



## **Filing Receipt**

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**DOCKET NO. 53430**

**APPLICATION OF CSWR-TEXAS §  
UTILITY OPERATING COMPANY, LLC § PUBLIC UTILITY COMMISSION  
AND WATER WORKS I AND II FOR §  
SALE, TRANSFER, OR MERGER OF § OF TEXAS  
FACILITIES AND CERTIFICATE §  
RIGHTS IN LLANO COUNTY §**

**JOINT SUPPLEMENTAL MOTION TO ADMIT EVIDENCE  
AND PROPOSED NOTICE OF APPROVAL**

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ATTACHMENTS: Map, Certificate, and Tariff Pages  
Joint Proposed Notice of Approval

**DOCKET NO. 53430**

<b>APPLICATION OF CSWR-TEXAS</b>	<b>§</b>	
<b>UTILITY OPERATING COMPANY, LLC</b>	<b>§</b>	
<b>AND WATER WORKS I AND II FOR</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>SALE, TRANSFER, OR MERGER OF</b>	<b>§</b>	
<b>FACILITIES AND CERTIFICATE</b>	<b>§</b>	<b>OF TEXAS</b>
<b>RIGHTS IN LLANO COUNTY</b>	<b>§</b>	

**JOINT SUPPLEMENTAL MOTION TO ADMIT EVIDENCE  
AND PROPOSED NOTICE OF APPROVAL**

CSWR-Texas Utility Operating Company, LLC (“CSWR-Texas”) and Water Works I and II (“Water Works”), together with the Staff of the Public Utility Commission of Texas (“Staff”) (collectively, “the Parties”), file this Joint Supplemental Motion to Admit Evidence and Proposed Notice of Approval. In support thereof, the Parties show the following:

**I. BACKGROUND**

On January 5, 18, and 22, 2024, CSWR-Texas and Water Works filed closing documents reflecting the consummation of CSWR-Texas’s acquisition of Water Works’ facilities and certificated area. Staff filed its recommendation on the sufficiency of closing documents on February 6, 2024, requesting that the application’s closing documents be found sufficient. On February 7, 2024, the administrative law judge filed Order No. 18, finding closing documentation sufficient.

**II. JOINT SUPPLEMENTAL MOTION TO ADMIT EVIDENCE**

The Parties move to admit the following items into the record as evidence in this proceeding:

1. The applicants’ bill of sale and assignment, filed on January 5, 2024 (Interchange Item No. 70);
2. CSWR-Texas’s affidavit regarding customer deposits, including confidential attachment, filed on January 18, 2024 (Interchange Item Nos. 71 and 72);
3. The applicants’ supplemental closing documents, filed on January 22, 2024 (Interchange Item No. 73);
4. Commission Staff’s recommendation on the sufficiency of closing documents, filed on February 6, 2024 (Interchange Item No. 75);

5. The applicants' consent forms, filed on March 14, 2024 (Interchange Item No. 77); and
6. The map, certificate, and tariff pages attached to the joint supplemental motion to admit evidence and proposed notice of approval, filed on April 5, 2024.

### **III. PROPOSED NOTICE OF APPROVAL**

The Parties move for adoption of the attached Proposed Notice of Approval.

### **IV. CONCLUSION**

The Parties respectfully request that the items listed above be admitted into the record of this proceeding as evidence and that the attached Proposed Notice of Approval be adopted. For convenience purposes, a copy is attached in its native format.

Respectfully submitted,

**ATTORNEYS FOR CSWR-TEXAS  
UTILITY OPERATING COMPANY, LLC**

L. Russell Mitten  
General Counsel  
Central States Water Resources, Inc.  
1630 Des Peres Rd., Suite 140  
Des Peres, Missouri 63131  
(314) 380-8595  
(314) 763-4743 (fax)



Evan D. Johnson  
State Bar No. 24065498  
Wendy K. L. Harvel  
State Bar No. 00796719  
C. Glenn Adkins  
State Bar No. 24103097  
Coffin Renner LLP  
1011 W. 31<sup>st</sup> Street  
Austin, Texas 78705  
(512) 879-0900  
(512) 879-0912 (fax)  
evan.johnson@crtxlaw.com  
wendy.harvel@crtxlaw.com  
glenn.adkins@crtxlaw.com

**PUBLIC UTILITY COMMISSION OF  
TEXAS LEGAL DIVISION**

Marisa Lopez Wagley  
Division Director

Ian Groetsch  
Managing Attorney

/s/ Kelsey Daugherty  
Kelsey Daugherty  
State Bar No. 24125054  
1701 N. Congress Avenue  
P.O. Box 13326  
Austin, Texas 78711-3480  
(512) 936-7255  
(512) 936-7268 (facsimile)  
Kelsey.Daugherty@puc.texas.gov

**CERTIFICATE OF SERVICE**

I hereby certify that on this 5th day of April 2024, a true and correct copy of the foregoing document was served on all parties of record via electronic mail in accordance with the Second Order Suspending Rules, filed in Project No. 50664.



  
\_\_\_\_\_  
Wendy K. L. Harvel

PUCT Docket No. 53430  
CSWR-Texas Utility Operating Company, LLC  
Portion of Water CCN No. 13290  
Transfer all of Water Works I and II, CCN No. 11674 in Llano County



Public Utility Commission of Texas  
1701 N. Congress Ave  
Austin, TX 78701

**Water CCN**

-  13290 - CSWR-Texas Utility Operating Company LLC
-  13227 - Corix Utilities Texas Inc

Map by: Komal Patel  
Date: February 8, 2024  
Project: 53430CSWR.mxd



# **Public Utility Commission of Texas**

**By These Presents Be It Known To All That**

## **CSWR-Texas Utility Operating Company, LLC**

having obtained certification to provide water utility service for the convenience and necessity of the public, and it having been determined by this Commission that the public convenience and necessity would in fact be advanced by the provision of such service, CSWR-Texas Utility Operating Company, LLC is entitled to this

### **Certificate of Convenience and Necessity No. 13290**

to provide continuous and adequate water utility service to that service area or those service areas in Angelina, Aransas, Austin, Brazoria, Burleson, Burnet, Calhoun, Camp, Denton, Ellis, Erath, Gillespie, Guadalupe, Harris, Hays, Hidalgo, Hood, Jackson, Kerr, Limestone, Llano, Lubbock, McCulloch, Medina, Montague, Montgomery, Navarro, Orange, Palo Pinto, Parker, Polk, Robertson, Sabine, San Augustine, Tarrant, Uvalde, Victoria, Wilson, and Wood counties as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 53430 are on file at the Commission offices in Austin, Texas; and are matters of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty of the CSWR-Texas Utility Operating Company, LLC to provide such utility service in accordance with the laws of this State and Rules of this Commission, subject only to any power and responsibility of this Commission to revoke or amend this Certificate in whole or in part upon a subsequent showing that the public convenience and necessity would be better served thereby.



**WATER UTILITY TARIFF**  
**Docket Number: 53430**

CSWR – Texas Utility Operating Company, LLC  
(Utility Name)

1630 Des Peres Rd Suite 140  
(Business Address)

St. Louis, MO 63131  
(City, State, Zip Code)

(314) 380-8595  
(Area Code/Telephone)

This tariff is effective for utility operations under the following Certificate of Convenience and Necessity:

13290

This tariff is effective in the following counties:

Angelina, Aransas, Austin, Brazoria, Burleson, Burnet, Calhoun, Camp, Denton, Ellis, Erath, Gillespie, Guadalupe, Harris, Hays, Hidalgo, Hood, Jackson, Kerr, Limestone, Llano, Lubbock, McCulloch, Medina, Montague, Montgomery, Navarro, Orange, Palo Pinto, Parker, Polk, Robertson, Sabine, San Augustine, Tarrant, Uvalde, Victoria, Wilson, and Wood

This tariff is effective in the following cities or unincorporated towns (if any):

City of Red Oak

Rates for the Red Oak Community Water Service subdivision (PWS #0700056), which is located within the City of Red Oak, are not included in this tariff and should be obtained from the City of Red Oak. (Docket No. 43175)

City of Granbury, City of Lubbock, and City of Rockport

The rates set or approved by a city for the systems entirely within its corporate boundary are not presented in this tariff. Those rates are not under the original jurisdiction of the PUC and will have to be obtained from the city or utility. This tariff applies to outside city customers of systems that provide service inside and outside of a city's corporate boundary.

This tariff is effective in the following subdivisions or public water systems:

See List



TABLE OF CONTENTS

The above utility lists the following sections of its tariff (if additional pages are needed for a section, all pages should be numbered consecutively):

SECTION 1.0 -- RATE SCHEDULE ..... 2  
SECTION 2.0 -- SERVICE RULES AND REGULATIONS .....XX  
SECTION 3.0 -- EXTENSION POLICY .....XX  
  
APPENDIX A -- DROUGHT CONTINGENCY PLAN  
APPENDIX B -- SERVICE AGREEMENT

**LIST OF SUBDIVISIONS AND SYSTEMS**

SUBDIVISION	PWS	COUNTY	PAGE No.
Aero Valley Water Service	0610243	Denton	2
Amberwood Subdivision	1011920	Harris	2
Aransas Bay	0040018	Aransas	2
Arrowhead Water System	2470025	Wilson	2
Big Wood Springs Subdivision	2500019	Wood	2
Bois D' Arc	0040018	Aransas	2
Chaparral Water System Gillespie	0860010	Gillespie	2
Coletto Water Company	2350036	Victoria	2
Copano Cove Subdivision	0040003	Aransas	2
Copano Heights Unit 1 & 2, Water System	0040017	Aransas	2
Copano Ridge Subdivision	0040029	Aransas	2
Council Creek Village	0270014	Burnet	2
Country Squire Water & Sewer	1810060	Orange	2
Crystal Land Water System	1330153	Kerr	2
El Pinon Estates Water System	2030013	San Augustine	2
Emerald Forest	0700058	Ellis	2
Flag Creek Ranch	1500112	Llano	2
Forest Oak Unit 1 and 2	0940085	Guadalupe	2
Franklin Water Systems 1	1520224	Lubbock	2
Franklin Water Systems 3	1520080	Lubbock	2
Goose Island State Park	0040018	Aransas	2
Grande Casa Ranchitos	0700063	Ellis	2
Hickory Hill Water	2470018	Victoria	2
Hillside Estates Water System	0080049	Austin	2
Hilltop Home Addition	1840034	Parker	2
Hilltop Estates	1840034	Parker	2
Homestead @ Turtle Creek	1330153	Kerr	2
Indian Cove	0040018	Aransas	2
Laguna Tres	1110019	Hood	2

**LIST OF SUBDIVISIONS AND SYSTEMS**

SUBDIVISION	PWS	COUNTY	PAGE No.
Laguna Vista	1110095	Hood	2
Lake Limestone Coves	1980020	Limestone & Robertson	2
Lakeview Ranchettes Estates	0700057	Ellis	2
La Playa Subdivision Water System	2030015	San Augustine	2
Live Oak Hills	1540012	McCulloch	2
Longford Place Water System	1810015	Orange	2
Meadowview Estates	0080051	Austin	2
Meadowview Estates II	0080059	Austin	2
Neptune Harbor	0040018	Aransas	2
North Victoria Utilities	2350049	Victoria	2
Oak Hill Estates*	1013045	Harris	3
Oak Hill Ranch Estates, Oak Hill Ranchettes	0940085	Guadalupe	2
Oak Hollow Estates, Oak Hollow Park	2470019	Wilson	2
Palmetto Park Estates	0040018	Aransas	2
Pelican Isle Water System	1750036	Navarro	2
Quiet Village II Subdivision, Quiet Village II	1080221	Hidalgo	2
Settlers Crossing Water System	0080058	Austin	2
Settlers Crossing Water System 2	0080060	Austin	2
Settlers Estates Sec II	0080056	Austin	2
Settlers Meadows Water System	0080055	Austin	2
Shady Oaks Subdivision	2350036	Victoria	2
Shady Oaks Water Company	2470017	Wilson	2
South Council Creek 1	0270079	Burnet	2
South Council Creek 2	0270080	Burnet	2
South Silver Creek I, II, III	0270041	Burnet	2
Spanish Grant	0700064	Ellis	2
Tall Pines Utility	1010220	Harris	2
Texas Landing Utilities Deerwood	1700798	Montgomery	2
Texas Landing Utilities Goode City	1700744	Montgomery	2

**LIST OF SUBDIVISIONS AND SYSTEMS**

SUBDIVISION	PWS	COUNTY	PAGE No.
Texas Landing Utilities	1870151	Polk	2
Thousand Oaks	0720054	Erath	2
Timberlane Water	2020054	Sabine	2
Treetops Phase 1	1840134	Parker	2
Tri County Point Water System 2	1200027	Jackson	2
Tri County Point Water System 3	1200028	Jackson	2
Tri County Point Water System 4	1200029	Jackson	2
Ville d'Alsace Water Supply*	1630037	Medina	4
Vista Verde Water Systems	1700694	Montgomery	2
Walnut Bend Water Supply	0030037	Angelina	2
WaterCo	1690028	Montague	2
Water Works 1 – Floyd Acres	1500018	Llano	XX
Water Works 2 – Island Lodges	1500019	Llano	XX
The Woodlands Water System	1050139	Hays	2
Woodland Harbor	0320014	Camp	2
Woodlands West	0260043	Burleson	2

\* Denotes systems with separate rate schedules. The rate schedules designated as “applicable to all water service areas reflected on list of subdivisions and systems unless otherwise specified” do not apply to these systems.

**Formerly Water Works I and II**

(Utility Name)

**SECTION 1.0 -- RATE SCHEDULE**

Section 1.01 - Rates

<u>Meter Size</u> 5/8" or 3/4"	<u>Monthly Minimum Charge</u> \$41.00 (includes 1,000 gallons) **Plus additional pass-through fees listed below	<u>Gallonge Charge</u> \$5.00 per 1,000 gallons over the minimum **Plus additional pass-through fees listed below
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**\*\*Corix Utilities, Texas Inc. Pass Through Fees:**

**Water Works I Floyd Acres:**

\$42.11 added to the monthly minimum charge, plus \$13.82 (including 15% water line loss) per 1,000 gallons over the minimum

**Water Works II Island Lodges:**

\$21.06 added to the monthly minimum charge, plus \$13.82 (including 15% water line loss) per 1,000 gallons over the minimum

*(Tariff Control No. 49625)*

FORM OF PAYMENT: The utility will accept the following forms of payment:

Cash X, Check X, Money Order X, Credit Card   , Other (specify)   

THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH PAYMENTS.

REGULATORY ASSESSMENT.....1.0%

PUC RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL AND TO REMIT FEE TO THE ICEQ.

Section 1.02 - Miscellaneous Fees

TAP FEE ..... \$500.00

TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL 5/8" or 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

TAP FEE (Unique costs)..... Actual Cost

FOR EXAMPLE, A ROAD BORE FOR CUSTOMERS OUTSIDE OF SUBDIVISIONS OR RESIDENTIAL AREAS.

TAP FEE (Large meter)..... Actual Cost

TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METER SIZE INSTALLED.

METER RELOCATION FEE ..... Actual Relocation Cost, Not to Exceed Tap Fee

THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS THAT AN EXISTING METER BE RELOCATED.

METER TEST FEE ..... \$25.00

THIS FEE WHICH SHOULD REFLECT THE UTILITY'S COST MAY BE CHARGED IF A CUSTOMER REQUESTS A SECOND METER TEST WITHIN A TWO-YEAR PERIOD AND THE TEST INDICATES THAT THE METER IS RECORDING ACCURATELY. THE FEE MAY NOT EXCEED \$25.

SECTION 1.0 -- RATE SCHEDULE (Continued)

**RECONNECTION FEE**

THE RECONNECT FEE MUST BE PAID BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS (OR OTHER REASONS LISTED UNDER SECTION 2.0 OF THIS TARIFF):

- a) Nonpayment of bill (Maximum \$25.00) ..... \$25.00
- b) Customer's request that service be disconnected ..... \$50.00

**TRANSFER FEE** ..... \$30.00

THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED

**LATE CHARGE (EITHER \$5.00 OR 10% OF THE BILL)** ..... \$5.00

PUC RULES ALLOW A ONE-TIME PENALTY TO BE CHARGED ON DELINQUENT BILLS. A LATE CHARGE MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

**RETURNED CHECK CHARGE** ..... \$15.00

RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

**CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50)** ..... \$0.00

**COMMERCIAL & NON-RESIDENTIAL DEPOSIT** ..... 1/6TH OF ESTIMATED ANNUAL BILL

**GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE:**

WHEN AUTHORIZED IN WRITING BY TCEQ AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [16 TAC § 24.25(b)(2)(G)]

**LINE EXTENSION AND CONSTRUCTION CHARGES:**

REFER TO SECTION 3.0--EXTENSION POLICY FOR TERMS, CONDITIONS, AND CHARGES WHEN NEW CONSTRUCTION IS NECESSARY TO PROVIDE SERVICE.

SECTION 1.0 -- RATE SCHEDULE (Continued)

**PASS-THROUGH FORMULA:**

The pass-through rate to be charged to each service connection is calculated based on the following Pass Through Adjustment Formula:

Adjusted Base Rate (ABR) =  $BR / N$ , Where:

ABR = adjusted base rate, rounded to nearest one cent;

BR = monthly base rate charge of utility provider;

N = number of current active service connections

Adjusted Gallonage Rate (AG) =  $G / (1 - L)$ , Where:

AG = adjusted gallonage charge, rounded to nearest one cent;

G = approved gallonage charge, per 1,000 gallons;

L = water or sewer line loss for preceding 12 months, not to exceed 0.15 (15%)

**DOCKET NO. 53430**

<b>APPLICATION OF CSWR-TEXAS</b>	<b>§</b>	
<b>UTILITY OPERATING COMPANY,</b>	<b>§</b>	
<b>LLC AND WATER WORKS I AND II</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>FOR SALE, TRANSFER, OR MERGER</b>	<b>§</b>	
<b>OF FACILITIES AND CERTIFICATE</b>	<b>§</b>	<b>OF TEXAS</b>
<b>RIGHTS IN LLANO COUNTY</b>	<b>§</b>	

**JOINT PROPOSED NOTICE OF APPROVAL**

This Notice of Approval addresses the application of CSWR-Texas Utility Operating Company, LLC (CSWR-Texas) and Water Works I and II (Water Works) for the sale, transfer, or merger of facilities and certificate rights in Llano County. The Commission approves the following: (1) the sale and transfer of all facilities and service area held under Water Works' water Certificate of Convenience and Necessity (CCN) number 11674 to CSWR-Texas; (2) the cancellation of Water Works' water CCN number 11674; and (3) the amendment of CSWR-Texas's water CCN number 13290 to include the area previously included in Water Works' water CCN number 11674.

**I. Findings of Fact**

The Commission makes the following findings of fact:

**Applicants**

1. Water Works is an investor-owned utility that operates, maintains, and controls facilities for providing water service in Llano County under CCN number 11674.
2. Water Works holds CCN number 11674, which obligates it to provide retail water service in its certificated service area in Llano County.
3. Water Works owns and operates public water systems registered with the Texas Commission on Environmental Quality (TCEQ) under the names Water Works 1 Floyd Acres, public water system (PWS) ID No. 1500018 and Water Works 2 Island Lodges, PWS ID No. 1500019.
4. CSWR-Texas is a Texas limited liability company registered with the Texas secretary of state under file number 0803367893.
5. CSWR-Texas is an investor-owned utility that operates, maintains, and controls facilities for providing water service in Angelina, Aransas, Austin, Brazoria, Burleson, Burnet, Calhoun, Camp, Denton, Ellis, Erath, Gillespie, Guadalupe, Harris, Hays, Hidalgo, Hood,



Jackson, Kerr, Limestone, Llano, Lubbock, McCulloch, Medina, Montague, Montgomery, Navarro, Orange, Palo Pinto, Parker, Polk, Robertson, Sabine, San Augustine, Tarrant, Uvalde, Victoria, Wilson, and Wood counties under CCN number 13290.

6. CSWR-Texas owns multiple public water systems registered with the TCEQ.

**Application**

7. On February 22, 2022, CSWR-Texas and Cody and Anita Lewis dba Cassie Water Company, Deer Springs Water Company, and Water Works filed an application for sale, transfer, or merger of facilities and certificate rights in Burnet and Llano Counties.
8. In Order No. 1 filed on April 4, 2022, the ALJ severed the application into three dockets: Docket Nos 53259, 53429, and the present docket, which only includes CSWR-Texas and Water Works.
9. In the application, as severed, the Applicants seek approval of the following transaction: (a) CSWR-Texas will acquire all of Water Works' water facilities and water service area held under water CCN No. 11674; (b) Water Works' water CCN number 11674 will be canceled; and (c) CSWR-Texas's CCN number 13290 will be amended to include the area previously included in Water Works' CCN number 11674.
10. CSWR-Texas supplemented its application on April 5, 6, 19, and 28, May 9, and June 14 and 20, 2022.
11. The requested area includes 84 customer connections and approximately 137 acres.
12. The requested area (Water Works I) is located approximately 12.7 miles east of downtown Llano, Texas, and is generally bounded on the north by Lake Buchanan; on the east by Lake Buchanan; on the south by State Highway 261; and on the west by State Highway 261.
13. The requested area (Water Works II) is located approximately 11.8 miles west of downtown Burnet, Texas, and is generally bounded on the north by Lake Buchanan; on the east by Lake Buchanan; on the south by State Highway 29; and on the west by Lake Buchanan.
14. In Order No. 3, issued on May 9, 2022, the administrative law judge (ALJ) found the application, as supplemented, administratively complete.

**Notice**

15. CSWR-Texas provided notice consistent with 16 TAC § 24.239(c). The deadline to intervene was July 22, 2022.
16. On June 6, 2022, CSWR-Texas filed the affidavit of Aaron Silas, regulatory case manager of CSWR-Texas, attesting that notice was provided to all current customers, neighboring utilities, and affected parties on May 23, 2022.
17. In Order No. 4, issued on June 23, 2022, the ALJ found notice to be sufficient.

**Intervention**

18. In Order No. 7 filed on July 12, 2022, the ALJ granted the motion to intervene filed by Mark Blankenship, limited to his capacity as a customer of Water Works.
19. On August 23, 2022, Mark Blankenship filed a request to withdraw his intervention.
20. In Order No. 9 filed on August 26, 2022, the ALJ granted Mr. Blankenship's request to withdraw his intervention and he was dismissed from this proceeding.

**Evidentiary Record**

21. In Order No. 10 filed on August 30, 2022, the ALJ admitted the following evidence into the record: (a) the application, including confidential attachments, filed on February 22, 2022; (b) CSWR-Texas's supplements to the application, including all confidential attachments, filed on April 5, 6, 19, and 28, May 9, and June 14 and 20, 2022; (c) Commission Staff's recommendation on administrative completeness, filed on May 6, 2022; (d) CSWR-Texas's affidavit of notice to current customers, neighboring utilities, and affected parties, including confidential Exhibit B, filed on June 6, 2022; (e) CSWR-Texas's letter to ALJ regarding Proof of Notice, filed on June 17, 2022; (f) Commission Staff's recommendation on sufficiency of notice, filed on June 22, 2022; (g) CSWR-Texas's response to motion to intervene, filed on June 24, 2022; (h) Commission Staff's response to Order No. 5, filed on July 8, 2022; and (i) Commission Staff's recommendation on the transaction, including confidential attachments, filed on July 29, 2022.
22. On April 5, 2024, the parties filed a joint supplemental motion to admit evidence.
23. On \_\_\_\_\_, in Order No. \_\_\_\_\_, the ALJ admitted the following evidence into the record: (a) the applicant's bill of sale and assignment, filed on January 5, 2024; (b) CSWR-Texas's affidavit regarding customer deposits, including confidential attachment, filed on January 18, 2024; (c) the applicants' supplemental closing documents, filed on January 22,

2024; (d) Commission Staff's recommendation on the sufficiency of closing documents, filed on February 6, 2024; (e) the applicants' consent forms, filed on March 14, 2024; and (f) the map, certificate, and tariff pages attached to the joint supplemental motion to admit evidence and proposed notice of approval, filed on April 5, 2024.

### Sale

24. In Order No. 11 filed on September 22, 2022, the ALJ approved the sale and transaction to proceed and required the applicants to file proof that the transaction had closed and that customer deposits had been addressed.
25. On January 5, 2024, CSWR-Texas filed notice that the sale had closed on December 7, 2023, and by a filing on January 18, 2024, confirmed that there were no outstanding customer deposits that needed to be addressed.
26. In Order No. 18 filed on February 7, 2024, the ALJ found the closing documentation sufficient.

### Purchaser's Compliance History

27. CSWR-Texas has not been under enforcement action by the Commission, Texas Health and Human Services, the Office of the Texas Attorney General, or the United States Environmental Protection Agency in the past five years for non-compliance with rules, orders, or state statutes. CSWR-Texas has been under enforcement action by the TCEQ in the past five years.
28. CSWR-Texas does not have a history of continuing mismanagement or misuse of revenues as a utility service provider.
29. CSWR-Texas demonstrated a compliance history that is adequate for approval of the sale to proceed.

### Adequacy of Existing Service

30. There are currently 84 customer connections in the requested area that are being served by Water Works through PWS identification numbers 1500018 and 1500019, and service has been continuous and adequate.
31. There is no evidence in the record that Water Works has failed to comply with any Commission or TCEQ order.

**Need for Additional Service**

32. There is a continuing need for service because Water Works is currently serving 84 customer connections in the requested area.
33. The customers are currently receiving water service from Water Works' water systems.
34. This is an application to transfer only existing facilities, service area, and customers.
35. There is no evidence of specific requests for additional service within the requested area.

**Effect of Approving the Transaction and Granting the Amendment**

36. CSWR-Texas will be the sole certificated water utility for the requested area.
37. CSWR-Texas will be required to provide continuous and adequate water service to current and future customers in the requested area.
38. Landowners in the requested area will be able to obtain water service from CSWR-Texas.
39. Because this application is to transfer only existing facilities, customers, and service area, there will be no effect on any retail public utility providing service in the proximate area.
40. There will be no effect on landowners in the requested area because the requested area is currently certificated.

**Ability to Serve: Managerial and Technical**

41. CSWR-Texas owns and operates 34 public water systems registered with the TCEQ.
42. The Commission's complaint records, which date back to 2017, show 12 complaints against CSWR-Texas.
43. CSWR-Texas employs or contracts with TCEQ-licensed operators of public water systems who will operate the public water system being transferred.
44. No additional construction is necessary for CSWR-Texas to provide service to the requested area.
45. CSWR-Texas has access to an adequate supply of water and is capable of providing drinking water that meets the requirements of chapter 341 of Texas Health and Safety Code, chapter 13 of the Texas Water Code (TWC), and the TCEQ's rules.
46. CSWR-Texas has the technical and managerial capability to provide continuous and adequate service to the requested area.

**Ability to Serve: Financial Ability and Stability**

47. CSWR, LLC, the immediate parent company of CSWR-Texas, is capable, available, and willing to cover temporary cash shortages, and has a debt-to-equity ratio of less than one, satisfying the leverage test.
48. CSWR, LLC provided a written guarantee of coverage of temporary cash shortages and demonstrated that it has sufficient cash available to cover any projected operations and maintenance shortages during the first five years of operations after completion of the transaction and possesses the cash and leverage ability to pay for capital improvements and necessary equity investments, satisfying the operations test.
49. CSWR-Texas demonstrated the financial capability and stability to provide continuous and adequate service to the requested area.

**Financial Assurance**

50. There is no need to require CSWR-Texas to provide a bond or other financial assurance to ensure continuous and adequate service.

**Feasibility of Obtaining Service from Adjacent Retail Public Utility**

51. Water Works is currently providing water service to customers and has sufficient capacity.
52. Obtaining service from an adjacent retail public utility would likely increase costs to customers because new facilities would need to be constructed. At the minimum, an interconnect would need to be installed in order to connect to a neighboring retail public utility.
53. It is not feasible to obtain service from an adjacent retail public utility.

**Environmental Integrity and Effect on the Land**

54. The requested areas will continue to be served with existing infrastructure.
55. There will be minimal effects on environmental integrity and on the land as capital improvements are made to enable CSWR-Texas to provide continuous and adequate service to the requested area.

**Improvement of Service or Lowering Cost to Customers**

56. Water service to the requested area is expected to improve because CSWR-Texas intends to make upgrades, renovations, and repairs necessary to improve the safety and reliability of service.

57. The rates charged to customers in the requested area will not change as a result of the proposed transaction because CSWR-Texas will adopt the currently in effect tariff for the water system upon consummation of the transaction.

**Regionalization or Consolidation**

58. The construction of a physically separate system is not necessary for CSWR-Texas to serve the requested area. Therefore, concerns of regionalization or consolidation do not apply.

**Maps, Tariff Pages, and Certificate**

59. On March 6, 2024, Staff emailed to Water Works the proposed final map related to this docket.
60. On March 6, 2024, Staff emailed to CSWR-Texas the proposed final map, tariff pages, and certificate related to this docket.
61. On March 14, 2024, CSWR-Texas filed its consent form concurring with the tariff pages, final map, and certificate, and filed Water Works' consent form concurring with the final map.
62. The proposed final map, relevant tariff pages, and certificate were included as attachments to the joint supplemental motion to admit evidence and proposed notice of approval filed on April 5, 2024.

**Informal Disposition**

63. More than 15 days have passed since the completion of notice provided in this docket.
64. Water Works, CSWR-Texas, and Staff are the only parties to this proceeding following the withdrawal of the only motion to intervene.
65. No party requested a hearing, and no hearing is needed.
66. Staff recommended approval of the application.
67. The decision is no adverse to any party.

**II. Conclusions of Law**

The Commission makes the following conclusions of law:

1. The Commission has authority over this proceeding under TWC §§ 13.041, 13.241, 13.242, 13.244, 13.246, 13.251, and 13.301.
2. Water Works and CSWR-Texas are retail public utilities as defined by TWC § 13.002(19) and 16 TAC § 24.3(31).

3. The application meets the requirements of TWC § 13.244 and 16 TAC §§ 24.233 and 24.239.
4. The applicants provided notice of the application that complies with TWC §§13.246 and 13.301(a)(2) and 16 TAC § 24.239.<sup>1</sup>
5. The application meets the requirements of TWC § 13.244 and 16 TAC §§ 24.233 and 24.239.
6. The Commission processed the application as required by the TWC, the Administrative Procedure Act,<sup>2</sup> and Commission Rules.
7. Water Works and CSWR-Texas have complied with the requirements of 16 TAC § 24.239(k) and (l) with respect to customer deposits.
8. Water Works and CSWR-Texas completed the sale within the time required by 16 TAC § 24.239(m), as extended.
9. After consideration of the factors in TWC § 13.246(c), CSWR-Texas demonstrated that it is capable of rendering continuous service to every customer in the requested area, as required by TWC § 13.251.
10. CSWR-Texas demonstrated adequate financial, managerial, and technical capability for providing continuous and adequate service to the requested area as required by TWC §§ 13.241(a) and 13.301(b).
11. It is not necessary for CSWR-Texas to provide bond or other financial assurance under TWC §§ 13.246(d) and 13.301(c).
12. Regionalization and consolidation concerns under TWC § 13.241(d) do not apply in this proceeding because construction of a physically separate water system is not required.
13. The applicants have demonstrated that the sale of Water Works' water facilities and the transfer of the water service areas held under CCN number 11674 to CSWR-Texas under water CCN number 13290 will serve the public interest and is necessary for the service, accommodation, convenience, and safety of the public under TWC § 13.301(d) and (e).

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<sup>1</sup> After this application was filed, 16 TAC § 24.239 was amended, effective March 29, 2023. Accordingly, all references and citations to 16 TAC § 24.239 in this Notice of Approval are made to the version in effect at the time the application was filed.

<sup>2</sup> Tex. Gov't Code §§ 2001.001-.903.

14. The requirements of informal disposition under 16 TAC § 22.35 have been met in this proceeding.

### III. Ordering Paragraphs

In accordance with the preceding findings of fact and conclusions of law, the Commission enters the following orders.

1. The Commission approves the sale and transfer of all facilities, customers, and service area held under Water Works' CCN number 11674 to CSWR-Texas's CCN number 13290, to the extent provided in this Notice of Approval and as shown on the attached map.
2. The Commission cancels Water Works' CCN number 11674.
3. The Commission amends CSWR-Texas's CCN number 13290 to include the facilities, customers, and service area previously included in Water Works' CCN number 11674, as shown on the attached map.
4. The Commission approves the map and tariff pages attached to the Notice of Approval.
5. The Commission issues the certificate attached to this Notice of Approval.
6. CSWR-Texas must provide service to every customer or applicant for service within the approved area under CCN number 13290 that requests service and meets the terms of CSWR-Texas's water service policies, and such service must be continuous and adequate.
7. CSWR-Texas must comply with the recording requirements in TWC § 13.257(r) and (s) for the area in Llano County affected by the application and must submit to the Commission evidence of the recording no later than 45 days after receipt of this Notice of Approval.
8. Within 10 days of the date this Notice of Approval is filed, Staff must provide the Commission with a clean copy of the most current comprehensive tariff, including the tariff pages approved by this Notice of Approval, to be stamped Approved and retained by Central Records.
9. The Commission denies all other motions and any other requests for general or specific relief, if not expressly granted.



**Signed at Austin, Texas the \_\_\_\_ day of \_\_\_\_\_ 2024.**

**PUBLIC UTILITY COMMISSION OF TEXAS**

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**ISAAC TA  
ADMINISTRATIVE LAW JUDGE**