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**DOCKET NO. 50319**

<b>APPLICATION OF SWWC</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>UTILITIES, INC. DBA WATER</b>	<b>§</b>	<b>OF TEXAS</b>
<b>SERVICES, INC. AND MONARCH</b>	<b>§</b>	
<b>UTILITIES I, L.P. FOR SALE,</b>	<b>§</b>	
<b>TRANSFER, OR MERGER OF</b>	<b>§</b>	
<b>FACILITIES AND CERTIFICATE</b>	<b>§</b>	
<b>RIGHTS IN BANDERA, BEXAR,</b>	<b>§</b>	
<b>COMAL, GILLESPIE, GUADALUPE,</b>	<b>§</b>	
<b>HAYS, KENDALL, KERR, AND</b>	<b>§</b>	
<b>MEDINA COUNTIES</b>	<b>§</b>	

**COMMISSION STAFF'S 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 Commission Staff's Recommendation on Administrative Completeness and Proposed Procedural Schedule. Staff recommends that the application be deemed administratively incomplete. 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) number 11106 to Monarch and then cancel its CCN. The requested sale and transfer includes approximately 8,258 acres and 3,803 connections. On January 8, 2020, the Applicants filed a supplement to the application to clarify mapping deficiencies.

On December 10, 2019, Order No. 1 in this proceeding was issued, requiring Staff to file a recommendation on the administrative completeness of the application and notice and to propose a procedural schedule by January 14, 2020. Therefore, this pleading is timely filed.

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## **II. ADMINISTRATIVE COMPLETENESS**

Staff has reviewed the application and recommends that it be found administratively incomplete at this time. Under 16 Texas Administrative Code (TAC) § 24.239(j)(5)(a), the Commission may refuse to approve a sale, transfer, or merger of facilities if the transferee has failed to substantially comply with any Texas Commission on Environmental Quality (TCEQ) compliance agreement or enforcement order. As detailed in the attached memorandum from Nabaraj Pokharel of the Commission's Infrastructure Division, Monarch has several active violations open in the TCEQ Central Registry Database for some of its other public water systems. Accordingly, Staff recommends that Monarch supplement its application with documentation demonstrating that the violations have been resolved or that Monarch has a plan to resolve the identified violations.

## **III. PROCEDURAL SCHEDULE**

Staff recommends that the application be found administratively incomplete. Therefore, Staff recommends that a deadline of February 14, 2020 be established for Applicants to supplement the application with the requested information. Staff further recommends that a deadline of March 14, 2020 be established for Staff to review Applicants' supplemental information and make a supplemental recommendation on the administrative completeness of the application. Staff notes that Applicants should not issue notice of the transaction until the application is found administratively complete.

## **IV. CONCLUSION**

Staff respectfully requests that the application be found administratively incomplete at this time and that an order be issued consistent with the foregoing recommendations.

Dated: January 14, 2020

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

Thomas S. Hunter  
Division Director

Heath D. Armstrong  
Managing Attorney

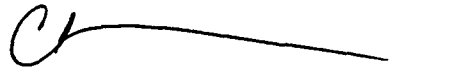


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**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on January 14, 2020, in accordance with 16 TAC § 22.74.



Courtney N. Dean

## PUC Interoffice Memorandum

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**To:** Dean Courtney, Attorney  
Legal Division

**From:** Nabaraj Pokharel, Engineering Specialist  
Infrastructure Division

**Date:** January 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 (STM) of facilities and certificate 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 certificate of convenience and necessity (CCN) number 11106 to Monarch and cancel its CCN. The requested sale and transfer includes approximately 8,258 acres and 3,803 connections.

Staff has reviewed the information provided in the application and recommends that the application be deemed administratively incomplete and not accepted for filing due to the following deficiencies in the application:

**Application Content:**

The Purchaser has some active violations in the Texas Commission on Environmental Quality's Central Registry Database for some of their public water systems. The Purchaser must provide documentation showing the violations have been resolved or a plan to resolve the violations in the public water systems listed below:

- Cedar Valley Subdivision (RN# 101217016)
- Carolynn Estates Subdivision (RN# 101376085)
- Aurora Vista Subdivision (RN # 101378917)
- Dal High Water System (RN # 101242394)

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 Applicant. The Applicant will have 20 days from the receipt of the RFI to respond unless additional time is requested by the Applicant.