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PETITION OF HC CELINA 414, LLC TO § PUBLIC UTILITY COMMISSION
AMEND MARILEE SPECIAL UTILITY §
DISTRICT'S CERTIFICATE OF § OF
CONVENIENCE AND NECESSITY IN §
COLLIN COUNT BY EXPEDITED RELEASE § TEXAS

**HC CELINA 414, LLC'S REPLY TO MARILEE SPECIAL UTILITY DISTRICT'S
VERIFIED RESPONSE AND COMMISSION STAFF'S RECOMMENDATION ON
FINAL DISPOSITION**

TO THE PUBLIC UTILITY COMMISSION OF TEXAS:

HC Celina 414, LLC ("Petitioner") files its Reply to Marilee Special Utility District's ("Marilee") Verified Response to its Petition and Public Utility Commission Staff's ("Commission Staff") Recommendation on Final Disposition and shows as follows:

I. Procedural Background

On September 1, 2021, Petitioner filed its Petition for streamlined expedited release of approximately 413.88 acres of land (the "Property") from Marilee's Certificate of Convenience and Necessity ("CCN") No. 10150. The Petition was found administratively complete on December 3, 2021. *See* Order No. 5. Marilee filed its Response to the Petition on December 23, 2021. On January 6, 2022, Commission Staff filed its Recommendation on Final Disposition. Petitioner now files its Reply to Marilee's Response to the Petition and Commission Staff's recommendation. This Reply is timely filed pursuant to Order No. 5.

II. Argument and Authority

A. Petitioner concurs with Commission Staff's Recommendation on Final Disposition.

Commission Staff recommends that the Petition be approved because it satisfies the requirements of Texas Water Code section 13.2541(b) and 16 Texas Administrative Code section 24.245(h). TEX. WATER CODE § 13.2541(b); 16 TEX. ADMIN. CODE § 24.254(h). Specifically, the Petition shows that the Property is located in a qualifying county, is not receiving water service,

and is at least 25 acres. Petitioner agrees with these findings and Commission Staff's recommendation on final disposition.

B. The Property is not receiving water service.

In its Response to the Petition, Marilee argues that Petitioner has not met its burden of proof showing that the area requested for release is not receiving water service. Petitioner has presented affidavit testimony as evidence that the requested area is not receiving water service. This is sufficient proof to grant Petitioner's request for SER. *See Petition of Sterling Deason O'Donnell and Darwin Deason, Co-Trustees of the Sterling Deason O'Donnell DD 2012 Trust Agreement of the DD 2014-B Grantor Retained Annuity Trust to Amend Marilee Special Utility District's Certificate of Convenience and Necessity in Collin County by Expedited Release*, Docket No. 50404; Petition Exhibit A (Jan. 2, 2020)(Deason Petition); *Id.*, Order (Oct. 12, 2021). Accordingly, the instant Petition should, likewise, be granted.

C. Marilee's Assertion of Federal Debt does not prevent decertification.

In Marilee's various pleadings in this, and other dockets, it appears Marilee is improperly seeking to acquire federal debt during the pendency of applications for decertification of has improperly acquired federal debt with the intention of thwarting all petitions for streamlined expedited release from its CCN, including this one. ¹ In any event, there is no federal case law holding that acquisition of federal debt by a CCN hold prevents the Property from being released from its CCN under Texas Water Code section 13.2541. *See TEXAS WATER CODE § 13.2541*. As such, the Petition should be granted.

¹ Unbeknownst to Petitioner at the time, Marilee improperly applied for federal debt during the pendency of Docket No. 50404. This improper application impacts this docket according to Marilee. *See* Marilee's Response to Petition. Marilee filed its application on April 13, 2021. Docket No. 50404 was pending from December 30, 2021 through October 12, 2021. No federal debt should have been sought during that time period or the pendency of any other docket.

III. Conclusion and Prayer

WHEREFORE, Petitioner respectfully requests that the Commission grant the Petition and remove the Property from sewer CCN number 10150.

Respectfully submitted,

COATS ROSE, P.C

By:



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CERTIFICATE OF SERVICE

I certify that a true and correct copy of this document was served on the following attorney of record on or before January 12th, 2022 in accordance with 16 TEX. ADMIN. CODE §22.74(c).

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