



Control Number: 50480



Item Number: 4

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APPLICATION OF CRYSTAL CLEAR § PUBLIC UTILITY COMMISSION
 SPECIAL UTILITY DISTRICT AND §
 CITY OF SAN MARCOS FOR SALE, §
 TRANSFER, OR MERGER OF §
 FACILITIES AND CERTIFICATE §
 RIGHTS IN HAYS COUNTY §

PUBLIC UTILITY COMMISSION
 OFFICE OF THE
 FILING CLERK

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

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

I. BACKGROUND

On January 23, 2020, Crystal Clear Special Utility District (Crystal Clear SUD) and the City of San Marcos (San Marcos) (collectively, Applicants) filed an application for Sale, Transfer, or Merger of facilities and certificate rights in Hays County. Crystal Clear SUD seeks to transfer its water service area held under CCN No. 10297 to San Marcos. The requested sale and transfer includes approximately 475 acres and 489 connections.

On February 3, 2020, Corrected Order No. 1 was issued establishing a deadline of February 24, 2020, for Staff to file a recommendation on the administrative completeness of the application, proposed notice, and propose a procedural schedule for further processing of the application. Therefore, this pleading is timely filed.

II. ADMINISTRATIVE COMPLETENESS

Staff has reviewed the application and, as detailed in the attached memorandum from Elisabeth English, Infrastructure Division, recommends that the application be found administratively incomplete. Specifically, Staff has identified deficiencies in the information provided regarding the ability of San Marcos to provide continuous and adequate service,

inconsistent acreage information, and omitted financial information. Staff recommends that Applicants submit additional information, as further detailed in the attached memorandum.

III. COMMENTS ON PROCEDURAL SCHEDULE AND NOTICE

In accordance with Staff's deficiency recommendation, Staff does not propose a procedural schedule at this time. Staff recommends that Applicants be ordered to cure the deficiencies identified in Ms. English's memorandum by March 25, 2020, and that Staff be given a deadline of April 24, 2020, to file a supplemental recommendation on the administrative completeness of the application. Staff notes that Applicants should not issue notice until the application is found administratively complete. Staff intends to propose a procedural schedule alongside a subsequent recommendation for application sufficiency.

IV. CONCLUSION

For the reasons stated above, Staff respectfully recommends that the application be found administratively incomplete at this time and that Applicants be ordered to file a supplement addressing the identified deficiencies in the application by March 25, 2020.

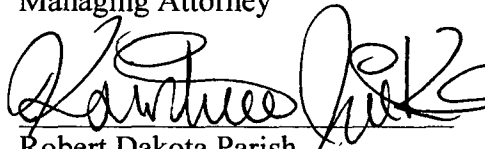
Dated: February 24, 2020

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Thomas S. Hunter
Division Director

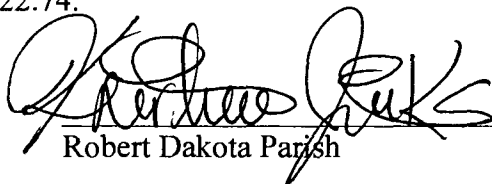
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DOCKET NO. 50480

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on February 24, 2020, in accordance with 16 TAC § 22.74.

 w/permission
Robert Dakota Parish

PUC Interoffice Memorandum

To: Robert Dakota Parish, Attorney
Legal Division

From: Elisabeth English, Engineering Specialist
Infrastructure Division

Date: February 24, 2020

Subject: **Docket No. 50480:** *Application of Crystal Clear Special Utility District and City of San Marcos for Sale, Transfer, or Merger of Facilities and Certificate Rights in Hays County*

On January 23, 2020, Crystal Clear Special Utility District (Crystal Clear SUD) and City of San Marcos (San Marcos) (collectively "Applicants") filed an application for Sale, Transfer, or Merger (STM) of certificate rights and facilities in Hays County, Texas. The STM application is being reviewed consistent with Texas Water Code (TWC) §§ 13.241, 13.246, and 13.301 and 16 Texas Administrative Code (TAC) §§ 24.227 and 24.239. San Marcos seeks approval for the purchase of Crystal Clear SUD's facilities and an amendment to their water Certificate of Convenience and Necessity (CCN) No 10297, and the transfer of a portion of Crystal Clear SUD's water CCN No. 10298.

Staff recommends that the application be deemed administratively incomplete and not accepted for filing at this time. Staff requests that the Applicants be ordered to supplement their application addressing items 1 through 6, discussed below.

The application proposes the absorption of a portion of Crystal Clear SUD's CCN into San Marcos's CCN ("subject area"). The requested area is physically separate from the remainder of Crystal Clear SUD's CCN, which is entirely surrounded by San Marcos's CCN. It is unclear from the STM application how water service is currently being provided to the requested area. Furthermore, the STM application fails to provide details on how continuous and adequate service will be provided by San Marcos following the approval of the proposed acquisition. Therefore, Staff requests that the Applicants:

1. Provide an explanation on how existing water service is provided to the subject area;
2. Provide an explanation on how water service will be provided by San Marcos to the subject area;

Staff also identified a discrepancy in the acreage of the subject area. The STM application states that the subject area includes approximately 475 acres; whereas, Staff calculated, via the digital mapping data filed by the Applicants, that the subject area includes approximately 573 acres. Therefore, Staff requests that the Applicants:

3. Provide a clarification of the approximate total acreage of the subject area;

Staff has also reviewed the financial information and requests that the STM application be supplemented with the following information:

4. Provide 3 years of San Marcos financial projections specifically for the provision of water service to the requested area; and

5. Provide cost estimates and the sources of funding for any facilities or capital improvements that will be constructed in order to provide water service to the requested area.

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>).
