



Control Number: 49283



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APPLICATION OF SARDIS-LONE ELM WATER SUPPLY CORP AND MOUNTAIN PEAK SUD FOR APPROVAL OD SERVICE AREA CONTRACT UNDER TEXAS WATER CODE § 13.248 AND TO AMEND CERTIFICATES OF CCN IN EELIS COUNTY	§ § § § § § §	PUBLIC UTILITY COMMISSION OF TEXAS FILING CLERK
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**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 and would show the following:

**I. BACKGROUND**

On March 4, 2019, Sardis-Lone Elm Water Supply Corporation (Sardis-Lone Elm) and Mountain Peak Special Utility District (Mountain Peak) (collectively, Applicants) filed an application for approval of service area contract under Texas Water Code (TWC) § 13.248 and to amend water Certificates of Convenience and Necessity (CCN) in Ellis County, Texas.

On March 20, 2019, the Applicants file a clarification of their intent for the application to proceed as a Sale, Transfer, or Merger application instead of a contract service agreement. Accordingly, the application will be reviewed pursuant to TWC §§ 13.242-50 and 13.301 and 16 Tex. Admin. Code (TAC) §§ 24.225-37. The agreement transfer portions of Sardis-Lone Elm's service area under water CCN No. 10058 to Mountain Peak, CCN No. 10908. The requested areas include approximately 130 acres and 0 connections.

On March 6, 2019, Order No. 1 was issued, establishing a deadline of April 3, 2019 for Staff to file a recommendation on the administrative completeness of the application and notice and to propose a procedural schedule for further processing of the application. This pleading, therefore, timely filed.

## **II. DEFICIENCY RECOMMENDATION**

As detailed in the attached memorandum of Greg Charles of the Commission's Water Utility Regulation Division, Staff has reviewed the application and recommends that it be found administratively incomplete at this time. Staff recommends that the Applicants be ordered to cure the deficiency identified in Mr. Charles' memorandum by April 24, 2019, and that Staff be given a deadline of May 15, 2019, to file a supplemental recommendation on the administrative completeness of the application. Staff notes that the Applicants should not issue notice until the application is found administratively complete.

## **III. PROCEDURAL SCHEDULE**

In accordance with its deficiency recommendation, Staff does not propose a procedural schedule for further processing of this docket at this time. Staff intends to propose a procedural schedule alongside a subsequent recommendation for administrative completeness.

## **IV. CONCLUSION**

For the reasons discussed above, Staff respectfully recommends that the application be found administratively incomplete at this time and that the Applicants be ordered to file a supplement addressing the deficiencies identified in the application by April 24, 2019.


Dated: April 2, 2019

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

Margaret Uhlig Pemberton  
Division Director

Stephen Mack  
Managing Attorney

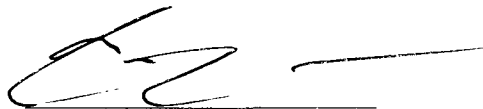


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**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on this the 2<sup>nd</sup> day of April, 2019 in accordance with 16 TAC § 22.74.



Creighton R. McMurray

## PUC Interoffice Memorandum

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**To:** Creighton McMurray, Attorney  
Legal Division

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

**From:** Greg Charles, Engineer  
Water Utility Regulation Division

**Date:** April 2, 2019

**Subject:** **Docket 49283**, *Application of Sardis-Lone Elm Water Supply Corporation and Mountain Peak Special Utility District for Approval of Service Area Contract under Texas Water Code §13.248 and to Amend Certificates of Convenience and Necessity (CCN) in Ellis County*

On March 4, 2019, Sardis-Lone Elm Water Supply Corporation (Sardis-Lone Elm) and Mountain Peak Special Utility District (Mountain Peak SUD), collectively, Applicants, filed with the Public Utility Commission of Texas (Commission) an application for approval of service area contract under Texas Water Code (TWC) § 13.248 and to amend water Certificates of Convenience and Necessity (CCN) in Ellis County, Texas.

On March 20, 2019, the Applicants clarified their intent for the application to proceed as a Sale, Transfer or Merger application instead of a TWC § 13.248 contract service agreement. The application will now be reviewed pursuant to TWC §§ 13.242 to 13.250 and 13.301 and the 16 Texas Administrative Code (TAC) §§ 24.225 to 24.237. The agreement transfer portions of Sardis-Lone Elm's service area under water CCN No. 10058 to Mountain Peak SUD, CCN No. 10908. The requested areas include approximately 130 acres and 0 connections.

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

**Mapping Information:**

The hard copy maps should remove existing CCNs and only show the requested areas being transferred. The requested areas shown on the hard copy maps do not correspond to the requested areas shown in the digital data. The digital data includes gaps and overlaps with the City of Midlothian's CCN No. 11706 and area certificated to Mountain Peak SUD. In addition, a portion of the requested area overlaps the City of Midlothian's corporate boundaries. Sardis-Lone Elm must obtain written consent from the City of Midlothian in order to provide water service within their corporate boundaries.

The Applicants must submit the following items to resolve the mapping deficiencies:

- A general location map identifying only the requested areas to be transferred, in reference to the nearest county boundary, city, or town. Do not show surrounding existing CCNs.
- A detailed map identifying only the requested areas to be transferred, in reference to verifiable man-made and natural landmarks, such as roads, rivers, and railroads. Do not show surrounding existing CCNs.

- Digital mapping data for the requested areas provided 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). The digital data must correspond to the same requested areas shown on the general location and detailed maps.
- State the approximate total acreage for the requested areas

Staff recommends the Applicant obtain additional mapping guidance from the PUC's mapping staff, Ms. Tracy Montes at (512)936-7187 or [tracy.montes@puc.texas.gov](mailto:tracy.montes@puc.texas.gov) to resolve the mapping deficiencies.

Note: Any confidential items should be submitted as confidential filings with the PUC. The instructions for filing confidential documents can be found on our website at: (<http://www.puc.texas.gov/industry/filings/FilingProceed.aspx>).