



Control Number: 53356



Item Number: 3

2022 APR 21 12:00

**REQUEST FOR AN EMERGENCY § PUBLIC UTILITY COMMISSION
ORDER APPOINTING A TEMPORARY §
MANAGER FOR VILLA UTILITIES, § OF TEXAS
REED ESTATES WATER SYSTEM, §
VISTA UTILITIES, AND J & L TERRY
LANE WITHOUT A HEARING**

**EMERGENCY ORDER APPOINTING A TEMPORARY MANAGER FOR VILLA
UTILITIES, REED ESTATES WATER SYSTEM, VISTA UTILITIES, AND J & L
TERRY LANE WITHOUT A HEARING**

This Order addresses the request filed by the Staff of Public Utility Commission of Texas for an emergency order appointing a temporarily manager to Villa Utilities, Reed Estates Water System, Vista Utilities, and J & L Terry Lane. The executive director, on behalf of the Commission, issues this emergency order without a hearing, and sets a hearing on this matter to be held as soon as practicable at the Open Meeting scheduled for April 21, 2022 to be held at the Commission's offices in Austin, Texas.

The Commission adopts the following findings of fact and conclusions of law:

I. Findings of Fact

1. Commission Staff, as the requesting party, is located at 1701 N. Congress Avenue, 7th Floor, Austin, Texas 78701.
2. The public water systems affected by this emergency order are: (1) Villa Utilities,¹ (2) Reed Estates Water System,² (3) Vista Utilities,³ and (4) J & L Terry Lane.⁴
3. The four public water systems affected by this order are owned by Norman Barnett.
4. The four public waters systems currently serve approximately 91 connections.

¹ Villa Utilities, PWS ID No. 1011183.

² Reed Estates Water System, PWS ID No. 1010945.

³ Vista Utilities, PWS ID No. 0360026.

⁴ J & L Terry Lane, PWS ID No. 1011684.

5. On December 15, 1987, the Texas Water Commission granted CCN No. 12079 to Villa Utilities.
6. Reed Estates, Vista Utilities, and J & L Terry Lane are not certificated to provide retail water service.
7. Villa Utilities' license to operate as a business in the state of Texas was forfeited on November 18, 1991.
8. Since January 31, 2022, the Commission has received ten complaints from Mr. Barnett's customers alleging persistent water service outages.⁵
9. Mr. Barnett did not respond to any of the ten customer complaints.
10. In early February 2022, Villa Utilities delivered hand-written notices of its intent to discontinue service to customers in Reed Estate Public Water System.
11. On March 16, 2022, Commission Staff filed a request for an emergency order appointing a person to temporarily manage the four affected public water systems.
12. In its request, Commission Staff recommended the executive director appoint Harrison Williams as temporary manager for the four affected public water systems.
13. Mr. Williams is the president and owner of South Coast Utilities, LLC.
14. Mr. Williams holds a current ground water treatment operator B license number WG0014737.
15. Commission Staff recommended the emergency order appointing Mr. Williams as temporary manager begin on March 16, 2022 and end on September 12, 2022, or when Mr. Williams is discharged from these responsibilities by the Commission or a superseding action is taken by an appropriate court, whichever occurs first.

⁵ Complaint Nos. CP2022010924, CP2022010925, CP2022010927, CP2022020004, CP2022020022, CP2022020452, CP2022020491, CP2022020579, CP2022020593, and CP2022020594.

II. Conclusions of Law

1. The Commission has jurisdiction over this matter under Texas Water Code (TWC) § 13.041(d)(1) and 16 Texas Administrative Code (TAC) § 24.14(a)(1).
2. Under TWC § 13.451(b), the Commission may, by order or rule, delegate to the executive director the authority to issue emergency order under Subchapter K-1 of the TWC. The delegation was made by Commission order on December 4, 2015, in Docket No. 43517.
3. Under TWC § 13.4132 and 16 TAC § 24.357, the Commission may authorize a willing person to temporarily manager and operate a utility if the utility has abandoned operations.
4. TWC § 13.412(f) and 16 TAC § 24.355(c) enumerate actions that constitute abandonment, which include but are not limited to, “failure to adequately maintain facilities or provide sufficient facilities resulting in potential health hazards, extended outages, or repeated service interruptions;” “failure to secure an alternative available water supply during an outage;” or “repeatedly failing to respond to the commission or the utility’s customers.”
5. Villa Utilities, Reed Estates, Vista Utilities, and J & L Terry Lane abandoned the operation of their facilities under TWC § 13.412(f)(3) and 16 TAC § 24.355(c)(3) when they failed to adequately maintain their facilities, which resulted in extended outages or repeated service interruptions.
6. Villa Utilities, Reed Estates, Vista Utilities, and J & L Terry Lane abandoned the operation their facilities under TWC § 13.412(f)(5) and 16 TAC § 24.355(c)(5) when they failed to secure an alternative available water supply during an outage.
7. Villa Utilities, Reed Estates, Vista Utilities, and J & L Terry Lane abandoned the operation their facilities under TWC § 13.412(f)(7) and 16 TAC § 24.355(c)(7) when they repeatedly failed to respond to the Commission or the utilities’ customers.
8. Under TWC § 13.451(a) and 16 TAC §§ 24.14(a)(1), 24.355(b), and 22.299(d) an emergency order to appoint a temporary manager may be issued with or without a hearing.

III. Ordering Paragraphs

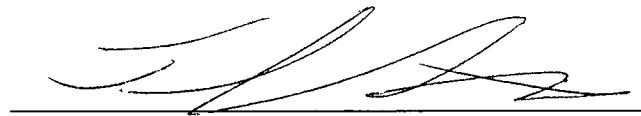
In accordance with these finding of facts and conclusions of law, the Commission issues the following Order:

1. Commission Staff's request for an order appointing Harrison Williams to temporarily manage and operate Villa Utilities, Reed Estates, Vista Utilities, and J & L Terry Lane is granted.
2. Mr. Williams is appointed temporary manager for Villa Utilities, Reed Estates, Vista Utilities, and J & L Terry Lane for a term of 180 days to begin on March 16, 2022 and ending on September 12, 2022 or when Mr. Williams is discharged from these responsibilities by the Commission or a superseding action is taken by an appropriate court, whichever occurs first.
3. Mr. Williams has all the powers and duties necessary to ensure the continued operation of Villa Utilities, Reed Estates, Vista Utilities, and J & L Terry Lane and the provision of continuous and adequate service to their customers.
4. As temporary manager, Mr. Williams must comply with all requirements in 16 TAC § 24.357, including but not limited to reading meters, billing for utility service, collecting revenues, disbursing funds, requesting rate increases if needed, accessing all system components, conducting required sampling, making necessary repairs, and performing other acts necessary to ensure continuous and adequate utility service as authorized by the Commission.
5. Mr. Williams must return to the Commission an inventory of all property received within 60 days of his appointment in accordance with 16 TAC § 24.357(e).
6. Mr. Williams must report to the Commission on a monthly basis. This report must include an income statement for the reporting period; a summary of utility activities, such as improvements or major repairs made, number of connections added, and amount of water produced or treated; and any other information required by the Commission in accordance with 16 TAC § 24.357(h).
7. Mr. Williams must maintain his license to operate a ground water treatment system for the duration of his appointment as temporary manager.

8. Mr. Williams must comply with all applicable requirements imposed by the Texas Commission on Environmental Quality.
9. Mr. Williams is not required to post financial assurance.
10. Commission Staff must provide notice of issuance of this emergency order to Villa Utilities, Reed Estates, Vista Utilities, and J & L Terry Lane as soon as practicable in accordance with 16 TAC § 22.293(c).
11. Mr. Williams must provide notice of issuance of this emergency order to the customers of Villa Utilities, Reed Estates Water System, Vista Utilities, and J & L Terry Lane in accordance with 16 TAC § 24.293(e).
12. A hearing to affirm, modify, or set aside this emergency order will be held at the Commission's at the Open Meeting scheduled for April 21, 2022 to be held at the Commission's offices in Austin, Texas.
13. Commission Staff must provide notice of the opportunity to participate in an evidentiary hearing to affirm, modify, or set aside this emergency order to Villa Utilities, Reed Estates, Vista Utilities, and J & L Terry Lane no later than the tenth day before the date of the hearing and the notice must provide that Villa Utilities, Reed Estates Water System, Vista Utilities, or J & L Terry Lane may waive the right to this hearing by written notice to the Commission or by failing to attend the hearing.

Signed at Austin, Texas the 16 day of March, 2022.

PUBLIC UTILITY COMMISSION OF TEXAS

A handwritten signature in black ink, appearing to read 'Thomas Gleeson', is written over a horizontal line.

Thomas Gleeson, Executive Director