



Filing Receipt

Filing Date - 2023-07-14 11:47:47 AM

Control Number - 54913

Item Number - 6

DOCKET NO. 54913

APPLICATION OF EMERALD BAY	§	PUBLIC UTILITY COMMISSION
MUNICIPAL UTILITY DISTRICT AND	§	
AQUA TEXAS, INC. FOR APPROVAL	§	
OF A SERVICE AREA CONTRACT	§	OF TEXAS
UNDER TEXAS WATER CODE § 13.248	§	
AND TO AMEND CERTIFICATES OF	§	
CONVENIENCE AND NECESSITY IN	§	
SMITH COUNTY	§	

COMMISSION STAFF'S FINAL RECOMMENDATION

On April 20, 2023, Emerald Bay Municipal Utility District (Emerald Bay MUD) filed an application for approval of a service-area contract with Aqua Texas, Inc. (Aqua) (Collectively, the Applicants) under Texas Water Code (TWC) § 13.248 and to amend certificate of convenience and necessity (CCN) numbers 13047 and 13201 in Smith County.

On May 23, 2023, the administrative law judge (ALJ) filed Order No. 2, requiring the Staff (Staff) of the Public Utility Commission of Texas (Commission) to file a request for a hearing or final recommendation by July 14, 2023. Therefore, this pleading is timely filed.

I. FINAL RECOMMENDATION

Staff has reviewed the Applicants' application and, as detailed in the attached memorandum of Patricia Garcia of the Infrastructure Division, recommends that the application be approved. Staff's review indicates that the application meets the statutory requirements of TWC § 13.248.

II. CONCLUSION

For the reasons detailed above, Staff respectfully recommends that the application be approved.

Dated: July 14, 2023

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

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Division Director

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/s/ Arnett D. Caviel
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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 July 14, 2023 in accordance with the Second Order Suspending Rules, issued in Project No. 50664.

/s/ Arnett D. Caviel
Arnett D. Caviel

Public Utility Commission of Texas

Memorandum

TO: Arnett Caviel, Attorney
Legal Division

FROM: Patricia Garcia, Infrastructure Analysis Section Director
Infrastructure Division

DATE: July 14, 2023

RE: Docket No. 54913 – *Application of Emerald Bay Municipal Utility District and Aqua Texas, Inc. for Approval of a Service Area Contract Under Texas Water Code § 13.248 and to Amend Certificates of Convenience and Necessity in Smith County*

On April 20, 2023, Emerald Bay Municipal Utility District (Emerald Bay MUD) and Aqua Texas, Inc. (Aqua Texas) (collectively, Applicants) filed application for approval of a service area contract under Texas Water Code (TWC) § 13.248 and to amend Emerald Bay MUD's water Certificate of Convenience and Necessity (CCN) No. 13047 and Aqua Texas's water CCN No. 13201 in Smith County, Texas. The Applicants' TWC § 13.248 service area contract is being reviewed in accordance with 16 Texas Administrative Code (TAC) § 24.253.

Specifically, Emerald Bay MUD and Aqua Texas entered into a contractual agreement which permits Aqua Texas to provide water services within the agreed upon water certificated service area. The Applicants will not transfer assets or facilities under the terms of the agreement.

Based on the mapping review by Dave Babicki, Infrastructure Division:

- The requested area to transfer (4.5 acres) from Emerald Bay MUD (CCN No. 13047) to Aqua Texas (CCN No. 13201) is currently dually certified with Southern Utilities Company (CCN No. 10762).
- The requested area includes 0 customer connections and approximately 4.5 acres, comprised of transferred area from Emerald Bay MUD (CCN No. 13047) to Aqua Texas (CCN No. 13201).
- The petition proposes the subtraction of approximately 4.5 acres from CCN No. 13047 and the addition of approximately 4.5 acres to CCN No. 13201.
- 4.5 acres will be dually certificated with Aqua Texas (CCN No. 13201) and Southern

Utilities Company (CCN No. 10762).

The Applicants submitted documentation to satisfy the notice requirements under 16 TAC § 24.253(c).

The application meets all applicable statutory requirements of TWC Chapter 13 and 16 TAC Chapter 24 rules and regulations. Therefore, I recommend approval of the application.

The Applicants consented to the attached map and certificates on June 29, 2023.