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DOCKET NO. 54543

APPLICATION OF CSWR-TEXAS	§	PUBLIC UTILITY COMMISSION
UTILITY OPERATING COMPANY,	§	
LLC, TB GP, LLC DBA VALLEY VISTA	§	
WATER COMPANY, AND VALLEY	§	OF TEXAS
VISTA HOMEOWNERS	§	
ASSOCIATION, INC. DBA VALLEY	§	
VISTA WATER COMPANY FOR SALE,	§	
TRANSFER, OR MERGER OF	§	
FACILITIES AND CERTIFICATE	§	
RIGHTS IN UVALDE COUNTY	§	

COMMISSION STAFF’S REVISED RECOMMENDATION ON CAPITAL IMPROVEMENTS PLAN

On January 4, 2023, CSWR-Texas Utility Operating Company, LLC (CSWR-Texas) and Valley Vista Homeowners Association, Inc. dba Valley Vista Water Company (Valley Vista) filed an application for the sale, transfer, or merger (STM) of facilities and certificate rights in Uvalde County under the provisions of Texas Water Code (TWC) § 13.301 and 16 Texas Administrative Code (TAC) § 24.239. On April 4, 2023, CSWR-Texas filed a supplement to the application to update the underlying purchase agreement to add TB GP, LLC dba Valley Vista Water Company (TB GP, LLC) to the STM application as the seller of the certificate of convenience and necessity (CCN) rights, while Valley Vista is only the seller of the water system and associated facilities and underlying acreage owned by Valley Vista. As such, CSWR-Texas, TB GP, LLC, and Valley Vista (collectively, Applicants) seek approval for CSWR-Texas, CCN No. 13290 to acquire all of the water service area from TB GP, LLC under water CCN No. 13147, as well as the facilities that provide service to CCN No. 13147 from Valley Vista, and to cancel CCN No. 13147.

On January 17, 2024, the administrative law judge filed Order No. 16, directing the Staff (Staff) of the Public Utility Commission of Texas (Commission) to file a recommendation on CSWR-Texas’s capital improvement plan by February 16, 2024. Therefore, this pleading is timely filed.

I. RECOMMENDATION ON CAPITAL IMPROVEMENTS PLAN

Staff has reviewed CSWR-Texas’s capital improvement plan, filed on February 1, 2024, and, as detailed in the attached memorandum from Patricia Garcia of the Infrastructure Division, recommends that CSWR-Texas's capital improvement plan is sufficient and complies with TWC

§ 13.244(d)(3) and 16 TAC § 24.233(a)(6). Specifically, CSWR-Texas provided a budget, an estimated timeline for construction, and a keyed map showing where additional facilities will be located.

II. CONCLUSION

For the reasons detailed above, Staff respectfully requests entry of an order consistent with this pleading.

Date: February 16, 2024

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Marisa Lopez Wagley
Division Director

Ian Groetsch
Managing Attorney

/s/ Scott Miles
Scott Miles
State Bar No. 24098103
Kelsey Daugherty
State Bar No. 24125054
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3480
(512) 936-7228
(512) 936-7268 (facsimile)
Scott.Miles@puc.texas.gov

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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 February 16, 2024 in accordance with the Second Order Suspending Rules, filed in Project No. 50664.

/s/ Scott Miles
Scott Miles

Public Utility Commission of Texas

Memorandum

TO: Scott Miles and Kelsey Daugherty, Attorneys
Legal Division

FROM: Patricia Garcia, Infrastructure Analysis Section Director
Infrastructure Division

DATE: February 16, 2024

RE: Docket No. 54543 – *Application of CSWR-Texas Utility Operating Company, LLC, TB GP, LLC dba Valley Vista Water Company, and Valley Vista Homeowners Association, Inc. dba Valley Vista Water Company for Sale, Transfer, or Merger of Facilities and Certificate Rights in Uvalde County*

1. Application

On January 4, 2023, CSWR-Texas Utility Operating Company, LLC (CSWR-Texas) and Valley Vista Homeowners Association, Inc. dba Valley Vista Water Company (Valley Vista) (collectively, Applicants) filed an application for sale, transfer, or merger (STM) of facilities and certificate rights in Uvalde County, Texas, under Texas Water Code (TWC) § 13.301 and 16 Texas Administrative Code (TAC) § 24.239.

The selling utility name in the Commission's records is TB GP, LLC dba Valley Vista Water Company (TB GP, LLC). TB GP, LLC forfeited its existence on February 28, 2020. On February 21, 2023, CSWR-Texas provided an affidavit from the former president of TB GP, LLC, Thomas Kirkpatrick. Mr. Kirkpatrick stated the development was foreclosed on by First Texas Bank and subsequently purchased by Valley Vista, however an STM application was never filed with the Commission for approval of this transaction. On April 4, 2023, CSWR-Texas provided an agreement including both TB GP, LLC, as the seller of the CCN service area, and Valley Vista, as the seller of the facilities.

CSWR-Texas, water Certificate of Convenience and Necessity (CCN) No. 13290, seeks approval to transfer all of the water service area from TB GP, LLC under water CCN No. 13147 and to acquire facilities that provide service to CCN No. 13147 from Valley Vista.

2. Capital Improvement Plan

An application for a certificate of public convenience and necessity or for an amendment to a certificate must contain: a capital improvements plan, including a budget and estimated timeline for construction of all facilities necessary to provide full service to the entire proposed service area (TWC § 13.244(d)(3)).

CSWR-Texas is proposing to make improvements to Valley Vista's water system.

CSWR-Texas provided a capital improvement plan that included a budget, an estimated timeline for construction, and a keyed map showing where facilities will be located.

3. Recommendation

Based on my technical and managerial review, I recommend that CSWR-Texas's capital improvement plan is sufficient and complies with TWC § 13.244(d)(3) and 16 TAC § 24.233(a)(6).