



Control Number: 50319



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DOCKET NO. 50319

**APPLICATION OF SWWC
UTILITIES, INC. DBA WATER
SERVICES, INC. AND MONARCH
UTILITIES I, L.P. FOR SALE,
TRANSFER, OR MERGER OF
FACILITIES AND CERTIFICATE
RIGHTS IN BANDERA, BEXAR,
COMAL, GILLESPIE, GUADALUPE,
HAYS, KENDALL, KERR, AND
MEDINA COUNTIES**

**PUBLIC UTILITY COMMISSION
OF TEXAS**

**STAFF’S SECOND SUPPLEMENTAL RECOMMENDATION ON ADMINISTRATIVE
COMPLETENESS AND PROPOSED PROCEDURAL SCHEDULE**

COMES NOW the Staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest, and files this Staff’s Second Supplemental Recommendation on Administrative Completeness and Proposed Procedural Schedule. Staff recommends that the application is administratively complete. In support thereof, Staff shows the following:

I. BACKGROUND

On December 5, 2019, SWWC Utilities, Inc. d/b/a Water Services, Inc. (SWWC) and Monarch Utilities I, L.P. (Monarch) (collectively, Applicants) filed an application for approval of the sale, transfer, or merger of facilities and certificate rights in in Bandera, Bexar, Comal, Gillespie, Guadalupe, Hays, Kendall, Kerr, and Medina Counties. Specifically, SWWC seeks to transfer the water service area held under its Certificate of Convenience and Necessity (CCN) No. 11106 and the associated facilities to Monarch and then cancel its CCN. The requested sale and transfer includes approximately 8,258 acres and 3,905 customers. The Applicants supplemented their application on January 8, 2020, January 22, 2020, and March 24, 2020.

On March 18, 2020, Order No. 3 in this proceeding was issued, requiring Staff to file a supplemental recommendation on the administrative completeness of the application and notice by May 15, 2020. Therefore, this pleading is timely filed.

II. ADMINISTRATIVE COMPLETENESS

Staff has reviewed the supplemented application and, as detailed in the attached memorandum from Nabaraj Pokharel, Infrastructure Division, recommends that the application is administratively complete as supplemented. Staff's recommendation does not address the merits of the application at this time.

III. NOTICE

In accordance with Staff's recommendation of administrative completeness, Staff recommends that the Applicants proceed with providing notice as required under 16 TAC §§ 24.235 and 24.239(a)-(b). Specifically, Staff recommends that the Applicants use the attached *Notice to Current Customers, Neighboring Systems, and Cities* form to provide notice by first-class mail to the parties detailed in Mr. Pokharel's memorandum. Additionally, Staff recommends that the Applicants file the attached *Affidavit of Notice* form upon completion of notice, as detailed in the proposed procedural schedule below.

IV. PROCEDURAL SCHEDULE

In accordance with Staff's administrative completeness recommendation, Staff proposes the following procedural schedule:

Event	Date
Deadline for Applicant to file with the Commission signed affidavits that the notice was given along with a copy of the notice sent to the affected parties	June 15, 2020
Deadline for Staff to file a recommendation on sufficiency of notice	June 25, 2020
Deadline to intervene	Thirty (30) days after notice is issued

V. CONCLUSION

Staff recommends that the application be found administratively complete as supplemented, that the Applicants be ordered to proceed with providing notice as detailed above, and that the above-proposed procedural schedule be adopted. Staff respectfully requests that an order be issued consistent with the foregoing recommendations.

Dated: May 15, 2020

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

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/s/Courtney Dean
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CERTIFICATE OF SERVICE

I certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record via electronic mail on May 15, 2020, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/Courtney Dean
Courtney N. Dean

PUC Interoffice Memorandum

To: Dean Courtney, Attorney
Legal Division

From: Nabaraj Pokharel, Engineering Specialist
Infrastructure Division

Date: May 13, 2020

Subject: **Docket No. 50319**, *Application of SWWC Utilities, Inc. dba Water Services, Inc. and Monarch Utilities I, L.P. for Sale, Transfer, or Merger of Facilities and Certificate Rights in Bandera, Bexar, Comal, Gillespie, Guadalupe, Hays, Kendall, Kerr, and Medina Counties.*

On December 5, 2019, Monarch Utilities I L.P. (Monarch or the Purchaser) and SWWC Utilities, Inc. dba Water Services, Inc. (SWWC or the Seller) (collectively, Applicants) filed an application for the sale, transfer, or merger of facilities and certificate of convenience and necessity (CCN) rights in Bandera, Bexar, Comal, Gillespie, Guadalupe, Hays, Kendall, Kerr, and Medina Counties under Texas Water Code (TWC) § 13.301 and 16 Texas Administrative Code (TAC) § 24.239.

SWWC seeks to transfer all of the water service area held under CCN No. 11106 to Monarch's CCN No. 12983 and cancel its CCN No. 11106. The entire requested area subject to this transaction includes approximately 8,258 total acres and 3,905 current customers.

Staff has reviewed the information filed by the Applicants on January 8, 2020, January 22, 2020, and March 24, 2020 and recommends that the application be deemed sufficient for filing and administratively complete. Staff further recommends that the Applicant be ordered to do the following:

- 1) Provide notice of the application by first-class mail 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:
 - *Aqua Texas Inc. (CCN No. 12902, 13254)*
 - *Aqua Utilities Inc. (CCN No. 11157)*
 - *Bandera East Utility LP (CCN No. 13118)*
 - *Bandera River Ranch WSC (CCN No. 12262)*
 - *BBR Water Company a Texas Corp (CCN No. 12857)*
 - *Boerne Stage Field POA (CCN No. 13189)*
 - *Cimarron Park Water Company (CCN No. 12140)*
 - *City of Austin (CCN No. 11322)*
 - *City of Bandera (CCN No. 13190)*
 - *City of Boerne (CCN No. 10676)*
 - *City of Buda (CCN No. 11953)*
 - *City of Bulverde*
 - *City of Fair Oaks Ranch (CCN No. 11246)*
 - *City of Hays (CCN No. 11457)*
 - *City of Ingram*
 - *City of Kerrville (CCN No. 12928)*
 - *City of New Braunfels (CCN No. 10677)*

- *City of San Antonio*
- *Dillon Water Resources LP (CCN No. 12844)*
- *Elm Ridge Water Company Inc. (CCN No. 12885)*
- *Enchanted Oaks WSC (CCN No. 11923)*
- *Fremont Water Company (CCN No. 12821)*
- *Generis Water Works (CCN No. 12908)*
- *Green Valley SUD (CCN No. 10646)*
- *Guadalupe Blanco River Authority (CCN No. 12977)*
- *Hill River Water Works (CCN No. 12939)*
- *Ingram Oaks Company Inc. (CCN No. 13134)*
- *Kendall County WCID 1 (CCN No. 10685)*
- *Kerr County Water Systems LLC (CCN No. 13166)*
- *Lackland Water Company (CCN No. 10734)*
- *Mary Meade Water Company (CCN No. 11570)*
- *Oak Forest WSC (CCN No. 13124)*
- *San Antonio Water System (CCN No. 10640)*
- *Shalako Estates & Canyon Springs Water Systems (CCN No. 12685)*
- *Sherman's Mill WSC (CCN No. 13255)*
- *Sherwood-Mt Pisgah WSC (CCN No. 13050)*
- *Solar Village Homeowners Association (Pending Docket 50083, New Water CCN)*
- *SJWTX Inc. (CCN No. 10692)*
- *Split Rock Water System Inc. (CCN No. 12068)*
- *Springs Hill WSC (CCN No. 10666)*
- *SWWC Utilities, Inc. dba Water Services Inc. (CCN No. 11106)*
- *The Oaks WSC (CCN No. 11581)*
- *Verde Hills WSC (CCN No. 12093)*
- *Woods WSC (CCN No. 11879)*
- *Yancey WSC (CCN No. 11463)*
- *Canyon Regional Water Authority*
- *Comal County WCID 6*
- *Flying L PUC*
- *Gillespie County WCID 1*
- *Johnson Ranch MUD*
- *Lower Colorado River Authority*
- *San Antonio River Authority*
- *Upper Guadalupe River Authority*

b. The county judge of each county that is wholly or partially included in the requested area:

- *Bandera County Judge*
- *Bexar County Judge*
- *Comal County Judge*
- *Guadalupe County Judge*
- *Gillespie County Judge*
- *Hays County Judge*
- *Kendall County Judge*
- *Kerr County Judge*
- *Medina County Judge*

c. Each groundwater conservation district that is wholly or partially included in the requested area:

- *Bandera County River Authority & Groundwater District*
- *Barton Springs-Edwards Aquifer Conservation District*
- *Cow Creek Groundwater Conservation District*
- *Edwards Aquifer Authority Groundwater Conservation District*
- *Headwaters Groundwater Conservation District*
- *Hill Country UWCD*
- *Medina County UWCD*
- *Trinity Glen Rose Groundwater Conservation District*

- 2) Provide an accurate map delineating the requested 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's web site located at <http://www14.tceq.texas.gov/iwud/>
- 3) File in the docket a map and copy of notice along with 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

MONARCH UTILITIES I L.P, CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) NO. 12983, NOTICE OF INTENT TO PURCHASE WATER FACILITIES AND TO TRANSFER WATER SERVICE AREA UNDER CCN NO. 11106 FROM SWWC UTILITIES INC DBA WATER SERVICES INC IN BANDERA, BEXAR, COMAL, GILLESPIE, GUADALUPE, HAYS, KENDALL, KERR, AND MEDINA COUNTIES, TEXAS

To: _____ Date Notice Mailed: _____, 20____
(Name of Customer, Neighboring System, or City)

(Address)

(City State Zip)

Monarch Utilities I L.P. 12535 Reed Rd Sugarland, TX 77478
(Purchaser's Name) (Address) (City), (State) (Zip Code)

has submitted an application with the Public Utility Commission of Texas (Commission) to purchase SWWC Utilities, Inc. dba Water Services, Inc. water facilities and to transfer water certificated service area under CCN No. 11106 in Bandera, Bexar, Comal, Gillespie, Guadalupe, Hays, Kendall, Kerr and Medina Counties, Texas from:

SWWC Utilities, Inc. dba Water Services, Inc 12535 Reed Rd Sugarland, TX 77478
(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:

Affected Subdivisions:

The requested areas subject to this transaction are generally located as follows:

Bandera County:

Enchanted River Estates (PWS 0100039)

The requested area is located approximately 1 mile east of downtown Bandera, Texas, and is generally bounded on the north by Old San Antonio Highway; on the east by Tobin Ranch Road; on the south by Bottle Springs Road; and on the west by Medina River and State Highway 173. The requested area includes approximately 164 total acres and 143 current customers.

River Bend Estates (PWS 0100042)

The requested area is located approximately 1.25 miles west of downtown Bandera, Texas, and is generally bounded on the north by State Highway 16; on the east, south, and west by Medina River. The requested area includes approximately 153 total acres and 152 current customers.

Bexar County:

Bavarian Hills (PWS 0150235)

The requested area is located approximately 2.75 miles southwest of downtown Bulverde, Texas, and is generally bounded on the north by Muesbach Creek; on the east by Timberline Drive; on the south by West Borgfield Road; and on the west by George O'Brien Drive. The requested area includes approximately 113 total acres and 68 current customers.

Coolcrest Water System (PWS 0150046)

The requested area is located approximately 14 miles west of downtown San Antonio, Texas, and is generally bounded on the north by Farm to Market Road 1957; on the east by American Lotus Road; on the south and west by Grosenbacher Road. The requested area includes approximately 302 total acres and 312 current customers.

Oaks North Mobile Home Estates (PWS 0150135)

The requested area is located approximately 2.26 miles southwest of downtown Bulverde, Texas, and is generally bounded on the north by East Borgfield Road; on the east by Bulverde Road; on the south by Estate Gate Drive; and on the west by Canyon Golf Road. The requested area includes approximately 229 total acres and 342 current customers.

Stage Coach Hills (PWS 0150096)

The requested area is located approximately 3.8 miles southeast of downtown Fair Oaks Ranch, Texas, and is generally bounded on the north and east by Boerne Stage Coach Road; on the south by Up Mountain Trail; and on the west by Scenic Loop Road. The requested area includes approximately 353 total acres and 162 current customers.

Country Bend Subdivision/ Country Springs Water Co. (PWS 0150421)

The requested area is located approximately 2.5 miles southwest of downtown Fair Oaks Ranch, Texas, and is generally bounded on the north by Dos Cerros Loop East; on the east by Ranch Creek Road; on the south and west by Boerne Stage Coach Road. The requested area includes approximately 381 total acres and 254 current customers.

Comal County:

Oak Village North (PWS 0460037)

The requested area is located approximately 3 miles east of downtown Bulverde, Texas, and is generally bounded on the north by Lewis Creek and Smithson Valley Road; on the east by Longhorn Trail; on the south by Farm to Market Road 1863; and on the west by Stahl Lane. The requested area includes approximately 982 total acres and 635 current customers.

Rim Rock Ranch (PWS 0460211)

The requested area is located approximately 4.5 miles east downtown Bulverde, Texas, and is generally bounded on the north by Smithson Valley Road; on the east by Rustling Ridge; on the south by Farm to Market Road 1863; and on the west by Circle Oak Drive. The requested area includes approximately 1,206 total acres and 339 current customers.

Windmill Ranch Subdivision (PWS 0460221) serves Windmill Ranch and Kestrel Airpark Subdivisions

The requested area is located approximately 4 miles north of downtown Bulverde, Texas, and is generally bounded on the north by Flying R Ranch Road; on the east by U.S. Highway 281; on the

south by State Highway 46; and on the west by Farhills Drive. The requested area includes approximately 585 total acres and 239 current customers.

Gillespie County:

Oakview Water System (PWS 0860107)

The requested area is located approximately 5.3 miles southeast of downtown Fredericksburg, Texas, and is generally bounded on the north by South Highway 290; on the east by Cain City Road; on the south by Cain City Road and Luckenbach Road; and on the west by Old San Antonio Road. The requested area includes approximately 162 total acres and 64 current customers.

Guadalupe County:

Garden Oaks (PWS 0940030)

The requested area is located approximately 3.5 miles southeast of downtown New Braunfels, Texas, and is generally bounded on the north Guadalupe River; on the east by Shumans Beach Road and Guadalupe River; on the south by Farm to Market Road 725; and on the west by Potthast Drive and East Zipp Road. The requested area includes approximately 158 total acres and 102 current customers.

Hays County:

Huntington Estates (PWS 1050124)

The requested area is located approximately 2.5 miles northwest of downtown Buda, Texas, and is generally bounded on the north by Jerry's Lane; on the east by Farm to Market Road 1626; on the south by the intersection of Farm to Market Road 1626 and Elm Grove Lane; and on the west by Jerry's Lane. The requested area includes approximately 116 total acres and 126 current customers.

Kendall County:

Cascade Mobile Home Park (PWS 1300005)

The requested area is located approximately 3 miles southeast of downtown Boerne, Texas, and is generally bounded on the north by Cascade Cavern Road; on the east by Balcones Creek and Cascade Cavern Road; on the south and west by Interstate Highway 10. The requested area includes approximately 52 total acres and 102 current customers.

Platten Creek Water System (PWS 1300035)

The requested area is located approximately 5.3 miles north of downtown Sisterdale, Texas, and is generally bounded on the north by Langley Road; on the east by Platten Creek Road; on the south by 1500 feet south of Platten Creek Road; and on the west by Farm to Market Road 1376. The requested area includes approximately 244 total acres and 37 current customers.

Kerr County:

Cedar Springs MHP (PWS 1330019)

The requested area is located approximately 1.3 miles west of downtown Ingram, Texas, and is generally bounded on the north by Chestnut Oak Street West; on the east by Live Oak; on the south by State Highway 39; and on the west by Lago Vista Trail West. The requested area includes approximately 22 total acres and 48 current customers.

Center Point (PWS 1330007)

The requested area is located approximately 0.3 miles north of downtown Center Point, Texas, and is generally bounded on the north by Booster Street; on the east by Stoneleigh Road; on the south by Guadalupe River; and on the west by intersection of State Highway 27 and Willow Bend Drive. The requested area includes approximately 93 total acres and 56 current customers.

Heritage Park Water System (PWS 1330080)

The requested area is located approximately 2 miles northeast of downtown Center Point, Texas, and is generally bounded on the north by Stoneleigh Road; on the east by Bluff Creek Road North; on the south by State Highway 27; and on the west by Burney Road North. The requested area includes approximately 211 total acres and 29 current customers.

Hills & Dales (PWS 1330030)

The requested area is located approximately 2 miles west of downtown Ingram, TX, and is generally bounded on the north by Cypress Estates Parkway West; on the east by Johnson Creek and Mauk Road West; on the south by State Highway 39; and on the west by Lazy Creek Road. The requested area includes approximately 188 total acres and 74 current customers.

Oak Ridge Estates Water System (PWS 1330134)

The requested area is located approximately 2.4 miles north of downtown Center Point, Texas, and is generally bounded on the north by Buck Valley Road; on the east by Stoneleigh Road North and County Road 1586 North; on the south by Stoneleigh Road; and on the west by County Road 1565 North. The requested area includes approximately 21 total acres and 43 current customers.

Southern Hills (PWS 1330128)

The requested area is located approximately 3.5 miles southwest of downtown Kerrville, Texas, and is generally bounded on the north Calcote Road and Ranchero Road; on the east and south by State Highway 16 (Medina Highway); and on the west by Camino Real. The requested area includes approximately 1,346 total acres and 296 current customers.

Verde Park Estates (PWS 1330027)

The requested area is located approximately 1 mile south of downtown Center Point, Texas, and is generally bounded on the north by Farm to Market Road 480; on the east by Elm Pass Road; on the south by Sanders Road; and on the west by Farm to Market Road 480. The requested area includes approximately 488 total acres and 70 current customers.

Vista Hills (PWS 1330169)

The requested area is located approximately 2.7 miles northeast of downtown Kerrville, Texas, and is generally bounded on the north by Mica Lane North; on the east by Scenic Valley Road; on the south by State Highway 16; and west by Scenic Hills Road. The requested area includes approximately 93 total acres and 12 current customers.

Westwood Water System (PWS 1330015)

The requested area is located approximately 1.5 miles southwest of downtown Comfort, Texas, and is generally bounded on the north by Sherwood Drive; on the east by Eugene Road North; on the south by State Highway 27; and on the west by Schladoer Lane. The requested area includes approximately 219 total acres and 108 current customers.

Windwood Oaks Water System (PWS 1330141)

The requested area is located approximately 6 miles southeast of downtown Kerrville, Texas, and is generally bounded on the north by Oak Wood Road East; on the east by Turtle Creek and Lower Turtle Creek Road; on the south by Ranch Road 2771; and on the west by Ranch Road 2771 and Turtle Creek. The requested area includes approximately 48 total acres and 20 current customers.

Woodhaven Mobile Home Park (PWS 1330024)

The requested area is located approximately 1 mile east of downtown Ingram, Texas, and is generally bounded on the north by State Highway 27; on the east by Nichols Cemetery LP; on the south by Rowland Lane; and on the west by Riverview Road. The requested area includes approximately 17 total acres and 32 current customers.

Medina County:

Rocky Creek Subdivision Water System (PWS 1630038)

The requested area is located approximately 11.5 miles northwest of downtown Castroville, Texas, and is generally bounded on the north by County Road 265; on the east by County Road 271; on the south by Quihi Creek; and on the west by County Road 265. The requested area includes approximately 312 total acres and 40 current customers.

The entire requested areas subject to this transaction includes approximately 8,258 total acres and 3,905 current customers.

See enclosed map showing the requested area.

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.

Utility Representative

Utility Name

PUBLIC UTILITY COMMISSION OF TEXAS



AFFIDAVIT OF NOTICE TO CURRENT CUSTOMERS, NEIGHBORING UTILITIES AND
AFFECTED PARTIES
DOCKET NO. 50319

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 _____