



Control Number: 47925



Item Number: 19

Addendum StartPage: 0

**DOCKET NO. 47925**

**APPLICATION OF SUNFIELD  
MUNICIPAL UTILITY DISTRICT  
NO. 4 TO AMEND A WATER  
CERTIFICATE OF CONVENIENCE  
AND NECESSITY FOR DUAL  
CERTIFICATION WITH GOFORTH  
SPECIAL UTILITY DISTRICT IN  
HAYS AND TRAVIS COUNTIES**

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**PUBLIC UTILITY COMMISSION  
OF TEXAS**

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PUBLIC UTILITY COMMISSION  
FILING CLERK

**COMMISSION STAFF'S FINAL RECOMMENDATION**

**COMES NOW** the Staff of the Public Utility Commission of Texas (Staff), representing the public interest and files this Final Recommendation.

**I. BACKGROUND**

On January 4, 2018, Sunfield Municipal Utility District No. 4 filed with the Public Utility Commission of Texas (Commission) an application to amend a water Certificate of Convenience and Necessity (CCN) No. 13116 and obtain dual certification with a portion of Goforth Special Utility District's CCN No. 11356, pursuant to Texas Water Code §§ 13.241-13.250 and 16 Texas Administrative Code §§ 24.101-24.107.

Order No. 5 granted Staff's request for an extension, providing that Staff shall file a final recommendation on or before September 10, 2018. Therefore, this pleading is timely filed.

**II. STAFF'S FINAL RECOMMENDATION**

Staff has reviewed the application and recommends that this application for a CCN amendment be approved. As supported by the memorandum of Andrew Novak of the Water Utility Regulation Division at Attachment A, Staff recommends that the application be found to comply with the criteria outlined for CCN amendments in the Texas Water Code §§ 13.241-250 (TWC) and 16 Texas Administrative Code §§ 24.101-107. The map and certificates contained at Attachment B were consented by Sunfield Municipal Utility District No. 4 and Goforth Special Utility District on August 20, 2018 and September 4, 2018 respectively. Staff further recommends that Sunfield Municipal Utility District No. 4 file certified copies of the CCN map along with a

written description of the CCN service area in the county clerk's office pursuant to TWC §§ 13.257(r)-(s)

### **III. CONCLUSION**

Staff respectfully requests that the ALJ issue an order consistent with the above recommendations.

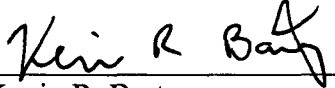
**Date:** September 7, 2018

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF  
TEXAS LEGAL DIVISION**

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Division Director

Karen S. Hubbard  
Managing Attorney

  
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**DOCKET NO. 47925**

**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on the  
September 7, 2018 in accordance with 16 TAC § 22.74.

  
Kevin R. Bartz

# **ATTACHMENT A**

## PUC Interoffice Memorandum

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**To:** Kevin Bartz, Attorney  
Legal Division

**Thru:** Heidi Graham, Manager  
Water Utility Regulation Division

**From:** Andrew Novak, Financial Analyst  
Greg Charles, Engineer  
Water Utility Regulation Division

**Date:** September 7, 2018

**Subject:** *Docket No. 47925: Application of Sunfield Municipal Utility District No. 4 to Amend a Water Certificate of Convenience and Necessity for Dual Certification with Goforth Special Utility District in Hays and Travis Counties*

On January 4, 2018, Sunfield Municipal Utility District No. 4 (Sunfield or Applicant) filed with the Public Utility Commission of Texas (Commission) an application to amend a water Certificate of Convenience and Necessity (CCN) No. 13116 and obtain dual certification with a portion of Goforth Special Utility District's (Goforth) CCN No. 11356, pursuant to Texas Water Code Ann. (TWC), §§ 13.242 to 13.250 and the 16 Texas Administrative Code §§ 24.101 to 24.107(TAC).

### **Background**

The Applicant is requesting to amend and dually certify the requested area with Goforth in order to provide service to Sunfield MUD Nos. 1, 3, and 4 (MUDs) pursuant to agreements between the two parties. A portion of the requested area is located within the MUD's boundary and within Goforth's CCN service area.

### **Criteria Considered**

TWC § 13.246(c) requires the Commission to consider nine criteria when granting or amending a CCN. Therefore, the following criteria were considered:

#### ***TWC § 13.246(c)(1) requires the Commission to consider the adequacy of service currently provided to the requested area.***

The Applicant is a municipal utility district and is obligated to provide adequate service to the requested area, which is located within its boundaries.

#### ***TWC § 13.246(c)(2) requires the Commission to consider the need for additional service in the requested area.***

According to the agreement, the additional service in the requested area will be provided by Goforth, which shall have the right to be the sole retail provider to a portion of Sunfield MUD No. 1 (approximately 217 acres) that is currently developed with water service.

#### ***TWC § 13.246(c)(3) requires the Commission to consider the effect of granting an amendment on the recipient, on the landowners in the area, and on any other retail public utility of the same kind already servicing the proximate area.***

The effect of granting this amendment on the Applicant will allow the Applicant to execute its part of the Non-Standard Water Utility Service Agreement to amend its CCN for dual certification with Goforth.

***TWC § 13.246(c)(4) requires the Commission to consider the ability of the Applicant to provide adequate service.***

The Applicant has an agreement with Goforth to provide water service to the MUDs. Goforth has a public water system (PWS) registered with the Texas Commission on Environmental Quality (TCEQ) under PWS No. 1050019, which has a total production of 7.4 million gallons per day (MGD), 3.72 million gallons of total storage, and 9,200 gallons per minute (gpm) of pumping capacity. According to the TCEQ Drinking Water Watch, Goforth currently serves 6,930 connections, and will serve an additional 960 connections. Goforth's current water system capacity can adequately serve over 15,000 connections (service pump capacity of 9,200 gpm divided by 0.6 gpm, since the system has enough elevated capacity of 200 gallons per connection), as well as, the additional 960 connections. The Applicant has adequate capacity to serve the requested area.

***TWC § 13.246(c)(5) requires the Commission to consider the feasibility of obtaining service from an adjacent retail public utility.***

The Applicant and Goforth has an agreement to obtain dual certification for Goforth to provide retail water service for all land located within the boundaries of the MUDs.

***TWC § 13.246(c)(6) requires the Commission to consider the financial ability of the applicant to pay for facilities necessary to provide continuous and adequate service and the financial stability of the applicant.***

16 TAC § 24.11 establishes criteria to demonstrate that an owner or operator of a retail public utility has the financial resources to operate and manage the utility and to provide continuous and adequate service to the current and proposed utility service area. 16 TAC § 24.11(e) lists the financial tests. The following discussion shows that the Applicant meets the required criteria.

1. Staff notes that the following discussion shows that the Applicant meets three out of four leverage tests; however, the Applicant is only required to meet one.
  - a. The Applicant meets the leverage test with a debt to equity ratio of less than one with equity of \$6,549,180 and long-term debt of \$433,963.
  - b. The Applicant has sufficient unrestricted cash available as a cushion for two years of debt service with no long term debt service and cash available of \$1.2 million. Therefore, the Applicant meets the leverage test.
2. The Applicant meets the operations test. The owner or operator must demonstrate sufficient cash is available to cover any projected operations and maintenance shortages in the first five years of operations. The Applicant has served the requested area for 30 years and no improvements are required. The Applicant generated net income of \$1,590,241 from January 2016 thru December 2016. There are no projected shortages to cover.

***TWC §§ 13.246(c)(7) and (9) require the Commission to consider the environmental integrity and the effect on the land to be included in the certificate.***

As land within the MUDs is developed, dual certification will allow water services to be provided to customers in accordance with the agreement between the Applicant and Goforth.

***TWC § 13.246(c)(8) requires the Commission to consider the probable improvement in service or lowering of cost to consumers.***

Since Goforth has an adequate water supply, the agreement between the Applicant and Goforth is expected to provide an improvement in water service to the customers. By the agreement, the Applicant will be responsible for providing the rate order to Goforth. Therefore, no change in rates is expected for the customers.

The Applicant meets all of the statutory requirements of TWC Chapter 13 and the Commission's Chapter 24 rules and regulations, and is capable of providing continuous and adequate service. Approving this application to amend the Applicant's water CCN is necessary for the service, accommodation, convenience and safety of the public.

Sunfield consented to the attached map, and certificate on August 20, 2018 and Goforth consented to the attached map and certificate on August 31, 2018.

Based on the above information, Staff recommends that the application be approved, and Sunfield be provided with the attached map and certificate. Staff further recommends that the Applicant file certified copies of the CCN map along with a written description of the CCN service area in the county clerk's office pursuant to TWC §§ 13.257(r)-(s).








# **ATTACHMENT B**

Goforth SUD  
Portion of Water CCN No. 11356  
PUC Docket No. 47925  
Amended CCN No. 11356 and  
Obtained Dual Certification with Sunfield MUD No. 4, CCN No. 13116 in Hays and Travis Counties



**Water CCN**

-  11356 - Goforth SUD
-  13116 - Sunfield MUD 4
-  11953 - City of Buda
-  11029 - Creedmoor Maha WSC
-  11322 - City of Austin

11670 - Lowe Colorado River Authority

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

Map by: Komal Patel  
Date created: July 20, 2018  
Project Path: n:\finalmapping\  
47925SunfieldMUD4.mxd



# **Public Utility Commission of Texas**

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

## **Sunfield Municipal Utility District No. 4**

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, Sunfield MUD No. 4 is entitled to this

### **Certificate of Convenience and Necessity No. 13116**

to provide continuous and adequate water utility service to that service area or those service areas in Hays and Travis Counties as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 47925 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 Sunfield Municipal Utility District No. 4 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, this \_\_\_\_\_ day of \_\_\_\_\_ 2018.



# **Public Utility Commission of Texas**

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

## **Goforth 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, Goforth Special Utility District, is entitled to this

### **Certificate of Convenience and Necessity No. 11356**

to provide continuous and adequate water utility service to that service area or those service areas in Hays and Travis Counties as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 47925 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 Goforth 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, this \_\_\_\_\_ day of \_\_\_\_\_ 2018.