



Filing Receipt

Filing Date - 2024-09-11 03:41:19 PM

Control Number - 55194

Item Number - 52

DOCKET NO. 55194

**APPLICATION OF CSWR-TEXAS §
UTILITY OPERATING COMPANY, LLC § PUBLIC UTILITY COMMISSION
AND WOOD TRAILS WATER SUPPLY, §
INC. FOR SALE, TRANSFER, OR § OF TEXAS
MERGER OF FACILITIES AND §
CERTIFICATE RIGHTS IN KERR §
COUNTY §**

**JOINT SUPPLEMENTAL MOTION TO ADMIT EVIDENCE
AND PROPOSED NOTICE OF APPROVAL**

TABLE OF CONTENTS

I. BACKGROUND..... 2
II. JOINT SUPPLEMENTAL MOTION TO ADMIT EVIDENCE..... 2
III. PROPOSED NOTICE OF APPROVAL 3
IV. CONCLUSION..... 3

ATTACHMENTS: Map, Certificate, and Tariff

Proposed Notice of Approval

DOCKET NO. 55194

APPLICATION OF CSWR-TEXAS	§	
UTILITY OPERATING COMPANY, LLC	§	PUBLIC UTILITY COMMISSION
AND WOOD TRAILS WATER SUPPLY,	§	
INC. FOR SALE, TRANSFER, OR	§	OF TEXAS
MERGER OF FACILITIES AND	§	
CERTIFICATE RIGHTS IN KERR	§	
COUNTY	§	

**JOINT SUPPLEMENTAL MOTION TO ADMIT EVIDENCE
AND PROPOSED NOTICE OF APPROVAL**

COME NOW Wood Trails Water Supply, LLC (“Wood Trails”) 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 Notice of Approval. In support thereof, the Parties show the following:

I. BACKGROUND

On July 24, 2024, Wood Trails and CSWR-Texas (collectively, the “Applicants”) filed closing documents reflecting the consummation of CSWR-Texas’s acquisition of Wood Trails facilities and certificated area. Staff filed its recommendation on the sufficiency of closing documents on August 8, 2024, requesting that the application’s closing documents be found sufficient. On August 21, 2024, the administrative law judge issued Order No. 15, granting an extension request and requiring the parties to jointly file a Proposed Notice of Approval by September 12, 2024. Therefore, this pleading is timely filed.

II. JOINT SUPPLEMENTAL MOTION TO ADMIT EVIDENCE

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

1. CSWR-Texas’s Notice of Completed Transaction and Closing Documents, filed on July 24, 2024 (Interchange Item No. 46);
2. Commission Staff’s Recommendation on Sufficiency of Closing Documents and Proposed Procedural Schedule, filed on August 8, 2024 (Interchange Item No. 47); and
3. Consent forms for CSWR-Texas and Wood Trails filed on September 3, 2024 (Interchange Item No. 51); and

4. The map, certificate, and tariff attached to the Joint Supplemental Motion to Admit Evidence filed on September 11, 2024.

III. PROPOSED NOTICE OF APPROVAL

CSWR-Texas and Commission Staff move for adoption of the attached Proposed Notice of Approval.

IV. CONCLUSION

CSWR-Texas and Commission Staff respectfully request that the items listed above be admitted into the record of this proceeding as evidence and that the attached Proposed Notice of Approval be adopted. For convenience purposes, a copy is attached in its native format.

Respectfully submitted,

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

L. Russell Mitten
General Counsel
Central States Water Resources, Inc.
1630 Des Peres Rd., Suite 140
Des Peres, Missouri 63131
(314) 380-8595
(314) 763-4743 (fax)



Evan D. Johnson
State Bar No. 24065498
Wendy K. L. Harvel
State Bar No. 00796719
Coffin Renner LLP
1011 W. 31st Street
Austin, Texas 78705
(512) 879-0900
(512) 879-0912 (fax)
evan.johnson@crtxlaw.com
wendy.harvel@crtxlaw.com

**PUBLIC UTILITY COMMISSION OF
TEXAS LEGAL DIVISION**

Marisa Lopez Wagley
Division Director

John York Harrison
Senior Managing Attorney

/s/ Kevin Pierce

Kevin Pierce
State Bar No. 24093879
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3480
(512) 936-7265
(512) 936-7268 (facsimile)
Kevin.Pierce@puc.texas.gov

CERTIFICATE OF SERVICE

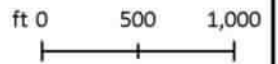
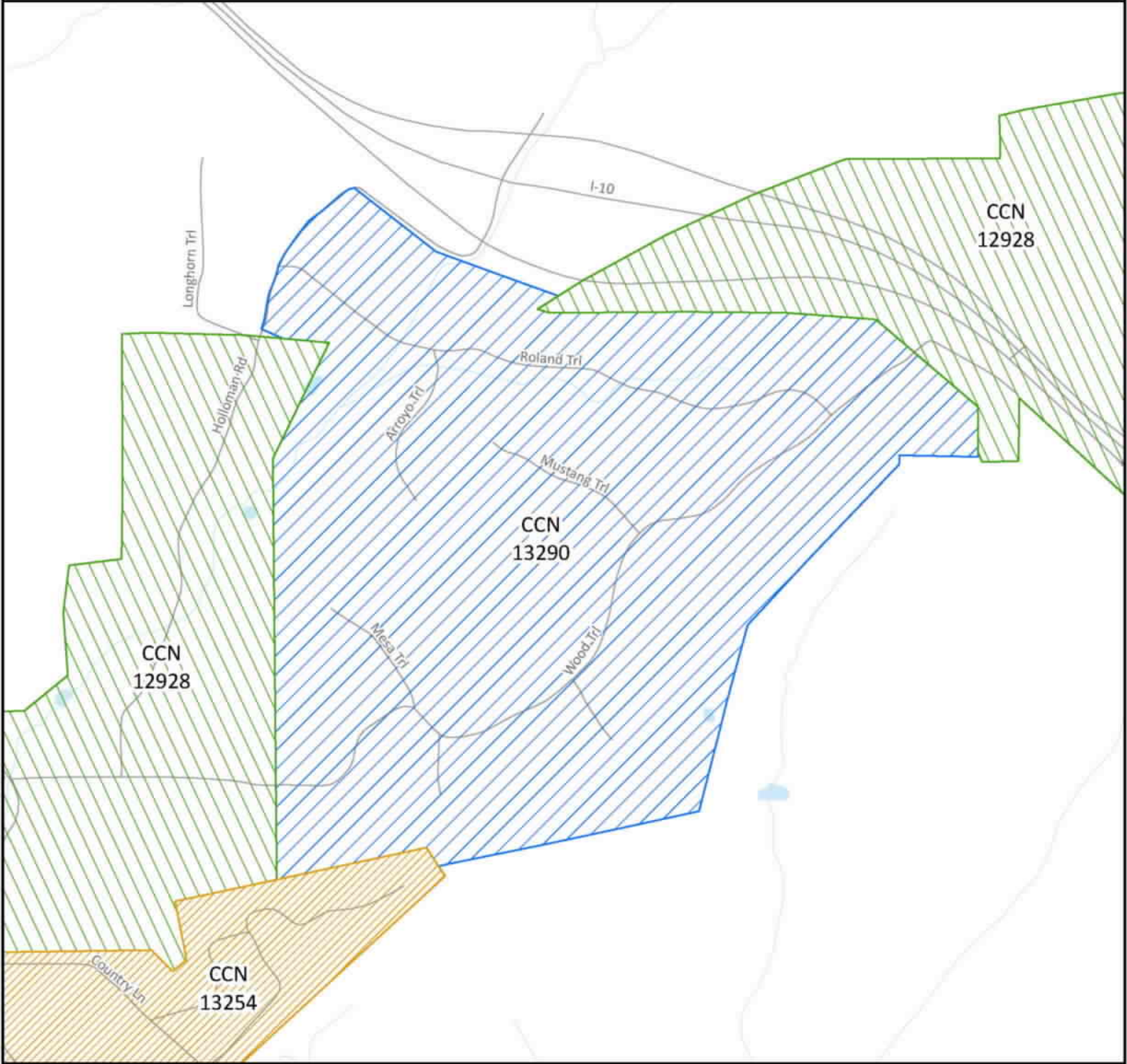
I hereby certify that on this 11th day of September 2024, a true and correct copy of the foregoing document was served on all parties of record via electronic mail in accordance with the Second Order Suspending Rules filed in Project No. 50664.






Wendy K. L. Harvel

PUCT Docket No. 55194
CSWR-Texas Utility Operating Company, LLC
Portion of Water CCN No. 13290

Transfer all of Wood Trail Water Supply, Inc., CCN No. 11880 and Amend CCN No. 13290 in Kerr County



Water CCN

-  13290 - CSWR-Texas Utility Operating Company LLC
-  12928 - City of Kerrville
-  13254 - Aqua Texas Inc

Mapping Section
Infrastructure Division

Date: August 26, 2024
Project: 55194.aprx





Public Utility Commission of Texas

By These Presents Be It Known To All That

CSWR-Texas Utility Operating Company, LLC

having obtained certification to provide water utility service for the convenience and necessity of the public, and it having been determined by this Commission that the public convenience and necessity would in fact be advanced by the provision of such service, CSWR-Texas Utility Operating Company, LLC is entitled to this

Certificate of Convenience and Necessity No. 13290

to provide continuous and adequate water utility service to that service area or those service areas in Angelina, Aransas, Austin, Bandera, Brazoria, Burlason, Burnet, Calhoun, Camp, Dallas, Denton, Ellis, Erath, Gillespie, Guadalupe, Harris, Hays, Hidalgo, Hood, Jackson, Kerr, Limestone, Llano, Lubbock, McCulloch, Medina, Montague, Montgomery, Navarro, Orange, Palo Pinto, Parker, Polk, Robertson, Sabine, San Augustine, Tarrant, Uvalde, Victoria, Wilson, Wise, and Wood counties as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 55194 are on file at the Commission offices in Austin, Texas; and are matters of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty of the CSWR-Texas Utility Operating Company, LLC to provide such utility service in accordance with the laws of this State and Rules of this Commission, subject only to any power and responsibility of this Commission to revoke or amend this Certificate in whole or in part upon a subsequent showing that the public convenience and necessity would be better served thereby.



WATER UTILITY TARIFF

Docket Number: 55194

CSWR – Texas Utility Operating Company, LLC
(Utility Name)

1630 Des Peres Rd Suite 140
(Business Address)

St. Louis, MO 63131
(City, State, Zip Code)

(314) 380-8595
(Area Code/Telephone)

This tariff is effective for utility operations under the following Certificate of Convenience and Necessity:

13290

This tariff is effective in the following counties:

Angelina, Aransas, Austin, Bandera, Brazoria, Burleson, Burnet, Calhoun, Camp, Dallas, Denton, Ellis, Erath, Gillespie, Guadalupe, Harris, Hays, Hidalgo, Hood, Jackson, Kerr, Limestone, Llano, Lubbock, McCulloch, Medina, Montague, Montgomery, Navarro, Orange, Palo Pinto, Parker, Polk, Robertson, Sabine, San Augustine, Tarrant, Uvalde, Victoria, Wilson, Wise, and Wood

This tariff is effective in the following cities or unincorporated towns (if any):

City of Red Oak

Rates for the Red Oak Community Water Service subdivision (PWS #0700056), which is located within the City of Red Oak, are not included in this tariff and should be obtained from the City of Red Oak. (Docket No. 43175)

City of Granbury, City of Lubbock, and City of Rockport

The rates set or approved by a city for the systems entirely within its corporate boundary are not presented in this tariff. Those rates are not under the original jurisdiction of the PUC and will have to be obtained from the city or utility. This tariff applies to outside city customers of systems that provide service inside and outside of a city's corporate boundary.

This tariff is effective in the following subdivisions or public water systems:

See List

TABLE OF CONTENTS

The above utility lists the following sections of its tariff (if additional pages are needed for a section, all pages should be numbered consecutively):

SECTION 1.0 -- RATE SCHEDULE.....	2
SECTION 2.0 -- SERVICE RULES AND REGULATIONS	3
SECTION 3.0 -- EXTENSION POLICY	10
APPENDIX A -- DROUGHT CONTINGENCY PLAN	
APPENDIX B -- SERVICE AGREEMENT	

LIST OF SUBDIVISIONS AND SYSTEMS

SUBDIVISION	PWS	COUNTY	PAGE No.
Aero Valley Water Service	0610243	Denton	2
Amberwood Subdivision	1011920	Harris	2
Aransas Bay	0040018	Aransas	2
Arrowhead Water System	2470025	Wilson	2
Big Wood Springs Subdivision	2500019	Wood	2
Bois D' Arc	0040018	Aransas	2
Chaparral	0860010	Gillespie	2
Coletto Water Company	2350036	Victoria	2
Copano Cove Subdivision	0040003	Aransas	2
Copano Heights Unit 1 & 2, Water System	0040017	Aransas	2
Copano Ridge Subdivision	0040029	Aransas	2
Council Creek Village	0270014	Burnet	2
Country Squire Water & Sewer	1810060	Orange	2
Crystal Land Water System	1330153	Kerr	2
El Pinon Estates Water System	2030013	San Augustine	2
Emerald Forest	0700058	Ellis	2
Flag Creek Ranch	1500112	Llano	2
Forest Oak Unit 1 and 2	0940085	Guadalupe	2
Franklin Water Systems 1	1520224	Lubbock	2
Franklin Water Systems 3	1520080	Lubbock	2
Goose Island State Park	0040018	Aransas	2
Grande Casa Ranchitos	0700063	Ellis	2
Hickory Hill Water	2470018	Victoria	2
Hillside Estates Water System	0080049	Austin	2
Hilltop Home Addition	1840034	Parker	2
Hilltop Estates	1840034	Parker	2
Homestead @ Turtle Creek	1330153	Kerr	2
Indian Cove	0040018	Aransas	2
Laguna Tres	1110019	Hood	2

Laguna Vista	1110095	Hood	2
Lake Limestone Coves	1980020	Limestone & Robertson	2
Lakeview Ranchettes Estates	0700057	Ellis	2
La Playa Subdivision Water System	2030015	San Augustine	2
Live Oak Hills	1540012	McCulloch	2
Longford Place Water System	1810015	Orange	2
Meadowview Estates	0080051	Austin	2
Meadowview Estates II	0080059	Austin	2
Neptune Harbor	0040018	Aransas	2
North Victoria Utilities	2350049	Victoria	2
Oak Hill Ranch Estates, Oak Hill Ranchettes	0940085	Guadalupe	2
Oak Hollow Estates, Oak Hollow Park	2470019	Wilson	2
Palmetto Park Estates	0040018	Aransas	2
Pelican Isle Water System	1750036	Navarro	2
Quiet Village II Subdivision, Quiet Village II	1080221	Hidalgo	2
Settlers Crossing Water System	0080058	Austin	2
Settlers Crossing Water System 2	0080060	Austin	2
Settlers Estates Sec II	0080056	Austin	2
Settlers Meadows Water System	0080055	Austin	2
Shady Oaks Subdivision	2350036	Victoria	2
Shady Oaks Water Company	2470017	Wilson	2
Spanish Grant	0700064	Ellis	2
South Council Creek 1	0270079	Burnet	2
South Council Creek 2	0270080	Burnet	2
South Silver Creek I, II, III	0270041	Burnet	2
Tall Pines Utility	1010220	Harris	2
Texas Landing Utilities Deerwood	1700798	Montgomery	2
Texas Landing Utilities Goode City	1700744	Montgomery	2
Texas Landing Utilities	1870151	Polk	2
Thousand Oaks	0720054	Erath	2
Timberlane Water	2020054	Sabine	2

Treetops Phase 1	1840134	Parker	2
Tri County Point Water System 2	1200027	Jackson	2
Tri County Point Water System 3	1200028	Jackson	2
Tri County Point Water System 4	1200029	Calhoun & Jackson	2
Vineyard Ridge Subdivision	0860144	Gillespie	2
Vista Verde Water Systems	1700694	Montgomery	2
Walnut Bend Water Supply	0030037	Angelina	2
WaterCo	1690028	Montague	2
The Woodlands Water System	1050139	Hays	2
Woodland Harbor	0320014	Camp	2
Woodlands West	0260043	Burleson	2
Wood Trail Water Supply	1330137	Kerr	XX

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge (Includes 1,000 gallons)</u>	<u>Gallonge Charge</u>
5/8" or 3/4"	<u>\$36.75</u>	<u>\$3.41</u> per 1000 gallons

FORM OF PAYMENT: The utility will accept the following forms of payment:

Cash Check Money Order Credit Card Other (specify)
THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH PAYMENTS.

REGULATORY ASSESSMENT 1.0%
PUC RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL AND TO REMIT THE FEE TO THE TCEQ.

TAP FEE \$400.00
TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL 5/8" or 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED

TAP FEE (Unique costs) Actual Cost
FOR EXAMPLE, A ROAD BORE FOR CUSTOMERS OUTSIDE OF SUBDIVISIONS OR RESIDENTIAL AREAS. ON THIS TARIFF.

TAP FEE (Large meter) Actual Cost
TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METER SIZE INSTALLED.

METER RELOCATION FEE Actual Cost to Relocate Meter, Not to Exceed Tap Fee
THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS THAT AN EXISTING METER BE RELOCATED.

METER TEST FEE \$25.00
THIS FEE WHICH SHOULD REFLECT THE UTILITY'S COST MAY BE CHARGED IF A CUSTOMER REQUESTS A SECOND METER TEST WITHIN A TWO-YEAR PERIOD AND THE TEST INDICATES THAT THE METER IS RECORDING ACCURATELY. THE FEE MAY NOT EXCEED \$25.

SECTION 1.0 - RATE SCHEDULE (CONTINUED)

RECONNECTION FEE

THE RECONNECT FEE MUST BE PAID BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS (OR OTHER REASONS LISTED UNDER SECTION 2.0 OF THIS TARIFF):

- a) Nonpayment of bill (Maximum \$25.00).....\$25.00
- b) Customer's request that service be disconnected.....\$20.00

TRANSFER FEE.....N/A

THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED

LATE CHARGE (EITHER \$5.00 OR 10% OF THE BILL).....\$5.00

A ONE-TIME PENALTY MAY BE MADE ON DELINQUENT BILLS BUT MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

RETURNED CHECK CHARGE.....\$30.00

RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50).....\$50.00

COMMERCIAL & NON-RESIDENTIAL DEPOSIT.....1/6TH OF ESTIMATED ANNUAL BILL

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE

WHEN AUTHORIZED IN WRITING BY PUC AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [16 TAC § 24.25(b)(2)(G)]

LINE EXTENSION AND CONSTRUCTION CHARGES:

REFER TO SECTION 3.0--EXTENSION POLICY FOR TERMS, CONDITIONS, AND CHARGES WHEN NEW CONSTRUCTION IS NECESSARY TO PROVIDE SERVICE.

Section 1.03 Purchased Water and Sewer Adjustment Clause

For Utilities subject to changes imposed by any non-affiliated provider of purchased water or sewer or a groundwater conservation district having jurisdiction over the Utility, these increases (decreases) shall be passed through as an adjustment to the gallonage charge according to the following formulae or at the following rates:

DOCKET NO. 55194

APPLICATION OF CSWR-TEXAS	§	
UTILITY OPERATING COMPANY, LLC	§	PUBLIC UTILITY COMMISSION
AND WOOD TRAILS WATER SUPPLY,	§	
INC. FOR SALE, TRANSFER, OR	§	OF TEXAS
MERGER OF FACILITIES AND	§	
CERTIFICATE RIGHTS IN KERR	§	
COUNTY	§	

NOTICE OF APPROVAL

This Notice of Approval addresses the application of Wood Trails Water Supply, Inc. (Wood Trails) and CSWR-Texas Utility Operating Company, LLC (CSWR-Texas) (CSWR-Texas and Wood Trails collectively, the Applicants) for the sale, transfer, or merger of facilities in Kerr County. The Commission approves the sale, transfer, or merger of all of the facilities and service area held under Wood Trails’ water certificate of convenience and necessity (CCN) number 11880 to CSWR-Texas, the cancellation of Wood Trails’ water CCN number 11880, and the amendment of CSWR-Texas’s water CCN number 13290 to include the area previously included in Wood Trails’ water CCN number 11880.

I. Findings of Fact

The Commission makes the following findings of fact:

Applicants

1. Wood Trails was a Texas corporation registered with the Texas secretary of state under file number 131915900.
2. Wood Trails is an investor-owned utility that operates, maintains, and controls facilities for providing water service in Kerr County under CCN number 11880.
3. Wood Trails owns and operates a public water system registered with the Texas Commission on Environmental Quality (TCEQ) as Wood Trail Water Supply public water system number 1330137.
4. CSWR-Texas is a Texas limited liability company registered with the Texas secretary of state under file number 0803367893.
5. CSWR-Texas holds CCN number 13290, which obligates it to provide retail water service in its certificated service areas in multiple counties in Texas.

6. CSWR-Texas owns and operates multiple public water systems registered with the TCEQ.

Application

7. On June 30, 2023, Applicants filed the application at issue in the proceeding, partially under confidential seal.

8. CSWR-Texas supplemented the application on August 16, 2023, September 12, 2023, and October 9, 2023.

9. In the application, Applicants seek approval of the following:

a. CSWR-Texas will acquire all of Wood Trails' water facilities and water service area under water CCN number 11880;

b. Wood Trails' water CCN number 11880 will be cancelled;

c. CSWR-Texas's water CCN number 13290 will be amended to include the area previously included in Wood Trails' water CCN number 11880; and

d. CSWR-Texas water CCN number 13290 will be amended to include 26.9 acres of uncertificated area.

10. The requested area comprises approximately 367.9 acres and includes the following:

a. 341 acres of singly certificated area under Wood Trails' CCN number 11880;

b. 26.9 acres of uncertified area adjacent to Wood Trails' existing certificated service area; and

c. 73 connections.

11. The requested area is located approximately 2.9 miles northeast of downtown Ingram, Texas, and is generally bounded on the north by Interstate Highway 10; on the east by Interstate Highway 10; on the south by the intersection of Farm to Market 1338 and Country Lane and on the west by Holloman Road.

12. In Order No. 5 filed on October 31, 2023, the ALJ found the application, as supplemented, administratively complete.

Notice

13. On November 17, 2023, CSWR-Texas filed the affidavit of Eric Rocchio, Regulatory Case Manager of CSWR-Texas, attesting that notice was provided to all current customers of Wood Trails, neighboring utilities, and affected parties on November 9, 2023.
14. On November 17, 2023, CSWR-Texas filed the affidavit of Mr. Rocchio attesting that there are no landowners owning tracts of land over 25 acres wholly or partially inside the requested area.
15. Also on November 17, 2023, CSWR-Texas filed the publisher's affidavit attesting to the publication of notice in the *Hill Country Community Journal*, a newspaper of general circulation in Kerr County, on November 8 and November 15, 2023.
16. In Order No. 7 filed on December 19, 2023, the ALJ found the notice sufficient.

Evidentiary Record

17. On February 1, 2024, the parties filed a joint motion to admit evidence.
18. In Order No. 9 filed on March 4, 2024, the ALJ admitted the following evidence into the record:
 - a. the application, including confidential attachments, filed on June 30, 2023;
 - b. CSWR-Texas's first supplement to the application filed on August 16, 2023;
 - c. CSWR-Texas's second supplement to the application filed on September 12, 2023;
 - d. CSWR-Texas's third supplement to the application filed on October 9, 2023;
 - e. Commission Staff's recommendation on administrative completeness filed on October 26, 2023;
 - f. CSWR-Texas's affidavit of notice to current customers, neighboring utilities, and affected parties, including confidential Exhibit B, filed on November 17, 2023;
 - g. Commission Staff's recommendation on sufficiency of notice, filed on December 18, 2023;
 - h. Commission Staff's recommendation on the transaction, including confidential attachments, filed on January 19, 2024; and

- i. CSWR-Texas' status update and motion to admit evidence, including all attachments, filed on February 29, 2024.
19. On April 11, 2024, in Order No. 11, the ALJ admitted the confidential capital improvement plan and map.
20. On April 30, 2024, in Order No. 12, the ALJ admitted Staff's recommendation on the capital improvement plan and map.
21. In Order No. __, filed on _____, the ALJ admitted the following additional evidence into the record:
 - a. CSWR-Texas's Notice of Completed Transaction and Closing Documents, filed on July 24, 2024;
 - b. Commission Staff's Recommendation on Sufficiency of Closing Documents and Proposed Procedural Schedule, filed on August 8, 2024;
 - c. Consent forms for CSWR-Texas and Wood Trails filed on September 3, 2024; and
 - d. The map, certificate, and tariff attached to the Joint Supplemental Motion to Admit Evidence filed on September 11, 2024.

Sale

22. In Order No. 10, filed on March 4, 2024, the ALJ approved the sale and transfer to proceed and required the applicants to file proof that the transaction had closed and that the customer deposits had been addressed.
23. On July 24, 2024, the applicants filed notice that the transaction was closed effective April 23, 2024, and confirmed that there were no outstanding customer deposits.
24. In Order No. 14 filed on August 9, 2024, the ALJ found the closing documentation sufficient.

CSWR-Texas's Compliance History

25. CSWR-Texas has not been under enforcement action by the Commission, Texas Health and Human Services, the Office of the Texas Attorney General, or the United States Environmental Protection Agency in the past five years for non-compliance with rules, orders, or state statutes.

26. The Commission's complaint records, which date back to 2017, show several complaints against CSWR-Texas, all but one of which have been resolved.
27. CSWR-Texas does not have a history of continuing mismanagement or misuse of revenues as a utility service provider.
28. CSWR-Texas demonstrated a compliance history that is adequate for approval of the sale to proceed.

Adequacy of Existing Service

29. Currently, 73 water connections in the requested area are being served by Wood Trails through public water system number 1330137.
30. The Commission's complaint records, which date back five years, show two complaints against Wood Trails, both of which have been closed.
31. The last TCEQ compliance investigation of Wood Trails was on June 9, 2021.
32. Wood Trails does not have any violations listed in the TCEQ database.
33. CSWR-Texas stated that it intends to invest the capital required to make the upgrades, renovations, and repairs necessary to bring the systems into compliance with TCEQ regulations and to ensure customers receive safe and reliable service. CSWR-Texas stated that the needed improvements will begin when the systems are officially transferred to CSWR-Texas.
34. There is no evidence in the record that Wood Trails has failed to comply with any Commission or TCEQ order.

Need for Additional Service

35. There is a continuing need for service because Wood Trails is currently serving 73 connections in the requested area.
36. This is an application to transfer only existing facilities, customers, and an existing service area.
37. There have been no specific requests for additional service within the 367.9-acre requested area.

Effect of Approving the Transaction and Granting the Amendment

38. CSWR-Texas will be the sole certificated water utility for the requested area.
39. CSWR-Texas will be required to provide continuous and adequate water service to current and future customers in the requested area.
40. Landowners in the requested area will have a water service provider available when they need to request water service.
41. All retail public utilities in the proximate area of the requested area were provided notice of the application and none filed protests, adverse comments, or sought to intervene in this proceeding.
42. Because this application is to transfer only existing facilities, customers, and service area, there will be no effect on any retail public utility providing service in the proximate area.
43. There will be no effect on landowners in the requested area because the requested area is currently certificated.

Ability to Serve: Managerial and Technical

44. CSWR-Texas owns and operates numerous public water systems registered with the TCEQ.
45. CSWR-Texas employs or contracts with TCEQ-licensed water operators who will operate the public water system being transferred.
46. CSWR-Texas stated that it intends to make upgrades, renovations, and repairs necessary to ensure that Wood Trails' public water system remains in compliance with TCEQ regulations and that 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.
47. CSWR-Texas filed a capital improvement plan that included a budget and estimated timeline for construction of all facilities necessary to provide continuous and adequate service to the requested areas and was keyed to a map showing where such facilities will be located to provide service.

48. CSWR-Texas has the technical and managerial capability to provide adequate and continuous service to the requested area.

Ability to Serve: Financial Capability and Stability

49. 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. Therefore, CSWR-Texas satisfies the leverage test.
50. CSWR, LLC provided a written guarantee of coverage of temporary cash shortages and demonstrated that it has sufficient cash available to cover any projected operations and maintenance shortages in the first five years of operations after completion of the transaction and possesses the cash and leverage ability to pay for capital improvements and necessary equity investments. Therefore, CSWR-Texas satisfies the operations test.
51. CSWR-Texas's proposed capital improvements for Wood Trails' public water system exceed \$100,000.
52. Commission Staff requested a good-cause exception to the requirement that CSWR-Texas provide loan documentation for the amount it will need to make capital improvements to the system because CSWR-Texas does not obtain loans or purchasing for repairing systems. Additionally, CSWR-Texas states that it is already required to maintain a sufficient cash balance to purchase Wood Trails' water system and make capital improvements.
53. CSWR-Texas provided a firm capital commitment demonstrating funds are available for the purchase of Wood Trails' water system and for the construction of the capital improvements necessary for CSWR-Texas to provide continuous and adequate service to existing customers.
54. CSWR-Texas has filed a capital improvement plan that includes an itemized budget, and the total cost of necessary capital improvements.
55. CSWR-Texas demonstrated the financial and managerial ability and stability to provide continuous and adequate service to the requested area.

Financial Assurance

56. 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

57. Wood Trails is currently serving customers and has sufficient capacity.
58. 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.
59. It is not feasible to obtain service from an adjacent retail public utility.

Environmental Integrity and Effect on the Land

60. The requested areas will continue to be served with existing infrastructure.
61. 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 system.

Improvement of Service or Lowering Cost to Consumers

62. CSWR-Texas will continue to provide water service to Wood Trails' existing customers in the requested area.
63. Water service to the requested area expected to improve because CSWR-Texas intends to make upgrades, renovations, and repairs necessary to improve the safety and reliability of service.
64. The rates charged to customers in the requested area will not change as a result of the proposed transaction because CSWR-Texas will adopt Wood Trails' current tariff for the water system upon approval of the transaction.

Regionalization or Consolidation

65. It will not be necessary for CSWR-Texas to construct a physically separate water system to serve the requested area.

66. Because the requested area will not require construction of a physically separate water system, consideration of regionalization or consolidation with another retail public utility is not required.

Map, Tariff Pages, and Certificate

67. On August 26, 2024, Commission Staff emailed CSWR-Texas the proposed final map, tariff pages, and certificate related to this docket.
68. On September 3, 2024, CSWR-Texas filed the following:
- a. CSWR-Texas's consent for concurring with the proposed final map, relevant tariff pages, and certificate; and
 - b. Wood Trails, consent form concurring with the proposed final map.
69. The proposed final map, relevant tariff pages, and certificate were included as attachments to the joint supplemental motion to admit evidence and proposed notice of approval, filed on September 11, 2024.

Informal Disposition

70. More than 15 days have passed since the completion of notice provided in this docket.
71. No person filed a protest or motion to intervene.
72. CSWR-Texas, Wood Trails, and Commission Staff are the only parties to this proceeding.
73. No party requested a hearing and no hearing is needed.
74. Commission Staff recommended approval of the application.
75. The decision is not adverse to any party.

II. Conclusions of Law

The Commission makes the following conclusions of law:

1. The Commission has authority over this proceeding under Texas Water Code (TWC) §§ 13.041, 13.241, 13.242, 13.244, 13.246, 13.251, and 13.301.
2. CSWR-Texas and Wood Trails are retail public utilities as defined by TWC § 13.002(19) and 16 Texas Administrative Code (TAC) § 24.3(31).

3. The Commission processed the application as required by the TWC, the Administrative Procedure Act,¹ and Commission Rules.
4. The application meets the requirements of TWC § 13.244 and 16 TAC §§ 24.227, 24.233, and 24.239.
5. CSWR-Texas and Wood Trails, the applicants, provided notice of the application in compliance with TWC §§ 13.246 and 13.301(a)(2) and 16 TAC § 24.239.
6. CSWR-Texas and Wood Trails have complied with the requirements of 16 TAC § 24.239(k) and (l) with respect to customer deposits.
7. CSWR-Texas and Wood Trails completed the sale within the time frame required by 16 TAC § 24.239(m).
8. 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 in the requested area, as required by TWC § 13.251.
9. 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).
10. It is not necessary for CSWR-Texas to provide bond or other financial assurance under TWC §§ 13.246(d) and 13.301(c).
11. Regionalization and consolidation concerns under TWC § 13.241(d) do not apply in this proceeding, because construction of a physically separate water system is not required.
12. CSWR-Texas and Wood Trails demonstrated that the sale and transfer of Wood Trails' facilities and service area held under water CCN number 11880 to CSWR-Texas will serve the public interest and is necessary for the service, accommodation, convenience, or safety of the public under TWC § 13.301(d) and (e).
13. Under TWC § 13.257(r) and (s), CSWR-Texas and Wood Trails must record a certified copy of the map and certificate approved by this Notice of Approval, along with a boundary

¹ Tex. Gov't Code §§ 2001.001-.903.

description of the service area, in the real property records of Kerr County within 31 days of receiving this Notice of Approval and submit to the Commission evidence of the recording.

14. The requirements for informal disposition under 16 TAC § 22.35 have been met in this proceeding.

III. Ordering Paragraphs

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

1. The Commission approves the sale and transfer of facilities and service area held by Wood Trails under CCN number 11880 to CSWR-Texas, to the extent provided in this Notice of Approval and as shown on the attached maps.
2. The Commission cancels Wood Trails' water CCN number 11880.
3. The Commission amends CSWR-Texas's water CCN number 13290 to include the area previously included in Wood Trails' water CCN number 11880, as shown on the attached map.
4. The Commission approves the map and tariff pages attached to this Notice of Approval.
5. The Commission issues the certificate attached to this Notice of Approval.
6. CSWR-Texas must provide service to every customer or applicant for service within the approved area under water CCN number 13290 that requests service and meets the requirements of CSWR-Texas's water service policies, and such service must be continuous and adequate.
7. CSWR-Texas must comply with the recording requirements in TWC § 13.257(r) and (s) for the areas in Kerr County affected by the application and must submit to the Commission evidence of the recording no later than 45 days after receipt of the Notice of Approval.
8. Within ten days of the date of this Notice of Approval, Commission Staff must provide the Commission with a clean copy of CSWR-Texas's most current comprehensive tariff, including the tariff pages approved by this Notice of Approval, to be stamped *Approved* and retained by Central Records.

9. The Commission denies all other motions and any other requests for general or specific relief, if not specifically granted.

Signed at Austin, Texas the ____ day of ____ 2024.

PUBLIC UTILITY COMMISSION OF TEXAS

**CHRISTINA DENMARK
ADMINISTRATIVE LAW JUDGE**