



Control Number: 49283



Item Number: 52

Addendum StartPage: 0



TEXAS REGISTERED ENGINEERING FIRM F-702

ROBERT T CHILDRESS, JR, P E • BENJAMIN S SHANKLIN, P E • ROBERT T CHILDRESS III, P E

March 5, 2021



Public Utility Commission of Texas
P.O. Box 13326
Austin, Texas 78711-3326

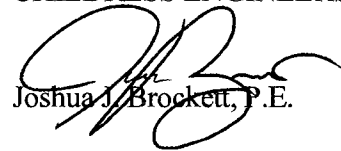
Re: Docket Number 49283, STM Application of Sardis-Lone Elm W.S.C. and Mountain Peak S.U.D. for Sale, Transfer, or Merger of Facilities and Certificate Rights to Sardis-Lone Elm Water Supply Corporation in Ellis County

In accordance with TWC § 13.257(r) and (s), attached is one electronic copy of the recorded approved certificate, CCN Map, and boundary description of the service area for Docket No. 49283 as filed by Sardis-Lone Elm Water Supply Corporation. The approved certificate, CCN map, and boundary description of the service area was recorded in the Official Public Records of Ellis County, Texas on February 12, 2021.

If you have additional questions regarding these matters, please call us.



Very truly yours,
CHILDRESS ENGINEERS


Joshua J. Brockett, P.E.

JJB/cv

Encl.

STATE OF TEXAS

§

COUNTY OF ELLIS

§

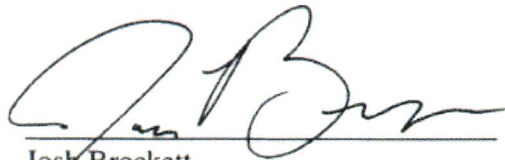
§

AFFIDAVIT OF JOSH BROCKETT

Before me, the undersigned notary, on this day personally appeared Josh Brockett, a person whose identity is known to me. After being by me duly cautioned to tell the truth, subject to the penalties of perjury, he did affirm and testify as follows:

1. My name is Josh Brockett, I am over the age of eighteen (18) years, am of sound mind, competent, and am fully capable of making this affidavit.
2. I am a Civil Engineer, licensed to practice in the State of Texas and who represents the Applicant, Sardis-Lone Elm Water Supply Corporation, in an application made by Sardis-Lone Elm Water Supply Corporation and Mountain Peak Special Utility District for the sale, transfer, or merger of facilities and certificate rights to Sardis-Lone Elm Water Supply Corporation in Ellis County (Texas Public Utility Commission Docket No. 49283).
3. Exhibit "A", attached hereto and incorporated herein for all purposes, is the boundary description of the service area in accordance with TWC § 13.257(r).
4. Exhibit "B", attached hereto and incorporated herein for all purposes, is a true, correct copy of the Texas Public Utility Commission's approval of the aforementioned application.

Further affiant sayeth not


Josh Brockett

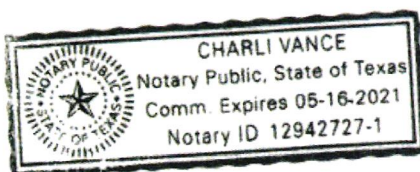
STATE OF TEXAS

§

COUNTY OF ELLIS

§

SUSCRIBED AND SWORN TO BEFORE ME on this 26th day of January, 2021, by Josh Brockett.



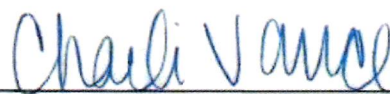

NOTARY PUBLIC, STATE OF TEXAS

Exhibit "A"



TEXAS REGISTERED ENGINEERING FIRM F-702

ROBERT T CHILDRESS, JR., P.E. • BENJAMIN S. SHANKLIN, P.E. • ROBERT T CHILDRESS III, P.E.

January 26, 2021

Public Utility Commission of Texas
P.O. Box 13326
Austin, Texas 78711-3326

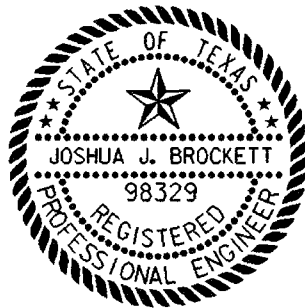
Re: Docket Number 49283, STM Application of Sardis-Lone Elm W.S.C. and Mountain Peak S.U.D. for Sale, Transfer, or Merger of Facilities and Certificate Rights to Sardis-Lone Elm Water Supply Corporation in Ellis County

Exhibit "A", Boundary Description of the Service Area in accordance with TWC § 13.257(r)(1)

The service areas to be transferred consist of three separate areas that total approximately 560 acres and are described as follows:

1. Area 1 is located approximately 2 miles southeast of downtown Midlothian, Texas and is roughly bounded on the north by a line running 0.4 miles north of and parallel to Sherwood Court; on the east by Plum Creek Drive; on the south by Oak Tree Lane; and on the west by 14th Street.
2. Area 2 is located approximately 3.7 miles southeast of downtown Midlothian, Texas and is generally bounded on the north by the intersection of Plainview Road and John T. Lane; on the east by Parker Lane; on the south by Brads Way; and on the west by Whitehead Road.
3. Area 3 is located approximately 4.8 miles southeast of downtown Midlothian, Texas, and is generally bounded on the north and east by Skinner Road; on the south by Lone Elm Road; and on the west by McAlpin Road.

If you have additional questions regarding these matters, please call us.



Very truly yours,
CHILDRESS ENGINEERS

A handwritten signature in black ink, appearing to read 'Joshua J. Brockett'.

Joshua J. Brockett, P.E.

JJB/cv

Encl.

Exhibit "B"

DOCKET NO. 49283

APPLICATION OF SARDIS-LONE ELM §
WATER SUPPLY CORPORATION AND §
MOUNTAIN PEAK SPECIAL UTILITY §
DISTRICT FOR SALE, TRANSFER, OR §
MERGER OF FACILITIES AND §
CERTIFICATE RIGHTS TO SARDIS- §
LONE ELM WATER SUPPLY §
CORPORATION IN ELLIS COUNTY §

RECEIVED
2021 JAN 20 AM 10:12
PUBLIC UTILITY COMMISSION
FILING CLERK
OF TEXAS

NOTICE OF APPROVAL

This Notice of Approval addresses the application of Mountain Peak Special Utility District and Sardis-Lone Elm Water Supply Corporation for approval of a sale, transfer, or merger of facilities and certificate rights in Ellis County. The Commission approves the sale and transfer a portion of Mountain Peak SUD's water service area under certificate of convenience and necessity (CCN) number 10908 to Sardis-Lone Elm WSC's water service area under CCN number 10058.

I. Findings of Fact

The Commission makes the following findings of fact.

Applicants

1. Mountain Peak SUD is a special utility district that operates, maintains, and controls facilities for providing water service in Texas under CCN number 10908.
2. Mountain Peak SUD owns and operates one public water system registered with the Texas Commission on Environmental Quality (TCEQ) under public water system identification number 0700042.
3. Sardis-Lone Elm WSC is a domestic non-profit corporation registered with the Texas secretary of state under filing number 21416101 that operates, maintains, and controls facilities for providing water service in Texas under CCN number 10058.
4. Sardis-Lone Elm owns one public water system registered with TCEQ under public water system identification number 0700034.

Application

5. On March 4, 2019, the applicants filed the application at issue in this proceeding. As originally filed, the application sought approval to transfer portions of Mountain Peak SUD's water service area under CCN number 10908 to Sardis-Lone Elm WSC's water service area under CCN number 10058.
6. On March 20, April 22, and July 23, 2019, and January 21 and March 9, 2020, the applicants supplemented the application.
7. In the July 23, 2019, supplement to the application, the applicants also sought approval to transfer portions of Sardis-Lone Elm WSC's water service area under CCN number 10058 to Mountain Peak SUD's water service area under CCN number 10908.
8. The two transactions envisioned by the applicants, whereby service areas are transferred between them, represent mutually agreed upon transfers of certificated service areas in order to correct ongoing confusion about each applicant's respective service areas, simplify the boundaries between the two applicants, and remove service area boundaries that split individual properties.
9. In Order No. 13 filed on May 6, 2020, the ALJ severed the application into two dockets—the present docket, addressing the request to transfer portions of Mountain Peak SUD's water service area under CCN number 10908 to Sardis-Lone Elm WSC's water service area under CCN number 10058; and Docket No. 50817,¹ addressing the request to transfer portions of Sardis-Lone Elm WSC's water service area under CCN number 10058 to Mountain Peak SUD's water service area under CCN number 10908.
10. In the present docket, all of the requested areas are already being served by Sardis-Lone Elm WSC without objection from Mountain Peak SUD, and the purpose of the application is to correct the service area boundaries to properly identify Sardis-Lone Elm WSC as the service provider.
11. The requested areas to be transferred in this docket consists of three separate areas that total approximately 560 acres and 68 current customers.

¹ *Application of Sardis-Lone Elm Water Supply Corporation and Mountain Peak Special Utility District for Sale, Transfer, or Merger of Facilities and Certificate Rights in Ellis County*, Docket No. 50817 (pending).

12. Requested Area 1 is located approximately 2 miles southeast of downtown Midlothian, Texas and is roughly bounded on the north by a line running 0.4 mile north of and parallel to Sherwood Court; on the east by Plum Creek Drive; on the south by Oak Tree Lane, and on the west by 14th Street.
13. Requested Area 2 is located approximately 3.7 miles southeast of downtown Midlothian, TX, and is generally bounded on the north by the intersection of Plainview Road and John T. Lane; on the east by Parker Lane; on the south by Brads Way; and on the west by Whitehead Road.
14. Requested Area 3 is located approximately 4.8 miles southeast of downtown Midlothian, TX, and is generally bounded on the north and east by Skinner Road; on the south by Lone Elm Road; and on the west by McAlpin Road.
15. In Order No. 12 filed on April 17, 2020, the administrative law judge (ALJ) deemed the application administratively complete.

Notice

16. On June 5, 2020, the applicants filed the affidavit of Paul Tischler, Sardis-Lone Elm WSC's general manager, attesting that notice was provided to current customers, neighboring utilities, county authorities, municipalities, groundwater conservation district, customers, and affected parties on June 3, 2020.
17. On June 16, 2020, the applicants filed a sample copy of the notice it issued.
18. In Order No. 15 filed on June 29, 2020, the ALJ deemed notice sufficient.

Evidentiary Record

19. On August 31, 2020, Commission Staff filed a joint motion to admit evidence.
20. In Order No. 16 filed on September 8, 2020, the ALJ admitted the following evidence into the record: (a) the application, filed March 4, 2019; (b) the amended sale, transfer merger application, filed July 23, 2019; (c) the applicants' supplemental information, filed January 21, 2020 and March 9, 2020; (d) Commission Staff's supplemental recommendation on administrative completeness and motion to sever, filed April 14, 2020; (e) the applicants' proof of notice and supporting documents, filed June 5, 2020, and June 16, 2020; (f) the applicants' response to Staff's first request for information, filed

- June 18, 2020; (g) the applicants' revised response to Staff's first request for information, filed June 18, 2020; (h) Commission Staff's recommendation on sufficiency of notice, filed June 22, 2020; and (i) Commission Staff's recommendation on approval of sale, filed August 10, 2020.
21. On January 11, 2021, the parties filed a supplemental motion to admit evidence.
22. In Order No. 19 filed on January 20, 2021, the ALJ admitted the following evidence into the record: (a) closing documents filed October 28, 2020; (b) Commission Staff's recommendation on sufficiency of the closing documents filed November 13, 2020; (c) Sardis Lone-Elm WSC and Mountain Peak SUD's consent forms filed January 4, 2021; and (d) the final map and certificates attached to proposed notice of approval filed January 11, 2021.

Sale

23. In Order No. 17 filed on September 9, 2020, the ALJ approved the transaction to proceed and required the applicants to file proof that the transaction had closed and that customer deposits had been addressed.
24. On October 28, 2020, the applicants filed notice indicating that the transaction had closed on October 22, 2020, and that there were no customer deposits held by Mountain Peak SUD as of the effective date of the transaction.
25. In Order No. 18 filed on November 16, 2020, the ALJ found the closing documents sufficient.

System Compliance—Texas Water Code (TWC) § 13.301(e)(3)(A); 16 Texas Administrative Code (TAC) §§ 24.227(a), 24.239(h)(3)(A), (h)(5)(I)

26. Sardis-Lone Elm WSC has not been subject to any unresolved enforcement action by the Commission, the Texas Commission on Environmental Quality (TCEQ), the Texas Department of Health, the Office of Attorney General, or the United States Environmental Protection Agency.
27. Sardis-Lone Elm WSC does not have any unresolved violations listed in the TCEQ database.

28. Sardis-Lone Elm WSC has a compliance history adequate for approval of the proposed transfer.

Adequacy of Existing Service—TWC § 13.246(c)(1); 16 TAC §§ 24.227(e)(1), 24.239(h)(5)(A)

29. Sardis-Lone Elm WSC currently serves the requested areas and provides adequate service.
30. The purpose of the transferring the requested areas is so that the certificated boundaries of Sardis-Lone Elm WSC and Mountain Peak SUD will reflect the actual practice on the ground.

Need for Additional Service—TWC § 13.246(c)(2); 16 TAC §§ 24.227(e)(2), 24.239(h)(5)(B)

31. There are 68 customers in the requested areas; therefore, there is an ongoing need for service.
32. This application is to transfer only existing customers and service area already served by Sardis-Lone Elm WSC.
33. There is no evidence in the record that there have been requests for additional service or that there is a need for additional service in the requested areas.

Effect of Approving the Transaction—TWC § 13.246(c)(3); 16 TAC §§ 24.227(e)(3), 24.239(h)(5)(C)

34. Retail public utilities within a two-mile radius were given proper notice of the proposed transaction. The Commission received no protests or adverse comments from any public utility in the proximate area.
35. The landowners in the requested areas are already being served by Sardis-Lone Elm WSC and will experience no change.
36. Sardis-Lone Elm WSC and Mountain Peak SUD will be the only entities affected by the proposed transaction.

Ability to Serve: Managerial and Technical—TWC §§ 13.241(a), (b), 13.246(c)(4), 13.301(b), (e)(2); 16 TAC §§ 24.227(a), (e)(4), and 24.239(e), (h)(5)(D)

37. Sardis-Lone Elm WSC already serves the requested areas, thus demonstrating its managerial and technical ability to do continue to do so.
38. Sardis-Lone Elm WSC owns and operates a public water system registered with TCEQ under public water system identification number 0700034.

39. Sardis-Lone Elm WSC has a sufficient number of licensed water operators to provide adequate and continuous service to the requested areas.
40. Sardis-Lone Elm WSC will have access to an adequate supply of water and will be capable of providing drinking water that meets the requirements of Texas Health and Safety Code, Chapter 341, TWC, Chapter 13, and the TCEQ's rules.
41. Sardis-Lone Elm WSC has the managerial and technical ability to provide continuous and adequate service to the requested areas.

Feasibility of Obtaining Service from Adjacent Retail Public Utility—TWC § 13.246(c)(5); 16 TAC §§ 24.227(e)(5), 24.239(h)(5)(E)

42. Sardis-Lone Elm WSC is currently serving customers in the requested areas, which is currently certificated to Mountain Peak SUD.
43. It is not feasible for an adjacent utility to provide service to the requested areas.

Ability to Serve: Financial Ability and Stability—TWC §§ 13.241(a), 13.246(c)(6), 13.301(b); 16 TAC §§ 24.11(e), 24.227(a), (e)(6), and 24.239(e), (h)(5)(F)

44. Sardis-Lone Elm WSC has a debt-to-equity ratio of less than 1.0, a debt service coverage ratio of more than 1.25, and has sufficient unrestricted cash available as a cushion for two years of debt service, thus satisfying the leverage test.
45. Sardis-Lone Elm WSC has sufficient cash available to cover any projected operations and maintenance shortages in the first five years of operations, thus satisfying the operations test.
46. Sardis-Lone Elm WSC has the financial capability and stability needed to provide continuous and adequate service to the requested areas.

Financial Assurance—TWC §§ 13.246(d), 13.301(c); 16 TAC §§ 24.227(f), 24.239(f)

47. There is no need to require Sardis-Lone Elm WSC to provide a bond or other financial assurance to ensure continuous and adequate service.

Environmental Integrity and Effect on the Land—TWC § 13.246(c)(7) and (c)(9); 16 TAC §§ 24.227(e)(7) and (e)(9), 24.239(h)(5)(G)

48. The environmental integrity of the land will not be affected as no additional construction is needed to provide service to the requested areas.

49. The transfer does not require additional construction and, therefore, will have no adverse effect on the land.

Improvement in Service or Lowering Cost to Consumer—TWC § 13.246(c)(8); 16 TAC §§ 24.227(e)(8,) 24.239(h)(5)(H)

50. Sardis-Lone Elm WSC will continue to serve customers in the requested areas.
51. All customers will be charged the same rates and receive the same quality of service as before the transaction.

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

52. No new physically separate water system will be constructed as a result of the transaction; therefore, consideration of regionalization or consolidation is not required.

Map and Certificates

53. On December 14, 2020, Commission Staff emailed its proposed final map and certificates to the applicants.
54. On January 4, 2021, Sardis-Lone Elm WSC and Mountain Peak SUD filed consent forms concurring with the proposed final map and certificates.
55. The final map and certificates were filed as an attachment to the agreed motion to admit evidence and proposed Notice of Approval filed by the parties on January 11, 2021.

Informal Disposition

56. More than 15 days have passed since the completion of notice provided in this docket.
57. No person filed a protest or motion to intervene.
58. Sardis-Lone Elm WSC, Mountain Peak SUD, and Commission Staff are the only parties to this proceeding.
59. No party requested a hearing and no hearing is needed.
60. Commission Staff recommends approval of the application.
61. This 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 TWC §§ 13.041, 13.241, 13.244, 13.246, 13.251, and 13.301.
2. Sardis-Lone Elm WSC and Mountain Peak SUD are retail public utilities as defined by TWC § 13.002(19) and 16 TAC § 24.3(31).
3. Public notice of the application was provided as required by TWC § 13.301(a) and 16 TAC § 24.239(a) through (c).
4. The Commission processed the application as required by the TWC, the Administrative Procedure Act,² and Commission rules.
5. The applicants complied with the requirements of 16 TAC § 24.239(k) with respect to customer deposits.
6. The applicants completed the sale within the time required by 16 TAC § 24.239(m).
7. After consideration of the factors in TWC § 13.246(c) and 16 TAC §§ 24.227(e) and 24.239(j)(5), Sardis-Lone Elm WSC has demonstrated adequate financial, managerial, and technical capability for providing adequate and continuous service to the requested areas as required by TWC § 13.301(b) and 16 TAC § 24.239(g).
8. Sardis-Lone Elm WSC meets the requirements of TWC § 13.241(b) to provide water utility service.
9. It is not necessary for Sardis-Lone Elm WSC to provide a bond or other financial assurance under TWC §§ 13.246(d) and 13.301(c).
10. The applicants have demonstrated that transferring the requested areas held by Mountain Peak SUD under CCN number 10908 to Sardis-Lone Elm WSC under CCN number 10058 will serve the public interest and are necessary for service, accommodation, convenience, and safety of the public as required by TWC §13.301(d), (e).

² Tex. Gov't Code §§ 2001.001-.903.

11. Sardis-Lone Elm WSC and Mountain Peak SUD must each record a certified copy of its certificate granted and map approved by this Notice of Approval, along with a boundary description of its service area, in the real property records of Ellis County within 31 days of receiving this Notice of Approval and submit to the Commission evidence of the recording. TWC § 13.257(r), (s).
12. The requirements for informal disposition under 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 sale and transfer of the requested areas from Mountain Peak SUD's service area under water CCN number 10908 to Sardis-Lone Elm WSC to be held under water CCN number 10058, to the extent provided in this Notice of Approval.
2. The Commission approves the certificates and map attached to this Notice of Approval.
3. Sardis-Lone Elm WSC must serve every customer and applicant for service within the approved area under water CCN number 10058 that requests water service and meets the terms of Sardis-Lone Elm WSC's water service, and such service must be continuous and adequate.
4. Sardis-Lone Elm WSC and Mountain Peak SUD must each comply with the recording requirements in TWC § 13.257(r) for the areas in Ellis county affected by the application and must submit to the Commission evidence of recording no later than 45 days after receipt of this Notice of Approval.
5. The Commission denies all other motions and any other requests for general or specific relief, if not expressly granted.

Signed at Austin, Texas the 20th day of January 2021.

PUBLIC UTILITY COMMISSION OF TEXAS



HUNTER BURKHALTER
CHIEF ADMINISTRATIVE LAW JUDGE

\\puc4-aav-fs\shared\cadm\doCKET management\water\stm\49xxx\49283-noa.docx



Public Utility Commission of Texas

By These Presents Be It Known To All That

Sardis-Lone Elm Water Supply Corporation

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, Sardis-Lone Elm Water Supply Corporation is entitled to this

Certificate of Convenience and Necessity No. 10058

to provide continuous and adequate water utility service to that service area or those service areas in Dallas and Ellis Counties as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 49283 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 Sardis-Lone Elm Water Supply Corporation, 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 20th day of January 2021.



Public Utility Commission of Texas

By These Presents Be It Known To All That

Mountain Peak Special Utility District

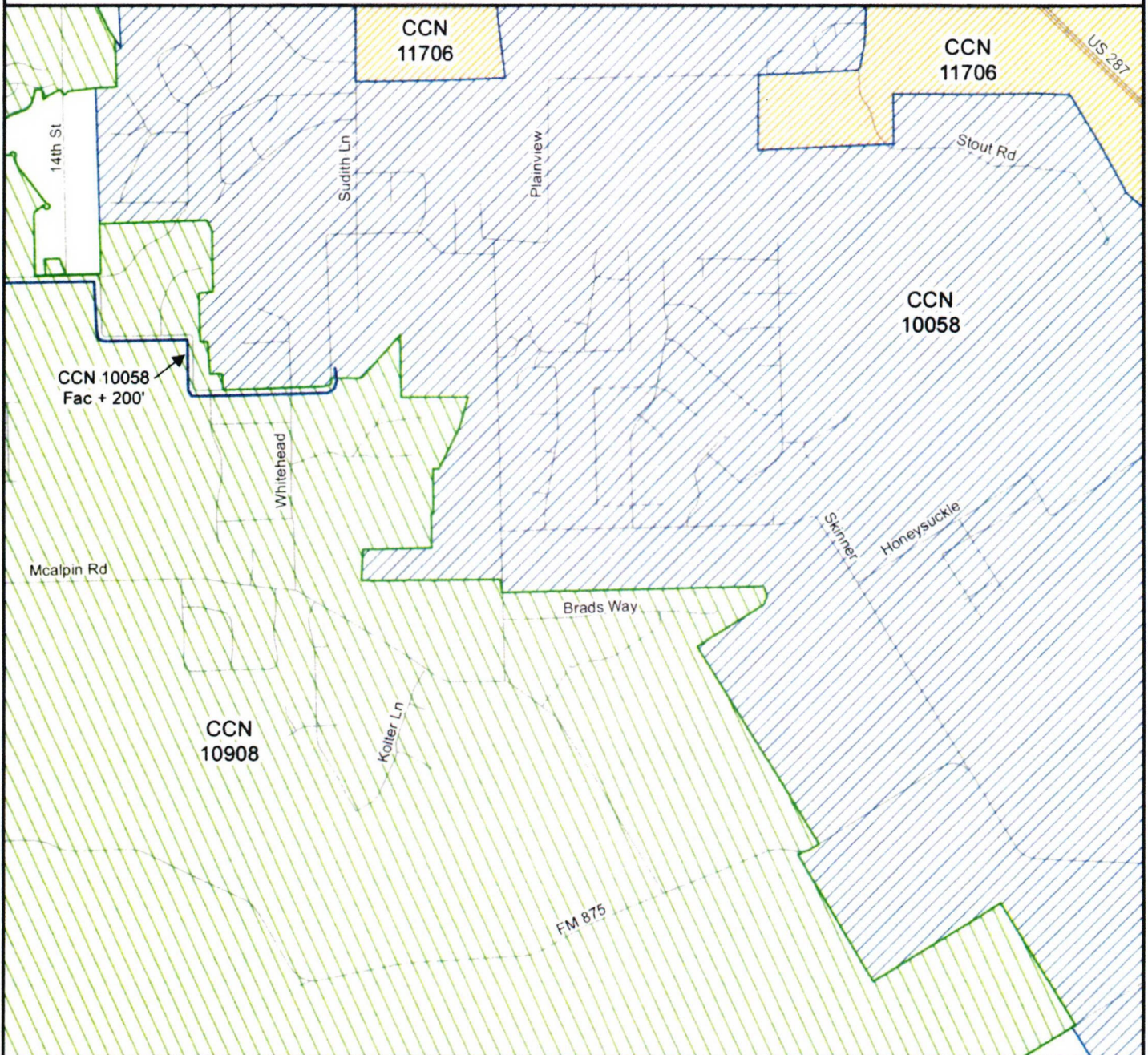
having obtained certification to provide water utility service for the convenience and necessity of the public, and it having been determined by this Commission that the public convenience and necessity would in fact be advanced by the provision of such service, Mountain Peak Special Utility District is entitled to this

Certificate of Convenience and Necessity No. 10908

to provide continuous and adequate water utility service to that service area or those service areas in Johnson and Ellis Counties as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 49283 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 Mountain Peak 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 20th day of January 2021.

Sardis-Lone Elm Water Supply Corporation
Portion of Water CCN No. 10058
PUC Docket No. 49283
Transferred a Portion of Mountain Peak Special Utility District, CCN No. 10908 in Ellis County



Water CCN

-  10058 - Sardis-Lone Elm WSC
-  10908 - Mountain Peak SUD
-  11706 - City of Midlothian

Water CCN Facilities +200'

-  10058 - Sardis-Lone Elm WSC

0 1,250 2,500
Feet



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

Map by: Komal Patel
Date created: November 12, 2020
Project Path: n:\finalmapping\
49283SardisLone.mxd

REC NO: 845702

Ellis County, Texas
Krystal Valdez, County Clerk
P. O. Box 250
Waxahachie, Texas 75168
(972) 825-5070



DATE : 02/12/2021

TIME : 02:58pm

YOUR CASHIER WAS: KPUTMAN

REGISTER NO : 25

RECVD FROM: SARDIS LONE ELM

ITEM DESCRIPTION	GFE NO.	CLERK/CAUSE NO.	QTY	FEES PAID
OFFICIAL PUBLIC RECORDS		2106593	15	\$ 82.00
OFFICIAL PUBLIC RECORDS		2106594	15	\$ 82.00
TOTAL FEES PAID				\$ 164.00

----- AMOUNT TENDERED -----

CASH RECEIVED	\$ 0.00
CHECKS RECEIVED	\$ 0.00
CC RECEIVED	\$ 164.00
TIME SERVED	\$ 0.00
WAIVED FEES	\$ 0.00
DEPOSITORY DEBIT	\$ 0.00
DIRECT DEPOSIT	\$ 0.00

TOTAL RECEIVED \$ 164.00

----- TRANSACTION SUMMARY -----

TOTAL RECEIVED	\$ 164.00
TOTAL FEES PAID	\$ 164.00

CHANGE DUE BACK \$ 0.00

----- CREDIT CARD AUTHORIZATION -----

AUTH # 5789492 \$ 164.00

REC NO. 845702 CLOSED

Thank you

Krystal Valdez
County Clerk