on the north by State Highway Spur 98; on the east by Medina Highway; on the south by Ranchero Road; and on the west by Sheppard Rees Road. The total requested area being transferred includes approximately 2,668 acres and 1,162 current customers.

**Westcreek Estates Water System**

The requested area subject to this transaction is located approximately 5 miles southwest of downtown Kerrville, Texas, and is generally bounded on the north by 750' north of Medina Highway; on the east by Deer Park Lane; on the south by Lower Turtle Creek Road; and on the west by Medina Highway. The total requested area being transferred includes approximately 1,003 acres and 136 current customers.

A copy of the map showing the requested area is available at: Aqua Texas, Inc., 1106 Clayton Lane, Ste. 400W, Austin, Texas 78723

This transaction will not have an effect on the current customer's rates and services.

*Persons who wish to intervene in the proceeding or comment upon action sought should contact the Public Utility Commission, P.O. Box 13326, Austin, Texas 78711-3326, or call the Public Utility Commission at (512) 936-7120 or (888) 782-8477. Hearing- and speech-impaired individuals with text telephones (TTY) may contact the commission at (512) 936-7136. The deadline for intervention in the proceeding is (30 days from the mailing or publication of notice, whichever occurs later, unless otherwise provided by the presiding officer). You must send a letter requesting intervention to the commission which is received by that date.*

If a valid public hearing is requested, the Commission will forward the application to the State Office of Administrative Hearings (SOAH) for a hearing. If no settlement is reached and an evidentiary hearing is held, SOAH will submit a recommendation to the Commission for final decision. An evidentiary hearing is a legal proceeding similar to a civil trial in state district court.

Si desea información en español, puede llamar al 1-888-782-8477.

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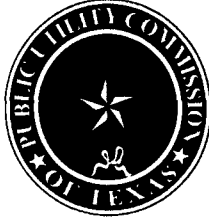
Utility Representative

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Utility Name



# PUBLIC UTILITY COMMISSION



AFFIDAVIT OF NOTICE TO CURRENT CUSTOMERS, NEIGHBORING UTILITIES AND  
AFFECTED PARTIES  
DOCKET NO. 48897

STATE OF TEXAS  
COUNTY OF \_\_\_\_\_

\_\_\_\_\_ has provided individual  
notice to the following entities and customers:

	DATE OF NOTICE
_____	_____
_____	_____
_____	_____
_____	_____

### OATH

I, \_\_\_\_\_, being duly sworn, file this form as  
\_\_\_\_\_ (indicate relationship to applicant, that is,  
owner, member of partnership, title of officer of corporation, or other authorized representative of  
applicant); that in such capacity, I am qualified and authorized to file and verify such form, am  
personally familiar with the notices given with this application, and have complied with all notice  
requirements in the application and application acceptance letter; and that all such statements made  
and matters set for therein are true and correct.

\_\_\_\_\_  
Applicant's Authorized Representative

If the applicant to this form is any person other than the sole owner, partner, officer of the applicant,  
or its' attorney, a properly verified Power of Attorney must be enclosed.

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_,  
to certify which witness my hand and seal of office.

\_\_\_\_\_  
Notary Public in and for the State of Texas

\_\_\_\_\_  
Print or Type Name of Notary Public

Commission Expires \_\_\_\_\_