



Control Number: 51118



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DOCKET NO. 51118

APPLICATION OF SHADY OAKS § PUBLIC UTILITY COMMISSION
WATER SUPPLY COMPANY, LLC §
AND CSWR-TEXAS UTILITY § OF TEXAS
OPERATING COMPANY, LLC FOR §
SALE, TRANSFER, OR MERGER OF §
FACILITIES AND CERTIFICATE §
RIGHTS IN WILSON COUNTY §

**COMMISSION STAFF’S RECOMMENDATION ON ADMINISTRATIVE
COMPLETENESS, PROPOSED NOTICE, AND 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 Procedural Schedule. Staff recommends that the application be deemed administratively complete. In support thereof, Staff shows the following:

I. BACKGROUND

On July 24, 2020, Shady Oaks Water Supply Company, LLC (Shady Oaks WSC) and CSWR-Texas Utility Operating Company, LLC (CSWR), (collectively, Applicants) filed an application for approval of the sale, transfer, or merger of facilities and certificate rights in Wilson County. The requested area includes approximately 1,828 acres and 560 connections.

On July 29, 2020, the administrative law judge (ALJ) issued Order No. 1, establishing a deadline of August 24, 2020, for Staff to file comments on the administrative completeness of the application and proposed notice and to file a recommendation regarding how to proceed with the application and to propose a procedural schedule. Therefore, this pleading is timely filed.

II. ADMINISTRATIVE COMPLETENESS

Staff has reviewed the application and, as detailed in the attached memorandum from Jolie Mathis, 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

At this time, Staff recommends that the Applicants proceed with providing public notice to all current customers, persons, political subdivisions, and other entities listed in the attached memorandum using the notice provided by Ms. Mathis. Along with each individual notice, Staff recommends that Applicants provide an accurate map delineating the requested service area. Within 30 days of the provision of notice, Staff recommends that the Applicants file proof of notice as described in the attached memorandum. Finally, Staff recommends that the Applicants use the attached notices and affidavits to meet these requirements.

IV. PROCEDURAL SCHEDULE

Staff recommends the application be found administratively complete. Therefore, Staff proposes the following procedural schedule:

Event	Date
Deadline for Applicants to file with the Commission signed affidavits that the notice was given along with a copy of the notice sent to the affected parties	September 24, 2020
Deadline for Staff to file a recommendation on sufficiency of notice	October 8, 2020
Deadline to intervene	Thirty (30) days after notice is issued

V. CONCLUSION

Staff respectfully recommends that the application be found administratively complete, that the Applicants be directed to provide notice as detailed in the attached memorandum, and that the proposed procedural schedule be adopted.

Dated: August 24, 2020

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Rachelle Nicolette Robles
Division Director

Heath D. Armstrong
Managing Attorney

/s/ Megan Chalifoux

Megan Chalifoux
State Bar No. 24073674
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326
(512) 936-7377
(512) 936-7268 (facsimile)
megan.chalifoux@puc.texas.gov

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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 August 24, 2020, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Megan Chalifoux

Megan Chalifoux

PUC Interoffice Memorandum



To: Megan Chalifoux, Attorney
Legal Division

From: Jolie Mathis, Utility Engineering Specialist
Infrastructure Division

Date: August 24, 2020

Subject: **Docket No. 51118**, *Application of CSWR-Texas Utility Operating Company, LLC and Shady Oaks Water Supply Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Wilson County*

On July 24, 2020, CSWR-Texas Utility Operating Company, LLC (Purchaser) and the Shady Oaks Water Supply Company, LLC (Seller) (collectively, Applicants) filed an application for Sale, Transfer, or Merger (STM) of facilities and certificate rights in Wilson County, Texas, pursuant to Texas Water Code (TWC) § 13.301 and 16 Texas Administrative Code (TAC) § 24.239.

Specifically, CSWR-Texas Utility Operating Company, LLC, who will obtain Certificate of Convenience and Necessity (CCN) No. 13290 upon the approval of Docket No. 50251, 50276, or 50311, seeks approval to acquire facilities and to transfer all of Shady Oaks Water Supply Company, LLC's water and sewer CCN No(s). 12090. The requested area includes approximately 1,828 acres and 560 connections.

Staff from the Rate Regulation Division and Infrastructure Division have reviewed the information filed by the Applicant and recommends that the application be deemed administratively complete. Staff further recommends that the Applicants 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. 13254)*
 - *Canyon Regional Water Authority*
 - *City of Elmendorf (CCN No. 10684)*
 - *City of La Vernia (CCN No. 10689)*
 - *Lake Valley Water Company Inc (CCN No. 12308)*
 - *Nueces River Authority*
 - *Oak Hills WSC (CCN No. 10647)*
 - *Picosa WSC (CCN No. 12751)*
 - *S S WSC (CCN No. 11489)*
 - *San Antonio River Authority*
 - *San Antonio Water System (CCN No. 10640)*
 - *Springs Hill WSC (CCN No. 10666)*
 - *W & W Water Inc (CCN No. 12023)*
 - b. The county judge of each county that is wholly or partially included in the requested area:

- *Wilson County Judge*
- c. Each groundwater conservation district that is wholly or partially included in the requested area:
 - *Evergreen Underground Water Conservation District*
 - d. Any affected customers, and other affected parties in the requested area.

Addresses can be obtained by the Applicant from the Water Utility Database 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 map delineating the requested area 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 Applicant. The Applicant will have 20 days from the receipt of the RFI.

Docket No. 51118

Notice to Current Customers, Neighboring Systems, and Cities

CSWR-TEXAS UTILITY OPERATING COMPANY, LLC, CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) NO. 13290, NOTICE OF INTENT TO PURCHASE WATER FACILITIES AND TO TRANSFER WATER SERVICE AREA UNDER CCN NO. 12090 FROM SHADY OAKS WATER SUPPLY COMPANY, LLC IN WILSON COUNTY, TEXAS

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

(Address)

(City State Zip)

CSWR-Texas Utility Operating Company 1650 Des Peres Rd., Suite 303 St. Louis, MO 63131
(Purchaser's Name) (Address) (City), (State) (Zip Code)

has submitted an application with the Public Utility Commission of Texas (Commission) to purchase Shady Oaks Water Supply Company, LLC water facilities and to transfer water certificated service area under CCN No. 12090, in Wilson County, TX from:

Shady Oaks Water Supply Co., LLC P.O. Box 597 Floresville, TX 78114
(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 water systems: Arrowhead Water System, Hickory Hill Water, Shady Oaks Water, C Willow Water Co.

Arrowhead Water:

The requested area is located approximately 5 mile(s) south of downtown Elmendorf, Texas, and is generally bounded on the north by FM 1303; on the east by CR 168; on the south by FM 2579; and on the west by FM 2579. The total requested area includes approximately 504 acres and 34 current customers.

Shady Oaks Water:

The requested area is located approximately 8 mile(s) north of downtown Floresville, Texas, and is generally bounded on the north by Kicaster Creek; on the east by CR 320; on the south by CR 320; and on the west by Roemer Lane. The total requested area includes approximately 457 acres and 117 current customers.

C Willow Water:

The requested area is located approximately 4 mile(s) south of downtown La Vernia, Texas, and is generally bounded on the north by Ranch Country Road; on the east by US 87; on the south by CR 307; and on the west by CR 319. The total requested area includes approximately 633 acres and 237 current customers.

Updated: April 13, 2020

Hickory Hill Water:

The requested area is located approximately 4 mile(s) east of downtown La Vernia, Texas, and is generally bounded on the north by Lake Valley Drive; on the east by Lake Valley Drive; on the south by Kothmann Road; and on the west by FM 539. The total requested area includes approximately 234 acres and 97 current customers.

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. 51118

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 _____