



Control Number: 51610



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**DOCKET NO. 51610**

2021 JAN 11 AM 8:45

**APPLICATION OF MARKOUT §  
WATER SUPPLY CORPORATION AND §  
THE CITY OF MESQUITE FOR SALE, §  
TRANSFER, OR MERGER OF §  
FACILITIES AND CERTIFICATE §  
RIGHTS IN KAUFMAN COUNTY §**

**PUBLIC UTILITY COMMISSION  
OF TEXAS**

**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 complete. In support thereof, Staff shows the following:

**I. BACKGROUND**

On December 10, 2020, Markout Water Supply Corporation (Markout WSC) and the City of Mesquite (collectively, Applicants) filed an application for approval of the sale, transfer, or merger of facilities and certificate rights in Kaufman County. Specifically, the City of Mesquite, certificate of convenience and necessity (CCN) number 10060, seeks approval to acquire facilities and to transfer all of the water service area from Markout WSC under water CCN number 10846. The requested area includes approximately 6,279 acres and 1,081 connections. Applicants filed supplemental information on December 17, 2020 and January 4, 2021.

On December 14, 2020, the administrative law judge (ALJ) filed Order No. 1, establishing a deadline of January 11, 2021, for Staff to file recommendation on the administrative completeness of the application, 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.

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## **II. ADMINISTRATIVE COMPLETENESS**

Staff has reviewed the application filed by the Applicants and, as detailed in the attached memorandum from Patricia Garcia of the Commission's Infrastructure Division, and Fred Bednarski of the Commission's Rate Regulation Division, recommends that it be found administratively complete. 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. Garcia. 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:

<b>Event</b>	<b>Date</b>
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	February 10, 2021
Deadline for Staff to file a recommendation on sufficiency of notice	February 24, 2021
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.

Date: January 11, 2021

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

Rachelle Nicolette Robles  
Division Director

Rashmin J. Asher  
Managing Attorney

/s/ M. Justin Ackley  
M. Justin Ackley  
State Bar No. 24121354  
1701 N. Congress Avenue  
P.O. Box 13326  
Austin, Texas 78711-3326  
(512) 936-7228  
(512) 936-7268 (facsimile)  
M.Justin.Ackley@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 January 11, 2021, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ M. Justin Ackley  
M. Justin Ackley

# *Public Utility Commission of Texas*

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## **Memorandum**

**TO:** M. Justin Ackley, Attorney  
Legal Division

**FROM:** Fred Bednarski III, Financial Analyst  
Rate Regulation Division

**DATE:** January 11, 2021

**RE:** **Docket No. 51610** – *Application of Markout Water Supply Corporation and the City of Mesquite for Sale, Transfer, or Merger of Facilities and Certificate Rights in Kaufman County*

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On December 10, 2020, Markout Water Supply Corporation and the City of Mesquite filed an application for the sale and transfer of facilities and certificate rights in Kaufman county under the provisions of Texas Water Code § 13.301 and 16 Texas Administrative Code § 24.239.

I reviewed the answers provided to questions 10, 11, 12, and 14 of the application. I did not identify any deficiencies in those answers for purposes of determining whether the application is administratively complete. Therefore, I recommend that the Commission deem the application administratively complete from a financial perspective.

# *Public Utility Commission of Texas*

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## **Memorandum**

**TO:** M. Justin Ackley, Attorney  
Legal Division

**FROM:** Patricia Garcia, Senior Engineering Specialist  
Infrastructure Division

**DATE:** January 11, 2021

**RE:** **Docket No. 51610** – *Application of Markout Water Supply Corporation and the City of Mesquite for Sale, Transfer, or Merger of Facilities and Certificate Rights in Kaufman County*

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On December 10, 2020, the City of Mesquite and Markout Water Supply Corporation (Markout WSC) (collectively, Applicants) filed an application for sale, transfer, or merger (STM) of facilities and certificate rights in Kaufman County, Texas, under Texas Water Code (TWC) § 13.301 and 16 Texas Administrative Code (TAC) § 24.239.

Specifically, the City of Mesquite, certificate of convenience and necessity (CCN) No. 10060, seeks approval to acquire facilities and to transfer all of the water service area from Markout WSC under water CCN No. 10846. The requested area includes approximately 6,279 acres and 1,081 connections.

Based on the mapping review by Tracy Montes, Infrastructure Division, the financial and managerial review by Fred Bednarski, Rate Regulation Division, and my technical and managerial review of the additional information filed on January 4, 2021, I recommend that the application be deemed administratively complete.

The Applicants have requested a waiver of the public notice for this application because they have held meetings with the members of the WSC to discuss the transfer and they do not believe the neighboring utilities will be willing to serve the area. I recommend a waiver of published notice because the area being requested to be transferred is currently certificated; however, I do not recommend a waiver of the public notice. I recommend 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:

- *City of Crandall (CCN No. 11295)*
- *City of Forney (CCN No. 10856)*
- *City of Seagoville (CCN No. 10082)*
- *Forney Lake WSC (CCN No. 10086)*
- *Kaufman County MUD 11 (CCN No. 13226)*
- *Kaufman County MUD 12 (CCN No. 13087)*
- *Kaufman County MUD 14 (CCN No. 13229)*
- *Talty SUD (CCN No. 10850)*
- *Town of Sunnyvale (CCN No. 10094)*
- *Falcons Lair Utility & Reclamation District*
- *Kaufman County Fresh Water Supply District (FWSD) 4A*
- *Kaufman County FWSD 5*
- *Kaufman County FWSD 6*
- *Kaufman County Municipal Utility District (MUD) 9*
- *Kaufman County MUD 10*
- *North Texas Municipal Water District*
- *Polo Ridge FWSD*
- *Trinity River Authority of Texas*

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

- *Kaufman County Judge*

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

Addresses can be obtained from the Water Utility Database at <http://www.puc.texas.gov/watersearch>. District information and 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 using the attached notice form.
- 3) Provide a copy of the maps deemed sufficient during administrative review delineating the requested area with each individual notice to neighboring utilities, other affected parties, and customers.
- 4) File in the docket copy of notice and the map(s) deemed sufficient during administrative review along with the signed affidavit specifying every person and entity to whom notice was provided, and the date that the notice was provided.

***Notice to Current Customers, Neighboring Systems, and Cities***

CITY OF MESQUITE, CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) NO. 10060, NOTICE OF INTENT TO PURCHASE WATER FACILITIES AND TO TRANSFER WATER SERVICE AREA UNDER CCN NO. 10846 FROM MARKOUT WATER SUPPLY CORPORATION IN KAUFMAN COUNTY, TEXAS

To: \_\_\_\_\_ Date Notice Mailed: \_\_\_\_\_, 20\_\_\_\_  
(Name of Customer, Neighboring System, or City)  
  
\_\_\_\_\_  
(Address)  
  
\_\_\_\_\_  
(City State Zip)

City of Mesquite	1515 N. Galloway	Mesquite, TX	75149
(Purchaser's Name)	(Address)	(City), (State)	(Zip Code)

has submitted an application with the Public Utility Commission of Texas (Commission) to purchase Markout Water Supply Corporation water facilities and to transfer water certificated service area under CCN No. 10846 in Kaufman County, TX from:

Markout Water Supply Corporation	P.O. Box 907	Forney, TX	75126
(Seller's Name)	(Address)	(City), (State)	(Zip Code)

The sale is scheduled to take place if approved by the Commission (Texas Water Code § 13.301). The transaction and the transfer of the CCN includes multiple subdivisions.

The requested area subject to the transaction is located approximately 1.5 mile(s) south of downtown Forney, Texas, and is generally bounded on the north by the intersection of South Bois D Arc Street and FM 741 (College Avenue); on the east by High Country Lane; on the south by U.S. Highway 175; and on the west by Lawson Road and the Dallas/Kaufman county line. The total requested area includes approximately 6,279 acres and 1,081 current customers.

**See enclosed map showing the requested area.**

This transaction will have the following effect on the current customers' rates and services: the customers will have a lower rate as the City of Mesquite customers.

*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.

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Utility Representative

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Utility Name

# PUBLIC UTILITY COMMISSION OF TEXAS



AFFIDAVIT OF NOTICE TO CURRENT CUSTOMERS, NEIGHBORING UTILITIES, AND  
AFFECTED PARTIES  
DOCKET NO. 51610

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: October 15, 2020