

Control Number: 48660



Item Number: 26

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**DOCKET NO. 48660**

**APPLICATION OF THE CITY OF §  
LUCAS TO AMEND A WATER §  
CERTIFICATE OF CONVENIENCE §  
AND NECESSITY IN COLLIN COUNTY §**

**PUBLIC UTILITY COMMISSION  
OF TEXAS**

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**NOTICE OF APPROVAL**

This Notice of Approval addresses the application of the City of Lucas to amend its water certificate of convenience and necessity (CCN) number 10193 to include an additional 2,951 acres of land in Collin County. The Commission amends Lucas' water CCN number 10193 to include the requested service area addition.

**I. Findings of Fact**

The Commission makes the following findings of fact.

**Applicant**

1. Lucas is a municipal corporation operating as a home rule general law municipality.
2. Lucas provides water service to approximately 2,693 current customers.
3. Lucas owns and operates facilities for providing water service in Collin County.
4. Lucas is authorized to provide water service under Texas Commission on Environmental Quality (TCEQ) permitted public water system (PWS) identification number 0430054 and Commission water CCN number 10193.

**Application**

5. On September 4, 2018, Lucas filed an application to amend water CCN number 10193 in Collin County.
6. On October 31, 2018, Lucas supplemented the application by filing revised maps.
7. Lucas seeks to add approximately 2,951 acres to its certificated water service area.
8. The requested service area addition is within Lucas' city limits.
9. Lucas has provided water service to the requested area for approximately 15 years.



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10. Lucas seeks to conform the boundaries of its CCN to include the areas it is currently serving.
11. The requested service area addition is located approximately 6 miles east of downtown Allen, and bounded on the north by Fairview, on the east by Wylie, on the south by Wylie and Parker, and on the west by Allen.
12. No portion of the requested service area addition is located within an incorporated city other than Lucas, a district, or the certificated service area of another utility.
13. In Order No. 3 issued on November 14, 2018, the administrative law judge (ALJ) found the application administratively complete.

**Notice of Application**

14. Notice of the application appeared in the September 21, 2018 issue of the *Texas Register*.
15. On January 14, 2019, Lucas filed a publisher's affidavit attesting to notice by publication on December 20 and 27, 2018, in the *Allen American*, a newspaper of general circulation in Collin County.
16. On March 6, 2019, Lucas filed the affidavit of Stanton Foerster, city engineer for Lucas, attesting that notice was mailed to current customers, landowners, neighboring utilities, and affected parties on December 20, 2018.
17. In Order No. 5 issued March 20, 2019, the ALJ found the notice sufficient.

**Evidentiary Record**

18. On May 28, 2019, Commission Staff and Lucas filed an agreed motion to admit evidence and a proposed notice of approval.
19. In Order No. 8 issued July 22, 2019, the ALJ admitted the following evidence into the record of this proceeding: (a) Lucas' application and all attachments filed on September 4, 2018; (b) notice of application filed on September 11, 2018; (c) Lucas' revised maps filed on October 31, 2018; (d) Lucas' proof of publication and notice to customers filed on January 14, 2019; (e) Lucas' affidavit of notice to current customers, landowners, neighboring utilities and affected parties filed on March 6, 2019; (f) Lucas' signed consent form to the final map and certificate filed on April 22, 2019; (g) Commission Staff's recommendation on final disposition and attachments filed on May 2, 2019;

(h) Commission Staff's amended recommendation on final disposition and all attachments filed on May 28, 2019; and (i) final maps and certificates filed on May 28, 2019.

**Adequacy of Existing Service – Texas Water Code (TWC) § 13.246(c)(1), 16 TAC § 24.227(d)(1)**

20. Lucas' public water system has access to an adequate supply of water and has no unresolved TCEQ violations.

**Need for Additional Service – TWC § 13.246(c)(2), 16 TAC § 24.227(d)(2)**

21. The requested area is within Lucas' corporate limits, and is a recipient of Lucas' water services.

**Effect of Granting the Amendment – TWC § 13.246(c)(3), 16 TAC § 24.227(d)(3)**

22. Granting the amendment will enable Lucas to continue providing service to the requested area, and will have no effect on any other retail public utility servicing the approximate area.
23. Granting Lucas' amendment will not affect landowners in the requested area because Lucas is already serving the area.

**Ability to Serve: Managerial and Technical – TWC §§ 13.246(c)(4), 13.241(a), 16 TAC §§ 24.227(a), 24.227(d)(4)**

24. According to the TCEQ Drinking Water Watch database, Lucas' average daily usage is 1.285 million gallons per day (MGD). Per Lucas' agreement with North Texas Municipal Water District, Lucas' maximum demand can be up to 3.21 MGD. Because Lucas has 2,693 connections, using the TCEQ metric of 360 gallons per connection per day, Lucas can serve 8,916 connections, which is more than adequate to provide service.
25. Lucas has three class C and three class D licensed operators for its public water system.
26. The TCEQ database does not list any violations for Lucas' permitted water facilities.
27. Lucas has the managerial and technical capability to provide continuous and adequate service to the requested service area addition.

**Ability to Serve: Financial Ability and Stability – TWC §§ 13.246(c)(6), 13.241(a), 16 TAC §§ 24.227(a), 24.227(d)(6), 24.11(e)**

28. Lucas has a debt-to-equity ratio of 0.37, which meets the leverage test of less than one.

29. On September 4, 2018, Lucas filed the affidavit of Stanton Foerster, city engineer, attesting to the maps and financial information and attesting that Lucas will provide continuous and adequate service to all customers and qualified applicants for service within its certificated area.
30. Lucas has the financial ability and financial stability to pay for facilities necessary to provide continuous and adequate service to the requested area.

**Financial Assurance – TWC § 13.246(d); 16 TAC § 24.227(e)**

31. There is no need to require Lucas to provide a bond or other financial assurance to ensure continuous and adequate service.

**Ability to Serve: Water Utility Service – TWC § 13.241(b); 16 TAC § 24.227(a)(1)**

32. Lucas' public water system is in compliance with TCEQ requirements.

**Service from Other Utilities – TWC § 13.241(c)(5); 16 TAC § 24.227(d)(5)**

33. It is not feasible for an adjacent utility to provide service to the requested service area addition because Lucas has infrastructure in place in the requested service area addition and is already serving the area.
34. Notice was provided to neighboring retail public utilities and no protest or request for hearing was filed.

**Regionalization or Consolidation – TWC § 13.241(d); 16 TAC § 24.227(b)**

35. Regionalization or consolidation with another retail public utility is not feasible because the requested area is within Lucas' city limits and Lucas is currently serving the area.

**Environmental Integrity – TWC § 13.246(c)(7), 16 TAC § 24.227(d)(7)**

36. The environmental integrity of the land will not be affected because Lucas has existing facilities in the requested area and has been providing service in the requested area for the past 15 years.

**Improvement in Service – TWC § 13.246(c)(8), 16 TAC § 24.227(d)(8)**

37. Granting Lucas' requested CCN amendment will not adversely affect service to current customers because facilities already exist in the requested service area addition. The amendment is requested to include these facilities in the service area of the CCN. No new customers are anticipated in the requested service area addition.

**Lowering of Cost – TWC § 13.246(c)(8), 16 TAC § 24.227(d)(8)**

- 38. Lucas' existing service and rates to customers will remain the same.
- 39. Lucas' customers will continue to pay the rates in its existing water tariff.

**Effect on the Land – TWC § 13.246(c)(9), 16 TAC § 24.227(d)(9)**

- 40. There is no anticipated effect on the land because no construction or facilities are needed to continue serving in the proposed and existing service areas.

**Certificate and Map**

- 41. On April 15, 2019, Commission Staff emailed its proposed map and certificate to Lucas.
- 42. On April 22, 2019, Lucas filed its consent to the proposed map and certificate.
- 43. On May 2, 2019, Commission Staff filed the proposed map and certificate as an attachment to its recommendation.

**Informal Disposition**

- 44. More than 15 days have passed since the completion of the notice provided in this docket.
- 45. No person filed a protest or motion to intervene.
- 46. Commission Staff and Lucas are the only parties to this proceeding.
- 47. No party requested a hearing and no hearing is needed.
- 48. The decision is not adverse to any party.
- 49. Commission Staff recommended approval of the application.

**II. Conclusion of Law**

The Commission makes the following conclusions of law.

- 1. The Commission has jurisdiction over this application under TWC §§ 13.041, 13.241, 13.244, and 13.246.
- 2. Lucas is a retail public utility as defined in TWC § 13.002(19) and 16 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 requirements of the Administrative Procedure Act,<sup>1</sup> the TWC, and Commission rules.
5. Lucas possesses the financial, managerial, and technical capability to provide continuous and adequate service to the requested service area addition in Collin County as required by TWC § 13.241(a) and 16 TAC § 24.227.
6. The amendment to CCN number 10193 is required for the public convenience and necessity and is necessary for the service, accommodation, convenience, and safety of the public as required by TWC §§ 13.242 and 13.246.
7. Under TWC § 13.250, Lucas must serve every customer within the service area addition under water CCN number 10193 and the service must be continuous and adequate.
8. Lucas must record a certified copy of the approved map for the certificate amendment, along with a boundary description of the service, in the real property records of Collin County within 31 days of receiving this Notice of Approval and submit to the Commission evidence of the recording in accordance with TWC § 13.257(r) and (s).
9. 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 amends Lucas' water CCN number 10193 to include the requested service area addition as described in this Notice of Approval and shown on the attached map.
2. The Commission grants the certificate attached to this Notice of Approval.
3. Lucas must serve every customer and applicant for service within the service area added under CCN number 10193 and such service must be continuous and adequate.

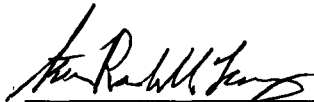
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<sup>1</sup> Tex. Gov't Code ch. 2001.

4. Lucas must comply with the recording requirements in TWC § 13.257(r) and (s) for the area in Collin County affected by the application.
5. Lucas must file in this docket proof of the recording required in ordering paragraph 4 not later than 45 days after the date of this Notice of Approval.
6. 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 26<sup>th</sup> day of July 2019.

**PUBLIC UTILITY COMMISSION OF TEXAS**



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**STEVEN LEARY**  
**ADMINISTRATIVE LAW JUDGE**







# **Public Utility Commission of Texas**

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

**City of Lucas**

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, City of Lucas is entitled to this

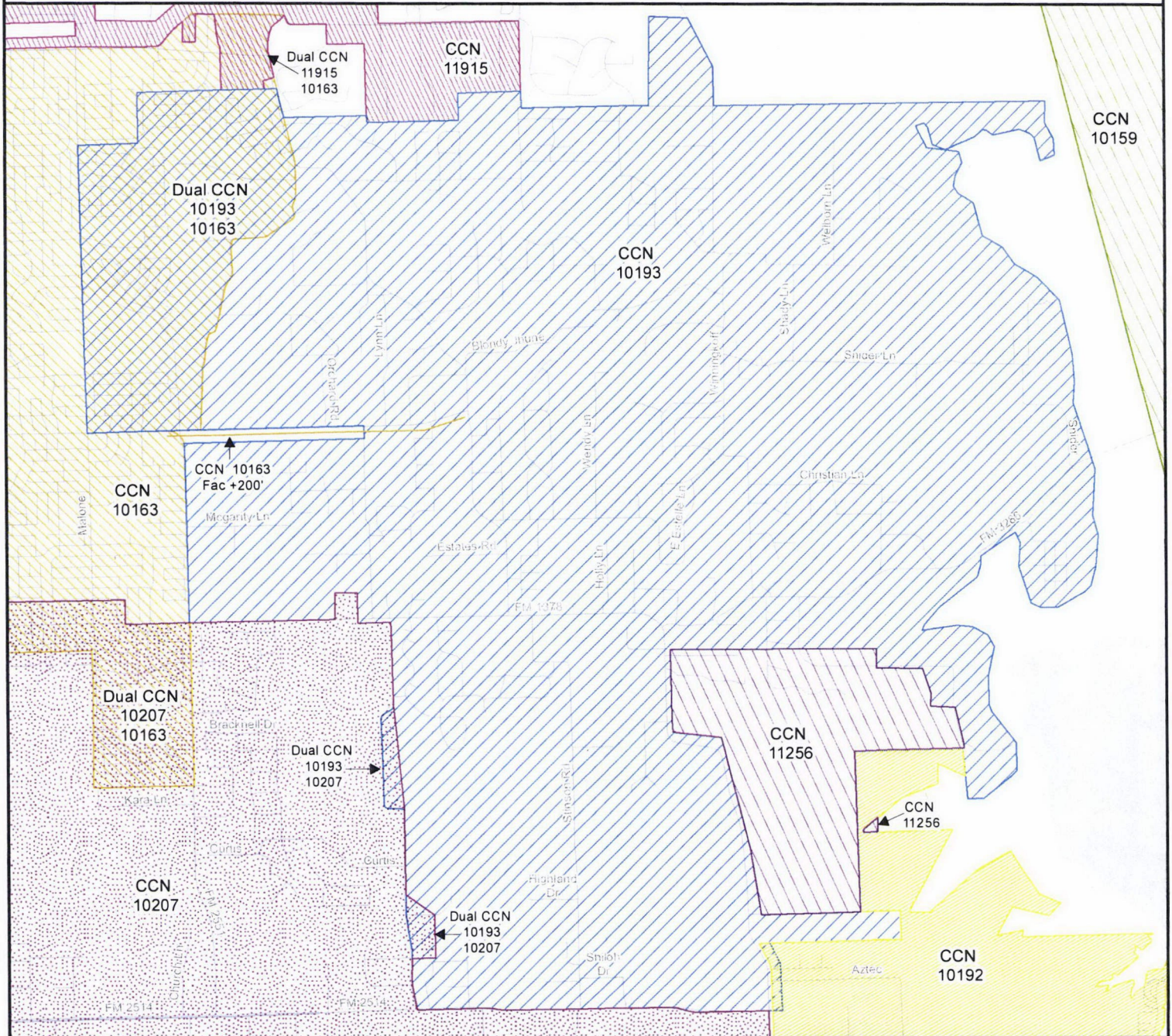
## **Certificate of Convenience and Necessity No. 10193**

to provide continuous and adequate water utility service to that service area or those service areas in Collin County as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 48660 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 City of Lucas 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 26<sup>th</sup> day of July 2019.



City of Lucas  
 Water CCN No. 10193  
 PUC Docket No. 48660  
 Amended CCN No. 10193 in Collin County



**Water CCN**

- 10193 - City of Lucas
- 11915 - City of Fairview
- 10159 - Culleoka WSC
- 11256 - Seis Lagos Utility District
- 10192 - Wylie Northeast SUD
- 10207 - City of Parker
- 10163 - City of Allen

**Water CCN Facility +200'**

- 10163 - City of Allen



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

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Map by: Komal Patel  
 Date created: April 5, 2019  
 Project Path: n:\finalmapping\  
 48660CityofLucas.mxd