



## **Filing Receipt**

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**Control Number - 54464**

**Item Number - 26**

**DOCKET NO. 54464**

<b>APPLICATION OF ORANGE COUNTY</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>WATER CONTROL &amp;</b>	<b>§</b>	
<b>IMPROVEMENT DISTRICT NO. 1</b>	<b>§</b>	<b>OF TEXAS</b>
<b>(LEXINGTON) AND LEXINGTON</b>	<b>§</b>	
<b>WATER SYSTEMS FOR SALE,</b>	<b>§</b>	
<b>TRANSFER, OR MERGER OF</b>	<b>§</b>	
<b>FACILITIES AND CERTIFICATE</b>	<b>§</b>	
<b>RIGHTS IN ORANGE COUNTY</b>	<b>§</b>	

**COMMISSION STAFF'S SUPPLEMENTAL RECOMMENDATION ON  
ADMINISTRATIVE COMPLETENESS AND PROPOSED PROCEDURAL SCHEDULE**

On December 12, 2022, Orange County Water Control & Improvement District No. 1 (Lexington) (Orange County WCID No. 1) filed an application to amend Certificate of Convenience and Necessity (CCN) number 10115 in Orange County. On February 28, 2023, Orange County WCID No. 1 filed a supplemental brief to amend the application for a sale, merger, or transfer of facilities. On June 30, 2023, Commission Staff filed on behalf of itself and Orange County WCID No. 1, a recommendation for processing this docket as the sale, transfer, or merger of facilities and certificate rights and requested the application be restyled accordingly.

On August 31, 2023, the administrative law judge (ALJ) filed Order No. 8, directing the Staff (Staff) of the Public Utility Commission of Texas (Commission) to file supplemental recommendations regarding the administrative completeness of the application, along with a proposed procedural schedule, if appropriate, by November 2, 2023. Therefore, this pleading is timely filed.

**I. RECOMMENDATION ON ADMINISTRATIVE COMPLETENESS**

Staff has reviewed the supplemented application and as detailed in the attached memorandum from Patricia Garcia, Infrastructure Division, recommends that the supplemented 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 the 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. Garcia. Along with each individual

notice, Staff recommends that the Applicants provide an accurate map delineating the requested service area.

Once notice has been provided, Staff recommends that the 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 the Applicants use the attached notice and affidavit to meet these requirements.

### **III. PROCEDURAL SCHEDULE**

Staff recommends that the supplemented application be found administratively complete. Therefore, Staff proposes the following procedural schedule:

<b>Event</b>	<b>Date</b>
Deadline for the 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	December 4, 2023
Deadline for Staff to file a recommendation on sufficiency of notice	December 18, 2023
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.

Date: November 2, 2023

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

Marisa Lopez Wagley  
Division Director

John York Harrison  
Senior Managing Attorney

/s/ Kevin Pierce  
Kevin Pierce  
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(512) 936-7268 (facsimile)  
Kevin.Pierce@puc.texas.gov

**DOCKET NO. 54464**

**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 November 2, 2023 in accordance with the Second Order Suspending Rules, filed in Project No. 50664.

/s/ Kevin Pierce  
Kevin Pierce

# *Public Utility Commission of Texas*

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## **Memorandum**

**TO:** Kevin Pierce, Attorney  
Legal Division

**FROM:** Patricia Garcia, Infrastructure Analysis Section Director  
Infrastructure Division

**DATE:** November 2, 2023

**RE:** Docket No. 54464 – *Application of Orange County Water Control & Improvement District No. 1 (Lexington) and Lexington Water Systems for a Sale, Transfer, or Merge of Facilities and Certificate Rights in Orange County*

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On December 12, 2022, Orange County Water Control & Improvement District No. 1 (Orange County WCID No. 1) filed with the Public Utility Commission of Texas (Commission) an application to amend its water Certificate of Convenience and Necessity (CCN) No. 10115 in Orange County, Texas under Texas Water Code (TWC) §§ 13.242 through 13.250 and 16 Texas Administrative Code (TAC) §§ 24.225 through 24.237.

On February 28, 2023, Orange County WCID No. 1 and Lexington Water System, Inc. (Lexington Water) (collectively, Applicants) filed an application for sale, transfer, or merger (STM) of facilities and certificate rights in Orange County, Texas, under Texas Water Code (TWC) § 13.301 and 16 Texas Administrative Code (TAC) § 24.239.

Specifically, Orange County WCID No. 1, CCN No. 10115, seeks approval to acquire facilities and to transfer all of the water service area from Lexington Water under water CCN No. 11560.

Based on the mapping review by Tracy Montes, Infrastructure Division, the revised maps submitted with Item 23 on September 1, 2023 are sufficient.

- The requested area includes 35 customer connections and approximately 42 acres, comprised of transferred area from Lexington Water Systems, Inc. (CCN No. 11560) to Orange County WCID No. 1 (CCN No. 10115).
- The application proposes the subtraction of approximately 42 acres from CCN No. 11560 and the addition of approximately 42 acres to CCN No. 10115.
- The application indicates that the total acreage being requested is approximately 43 acres, however, the mapping review determined the requested area is approximately 42 acres.

Based on the mapping review and my technical and managerial review of the additional information filed on September 1, 2023, 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:
    - *Angelina & Neches River Authority*
    - *Community Water Systems (CCN No. 11438)*
    - *Kelly G Brewer (CCN No. 12400)*
    - *Mauriceville Municipal Utility District (MUD) (CCN No. 11722)*
    - *Orange County Drainage District*
    - *Orange County Navigation and Port District*
    - *Orangefield Water Supply Corporation (CCN No. 12684)*
    - *Sabine River Authority*
    - *T & W Water Service Company (CCN No. 12892)*
  - b. The county judge of each county that is wholly or partially included in the requested area:
    - *Orange County Judge*
  - c. Each groundwater conservation district that is wholly or partially included in the requested area:
    - *None*
  - d. Each owner of a tract of land that is at least 25 acres and is wholly or partly located in the requested area. Notice must be mailed to the owner of the tract of land according to the most current tax appraisal rolls of the applicable central appraisal district at the time the application was filed.
  - e. 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 forms.
- 3) Provide a copy of the maps deemed sufficient during administrative review delineating the requested area with each individual notice to neighboring utilities, other affected parties, landowners, and customers.

- 5) Within 30 days of the date the notice was mailed, Orange County WCID No. 1 must file in the docket:
- a. A copy of the notices (1 example of each type of notice).
  - b. The general location and detailed maps deemed sufficient during administrative review.
  - c. The signed affidavits for the mailed notices.
  - d. A list specifying every person and entity to whom notice was provided.
  - e. If there are multiple landowners provide a list of the applicable county appraisal district parcels located within the requested area. The list should include the following for a landowner of a tract of land that is at least 25 acres or more and is wholly or partially within the requested area;
    - i. Each property ID;
    - ii. Landowner Name;
    - iii. Address; and
    - iv. The acreage owned by each listed landowner.

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 the Applicants. The Applicants will have 20 days from the receipt of the RFI to respond.

***Notice to Current Customers, Neighboring Systems, and Cities***  
ORANGE COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 1,  
CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) NO. 10115, NOTICE OF  
INTENT TO PURCHASE WATER FACILITIES AND TO TRANSFER WATER SERVICE  
AREA UNDER CCN NO. 11560 FROM LEXINGTON WATER SYSTEMS, INC. IN  
ORANGE COUNTY, TEXAS

To: \_\_\_\_\_ Date Notice Mailed: \_\_\_\_\_, 20\_\_\_\_  
(Name of Customer, Neighboring System, or City)  
\_\_\_\_\_  
(Address)  
\_\_\_\_\_  
(City State Zip)

Orange County Water Control & Improvement District No. 1  
(Purchaser's Name)

<u>460 E. Bolivar</u>	<u>Vidor, TX</u>	<u>77662</u>
(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 water certificated service area under CCN No. 11560, in Orange County, TX from:

<u>Lexington Water Systems, Inc.</u>	<u>460 E. Bolivar</u>	<u>Vidor, TX</u>	<u>77662</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 35 customer connections, is located approximately 1.5 mile(s) east of downtown Vidor, Texas, and is generally bounded on the north by Interstate Highway 10; on the east by Concord Road; on the south by Orange Street; and on the west by Heritage Drive.

The requested area includes approximately 42 acres, comprised of transferred area from Lexington Water Systems, Inc. (CCN No. 11560) to Orange County WCID No. 1 (CCN No. 10115).

The application proposes the subtraction of approximately 42 acres from CCN No. 11560 and the addition of approximately 42 acres to CCN No. 10115.

**See enclosed maps 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.

A landowner with a tract of land at least 25 acres or more, that is partially or wholly located within the requested area, may file a written request with the Commission to be excluded from the requested area ("opt out") within (30) days from the date that notice was provided by the Utility. All opt out requests must include a large-scale map, a metes and bounds description of the landowner's tract of land, landowner's name, address, email address and fax number, if applicable.

A landowner that opts out from the requested area releases the applicant's obligation to provide retail water or sewer utility service to the removed land for any reason.

Si desea información en español, puede llamar al 1-888-782-8477.

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Utility Representative

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Utility Name

# PUBLIC UTILITY COMMISSION OF TEXAS



## AFFIDAVIT OF NOTICE TO CURRENT CUSTOMERS, NEIGHBORING UTILITIES, AND AFFECTED PARTIES DOCKET NO. 54464

STATE OF TEXAS

COUNTY OF \_\_\_\_\_

\_\_\_\_\_ has provided individual  
notice via first-class mail to the following entities, affected parties, 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 to Landowners***

**ORANGE COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 1,  
CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) NO. 10115, NOTICE OF  
INTENT TO PURCHASE WATER FACILITIES AND TO TRANSFER WATER SERVICE  
AREA UNDER CCN NO. 11560 FROM LEXINGTON WATER SYSTEMS, INC. IN  
ORANGE COUNTY, TEXAS**

To: \_\_\_\_\_ Date Notice Mailed: \_\_\_\_\_, 20\_\_\_\_  
(Name of Customer, Neighboring System, or City)  
\_\_\_\_\_  
(Address)  
\_\_\_\_\_  
(City State Zip)

Orange County Water Control & Improvement District No. 1  
(Purchaser's Name)

460 E. Bolivar Vidor, TX 77662  
(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 water certificated service area under CCN No. 11560, in Orange County, TX from:

Lexington Water Systems, Inc. 460 E. Bolivar Vidor, TX 77662  
(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 35 customer connections, is located approximately 1.5 mile(s) east of downtown Vidor, Texas, and is generally bounded on the north by Interstate Highway 10; on the east by Concord Road; on the south by Orange Street; and on the west by Heritage Drive.

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The application proposes the subtraction of approximately 42 acres from CCN No. 11560 and the addition of approximately 42 acres to CCN No. 10115.

**See enclosed maps 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.

A landowner with a tract of land at least 25 acres or more, that is partially or wholly located within the requested area, may file a written request with the Commission to be excluded from the requested area ("opt out") within (30) days from the date that notice was provided by the Utility. All opt out requests must include a large-scale map, a metes and bounds description of the landowner's tract of land, landowner's name, address, email address and fax number, if applicable.

A landowner that opts out from the requested area releases the applicant's obligation to provide retail water or sewer utility service to the removed land for any reason.

Si desea información en español, puede llamar al 1-888-782-8477.

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Utility Representative

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Utility Name

# PUBLIC UTILITY COMMISSION OF TEXAS



## AFFIDAVIT OF NOTICE TO LANDOWNERS DOCKET NO. 54464

STATE OF TEXAS

COUNTY OF \_\_\_\_\_

\_\_\_\_\_ has

- ☐ Determined that there are no landowners owning tracts of land over 25 acres wholly or partly inside the requested CCN area.
- ☐ Provided individual notice via first-class mail to the following landowners owning tracts of land over 25 acres wholly or partly inside the requested CCN area:

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: August 2, 2023