



Control Number: 50895



Item Number: 14

Addendum StartPage: 0



DOCKET NO. 50895

APPLICATION OF CHAMPS WATER §
COMPANY AND MIDWAY WATER §
UTILITIES, INC. FOR SALE, §
TRANSFER, OR MERGER OF §
FACILITIES AND CERTIFICATE §
RIGHTS IN HARRIS AND §
MONTGOMERY COUNTIES §

PUBLIC UTILITY COMMISSION
OF TEXAS

COMMISSION STAFF'S 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 in response to Order No. 3, files this Supplemental Recommendation on Administrative Completeness and Proposed Procedural Schedule. Staff recommends that the application be found administratively complete at this time. In support thereof, Staff shows the following:

I. BACKGROUND

On June 1, 2020, Champs Water Company (Champs) and Midway Water Utilities, Inc. (Midway) (collectively, Applicants) filed an application for approval of the sale, transfer, or merger of facilities and certificate rights in Harris and Montgomery Counties. Midway seeks approval to acquire facilities and to transfer all of Champs' water and sewer service area under Certificates of Convenience and Necessity (CCN) Nos. 10972 and 20385, respectively. On August 3, 4, 10, and 18, 2020, Applicants filed supplements to the application.

On July 2, 2020, the Administrative Law Judge (ALJ) issued Order No. 3, requiring Staff to file a supplemental recommendation regarding the administrative completeness of the application, along with a proposed procedural schedule, on or before September 3, 2020. Thus, this pleading is timely filed.

II. ADMINISTRATIVE COMPLETENESS

Staff has reviewed the application and supplemental information filed by Applicants and, as detailed in the attached memorandum from Patricia Garcia, Infrastructure Division, recommends that it be found administratively complete and accepted for filing. Staff's

recommendation on administrative completeness is not a comment on the merits of the application, but only that it is complete for further processing.

III. NOTICE

In accordance with Staff's recommendation of administrative completeness, Staff recommends that Applicants proceed with providing public notice as required under 16 Texas Administrative Code § 24.239(c). Specifically, Staff recommends that Applicants use the attached *Notice to Current Customers, Neighboring Systems, and Cities* form to provide notice by first-class mail to the persons and entities detailed in Ms. Garcia's memorandum. Along with each individual notice, Staff recommends that the Applicants provide an accurate map delineating the requested service area.

Additionally, Staff recommends that Applicants file the attached *Affidavit of Notice* form upon completion of notice, along with a list of the names and addresses of all persons and entities provided notice, as detailed in the proposed procedural schedule below.

IV. PROCEDURAL SCHEDULE

Staff proposes the following procedural schedule for further processing of this docket:

Event	Date
Deadline for Applicants to file with the Commission signed affidavits that the notice was provided, along with a copy of the notice and maps sent to the affected parties	October 5, 2020
Deadline for Staff to file a recommendation on sufficiency of notice	October 15, 2020
Deadline to intervene	Thirty (30) days after notice is issued

V. CONCLUSION

Based upon the aforesaid, Staff recommends that the application, as supplemented, be found administratively complete, that Applicants be directed to provide notice as detailed in Ms.

Garcia's memorandum, and that the procedural schedule proposed above be adopted. Staff respectfully requests that an order be issued consistent with the foregoing recommendations.

Dated: September 3, 2020

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

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Division Director

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/s/ Justin C. Adkins

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DOCKET NO. 50895

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 September 3, 2020, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Justin C. Adkins

Justin C. Adkins

Public Utility Commission of Texas

Memorandum

To: Justin Adkins, Attorney
Legal Division

From: Patricia Garcia, Senior Engineering Specialist
Infrastructure Division

Date: September 3, 2020

Subject: **Docket No. 50895**, *Application of Champs Water Company and Midway Water Utilities, Inc. for Sale, Transfer, or Merger of Facilities and Certificate Rights in Harris and Montgomery Counties*

On June 1, 2020, Midway Water Utilities, Inc. (Midway) and Champs Water Company (Champs) (collectively, Applicants) filed an application for Sale, Transfer, or Merger (STM) of facilities and certificate rights in Harris and Montgomery Counties, Texas, pursuant to Texas Water Code (TWC) § 13.301 and 16 Texas Administrative Code (TAC) § 24.239.

Specifically, Midway seeks approval to acquire facilities and to transfer all of Champs' service area under water and sewer Certificates of Convenience and Necessity (CCN) Nos. 10972 and 20385, respectively. Staff has confirmed that the total requested area includes approximately 708 acres of water service area with 1,500 water service connections and 543 acres of sewer service area and 1,273 sewer service connections.

Staff from the Rate Regulation Division and Infrastructure Division have reviewed the additional information filed by the Applicants on August 3, 4, 10 and 18, 2020, and recommend that the application be deemed administratively complete. Staff further recommends the Applicants 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 services area are located within two miles from the outer boundary of the requested area:
 - *Airline Improvement District*
 - *Albury Manor Utility Company, Inc. (CCN No. 11507)*
 - *Aldine Bender Development Corporation (CCN No. 20822)*
 - *Aqua Texas Inc. (CCN Nos. 13203, 21065)*
 - *Aqua Utilities Inc. (CCN Nos. 11157, 20453)*
 - *Atascocita Village MHP (CCN Nos. 13115, 21006)*
 - *BC Humble Enterprises LLC (CCN Nos. 13174, 21037)*
 - *Blue Bell Manor Utility Co. Inc. (CCN Nos. 10963, 20722)*
 - *Central Harris County Regional Water Authority*
 - *Charterwood Municipal Utility District (MUD)*
 - *City of Houston*
 - *City of Humble*

- *City of Tomball (CCN Nos. 13257, 21103)*
- *Coastal Water Authority*
- *Country Living Apartments (CCN No. 12590)*
- *CY Fair Community Improvement District*
- *Dobbin Plantersville Water Supply Corporation (WSC) (CCN No. 11052)*
- *Douglas Utility Company (CCN Nos. 11369, 20527)*
- *East Aldine Management District*
- *El Dorado Utility District*
- *Fallbrook Utility District*
- *Fall Creek Management District*
- *Faulkey Gully MUD*
- *Forest Hills MUD*
- *Galco Utilities (CCN Nos. 10736, 20546)*
- *Greater Northside Management District*
- *Gulf Coast Waste Disposal Authority*
- *Harris County Flood Control District*
- *Harris County MUD 49*
- *Harris County MUD 118*
- *Harris County MUD 119*
- *Harris County MUD 182*
- *Harris County MUD 220*
- *Harris County MUD 273*
- *Harris County MUD 278*
- *Harris County MUD 280*
- *Harris County MUD 281*
- *Harris County MUD 282*
- *Harris County MUD 321*
- *Harris County MUD 366*
- *Harris County MUD 367*
- *Harris County MUD 368*
- *Harris County MUD 383*
- *Harris County MUD 393*
- *Harris County MUD 400*
- *Harris County MUD 406*
- *Harris County MUD 423*
- *Harris County MUD 461*
- *Harris County Road Improvement District 2*
- *Harris County Water Control & Improvement District (WCID) 74*
- *Harris County WCID 96*
- *Harris County WCID 114*
- *Harris County WCID 119*
- *Hooks Mobile Home Park Ltd (CCN Nos. 13027, 20932)*
- *Imperial Valley MUD (CCN Nos. 10865, 20341)*
- *Inline Development Corporation (CCN Nos. 12946, 20879)*
- *Intercontinental MUD*
- *Magnolia Woods MUD 1*
- *Malcomson Road Utility District*
- *Montgomery County MUD 130*
- *Montgomery County MUD 131*

- *Montgomery County WCID 4*
- *Mount Houston Road MUD*
- *MSEC Enterprises Inc. (CCN No. 12887)*
- *Municipal Operations LLC (CCN No. 11872)*
- *Near Northwest Management District*
- *Nerro Supply Investors, LLC (CCN No. 10336)*
- *Nitsch and Son Utility (CCN No. 11124)*
- *North Belt Utility District*
- *North Freeway Center (CCN No. 11582)*
- *North Harris County Regional Water Authority*
- *North Houston District*
- *Northpointe WCID*
- *Northwest Harris County MUD 5*
- *Northwest Harris County MUD 15*
- *Northwest Park MUD*
- *Orange Grove Water Supply (CCN No. 10895)*
- *Pine Village Public Utility District*
- *Pitcairn WSC (CCN No. 12876)*
- *Port of Houston Authority*
- *Quadvest LP (CCN No. 11612)*
- *Roving Meadows Utilities (CCN No. 20851)*
- *San Jacinto River Authority*
- *SC Utilities (CCN No. 11749)*
- *Seller Water Company (CCN No. 12288)*
- *Sequoia Improvement District*
- *Southern Water Corp (CCN Nos. 11389, 20500)*
- *Sunbelt Fresh Water Supply District (CCN Nos. 10833, 20347)*
- *T & W Water Service Company (CCN No. 12892)*
- *Trail of the Lakes MUD*
- *Trinity RCT GP LLC (CCN Nos. 13241, 21090)*
- *UA Holdings 1994-5 (CCN No. 20586)*
- *UIC 13 LLC (CCN Nos. 13242, 21091)*
- *Undine Texas LLC (CCN No. 13260)*
- *Westfield Mobile Home Park (CCN Nos. 11782, 20596)*
- *Woodmark Water LC (CCN No. 12940)*

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

- *Harris County Judge*
- *Montgomery County Judge*

c. Any affected customers and other affected parties in the requested area.

Addresses can be obtained by the Applicants from the Water Utility Database online at <http://www.puc.texas.gov/watersearch>. Information related to districts including addresses can be obtained from the Texas Commission on Environmental Quality's (TCEQ) web site located at <http://www14.tceq.texas.gov/iwud/>.

2) Provide notice and proof of notice using the attached notice and affidavit forms.

- 3) Provide a copy of mapping delineating the requested area along with each individual notice to neighboring utilities, other affected parties, and customers.

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 any RFI to provide response(s).

Notice to Current Customers, Neighboring Systems, and Cities

MIDWAY WATER UTILITIES, INC. NOTICE OF INTENT TO PURCHASE WATER AND SEWER FACILITIES AND TO TRANSFER WATER SERVICE AREA UNDER CCN NO. 10972 AND TO TRANSFER SEWER SERVICE AREA UNDER CCN NO. 20385 FROM CHAMPS WATER COMPANY IN HARRIS AND MONTGOMERY COUNTIES, TEXAS

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

(Address)

(City State Zip)

Midway Water Utilities, Inc. 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 Champs Water Company water facilities and sewer facilities and to transfer water certificated service area under CCN No. 10972 and to transfer sewer certificated service area under CCN No. 20385, in Harris and Montgomery Counties, TX from:

Champs Water Company 13217A Chrisman Rd Houston, TX 77039
(Seller's Name) (Address) (City), (State) (Zip Code)

The sale is scheduled to take place if approved by the Commission (V.T.C.A., Water Code § 13.301). The transaction and the transfer of the CCN includes the following subdivisions:

Harris County

Aldine Forest (PWS 1010410; WQ 11739 001); **water and sewer**

The requested area is located approximately 8.6 miles southwest of downtown Humble, Texas, and is generally bounded on the north by approximately 1,200 feet north of Lauder Road; on the east by Chrisman Road; on the south by Lauder Road; and on the west by Reeveston Road. The total requested area includes approximately 16.1 acres, 48 current **water** customers, and 46 current **sewer** customers.

Mading Lane (PWS 1010517); **water only**

The requested area is located approximately 10.8 miles southwest of downtown Humble, Texas, and is generally bounded on the north by Blue Bell Road; on the east by Airline Drive; on the south by Shane Street; and on the west by North Freeway (IH-45). The total requested area includes approximately 32.1 acres and 113 current customers.

North Belt Forest (PWS 1011999; WQ 12571 001); **water and sewer**

The requested area is located approximately 3.2 miles south of downtown Humble, Texas, and is generally bounded on the north by Lexus Drive; on the east by 2,100 feet east of Wilson Road; on

the south by Loggia Lane; and on the west by Mesa Drive. The total requested area includes approximately 205 acres and 467 current **water and sewer** customers.

Parkland Estates (PWS 1010192; WQ 11158 001); **water and sewer**

The requested area is located approximately 5.4 miles southwest of downtown Humble, Texas, and is generally bounded on the north by Aldine Bender Road; on the east by Rawlings Street; on the south by Nueces Park Drive; and on the west by Old Humble Road. The total requested area includes approximately 19.6 acres and 86 current **water** customers, and 69 current **sewer** customers.

West Montgomery (PWS 1010670; WQ 11005 001); **water and sewer**

The requested area is located approximately 13.6 miles southwest of downtown Humble, Texas, and is generally bounded on the north by West Mount Houston Road; on the east by Cora Street; on the south by Vega Drive; and on the west by Streamside Drive. The total requested area includes approximately 218.2 acres, 356 current **water** customers, and 351 current **sewer** customers.

Western Homes (PWS 1010028; WQ 10436 001); **water and sewer**

The requested area is located approximately 8.7 miles southwest of downtown Humble, Texas, and is generally bounded on the north by Connorvale Road; on the east by Aldine Westfield Road; on the south by Isom Street; and on the west by Chrisman Road. The total requested **water** area includes approximately 63 acres and 285 current customers; the total requested **sewer** includes approximately 68 acres and 280 current customers.

Whisper Meadows (PWS 1011708; WQ 12730 001); **water and sewer**

The requested area is located approximately 4.6 miles southeast of downtown Tomball, Texas, and is generally bounded on the north by intersection of Hufsmith Kohrville Road and Wind Pine Lane; on the east by Hufsmith Kohrville Road; on the south by Solomon Road; and on the west by Coons Road. The total requested area includes approximately 16.4 acres, 61 current **water** customers and 60 current **sewer** customers.

Montgomery County

Rolling Forest (PWS 1700684); **water only**

The requested area is located approximately 3.5 miles northeast of downtown Magnolia, Texas, and is generally bounded on the north by intersection of FM 149 and Allyson Road; on the east by FM 149 Road; on the south by FM 1488 Road; and on the west by Mill Creek Road. The total requested area includes approximately 137.2 acres and 84 current customers.

The total requested area includes approximately 708 acres of water service area with 1,500 water service connections and 543 acres of sewer service area and 1,273 sewer service connections.

See enclosed map showing the requested areas.

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. The letter must include the person's name, address, email address and fax number if applicable.

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. 50895

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 _____

Updated: April 13, 2020