



## **Filing Receipt**

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<b>APPLICATION OF SKYLINE DRIVE</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>LANDOWNERS ASSOCIATION AND</b>	<b>§</b>	
<b>JOHNSON COUNTY SPECIAL UTILITY</b>	<b>§</b>	<b>OF TEXAS</b>
<b>DISTRICT FOR SALE, TRANSFER OR</b>	<b>§</b>	
<b>MERGER OF FACILITIES AND TO</b>	<b>§</b>	
<b>AMEND JOHNSON COUNTY SPECIAL</b>	<b>§</b>	
<b>UTILITY DISTRICT'S WATER</b>	<b>§</b>	
<b>CERTIFICATE OF CONVENIENCE AND</b>	<b>§</b>	
<b>NECESSITY IN JOHNSON COUNTY</b>	<b>§</b>	

**COMMISSION STAFF'S RECOMMENDATION ON SUFFICIENCY OF CLOSING DOCUMENTS AND PROPOSED PROCEDURAL SCHEDULE**

On August 1, 2022, Skyline Drive Landowners Association Water System (SDLA) and Johnson County Special Utility District (Johnson County SUD) (collectively, Applicants) filed an application for approval of the sale, transfer, or merger (STM) of facilities and certificate rights in Johnson County. Specifically, Johnson County SUD, Certificate of Convenience and Necessity (CCN) No. 10081, seeks approval to acquire facilities and to transfer all of the water service area from SDLA under water CCN No. 12479. On December 19, 2022, the Applicants filed an amended application, in which Johnson County SUD also seeks approval to amend its CCN for uncertificated service area separate from the area to be transferred in the STM.

On September 18, 2024, the administrative law judge (ALJ) filed Order No. 12, approving the sale and transfer to proceed and directing the Staff (Staff) of the Public Utility Commission of Texas (Commission) to file a recommendation regarding the sufficiency of the Applicants' closing documents and propose a procedural schedule for continued processing of this docket within 15 days following the filing of the Applicants' closing documents. On March 14, 2024, Johnson County SUD filed the closing documents. Fifteen days after March 14, 2024 is March 29, 2024. Therefore, this pleading is timely filed.<sup>1</sup>

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<sup>1</sup> In accordance with 16 Texas Administrative Code § 22.4(a), because the Commission was closed on March 29, 2024, the deadline moves to the next day the Commission is open for business.

## I. SUFFICIENCY OF CLOSING DOCUMENTS

Staff has reviewed the closing documents filed by Johnson County SUD and recommends that they are sufficient and meet the requirements of 16 Texas Administrative Code (TAC) § 24.239.

Specifically, as evidenced by the closing documents, the proposed transaction was executed on February 26, 2024 following the issuance of Order No. 12, wherein Johnson County SUD received notice from the Commission that a hearing would not be requested.<sup>2</sup> As such, the sale was completed within the 180-day time period.<sup>3</sup> Further, the closing documents were filed within 30 days after the effective date of the transaction and were signed by both SDLA and Johnson County SUD.<sup>4</sup> Additionally, the closing documents included a bill of sale and other appropriate documents to evidence that the transaction has closed.<sup>5</sup> Therefore, Staff recommends a finding that the Applicants' closing documents are sufficient and satisfy 16 TAC § 24.239(b), (i), and (l).

The Applicants also verified that any and all customer deposits were refunded prior to closing. Specifically, the Applicants' responses regarding customer deposit information in the initial application, filed on August 1, 2022, indicate that all customers of SDLA had been refunded their deposits.<sup>6</sup> Further, the closing documents included the affidavit of Randy Chitwood, Operator/Owner of SDLA, attesting that non customer deposits were held by SDLA on the date of closing. As such, Staff recommends that the Applicants are not required to file any further customer deposit information in accordance with 16 TAC § 24.239(k) and (l), as there were no outstanding customer deposits as of the effective date of the transaction.

For these reasons, Staff recommends that the Applicants have complied with the applicable closing requirements of 16 TAC § 24.239. Staff therefore recommends that the closing documents and customer deposit information be found sufficient.

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<sup>2</sup> 16 TAC § 24.239(i).

<sup>3</sup> 16 TAC § 24.239(m).

<sup>4</sup> 16 TAC § 24.239(l).

<sup>5</sup> *Id.*

<sup>6</sup> Application at 4, Response to Question No. 5 (Aug. 1, 2022).

## **II. PROPOSED PROCEDURAL SCHEDULE**

In accordance with Staff's recommendation that the Applicants' closing documents be found sufficient, Staff proposes the following procedural schedule:

<b>Event</b>	<b>Date</b>
Deadline for Commission Staff to provide final maps, certificates, and tariffs (if applicable), to applicants for review and consent	April 29, 2024
Deadline for applicants to file signed consent forms with the Commission	May 9, 2024
Deadline for parties to jointly file Proposed Notice of Approval, including findings of fact, conclusions of law, and ordering paragraphs	May 28, 2024

## **III. CONCLUSION**

For the reasons discussed above, Staff respectfully requests that an order be issued finding Applicants' closing documents sufficient and adopting the proposed procedural schedule.

Dated: April 1, 2024

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

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**CERTIFICATE OF SERVICE**

I certify that unless otherwise ordered by the presiding officer, notice of the filing of this document will be provided to all parties of record via electronic mail on April 1, 2024, in accordance with the Second Order Suspending Rules, filed in Project No. 50664.

/s/ Scott Miles  
Scott Miles