



Filing Receipt

Received - 2021-08-31 04:25:50 PM
Control Number - 50324
ItemNumber - 43

Peter M. Lake
Chairman

Will McAdams
Commissioner

Lori Cobos
Commissioner

Jimmy Glotfelty
Commissioner

Thomas J. Gleeson
Executive Director



Greg Abbott
Governor

Public Utility Commission of Texas

TO: Stephen Journeay
Commission Counsel

All Parties of Record

FROM: Gregory R. Siemankowski
Administrative Law Judge

A handwritten signature in black ink, appearing to be "G. Siemankowski".

RE: **Docket No. 50324** – *Application of County Line Special Utility District to Obtain a Sewer Certificate of Convenience and Necessity in Hays and Caldwell County*

DATE: August 31, 2021

Enclosed is the Proposed Order in the above-referenced case. By copy of this memo, the parties to this proceeding are being served with the Proposed Order.

Please place this docket on an open meeting agenda for the Commissioners' consideration. Please notify me and the parties of the open meeting date. The parties must file corrections or exceptions to the Proposed Order by September 15, 2021.

If a party proposes a correction or exception, the party must fully explain the correction or exception and must provide a citation to the record to support the correction or exception.

If there are no corrections or exceptions, no response is necessary.

tha
Q:\CADM\Docket Management\Water\CCN\50xxx\50324 PO Memo.docx



DOCKET NO. 50324

APPLICATION OF COUNTY LINE	§	PUBLIC UTILITY COMMISSION
SPECIAL UTILITY DISTRICT TO	§	
OBTAIN A SEWER CERTIFICATE OF	§	OF TEXAS
CONVENIENCE AND NECESSITY IN	§	
HAYS AND CALDWELL COUNTY	§	

PROPOSED ORDER

This Order addresses the application of County Line Special Utility District for a sewer certificate of convenience and necessity (CCN) in Hays and Caldwell counties. The Commission issues CCN number 21119 to the extent provided in this Order.

I. Findings of Fact

The Commission makes the following findings of fact.

Applicant

1. County Line SUD is a special utility district operating in Hays and Caldwell counties.
2. County Line SUD operates, maintains, and controls facilities that provide sewer service in Hays and Caldwell counties.

Application

3. On December 6, 2019, County Line SUD filed the application at issue in this proceeding.
4. County Line SUD supplemented its application on December 18, 2019, February 6, April 6, July 15, August 19, September 2, and November 3, 2020, and June 18, and 23, 2021.
5. The application, as supplemented, requests a service area that would be comprised of 8,148 acres and has 52 current connections and 24,000 potential future connections. There are also 300 homes and business in the Uhland area that currently utilize septic systems which will be connected to County Line SUD's centralized wastewater system.
6. The requested area includes the city of Uhland, Texas, and is generally bounded on the north by Goforth Road and Heidenreich Lane; on the east by Rohde Road and Farm to Market (FM) 2001; on the south by Misty Lane and Jolly Road; and on the west by FM 1966.

7. In Order No. 3 filed on March 18, 2020, the administrative law judge (ALJ) found the application administratively complete.

Notice

8. On April 6, 2020, County Line SUD filed the affidavit of Allison M. Nieto, project engineer for County Line SUD, attesting that notice was mailed to affected entities, landowners, and customers on March 24, 2020.
9. On April 6, 2020, County Line SUD filed a publisher's affidavit attesting to publication of notice in the *Hays Free Press*, a newspaper of general circulation in Hays County, on March 25, 2020 and April 1, 2020.
10. On April 6, 2020, County Line SUD filed a publisher's affidavit attesting to publication of notice in the *Lockhart Post Register*, a publication of general circulation in Caldwell County, on March 26, 2020 and April 2, 2020.
11. In Order No. 4 filed on April 27, 2020, the ALJ found the notice sufficient.

Evidentiary Record

12. On July 15, 2021, the parties filed an agreed motion to admit evidence and proposed order.
13. In Order No. 13 filed on July 19, 2021 and Order No. 15 filed on August 20, 2021, the ALJ admitted the following evidence into the record of this proceeding: a) County Line's application filed on December 6, 2019; (b) County Line SUD's supplements to the application filed on December 18, 2019, February 6, 2020, April 6, 2020, July 15, 2020, August 19, 2020, September 2, 2020, November 3, 2020, June 18, 2021, and June 23, 2021; (c) Commission Staff's supplemental recommendation on administrative completeness filed on March 5, 2020; (d) County Line SUD's proof of notice filed on April 6, 2020; (e) Commission Staff's recommendation on sufficiency of notice filed on April 15, 2020; (f) Commission Staff's supplemental final recommendation filed on July 1, 2021; (g) County Line SUD's notice of consent filed on July 12, 2021; and (h) the map and certificate attached to Commission Staff's supplemental motion to admit evidence filed on July 28, 2021.

Adequacy of Existing Service

14. County Line SUD currently provides service to customers in the requested area and such service has been continuous and adequate.
15. County Line SUD purchases sewer capacity from Plum Creek Utility Company, LLC to meet 100% of customer demand.
16. Plum Creek has a water quality discharge permit registered with the Texas Commission on Environmental Quality (TCEQ), under WQ0015635001.
17. County Line SUD has not been subject to any enforcement action by the Commission, the TCEQ, the Texas Department of State Health Service, the Office of the Attorney General of Texas, or the United States Environmental Protection Agency in the past five years for non-compliance with rules, orders, or state statutes.

Need for Service

18. There are 300 homes and businesses in the Uhland area that currently utilize septic systems which will be connected to County Line SUD's centralized wastewater system.
19. County Line SUD filed multiple requests for service in the requested area demonstrating the need for wastewater service in the requested area. County Line SUD projects a total of 24,000 potential customer connections.
20. There is need for additional wastewater service to serve future customers in the proposed service area.

Effect of Approving the Application and Granting the Certificate

21. County Line SUD will be the sole certificated entity for the requested area and will be obligated to provide continuous and adequate wastewater service to the requested area.
22. Landowners will benefit from a centralized wastewater collections system as they will not have to construct individual septic tanks.
23. No protests, adverse comments, or motions to intervene were filed by any adjacent retail public utility in this docket.
24. There will be no effect on any retail public utility serving the proximate area.

Ability to Serve: Managerial and Technical

25. County Line SUD purchases sewer capacity from Plum Creek to meet 100% of customer demand.
26. Plum Creek has an existing quality discharge permit registered with the TCEQ under WQ0015635001.
27. County Line SUD identifies two TCEQ-licensed operators who are responsible for operating the sewer system.
28. County Line SUD has the managerial and technical capability to provide continuous and adequate retail wastewater service to the requested area.

Ability to Serve: Financial Ability and Stability

29. County Line SUD has a debt service ratio greater than 1.25, which meets the one of the five leverage tests.
30. County Line demonstrated it has sufficient cash available on hand to cover any projected operations and maintenance shortages during the first five years of operations following the issuance of the CCN, satisfying the operations test.
31. County Line SUD demonstrated the financial ability and stability to pay for the facilities necessary to provide continuous and adequate service to the requested area.
32. Plum Creek will provide capital improvements needed to provide continuous and adequate service to the requested area.

Feasibility of Obtaining Service from an Adjacent Retail Public Utility

33. County Line SUD received requests for service within the requested area.
34. There are no other retail sewer service providers in the adjacent area that can serve the requested area; therefore, it is not feasible to obtain service from an adjacent retail public utility.

Financial Assurance

35. There is no need to require County Line SUD to provide a bond or other financial assurance to ensure continuous and adequate service to the requested area.

Regionalization or Consolidation

36. County Line SUD purchases sewer capacity from Plum Creek to meet 100% of customer demand and no physically separate sewer system will need to be constructed; therefore concerns of regionalization or consolidation do not apply.

Environmental Integrity and Effect on the Land

37. There will be a positive environmental impact as sewer service through a centralized wastewater collection system will eliminate the need for individual septic system on each property.
38. There will be an effect on the land as the wastewater collection system is constructed and expanded, but it is not to an extent that the application should not be granted.

Improvement in Service or Lowering Cost to Consumers

39. Wastewater service will improve with the use of a centralized wastewater collection system and eliminate the need for separate septic systems.

Map and Certificate

40. On July 8, 2021, Commission Staff emailed the proposed final map and CCN certificate to County Line SUD, contemplating a service area of 8,148 acres, for review and consent.
41. On July 12, 2021, County Line SUD filed its consent to the Commission Staff's proposed map and certificate.
42. On July 28, 2021, Commission Staff filed the proposed map and certificate as attachments to its supplemental joint motion to admit evidence.

Informal Disposition

43. More than 15 days have passed since the completion of notice provided in this docket.
44. No person filed a protest or motion to intervene.
45. County Line SUD and Commission Staff are the only parties to this proceeding.
46. No party requested a hearing and no hearing is needed.
47. Commission Staff recommended approval of the application.
48. 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, 13.244, and 13.246.
2. County Line SUD is a retail public utility as defined by TWC § 13.002(19) and 16 Texas Administrative Code (TAC) § 24.3(31).
3. County Line SUD's application meets the requirements of TWC § 13.244 and 16 TAC §§ 24.25(b)(1), 24.227, and 24.233.
4. County Line SUD provided notice of the application that complies with TWC § 13.246 and 16 TAC § 24.235.
5. The Commission processed the application in accordance with the requirements of the Administrative Procedure Act,¹ the TWC, and Commission rules.
6. After consideration of the factors in TWC §§ 13.241(c), 13.246(c) and 16 TAC § 24.227(e), County Line SUD demonstrated adequate financial, managerial, and technical capability to provide continuous and adequate service in the requested service area in Hays and Caldwell counties, as required by TWC § 13.241 and 16 TAC § 24.227.
7. Regionalization and consolidation concerns under TWC § 13.241(d) do not apply in this proceeding because construction of a physically separate sewer system is not required.
8. It is not necessary for County Line SUD to provide a bond or other financial assurance under TWC § 13.246(b) and 16 TAC § 24.227(d).
9. County Line SUD demonstrated that obtaining sewer CCN number 21119 is necessary for the service, accommodation, convenience, or safety of the public as required by TWC § 13.246(b) and 16 TAC § 24.227(d).
10. Under TWC § 13.257(r) and (s), County Line SUD must record a certified copy of its approved map and certificate, along with a boundary description of its service area, in the real property records of Hays and Caldwell counties no later than the 31st day after the date

¹ Tex. Gov't Code §§ 2001.001–.903.

that County Line SUD receives this Order and must submit to the Commission evidence of the recording.

11. 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 creates and grants CCN number 21119 to County Line SUD for the requested area described in this Order and shown on the attached map.
2. The Commission approves the map attached to this Order.
3. The Commission issues the certificate attached to this Order.
4. County Line SUD must provide service to every customer and applicant for service within the approved area under CCN number 21119 who requests sewer service and meets the terms of County Line SUD's sewer service, and such service must be continuous and adequate.
5. County Line SUD must file in this docket proof of the recording required in TWC § 13.257(r) and (s) within 45 days of the date of this Order.
6. County Line SUD must provide notice to the Commission once billing for sewer service begins in Compliance Filing of County Line SUD Regarding Billing Sewer Service in Docket No. 50324, Docket No 52486, as required by 16 TAC § 24.25(b)(1)(B)(vi).
7. 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 ____ day of September 2021.

PUBLIC UTILITY COMMISSION OF TEXAS

PETER LAKE, CHAIRMAN

WILL MCADAMS, COMMISSIONER

LORI COBOS, COMMISSIONER

JIMMY GLOTFELTY, COMMISSIONER



Public Utility Commission of Texas

By These Presents Be It Known To All That

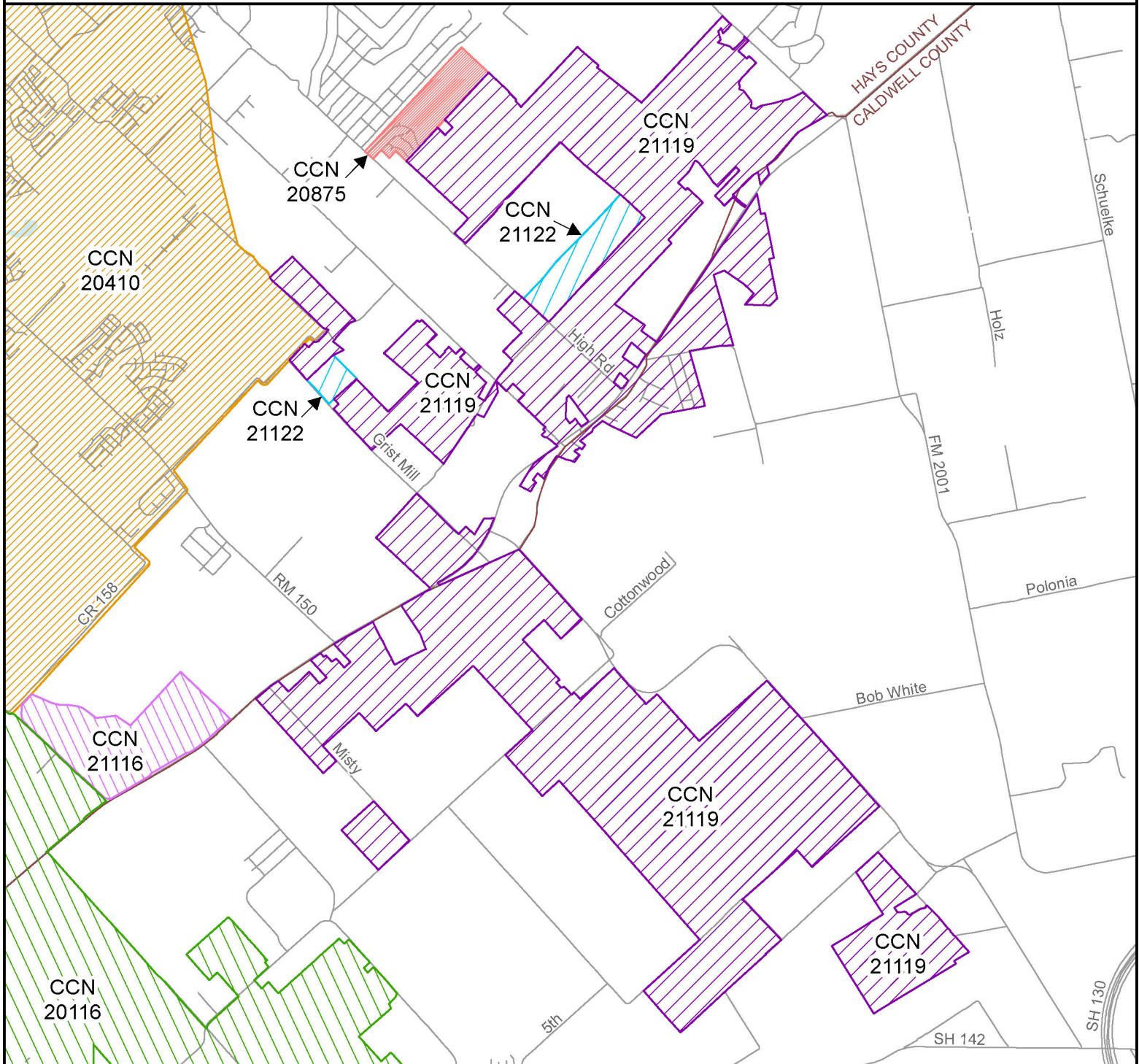
County Line Special Utility District

having obtained certification to provide sewer 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, County Line Special Utility District is entitled to this

Certificate of Convenience and Necessity No. 21119

to provide continuous and adequate sewer utility service to that service area or those service areas in Caldwell and Hays Counties as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 50324 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 County Line 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.

County Line Special Utility District
 Sewer CCN No. 21119
 PUC Docket No. 50324
 Obtained New CCN in Caldwell and Hays Counties



Sewer CCN

-  21119 - County Line SUD
-  21116 - City of San Marcos
-  21116 - Aqua Texas Inc
-  20410 - City of Kyle
-  21122 - Gristmill Utility Company LLC
-  20875 - The Railyard WWTP

0 3,000 6,000
 Feet

