



Control Number: 46727



Item Number: 56

Addendum StartPage: 0

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APPLICATION OF HMW SPECIAL  
UTILITY DISTRICT TO AMEND A  
WATER CERTIFICATE OF  
CONVENIENCE AND NECESSITY IN  
MONTGOMERY COUNTY

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PUBLIC UTILITY COMMISSION

OF TEXAS

PUBLIC UTILITY COMMISSION  
FILING CLERK

## NOTICE OF APPROVAL

This Notice addresses the application of HMW Special Utility District to amend its water certificate of convenience and necessity (CCN) and to decertify portions of CCNs held by Quadvest L.P., Aqua Texas, Inc., and Aqua Utilities Inc. in Montgomery County. The Commission approves the application, as amended.

The Commission adopts the following findings of fact and conclusions of law:

### I. Findings of Fact

#### Applicant

1. HMW SUD is a district that provides water service to approximately 2,800 customers.
2. HMW SUD holds CCN number 10342 for a service area of approximately 9,800 acres.

#### Application

3. On January 5, 2017, HMW SUD filed an application to amend its water CCN number 10342 and decertify portions of the CCNs held by Aqua Utilities, Pinehurst Decker Prairie WSC, Johnston Water Utility LLC and Aqua Texas, all in Montgomery County.
4. HMW SUD seeks to conform the boundaries of its CCN to areas it serves. The proposed amendment adds 988 acres and decertifies 522 acres from neighboring service providers.
5. In Order No. 2 issued on February 8, 2017, the administrative law judge (ALJ) found the application administratively complete.
6. HMW SUD filed supplemental mapping and notice information on March 24, 2017, August 25, 2017, January 11, 2018, and April 27, 2018.

7. After mapping adjustments to address opt-out request and overlaps, the amendment adds approximately 917 acres and removes approximately 708 acres from HMW SUD's service area.
8. On March 27, May 21, June 4, and August 20, 2018, HMW SUD, Quadvest, L.P., Aqua Texas, and Aqua Utilities filed signed consent forms concurring with the CCN service area maps and certificates prepared by Commission Staff.
9. Quadvest, L.P. (CCN number 11612), Aqua Texas (CCN number 13203), and Aqua Utilities (CCN number 11157) consented to decertification of a portion of their CCNs.

**Adequacy of Service**

10. HMW SUD serves customers in the proposed areas and its existing facilities have no unresolved violations. HMW SUD's facilities are staffed with knowledgeable and experienced operators.

**Need for Service**

11. HMW SUD customers in the requested areas need water service to continue.

**Effect of Granting the Retail Public Utility Amendment**

12. HMW SUD serves in the requested areas and is not adversely affected. Retail public utilities serving the proximate area have agreed to the amendment; thus, they are not adversely affected.

**Ability to Provide Adequate Service**

13. HMW SUD has a Texas Commission on Environmental Quality (TCEQ) approved Public Water System, which will allow HMW SUD to provide adequate service.

**Feasibility of Obtaining Service from Adjacent Retail Public Utility**

14. It is not feasible for an adjacent utility to provide service to the requested area because HMW SUD currently provides service in the areas requested.

**Financial Ability to Pay for Facilities and Financial Stability**

15. HMW SUD has a debt to equity ratio of 0.27 and a debt service ratio of 1.90.

**Environmental Integrity**

16. There will be no impact on the environment or land in the requested area because HMW SUD will use existing facilities.

**Effect on the Land**

17. There is no effect on the land as HMW SUD can continue to serve the requested areas with it existing facilities.

**Improvement of Service or Lowering of Costs**

18. No improvement of service or lowering of cost to consumers in that requested area will result from granting the amendment because HMW SUD will be serving existing customers with existing facilities.

**Opt-out requests**

19. On March 24, 2017, Primewood Investments, LP filed an opt-out request.
20. On March 30, 2017, Michael Steele, et al. filed an opt-out request.
21. On April 25, 2017, Gary L. Krueger and Marjorie Krueger Lynch filed an opt-out request.

**Notice**

22. Notice of the application appeared in the January 20, 2017, issue of the *Texas Register*.
23. On April 14, 2017, HMW SUD filed a list of addresses of affected parties that were sent notice and a publisher's affidavit affirming that notice was published in *The Courier* in Montgomery County on March 1, 2017 and March 8, 2017.
24. On July 5, 2017, HMW SUD filed an affidavit of Rachel Musgrove, of Cobb Fendley, attesting that notice was sent to Harris County MUDs and Rosehill Ranchettes Water System on May 1, 2017.
25. On July 17, 2017, HMW SUD filed an additional affidavit of Ms. Musgrove, attesting that notice was provided to Montgomery MUD 136 on May 1, 2017.
26. In Order No. 6 issued on July 26, 2017, the ALJ deemed the notice sufficient.

**Evidentiary Record**

27. On June 26, 2018, Commission Staff and HMW SUD filed a joint motion to admit certain evidence in this proceeding.
28. In Order No. 13 issued on July 24, 2018, the ALJ admitted the following evidence: (a) HMW SUD's application filed on January 5, 2017, and supplemented on March 24, 2017, August 25, 2017, January 11, 2018, and April 27, 2018; (b) notices and affidavits of proof of notice filed on March 24, 2017, April 14, 2017, May 25, 2017, July 5, 2017, and July 17, 2017; (c) consent forms concurring with the final maps and certificates filed on March 27, 2018, May 21, 2018, and June 4, 2018 by HMW SUD, Quadvest, and Aqua Texas; (d) opt out requests filed March 24, 2017, March 30, 2017, and April 25, 2017 by Primewood Investments, L.P., Michael Steele, et al., and Gary L. Krueger and Marjorie Krueger Lynch; and (e) Commission Staff's final recommendation for approval of the application filed on June 15, 2018.
29. In Order No. 16 issued on October 11, 2018, the ALJ admitted the consent form to the final maps and certificates, signed and filed on August 20, 2018 by Aqua Texas and Aqua Utilities.

**Informal Disposition**

30. More than 15 days have passed since completion of the notice provided in this docket.
31. HMW SUD and Commission Staff are the only parties to this proceeding.
32. No protests, motions to intervene or requests for a hearing were filed.
33. There are no disputed issues of fact; therefore, a hearing is not necessary.
34. On June 15, 2018, Commission Staff recommended approval of the application.

**II. Conclusions of Law**

1. The Commission has jurisdiction over the application under Texas Water Code (TWC) §§ 13.241, 13.244 and 13.246.
2. HMW SUD is a retail public utility as defined in TWC § 13.002(19) and 16 Texas Administrative Code (TAC) § 24.3(59).
3. Notice of the application complies with TWC § 13.246 and 16 TAC § 24.235.

4. The Commission processed the application in accordance with the TWC, the Administrative Procedure Act,<sup>1</sup> and Commission rules.
5. HMW SUD has demonstrated adequate financial, managerial, and technical capability for providing continuous and adequate service to the requested areas and its current service area as required by TWC § 13.241 and 16 TAC § 24.227.
6. The amendments to CCN numbers 10342, 11612, 11157 and 13203 are necessary for the service, accommodation, convenience, or safety of the public as required by TWC § 13.246.
7. Under TWC § 13.257(r) and (s), HMW SUD, Quadvest, L.P., Aqua Texas, and Aqua Utilities are required to record a certified copy of the approved CCN's and maps, along with a boundary description of the service area, in the real property records of each county in which the service area or a portion of the service area is located, and submit to the Commission evidence of the recording.
8. The requirements for informal disposition in 16 TAC § 22.35 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 orders:

1. The Commission approves the supplemented application.
2. The Commission amends HMW SUD's water CCN number 10342 in accordance with this Notice.
3. The Commission amends Quadvest L.P.'s water CCN number 11612 in accordance with this Notice.
4. The Commission amends Aqua Utilities' water CCN number 11157 in accordance with this Notice.

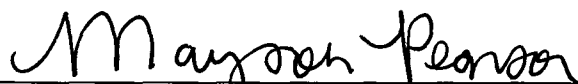
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<sup>1</sup> Tex. Gov't Code §§ 2001.001-.902.

5. The Commission amends Aqua Texas' water CCN number 13203 in accordance with this Notice.
6. The Commission's official service area boundary maps for HMW SUD, Aqua Texas, Inc., Aqua Utilities and Quadvest, L.P. will reflect these changes as shown in the attached maps.
7. HMW SUD must serve every customer and applicant for service within the area certificated under CCN number 10342, and such service must be continuous and adequate.
8. HMW SUD, Quadvest, L.P., Aqua Texas, and Aqua Utilities must comply with the recording requirements in TWC § 13.257(r) and (s) for the areas in Montgomery County affected by the application and submit to the Commission evidence of the recording no later than 31 days after receipt of this Notice.
9. The Commission denies all other motions and any other requests for general or specific relief, if not expressly granted.

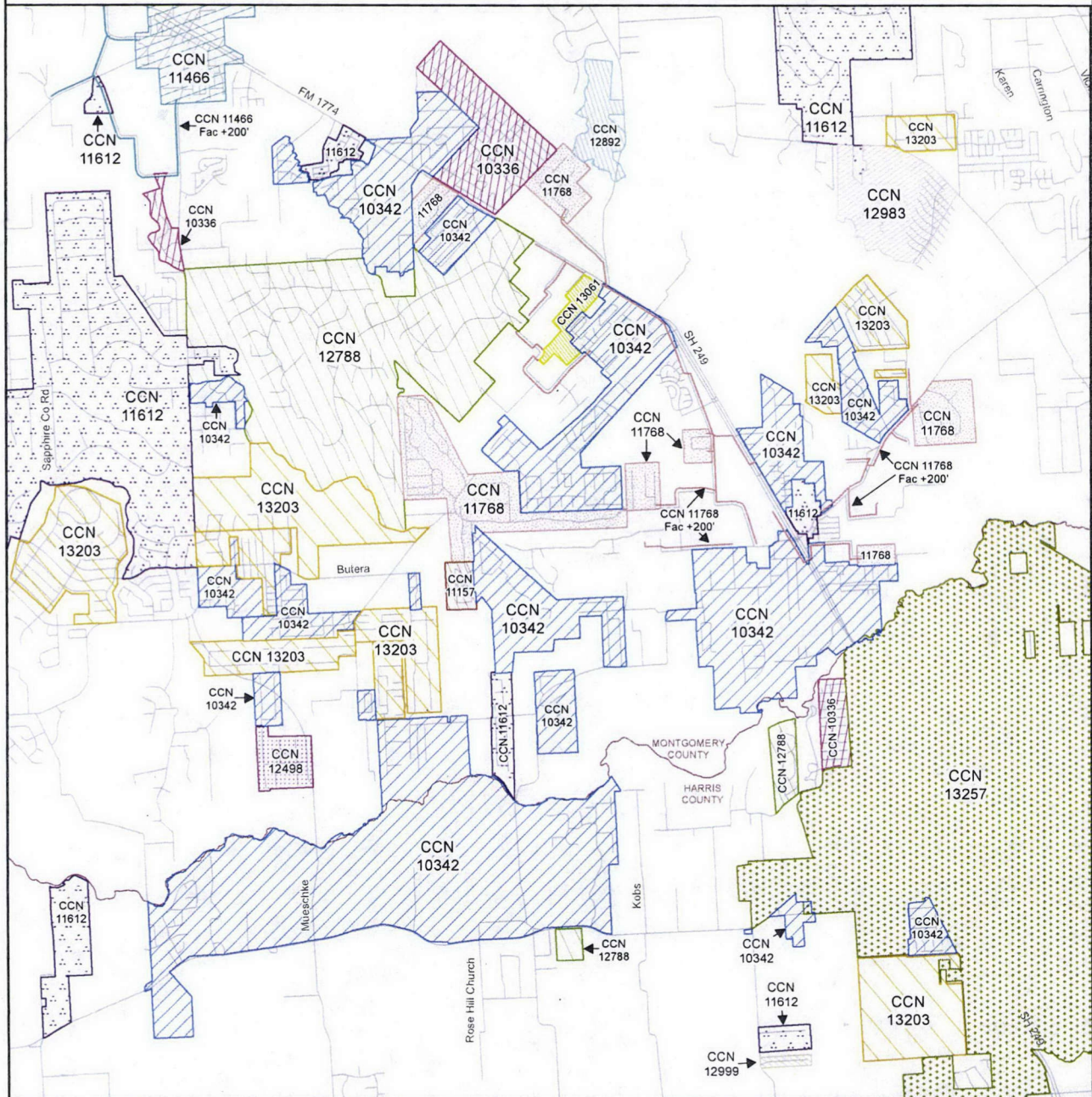
Signed at Austin, Texas the 6<sup>th</sup> day of December 2018.

**PUBLIC UTILITY COMMISSION OF TEXAS**

  
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**MAYSON PEARSON**  
**ADMINISTRATIVE LAW JUDGE**



**H-M-W SUD**  
**Portion of Water CCN No. 10342**  
**PUC Docket No. 46727**  
**Amended CCN No. 10342 and**  
**Decertified Portions of Aqua Texas, Inc., CCN No. 13203, Aqua Utilities, Inc., CCN No. 11157 and**  
**Quadvest, L.P., CCN No. 11612 in Montgomery County**



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Miles



**Water CCN**

- 10342 - H-M-W SUD
- 10336 - Nerro Supply Investors LLC
- 11768 - Pinehurst Decker Prairie WSC
- 11612 - Quadvest LP
- 11466 - City of Magnolia
- 12892 - T & W Water Service
- 12983 - Monarch Utilities I LP
- 13203 - Aqua Texas Inc
- 12788 - Johnston Water Utility LLC
- 13061 - South Central Water Co

- 11157 - Aqua Utilities Inc
- 12498 - Cypresswood Estates
- 13257 - City of Tomball
- 12999 - Cypress Garden Mobile Home SUB

**Water CCN Facilities +200'**

- 11466 - City of Magnolia
- 11768 - Pinehurst Decker Prairie WSC

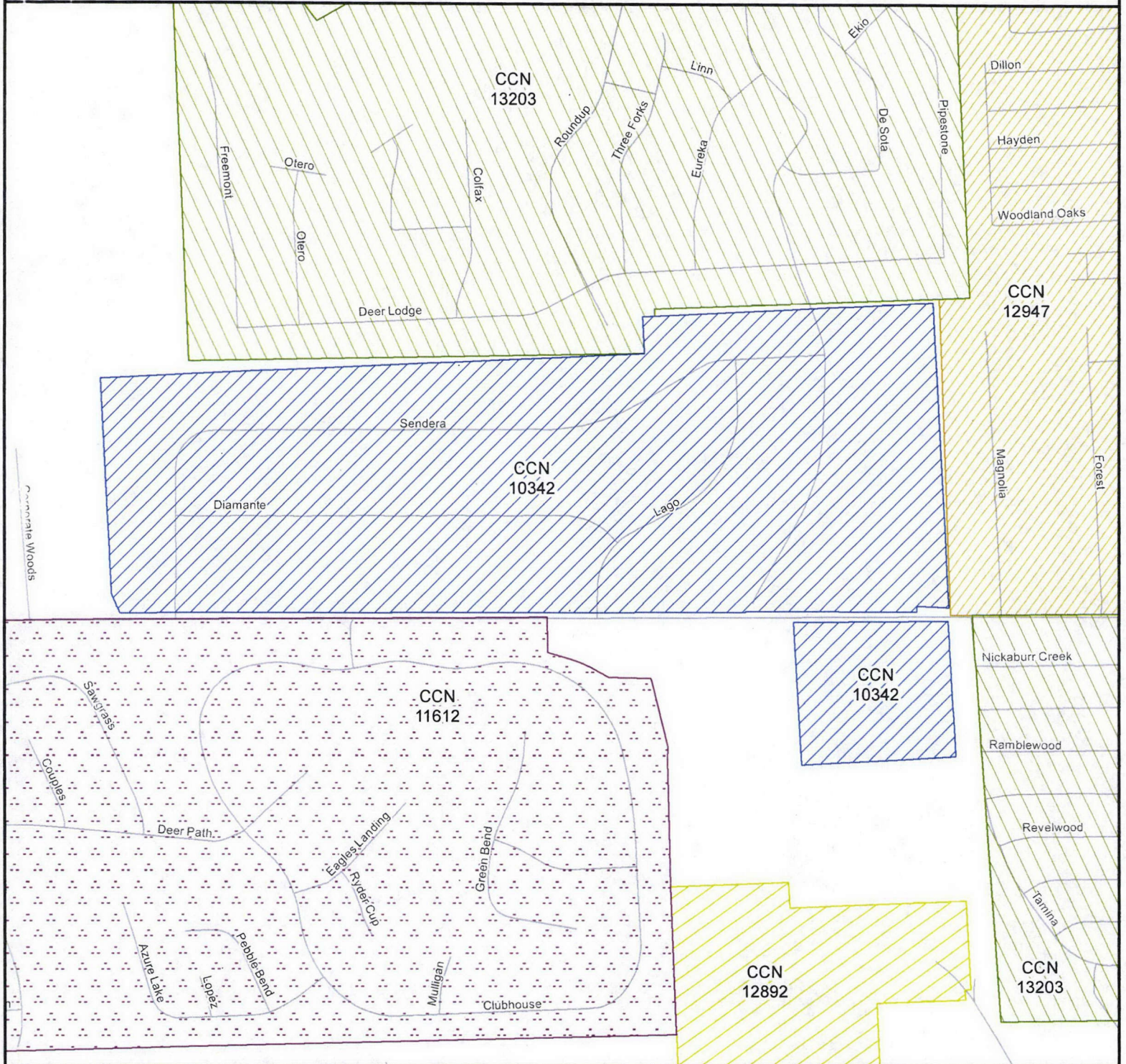


Public Utility Commission of Texas  
 1701 N. Congress Ave  
 Austin, TX 78701






Map by: Komal Patel  
 Edited by: Kristy Nguyen on August 7, 2018  
 Date created: February 28, 2018  
 Project Path: n:\finalmapping\46727MAP3.mxd



**H-M-W SUD**  
**Portion of Water CCN No. 10342**  
**PUC Docket No. 46727**  
**Amended CCN No. 10342 and**  
**Decertified a Portion of Aqua Texas Inc., CCN No. 13203 in Montgomery County**



**Water CCN**

-  10342 - H-M-W SUD
-  13203 - Aqua Texas Inc
-  12947 - Woodland Oaks Utility Co Inc
-  11612 - Quadvest LP
-  12892 - T & W Water Service

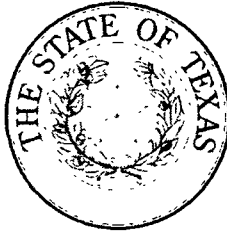
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Public Utility Commission of Texas  
 1701 N. Congress Ave  
 Austin, TX 78701

Map by: Komal Patel  
 Date created: February 26, 2018  
 Project Path: n:\finalmapping\46727MAP1.mxd





# **Public Utility Commission of Texas**

**By These Presents Be It Known To All That**

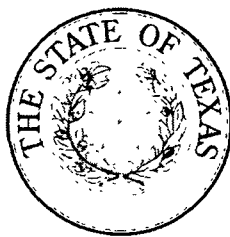
## **H-M-W Special Utility District**

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, H-M-W Special Utility District is entitled to this

### **Certificate of Convenience and Necessity No. 10342**

to provide continuous and adequate water utility service to that service area or those service areas in Harris and Montgomery Counties as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 46727 are on file at the Commission offices in Austin, Texas; and are a matter of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty of H-M-W Special Utility District 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.

Issued at Austin, Texas, the 6th day of December 2018.



# **Public Utility Commission of Texas**

**By These Presents Be It Known To All That**

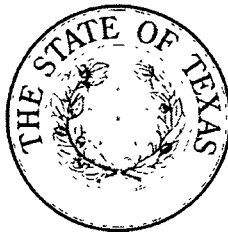
**Aqua Texas, Inc.**

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, Aqua Texas, Inc., is entitled to this

## **Certificate of Convenience and Necessity No. 13203**

to provide continuous and adequate water utility service to that service area or those service areas in Brazoria, Chambers, Fort Bend, Grimes, Harris, Jefferson, Liberty, Montgomery, Polk, San Jacinto, Trinity, and Wharton Counties as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 46727 are on file at the Commission offices in Austin, Texas; and are a matter of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty of Aqua Texas, Inc., 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.

Issued at Austin, Texas, the 6th day of December 2018.



# **Public Utility Commission of Texas**

**By These Presents Be It Known To All That**

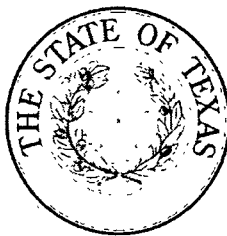
**Aqua Utilities, Inc.**

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, Aqua Utilities, Inc., is entitled to this

## **Certificate of Convenience and Necessity No. 11157**

to provide continuous and adequate water utility service to that service area or those service areas in Bandera, Bexar, Blanco, Brazoria, Burnet, Comal, Gillespie, Harris, Hays, Kendall, Kerr, Kimble, Liberty, Live Oak, Llano, Matagorda, McLennan, Medina, Montgomery, Nueces, Travis, Victoria, Williamson, and Wilson Counties as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 46727 are on file at the Commission offices in Austin, Texas; and are a matter of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty of Aqua Utilities, Inc., 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.

Issued at Austin, Texas, the 6th day of December 2018.



# **Public Utility Commission of Texas**

**By These Presents Be It Known To All That**

**Quadvest, L. P.**

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, Quadvest, L.P., is entitled to this

## **Certificate of Convenience and Necessity No. 11612**

to provide continuous and adequate water utility service to that service area or those service areas in Aransas, Brazoria, Fort Bend, Harris, Jackson, Liberty, Matagorda, Montgomery, Walker, and Waller Counties as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 46727 are on file at the Commission offices in Austin, Texas; and are a matter of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty of Quadvest, L.P., 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.

Issued at Austin, Texas, the 6<sup>th</sup> day of December 2018.