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DOCKET NO. 53660

APPLICATION OF CLEARWATER	§	PUBLIC UTILITY COMMISSION
INVESTMENTS LLC AND KNOB HILL	§	
WATER SYSTEM FOR SALE,	§	OF TEXAS
TRANSFER, OR MERGER OF	§	
FACILITIES AND CERTIFICATE	§	
RIGHTS IN DENTON COUNTY	§	

**COMMISSION STAFF’S RECOMMENDATION ON ADMINISTRATIVE
COMPLETENESS AND NOTICE AND PROPOSED PROCEDURAL SCHEDULE**

On May 26, 2022, Clearwater Investments, LLC (Clearwater) and Knob Hill Water System (Knob Hill) (collectively, Applicants) filed an application for the sale and transfer of facilities and certificate rights in Denton County under the provisions of Texas Water Code § 13.301 and 16 Texas Administrative Code § 24.239.

On May 27, 2022, the administrative law judge filed Order No. 1, establishing a deadline of June 27, 2022 for the Staff (Staff) of the Public Utility Commission of Texas (Commission) to file a recommendation regarding how to proceed with the application and propose a procedural schedule. Therefore, this pleading is timely filed.

I. ADMINISTRATIVE COMPLETENESS

Staff has reviewed the application and, as detailed in the attached memorandum from Ethan Blanchard, Rate Regulation Division, and Jolie Mathis, Infrastructure Division, recommends that the application is administratively complete. Staff’s recommendation on administrative completeness is not a comment on the merits of the application.

II. NOTICE

At this time, Staff recommends that Applicants proceed with providing public notice to all current customers, neighboring utilities, political subdivisions, and other persons listed in the attached memorandum using the notice form provided by Ms. Mathis. Along with each individual notice, Staff recommends that Applicants provide an accurate map delineating the requested service area.

Once notice has been provided, Staff recommends that Applicants file proof of notice as described in the attached memorandum, including an affidavit specifying the name and address

of every person and entity to whom notice was provided, the date that the notice was provided, and a copy of the map provided with the notice. Finally, Staff recommends that Applicants use the attached notice and affidavit to meet these requirements.

III. PROCEDURAL SCHEDULE

Staff recommends that 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 and map sent to the affected parties	July 27, 2022
Deadline for Staff to file a recommendation on sufficiency of notice	August 11, 2022
Deadline to intervene	30 days after notice is issued

IV. CONCLUSION

For the reasons detailed above, Staff recommends that the application be found administratively complete, that the Applicants be directed to provide notice as described in the attached memorandum, and that the proposed procedural schedule be adopted. Staff respectfully requests the entry of an order consistent with these recommendations.

Dated: June 27, 2022

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Keith Rogas
Division Director

Robert Dakota Parish
Managing Attorney

/s/ Merritt Lander
Merritt Lander
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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 June 27, 2022, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Merritt Lander
Merritt Lander

Public Utility Commission of Texas

Memorandum

TO: Merritt Lander, Attorney
Legal Division

FROM: Ethan Blanchard, Analyst
Rate Regulation Division

DATE: June 27, 2022

RE: Docket No. 53660– *Application of Clearwater Investments LLC and Knob Hill Water System for Sale, Transfer, or Merger of Facilities and Certificate Rights in Denton County*

On May 26, 2022, Clearwater Investments, LLC (Clearwater) and Knob Hill Water System, CCN No. 11414, filed an application for the sale and transfer of facilities and certificate rights in Denton County under the provisions of Texas Water Code § 13.301 and 16 Texas Administrative Code § 24.239.

I reviewed the answers provided to questions 4, 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

Memorandum

TO: Merritt Lander, Attorney
Legal Division

FROM: Jolie Mathis, Utility Engineering Specialist
Infrastructure Division

DATE: June 27, 2022

RE: Docket No. 53660 – *Application of Clearwater Investments LLC and Knob Hill Water System for Sale, Transfer, or Merger of Facilities and Certificate Rights in Denton County*

On May 26, 2022, Clearwater Investments, LLC (Clearwater) and the Knob Hill Water System (Knob Hill) (collectively, Applicants) filed an application for sale, transfer, or merger (STM) of facilities and certificate rights in Denton County, Texas, under Texas Water Code (TWC) § 13.301 and 16 Texas Administrative Code (TAC) § 24.239.

Specifically, Clearwater, seeks approval to acquire facilities and to transfer and obtain all of the water service area and Certificate of Convenience and Necessity (CCN) number from Knob Hill under water CCN No. 11414.

Based on the mapping review by Hank Journeay, Infrastructure Division, the maps submitted with Item 3 on June 15, 2022 are sufficient.

- The requested area includes 76 customer connections and approximately 78 acres of transferred area from Knob Hill (CCN No. 11414) to Clearwater (CCN No. 11414).
- The application proposes the subtraction of approximately 78 acres from Knob Hill (CCN No. 11414) and the addition of approximately 78 acres to Clearwater (CCN No. 11414).

Based on my technical and managerial review of the information filed on, I recommend that the application be deemed administratively complete. I further 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:
 - *Aqua Texas Inc (CCN No. 13201)*
 - *City of Hackberry (CNN No. 12015)*
 - *City of Oak Point*
 - *Denton County Fresh Water Supply District (FWSD) 11-A (CCN No. 13022)*
 - *Denton County FWSD 11-B*
 - *Denton County FWSD 8-A (CCN No. 13018)*
 - *Denton County Municipal Utility District (MUD) 4*
 - *Denton County MUD 8*
 - *Denton County MUD 5*
 - *Mustang Special Utility District (SUD) (CCN No. 11856)*
 - *Oak Point Water Control Improvement District (WCID) 1*
 - *Oak Point WCID 2*
 - *Oak Point WCID 3*
 - *Oak Point WCID 4*
 - *Terra Southwest (CCN No. 11608)*
 - *Town of Little Elm (CCN No. 11202)*
 - *Upper Trinity Regional Water District*
 - *Valencia on the Lake WCID*
- b. The county judge of each county that is wholly or partially included in the requested area:
 - *Denton County Judge*
- c. Each groundwater conservation district that is wholly or partially included in the requested area:
 - *North Texas Groundwater Conservation District*
- d. 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 <https://www14.tceq.texas.gov/iwud/index.cfm>.

- 2) Provide notice using the attached notice form(s).
- 3) Provide a copy of the map(s) 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.

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 Clearwater and Knob Hill. Clearwater and Knob Hill will have 20 days from the receipt of the RFI to respond.

Notice to Current Customers, Neighboring Systems, and Cities

CLEARWATER INVESTMENTS LLC, NOTICE OF INTENT TO PURCHASE WATER FACILITIES, TO TRANSFER ALL OF THE WATER SERVICE AREA AND OBTAIN CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) NUMBER UNDER CCN NO. 11414 FROM KNOB HILL WATER SYSTEM IN DENTON COUNTY, TEXAS

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

(Address)

(City State Zip)

<u>Clearwater Investment LLC</u>	<u>831 Carrie Lane</u>	<u>Lakewood Village, TX</u>	<u>75068</u>
(Purchaser's Name)	(Address)	(City), (State)	(Zip Code)

has submitted an application with the Public Utility Commission of Texas (Commission) to purchase all of the water facilities and to transfer and obtain water certificated service area and CCN number under CCN No. 11414 in Denton County, TX from:

<u>Knob Hill Water System</u>	<u>2861 High Meadow Drive</u>	<u>Little Elm, TX</u>	<u>75068</u>
(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 the following:

The requested area includes 76 customer connections, is located approximately 1.3 mile(s) northwest of downtown Little Elm, Texas, and is generally bounded on the north by Lake Lewisville; on the east by Lake Lewisville; on the south by Carter Drive; and on the west by Wild Valley Drive.

The requested area includes approximately 78 acres of transferred area from Knob Hill Water System (CCN No. 11414) to Clearwater Investments LLC (CCN No. 11414).

The application proposes the subtraction of approximately 78 acres from Knob Hill Water Systems (CCN No. 11414) and the addition of approximately 78 acres to Clearwater Investments LLC (CCN No. 11414).

See enclosed map showing the requested area.

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. 53660

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 _____

Notice Form Updated: March 31, 2022