



## **Filing Receipt**

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**Item Number - 3**

**DOCKET NO. 55141**

<b>PETITION TO REVOKE KAUFMAN</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>COUNTY DEVELOPMENT DISTRICT</b>	<b>§</b>	
<b>NO. 1'S CERTIFICATE OF</b>	<b>§</b>	<b>OF TEXAS</b>
<b>CONVENIENCE AND NECESSITY</b>	<b>§</b>	
<b>PURSUANT TO TEX. WATER CODE</b>	<b>§</b>	
<b>§ 13.254 AND 16 TAC § 24.245</b>	<b>§</b>	

**COMMISSION STAFF'S MOTION FOR ENTRY OF A DEFAULT ORDER**

The Staff of the Public Utility Commission of Texas files this motion for entry of a default order in accordance with 16 Texas Administrative Code (TAC) § 22.183. In support thereof, Commission Staff shows the following:

**I. BACKGROUND**

On June 14, 2023, Commission Staff filed a petition to revoke certificate of convenience and necessity (CCN) No. 12944 belonging to Kaufman County Development District No. 1 (KCDD1).<sup>1</sup> In its petition, Commission Staff recommended, based on underlying supporting information, that KCDD1 is incapable of providing continuous and adequate water service to its certificated area because KCDD1 was dissolved by the Kaufman County Commissioners Court in May 2017. Accordingly, Commission Staff recommended that water CCN No. 12944 be revoked under Texas Water Code (TWC) § 13.254(a)(1) and 16 TAC § 24.245(d)(1)(A). Commission Staff included the disclosure required under 16 TAC § 22.183(b)(1) and Commission Staff sent the petition to addresses for KCDD1 found after a reasonable investigation, as required by 16 TAC § 22.183(b)(2)(C).<sup>2</sup>

Under 16 TAC § 22.183(a), a default occurs when a party fails to request a hearing within 30 days after service of notice of an opportunity for a hearing. In this matter, Commission Staff provided notice of an opportunity for a hearing and included a warning to KCDD1 that a default could be granted if KCDD1 failed to timely request a hearing within 30 days of service and a reference to the statutes and rules involved in this proceeding.

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<sup>1</sup> See Docket No. 55141, AIS No. 2 (June 14, 2023).

<sup>2</sup> Commission Staff notes that there was a typo in one of the addresses listed in its original petition. The typo was discovered prior to service of the petition and the petition was delivered to the correct address. See Affidavit of Rosa Ramirez, which is attached to this pleading as Staff Exhibit 7.

## II. MOTION FOR DEFAULT ORDER

Commission Staff sent notice to KCDD1 on June 14, 2023 by certified mail. More the 30 days have passed since the petition was received on June 16, 2023. Therefore, Commission Staff requests that the Commission enter a default order that revokes KCDD1's CCN No. 12944 and has attached a proposed default order for the Commission's consideration.

## III. MOTION TO ADMIT EVIDENCE

Commission Staff moves to admit the following items into evidence:

1. Commission Staff's petition to revoke KCDD1's CCN and notice of opportunity for a hearing, including Staff Exhibits 1 through 6 attached thereto;<sup>3</sup> and
2. The affidavit of Rosa Ramirez, attached to this pleading as Staff Exhibit 7.

## IV. CONCLUSION

Commission Staff respectfully recommends that the Commission enter the above listed items into the record and issue a default order consistent with Commission Staff's attached proposed order.

Dated: July 24, 2023

Respectfully submitted,

### **PUBLIC UTILITY COMMISSION OF TEXAS DIVISION OF COMPLIANCE & ENFORCEMENT**

Barksdale English  
Division Director

/s/ Barksdale English

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<sup>3</sup> Docket No. 55141, AIS No. 2 (June 14, 2023).

**DOCKET NO. 55141**

**CERTIFICATE OF SERVICE**

I certify that on July 24, 2023, a copy of this document was sent via certified mail, return receipt requested, to the addresses for KCDD1 found after reasonable investigation in accordance with 16 TAC § 22.183(b)(2)(C).

/s/ Barksdale English  
Barksdale English

**STAFF EXHIBIT 7**  
**AFFIDAVIT OF ROSA RAMIREZ**

**DOCKET NO. 55141**

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**AFFIDAVIT OF ROSA RAMIREZ**

STATE OF TEXAS §  
TRAVIS COUNTY §

BEFORE ME, the undersigned authority, on this day personally appeared, Rosa Ramirez, and being by me duly sworn, upon oath declared that the statements and capacity acted in are true and correct.

My name is Rosa Ramirez. I am the Legal Assistant in the Division of Compliance and Enforcement of the Public Utility Commission of Texas (Commission). I am over the age of twenty-one, and I am competent to make this Affidavit.

In accordance with 16 Texas Administrative Code § 22.183(b)(2)(C), on June 14, 2023, I mailed, by certified mail, a copy of Commission Staff's Petition to Revoke Kaufman County Development District No. 1's Certificate of Convenience and Necessity and Notice of Opportunity for a Hearing, filed on June 14, 2023, to the following addresses found after a reasonable investigation:

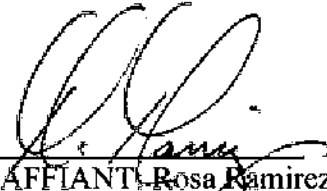
Kaufman County Development District No. 1  
3100 McKinnon Street, Suite 1100  
Houston, TX 75201-1033

Kaufman Count Development District No. 1  
600 N. Pearl Street, Suite 900  
Dallas, TX 75201-2872

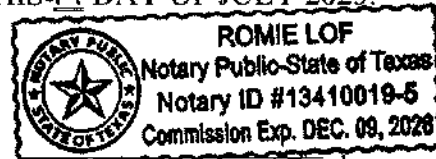
Kaufman County MUD 11  
PO Box 80  
Tomball, TX 77377-0080

On July 24, 2023, I mailed by certified mail, a copy of Commission Staff's Motion for a Default Order filed on July 24, 2023, to the same addresses listed above. Please see the attached

tracking information for each item, a copy of the petition, and a copy of the Motion for Entry of a Default Order.

  
AFFIANT: Rosa Ramirez

SWORN TO AND SUBSCRIBED BEFORE ME THIS 24 DAY OF JULY 2023.



Notary ~~Public~~ without Bond for the State of Texas

**ATTACHMENT 1**  
**PROPOSED DEFAULT ORDER**



**DOCKET NO. 55141**

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<b>§ 13.254 AND 16 TAC § 24.245</b>	<b>§</b>	

**PROPOSED DEFAULT ORDER**

This Default Order addresses the June 14, 2023 petition of Commission Staff to revoke the water certificate of convenience and necessity (CCN) of Kaufman Country Development District No. 1 for violations of the Texas Water Code and Commission rules. The Commission grants the petition, by default, and revokes Kaufman County Development District No. 1's CCN number 12944.

**I. Findings of Fact**

The Commission makes the following findings of fact:

**CCN Holder**

1. Kaufman County Development District No. 1 was organized by the Kaufman County Commissioners Court on July 23, 1996 under Texas Tax Code § 312.<sup>1</sup>
2. Kaufman County Development District No. 1 holds water CCN number 12944.
3. Under CCN number 12944, Kaufman County Development District No. 1 is obligated to provide continuous and adequate service to customers within the boundaries of its certificated service area in Kaufman County.
4. On May 8, 2017, the Kaufman County Commissioners Court ordered the dissolution of Kaufman County Development District No. 1.

**Commission Staff's Petition**

5. On June 14, 2023, Commission Staff filed its petition in this proceeding, in which it seeks to revoke Kaufman County Development District No. 1's CCN number 12944 for failure to provide continuous and adequate water service.

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<sup>1</sup> In 1997, Texas Tax Code § 312 was renumbered as Local Gov't Code § 383.

6. The petition alleges that Kaufman County Development District No. 1 is no longer capable of providing water utility service to customers and, therefore, requests that its CCN be revoked.
7. Commission Staff's investigation indicates that Kaufman County Development District No. 1 is not providing water service to customers and any facilities that may have been previously used to provide continuous and adequate water service are no longer active.
8. Kaufman County Development District No. 1 does not provide and is not capable of providing continuous and adequate water service to customers in its certificated service area.

**Notice**

9. Commission Staff determined, after a reasonable investigation of Commission records, that Kaufman County Development District No. 1 has three associated addresses, as follows:

Kaufman County Development District No. 1  
3100 McKinnon Street, Suite 1100  
Houston, TX 75201-1033

Kaufman County Development District No. 1  
600 N. Pearl Street, Suite 900  
Dallas, TX 75201-2872

Kaufman County MUD 11  
PO Box 80  
Tomball, TX 77377-0080

10. On June 14, 2023, Commission Staff sent a copy of the petition and notice of opportunity for a hearing by certified mail to Kaufman County Development District No. 1's addresses identified above.
11. The petition notified Kaufman County Development District No. 1 of the legal authority and the Commission's jurisdiction over this matter, cited to particular sections of the statutes and rules involved, and provided a statement of the factual allegations.
12. The petition also notified Kaufman County Development District No. 1 that it was entitled to request a hearing within 30 days after the filing of the petition and included the following admonition in at least 12-point, bold-faced type:

**In accordance with 16 TAC § 22.183, Commission Staff hereby notifies Kaufman County Development District No. 1 that the factual allegations in this petition could be deemed admitted and the relief sought herein—revocation of CCN—granted by default if Kaufman County Development District No. 1 fails to request a hearing within 30 days after service of this petition.**

**Evidentiary Record**

13. In Order No. \_\_ filed on \_\_\_\_\_, the administrative law judge admitted into evidence the June 14, 2023 petition of Commission Staff to revoke the CCN of Kaufman County Development District No. 1 and all attachments thereto, and the affidavit of Rosa Ramirez, which was attached to July 24, 2023 motion of Commission Staff's for default order and to admit evidence.

**Motion for Disposition by Default**

14. On July 24, 2023, Commission Staff filed a motion for entry of a default order.
15. On July 24, 2023, Commission Staff sent a copy of the motion for entry of a default order by certified mail to Kaufman County Development District No. 1 addresses identified above.

**Grounds for Default**

16. More than 30 days have passed since service of the petition on Kaufman County Development District No. 1.
17. Kaufman County Development District No. 1 did not request a hearing on the merits and did not respond to the petition.
18. More than 30 days have passed since service of the motion for entry of a default order.
19. Kaufman County Development District No. 1 did not respond to the motion for entry of a default order.

**II. Conclusions of Law**

The Commission makes the following conclusions of law.

1. The Commission has jurisdiction over this petition under TWC § 13.254.
2. Because Kaufman County Development District No. 1 is no longer providing and is incapable of providing continuous and adequate service in its certificated service area, the

Commission is entitled to revoke CCN number 12944 under TWC § 13.254(a)(1) and 16 TAC § 24.245(d)(1)(A).

3. Adequate notice was provided to Kaufman County Development District No. 1 in compliance with Texas Government Code § 2001.054(c) and 16 TAC § 22.183(b)(2)(C).
4. The Commission may issue a default order under 16 TAC § 22.183(a) and (b) in this proceeding because Kaufman County Development District No. 1 failed to request a hearing within 30 days of service of the notice of an opportunity for a hearing.
5. The requirements for disposition by default in 16 TAC § 22.183 have been met in this proceeding.

### **III. Ordering Paragraphs**

In accordance with these findings of fact and conclusions of law, the Commission issues the following order:

1. The Commission deems the allegations in Commission Staff's petition as true.
2. The Commission grants Commission Staff's motion for default order and revokes Kaufman County Development District No. 1 CCN number 12944.
3. The Commission directs Commission Staff to update its records accordingly.
4. The Commission is not constrained in any manner from requiring additional action or penalties for violations that are not raised here.
5. The Commission denies all other motions and any other requests for general or specific relief that have not been expressly granted.

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

**PUBLIC UTILITY COMMISSION OF TEXAS**

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**KATHLEEN JACKSON, INTERIM CHAIRMAN**

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**WILL MCADMAS, COMMISSIONER**

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**LORI COBOS, COMMISSIONER**

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**JIMMY GLOTFELTY, COMMISSIONER**