



## **Filing Receipt**

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**DOCKET NO. 54752**

**APPLICATION OF CSWR-TEXAS §  
UTILITY OPERATING COMPANY, LLC § PUBLIC UTILITY COMMISSION  
AND RBTQ, INC. DBA SOUTHWEST §  
GARDENS WATER FOR SALE, § OF TEXAS  
TRANSFER, OR MERGER OF §  
FACILITIES AND CERTIFICATE §  
RIGHTS AND FOR DECERTIFICATION §  
OF ALL OF DON HAYS DBA §  
SOUTHWEST WATER COMPANY (DON §  
HAYS) CERTIFICATE OF §  
CONVENIENCE AND NECESSITY IN §  
LUBBOCK COUNTY §**

**JOINT MOTION TO ADMIT EVIDENCE  
AND PROPOSED ORDER APPROVING THE SALE AND TRANSFER TO PROCEED**

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ATTACHMENT: Proposed Order Approving the Sale and Transfer to Proceed

**DOCKET NO. 54752**

<b>APPLICATION OF CSWR-TEXAS</b>	<b>§</b>	
<b>UTILITY OPERATING COMPANY, LLC</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>AND RBTQ, INC. DBA SOUTHWEST</b>	<b>§</b>	
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<b>OF ALL OF DON HAYS DBA</b>	<b>§</b>	
<b>SOUTHWEST WATER COMPANY (DON</b>	<b>§</b>	
<b>HAYS) CERTIFICATE OF</b>	<b>§</b>	
<b>CONVENIENCE AND NECESSITY IN</b>	<b>§</b>	
<b>LUBBOCK COUNTY</b>	<b>§</b>	

**JOINT MOTION TO ADMIT EVIDENCE  
AND PROPOSED ORDER APPROVING THE SALE AND TRANSFER TO PROCEED**

COME NOW RBTQ, Inc. dba Southwest Gardens Water (“Southwest Gardens”) and CSWR-Texas Utility Operating Company, LLC (“CSWR-Texas”), together with the Staff of the Public Utility Commission of Texas (“Commission Staff”) (collectively, “the Parties”), and file this Joint Motion to Admit Evidence and Proposed Order Approving the Sale and Transfer to Proceed. In support thereof, the Parties show the following:

**I. BACKGROUND**

On March 14, 2023, Southwest Gardens and CSWR-Texas (collectively, the “Applicants”) filed an application with the Public Utility Commission of Texas (“Commission”) for approval of the sale, transfer, or merger of facilities and certificate rights in Lubbock County (“Application”). The Applicants seek the transfer of all water facilities owned by Southwest Gardens and the amendment of CSWR-Texas’s certificate of convenience and necessity (CCN) number 13290 to include 46.7 acres under CSWR-Texas’s CCN No. 13290. The requested sale and transfer includes approximately 46.7 acres and 130 connections.

Pursuant to Order No. 6, the Parties timely file this Joint Motion to Admit Evidence and Proposed Order Approving the Sale and Transfer to Proceed.

**II. JOINT MOTION TO ADMIT EVIDENCE**

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

1. The application, including confidential attachments, filed on March 14, 2023 (Interchange Item Nos. 1, 2, 3, 4, 5, 6, and 7);

2. CSWR-Texas's first supplement, including confidential attachment J, filed on June 6, 2023 (Interchange Item Nos. 15 and 16);
3. CSWR-Texas's second supplement, filed on June 13, 2023 (Interchange Item No. 17);
4. CSWR-Texas's affidavit of notice to current customers, neighboring utilities, and affected parties, publisher's affidavit, and landowner affidavit, including confidential Exhibit B and E, filed on July 28, 2023 (Interchange Item Nos. 22, 23, and 24);
5. Commission Staff's recommendation on sufficiency of notice, filed on August 8, 2023 (Interchange Item No. 25); and
6. Commission Staff's recommendation on the transaction, including confidential attachments, filed on September 21, 2023. (Interchange Item Nos. 27 and 28).

### **III. COMMISSION STAFF'S CUMULATIVE RECOMMENDATION**

As demonstrated in its recommendation in this proceeding, Commission Staff has performed a cumulative review to assess CSWR-Texas's technical and managerial capability to provide service to the requested areas and customers affected in all prior CSWR-Texas's sale, transfer, or merger ("STM") dockets in which Commission Staff has recommended the transaction to proceed, and it has determined that CSWR-Texas has demonstrated its ability to provide continuous and adequate service to each of the requested areas, both individually and as a whole. In addition, Commission Staff determined that CSWR-Texas has the financial ability to pay for facilities necessary to provide service in each of the requested areas, both individually and as a whole.

### **IV. PROPOSED ORDER APPROVING THE SALE AND TRANSFER TO PROCEED**

The Parties move for adoption of the attached Proposed Order Approving the Sale and Transfer to Proceed.

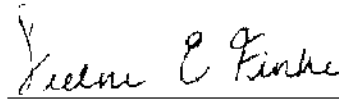
### **V. CONCLUSION**

The Parties respectfully request that the Commission grant the Motion to Admit Evidence and adopt the attached Proposed Order Approving the Sale and Transfer for Proceed.

Respectfully submitted,

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

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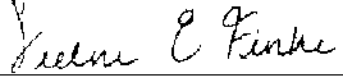
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**CERTIFICATE OF SERVICE**

I hereby certify that on this 13th day of October 2023, a true and correct copy of the foregoing document was served on all parties of record via electronic mail in accordance with the Order Suspending Rules issued in Project No. 50664.

  
\_\_\_\_\_  
Sidne E. Finke

**DOCKET NO. 54752**

<b>APPLICATION OF CSWR-TEXAS</b>	<b>§</b>	
<b>UTILITY OPERATING COMPANY, LLC</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>AND RBTQ, INC. DBA SOUTHWEST</b>	<b>§</b>	
<b>GARDENS WATER FOR SALE,</b>	<b>§</b>	<b>OF TEXAS</b>
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<b>CONVENIENCE AND NECESSITY IN</b>	<b>§</b>	
<b>LUBBOCK COUNTY</b>	<b>§</b>	

**PROPOSED ORDER APPROVING SALE AND TRANSFER TO PROCEED**

This Order addresses the application of RBTQ, Inc. dba Southwest Gardens Water (Southwest Gardens) and CSWR-Texas Utility Operating Company, LLC (CSWR-Texas) for the sale, transfer, or merger of facilities in Lubbock County. CSWR-Texas seek the sale and transfer of all facilities and service area held under Southwest Gardens’ water certificate of convenience and necessity (CCN) number 12891 to CSWR-Texas, the cancellation of Southwest Gardens’ water CCN number 12891, and the amendment of CSWR-Texas’s water CCN number 13290 to include the area previously included in Southwest Gardens’ water CCN number 12891. The administrative law judge (ALJ) grants that the sale is approved and the transaction between CSWR-Texas and Southwest Gardens may proceed and be consummated.

**I. Findings of Fact**

The Commission makes the following findings of fact:

**Applicants**

1. Southwest Gardens is an investor-owned utility that operates, maintains, and controls facilities for providing water service in Lubbock County under CCN number 12891.
2. Southwest Gardens owns and operates a public water system registered with the Texas Commission on Environmental Quality (TCEQ) as Southwest Garden Water public water system number 1520217.
3. CSWR Texas is a Texas limited liability company registered with the Texas secretary of state under file number 0803367893.

4. CSWR Texas is an investor-owned utility that operates, maintains, and controls facilities for providing water service in Angelina, Aransas, Austin, Burleson, Burnet, Calhoun, Camp, Denton, Ellis, Erath, Guadalupe, Harris, Hays, Hidalgo, Hood, Jackson, Kerr, Limestone, Llano, Lubbock, McCulloch, Montague, Montgomery, Navarro, Parker, Polk, Robertson, Victoria, Wilson, and Wood counties under CCN number 13290.

### Application

5. On March 14, 2023, CSWR-Texas and Southwest Gardens filed the application for approval of the sale and transfer of all facilities and service area held under Southwest Gardens' water CCN number 12891 to CSWR-Texas, cancellation of Southwest Gardens' water CCN number 12981, and amend CSWR Texas's water CCN number 13290 to include the area previously included in Southwest Gardens' water CCN number 12891.
6. CSWR-Texas supplemented the application on June 6 and 13, 2023.
7. In the application, CSWR-Texas and Southwest Gardens seek approval of the following transaction: (a) CSWR Texas will acquire all of Southwest Gardens' water facilities and water service area under water CCN number 12891; (b) Southwest Gardens' water CCN number 12891 will be cancelled; and (c) CSWR Texas's water CCN number 13290 will be amended to include the area previously included in Southwest Gardens' water CCN number 12891.
8. The requested area comprises approximately 46.7 acres and 130 connections.
9. The requested area is located approximately 5.2 miles southeast of downtown Wolfforth, Texas, and is generally bounded on the north by County Road 7500; on the east by County Road 1840; on the south by County Road 7540; and on the west by Frankford Avenue.
10. In Order No. 5 filed on June 30, 2023, the ALJ deemed the application administratively complete.

### Notice

11. On July 28, 2023, CSWR-Texas filed the affidavit of Aaron Silas, Regulatory Case Manager of CSWR Texas, attesting that notice was provided to all current customers of Southwest Gardens, neighboring utilities, and affected parties on July 12, 2023.



12. Also, on July 28, 2023, CSWR-Texas filed the publisher's affidavit attesting to the publication of notice in the Lubbock Avalanche-Journal, a newspaper of general circulation in Lubbock County, on July 14 and 21, 2023.
13. Also, on July 28, 2023, CSWR-Texas filed the affidavit of Aaron Silas, Regulatory Case Manager of CSWR-Texas, attesting that notice was provided to all landowners owning tracts of land wholly or partly in the requested area of 25 acres or more.
14. In Order No. 6 filed on August 10, 2023, the ALJ deemed the notice sufficient.

#### **Evidentiary Record**

15. On October 13, 2023, the parties filed a joint motion to admit evidence.
16. In Order No. \_\_ filed on \_\_\_\_\_, the ALJ admitted the following evidence into the record: (a) the application, including confidential attachments, filed on March 14, 2023; (b) CSWR-Texas's first supplement to the application, including confidential attachment J, filed on June 6, 2023; (c) CSWR-Texas's second supplement to the application filed on June 13, 2023; (d) Commission Staff's recommendation on administrative completeness filed on June 29, 2023; (e) CSWR-Texas's affidavit of notice to current customers, neighboring utilities, and affected parties, publisher's affidavit, and landowner affidavit, including confidential Exhibit B and E, filed on July 28, 2023; (f) Commission Staff's recommendation on sufficiency of notice, filed on August 8, 2023; and (g) Commission Staff's recommendation on the transaction, including confidential attachments, filed on September 26, 2023.

#### **Cumulative Recommendation**

17. On September 26, 2023, Commission Staff filed its recommendation regarding the transaction in this docket recommending that CSWR-Texas has the financial, managerial, and technical capability to provide continuous and adequate service to all areas included

in this docket and in Docket Nos. 50251,<sup>1</sup> 50276,<sup>2</sup> 50311,<sup>3</sup> 50989,<sup>4</sup> 51003,<sup>5</sup> 51026,<sup>6</sup>

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<sup>1</sup> *Application of JRM Water LLC and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Victoria County, Docket No. 50251, Notice of Approval (Mar. 12, 2022).*

<sup>2</sup> *Application of North Victoria Utilities, Inc. and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Victoria County, Docket No. 50276, Notice of Approval (Mar. 11, 2022).*

<sup>3</sup> *Application of Copano Heights Water Company and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Aransas County, Docket No. 50311, Notice of Approval (Mar. 17, 2022).*

<sup>4</sup> *Application of Ranch Country of Texas Water Systems, Inc. and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Austin County, Docket No. 50989, Notice of Approval (Apr. 23, 2022).*

<sup>5</sup> *Application of Oak Hill Ranch Estates Water and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Guadalupe and Wilson Counties, Docket No. 51003 Notice of Approval (Aug. 9, 2022).*

<sup>6</sup> *Application of Tall Pines Utility, Inc. and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Harris County, Docket No. 51026, Notice of Approval (Apr. 23, 2022).*

51031,<sup>7</sup> 51036,<sup>8</sup> 51047,<sup>9</sup> 51065,<sup>10</sup> 51089,<sup>11</sup> 51118,<sup>12</sup> 51126,<sup>13</sup> 51130,<sup>14</sup> 51146,<sup>15</sup> 51222,<sup>16</sup>

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<sup>7</sup> *Application of Council Creek Village, Inc. d/b/a Council Creek Village d/b/a South Council Creek 2 CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Burnet County, Docket No. 51031, Notice of Approval (Apr. 14, 2022).*

<sup>8</sup> *Application of Kathie Lou Daniels d/b/a Woodlands West and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Burleson County, Docket No. 51036, Notice of Approval (Aug. 23, 2022).*

<sup>9</sup> *Application of Jones-Owen Company d/b/a South Silver Creek I, II, and III and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Burnet County, Docket No. 51047, Notice of Approval (Apr. 19, 2022).*

<sup>10</sup> *Application of Treetop Utilities, Inc. and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Parker County, Docket No. 51065, Corrected Notice of Approval (Mar. 10, 2022).*

<sup>11</sup> *Application of Donald E. Wilson d/b/a Quiet Village II d/b/a QV Utility CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Hidalgo County, Docket No. 51089, Notice of Approval (Nov. 18, 2022).*

<sup>12</sup> *Application of Shady Oaks Water Supply Company, LLC and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Wilson County, Docket No. 51118, Notice of Approval (Mar. 18, 2022).*

<sup>13</sup> *Application of Shawn M. Horvath Dba Aero Valley Water Service and CSWR-Texas Utility Operating Company, LLC For Sale, Transfer, Or Merger of Facilities and to Amend CSWR-Texas Utility Operating Company, LLC's Certificate of Convenience and Necessity in Denton County, Docket No. 51126, Notice of Approval (Oct. 26, 2022).*

<sup>14</sup> *Application of Laguna Vista Limited and Laguna Tres, Inc. CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Hood County, Docket No. 51130, Notice of Approval (Apr. 20, 2022).*

<sup>15</sup> *Application of Abraxas Corporation and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Parker County, Docket No. 51146, Notice of Approval (Apr. 23, 2022).*

<sup>16</sup> *Application of the Estate of Patetreen Petty McCoy d/b/a Big Wood Springs Water Company and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Wood County, Docket No. 51222, Notice of Approval (Feb. 16, 2022).*

51544,<sup>17</sup> 51642,<sup>18</sup> 51917,<sup>19</sup> 51928,<sup>20</sup> 51940,<sup>21</sup> 51981,<sup>22</sup> 52089,<sup>23</sup> 52099,<sup>24</sup> 52410,<sup>25</sup>

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<sup>17</sup> *Application of Franklin Water Service Co. LLC and CSWR-Texas Utility Operating Company, LLC For Sale, Transfer, Or Merger of Facilities and Certificate Rights in Lubbock County, Docket No. 51544, Notice of Approval (Feb. 15, 2022).*

<sup>18</sup> *Application of James L. Nelson dba WaterCo and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Montague County, Docket No. 51642, Notice of Approval (Mar. 15, 2022).*

<sup>19</sup> *Application of Rocket Water Company, Inc. and CSWR-Texas Utility Operating Company, LLC For Sale, Transfer, Or Merger of Facilities and Certificate Rights in Hays County, Docket No. 51917, Notice of Approval (Mar. 8, 2022).*

<sup>20</sup> *Application of Betty J. Drago and CSWR-Texas Utility Operating Company, LLC For Sale, Transfer, or Merger of Facilities and Associated Acreage in Erath County, Docket No. 51928, Notice of Approval (Jan. 21, 2022).*

<sup>21</sup> *Application of Walnut Bend Water Supply and CSWR-Texas Utility Operating Company, LLC For Sale, Transfer or Merger of Facilities and Certificate Rights in Angelina County, Docket No. 51940, Notice of Approval (Mar. 15, 2022).*

<sup>22</sup> *Application of Live Oak Hills and Flag Creek Ranch Water Systems and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Llano and McCulloch Counties, Docket No. 51981, Notice of Approval (Jan. 28, 2022).*

<sup>23</sup> *Application of Alpha Utility of Camp County, LLC and CSWR-Texas utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Camp County, Docket No. 52089, Notice of Approval (Mar. 25, 2022).*

<sup>24</sup> *Application of THRC Utility, LLC and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Navarro County, Docket No. 52099, Corrected Notice of Approval (Jul. 28, 2022).*

<sup>25</sup> *Application of RJR Water Company, Inc. and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Bexar County, Docket No. 52410, Notice of Approval (Jun. 3, 2022).*

52700,<sup>26</sup> 52702,<sup>27</sup> 52803,<sup>28</sup> 52879,<sup>29</sup> 52661,<sup>30</sup> 52880,<sup>31</sup> 53326,<sup>32</sup> 53317,<sup>33</sup> 53259,<sup>34</sup>  
53429,<sup>35</sup> and 53430.<sup>36</sup>

### System Compliance

18. The last TCEQ compliance investigation of Southwest Gardens Water system was on June 2021. Southwest Gardens' public water system number 1520217 is currently in compliance with the rules of the TCEQ.

19. The Commission's complaint records, which date back to 2017, show 12 complaints against CSWR-Texas. CSWR-Texas does not have any active violations in the TCEQ database.

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<sup>26</sup> *Application of RJR Water Company and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Parker and Palo Pinto Counties, Docket No. 52700 (pending).*

<sup>27</sup> *Application of CSWR-Texas Utility Operating Company, LLC and Fremont Water Company for Sale, Transfer, or Merger of Facilities and Certificate Rights in Kerr County, Docket No. 52702, Notice of Approval (Aug. 5, 2022).*

<sup>28</sup> *Application of Copano Cove Water Company, Inc. and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate rights in Aransas County, Docket No. 52803, Notice of Approval (Dec. 19, 2022).*

<sup>29</sup> *Application of Carroll Water Company, Inc. and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Ellis County, Docket No. 52879, Notice of Approval (Sept. 21, 2022).*

<sup>30</sup> *Application of Tri-County Point Property Owners Association and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Calhoun and Jackson Counties, Docket No. 52661, Notice of Approval (Dec. 12, 2022).*

<sup>31</sup> *Application of Texas Landing Utilities and CSWR-Texas Utility Operating Company, LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Polk and Montgomery Counties, Docket No. 52880, Notice of Approval (Nov. 3, 2022).*

<sup>32</sup> *Application of CSWR-Texas Utility Operating Company, LLC and Aransas Bay Utilities Co., LLC for Sale, Transfer, or Merger of Facilities and Certificate Rights in Aransas County, Docket No. 53326, Notice of Approval (Dec. 16, 2022).*

<sup>33</sup> *Application of CSWR-Texas Utility Operating Company, LLC and Jusryn Company, Inc. dba Shady Grove Sewer System for Sale, Transfer, or Merger of Facilities and Certificate Rights in Hood County, Docket No. 53317 (pending).*

<sup>34</sup> *Application of CSWR-Texas Utility Operating Company, LLC and Cody and Anita Lewis dba Cassie Water Company for Sale, Transfer, or Merger of Facilities and Certificate Rights in Burnet County, Docket No. 53259 (pending).*

<sup>35</sup> *Application of CSWR-Texas Utility Operating Company LLC and Deer Springs Water Company for Sale, Transfer, or Merger of Facilities and Certificate Rights in Burnet County, Docket No. 53429 (pending).*

<sup>36</sup> *Application of CSWR-Texas Utility Operating Company, LLC and Water Works I and II for Sale, Transfer, or Merger of Facilities and Certificate Rights in Llano County, Docket No. 53430 (pending).*

20. CSWR-Texas demonstrated a compliance history that is adequate for approval of the sale to proceed.

**Adequacy of Existing Service**

21. Currently, 130 water connections in the requested area are being served by Southwest Gardens through public water systems number 1520217.

**Need for Additional Service**

22. There is a continuing need for service because Southwest Gardens is currently serving 130 connections in the requested area.
23. This is an application to transfer only existing facilities, customers, and service area. There have been no specific requests for additional service within the 46.7-acre requested area.

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

24. Approving the sale and transfer to proceed and granting the CCN amendment will obligate CSWR Texas to provide continuous and adequate water service to current and future customers in the 46.7-acre requested area.
25. Because this application is to transfer only existing facilities, customers, and service area, there will be no effect on any other retail public utility servicing the proximate area.
26. There will be no effect on landowners because the area is currently certificated. Any landowners in the requested areas who do not currently receive service from Southwest Gardens will need to request service from CSWR-Texas if they require service after the transaction has been completed.
27. Retail public utilities in the proximate area of the requested areas were provided notice of the transaction and none filed protests, adverse comments, or sought to intervene in this proceeding.

**Ability to Serve: Managerial and Technical**

28. CSWR-Texas has the ability to provide adequate service in the requested areas. CSWR-Texas has purchased several TCEQ approved public water systems and sewer systems.

The Commission's complaint records, which date back to 2017, show 12 complaints against CSWR-Texas.

29. CSWR-Texas employs or contracts with TCEQ-licensed water operators who will operate the public water system.
30. CSWR-Texas stated its intent to invest the capital required to make the upgrades, renovations, and repairs necessary to ensure customers receive safe and reliable service. The needed improvements will begin when the systems are officially transferred to CSWR-Texas. Once the water systems are compliant with TCEQ regulations, the service provided to the requested area will be adequate.
31. CSWR-Texas has the technical and managerial capability to provide adequate and continuous service to the requested area.

**Ability to Serve: Financial Ability**

32. 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.
33. CSWR, LLC provided a written guarantee of coverage of temporary cash shortages or operating expense shortfalls—satisfying the operations test.
34. CSWR Texas demonstrated the financial and managerial ability and stability to provide continuous and adequate service to the requested area.

**Financial Assurance**

35. 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**

36. Southwest Gardens is currently serving customers and has sufficient capacity.
37. Obtaining service from an adjacent retail public utility would likely increase costs to customers because new facilities would need to be constructed. At a minimum, an interconnect would need to be installed in order to connect to a neighboring retail public utility. Therefore, it is not feasible to obtain service from an adjacent retail public utility.

38. There will be no changes to land uses or existing CCN boundaries.
39. Obtaining service from an adjacent retail public utility would likely increase costs to customers because new facilities will need to be constructed. At the minimum, an interconnect would need to be installed in order to connect to a neighboring retail public utility. Therefore, it is not feasible to obtain service from an adjacent retail public utility.

**Environmental Integrity and Effect on the Land**

40. The requested areas will continue to be served with existing infrastructure.
41. There will be minimal effects on environmental integrity and on the land as a result of CSWR-Texas's planned upgrades, renovations, and repairs to the public water and sewer systems.

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

42. CSWR-Texas will adopt current rates upon consummation of the transaction.
43. Reliability and quality of water service is expected to improve under CSWR-Texas's management

**Regionalization or Consolidation**

44. 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.

**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. CSWR-Texas and Southwest Gardens provided notice of the application that complies with TWC §§ 13.246 and 13.301(a)(2) and 16 TAC § 24.239.



3. The Commission processed the application as required by the TWC, the Administrative Procedure Act,<sup>37</sup> and Commission Rules.
4. After consideration of the factors in TWC § 13.246(c), CSWR-Texas demonstrated that it is capable of rendering continuous and adequate service to every customer within the requested areas, as required by TWC § 13.251.
5. CSWR-Texas demonstrated adequate financial, managerial, and technical capability for providing adequate and continuous service to the requested area as required by TWC §§ 13.241(a) and 13.301(b).
6. It is not necessary for CSWR Texas to provide bond or other financial assurance under TWC §§ 13.246(d) and 13.301(c).
7. CSWR-Texas and Southwest Gardens have demonstrated that the sale of Southwest Gardens' facilities to CSWR Texas will serve the public interest and is necessary for the service, accommodation, convenience, and safety of the public under TWC § 13.301(d), (e).

### III. Ordering Paragraphs

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

1. The sale is approved and the transaction between CSWR-Texas and Southwest Gardens may proceed and be consummated.
2. As soon as possible after the effective date of the transaction, but not later than 30 days after the effective date, CSWR-Texas and Southwest Gardens must file proof that the transaction has been consummated and customer deposits, if any, have been addressed.
3. CSWR-Texas and Southwest Gardens have 180 days to complete the transaction.
4. Under 16 TAC § 24.239(m), if the transaction is not consummated within this 180-day period, or an extension is not granted, this approval is void and CSWR-Texas and Southwest Gardens will have to reapply for approval.

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<sup>37</sup> Tex. Gov't Code §§ 2001.001-.903.

5. CSWR-Texas and Southwest Gardens are advised that the requested areas and associated facilities will remain under water CCN number 12891 and held by Southwest Gardens until the sale and transfer transaction is complete, in accordance with Commission rules.
6. In an effort to finalize this case as soon as possible, CSWR-Texas and Southwest Gardens must continue to file monthly updates regarding the status of the closing and submit documents evidencing that the transaction was consummated.
7. Within 15 days following the filing of CSWR-Texas and Southwest Gardens' proof that the transaction has been consummated and customer deposits, if any, have been addressed, Commission Staff must file a recommendation regarding the sufficiency of the documents and propose a schedule for continued processing of this docket.

**Signed at Austin, Texas the \_\_\_\_\_ day of \_\_\_\_\_ 2023.**

**PUBLIC UTILITY COMMISSION OF TEXAS**

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**SUSAN E. GOODSON**  
**ADMINISTRATIVE LAW JUDGE**