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DOCKET NO. 50399

APPLICATION OF NEVADA SPECIAL	§	PUBLIC UTILITY COMMISSION
UTILITY DISTRICT TO AMEND ITS	§	
WATER CERTIFICATE OF	§	OF TEXAS
CONVENIENCE AND NECESSITY	§	
AND TO DECERTIFY PORTIONS OF	§	
CERTIFICATED WATER SERVICE	§	
AREAS OF CADDO BASIN SPECIAL	§	
UTILITY DISTRICT, COPEVILLE	§	
SPECIAL UTILITY DISTRICT, AND	§	
CITY OF JOSEPHINE IN COLLIN	§	
COUNTY	§	

NOTICE OF APPROVAL

This Notice of Approval addresses the application of Nevada Special Utility District to amend its certificate of convenience and necessity (CCN) number 12175 and to decertify portions of the certificated service areas of Caddo Basin Special Utility District, Copeville Special Utility District, and the City of Josephine in Collin County under CCN numbers 10165, 11376, and 12307, respectively. The Commission amends Nevada SUD's CCN number 12175 to include the requested area and amends Caddo Basin SUD, Copeville SUD, and Josephine's CCN numbers 10165, 11376, and 12307 to decertify their respective portions of the requested area, to the extent provided in this Notice of Approval.

I. Findings of Fact

The Commission makes the following findings of fact.

Applicant and Interested Entities

1. Nevada SUD is a special utility district operating under chapter 65 of the Texas Water Code (TWC).
2. Nevada SUD operates, maintains, and controls facilities for providing retail water service in Collin County under CCN number 12175.
3. Nevada SUD owns and operates a public water system registered with the Texas Commission on Environmental Quality (TCEQ) under identification number 0430053.
4. Caddo Basin SUD is a special utility district operating under chapter 65 of the TWC.

5. Caddo Basin SUD operates, maintains, and controls facilities for providing retail water service in Collin County under CCN number 10165.
6. Copeville SUD is a special utility district operating under chapter 65 of the TWC.
7. Copeville SUD operates, maintains, and controls facilities for providing retail water service in Collin County under CCN number 11376.
8. Josephine is a municipality located in Collin County.
9. Josephine operates, maintains, and controls facilities for providing retail water service in Collin County under CCN number 12307.

Application

10. On December 30, 2019, Nevada SUD filed an application in which it seeks to amend its CCN number 12175 and decertify portions of the certificated service areas of Caddo Basin SUD, Copeville SUD, and Josephine in Collin County under CCN numbers 10165, 11376, 12307, respectively.
11. On March 5 and 31, April 2 and 17, May 28, June 26, August 31, and September 28, 2020, the applicants supplemented the application.
12. The requested area consists of approximately 1,378 acres and 74 existing customers comprised of the following contiguous areas:
 - 1,275 acres of certificated area that will be decertified from Caddo Basin SUD's CCN number 10165. There are 59 existing connections being served by Caddo Basin SUD and 15 existing connections being served by Nevada SUD in this area;
 - 41 acres of certificated area that will be decertified from Copeland SUD's 11376.¹ There are no existing connections in this area; and
 - 103 acres of certificated area that will be decertified from Josephine's CCN number 12307. There are no existing connections in this area.

¹ The 41 acres requested for decertification from Copeland SUD's certificated service are dually certificated with a portion of the 1,275 acres requested for decertification from Caddo Basin SUD's certificated service area. Accordingly, when calculating the total acreage, the 41 acres is excluded from the calculation because it overlaps with a portion of Caddo Basin SUD's certificated service area.

13. The requested area is located approximately 0.33 miles east of downtown Nevada, Texas, and is generally bounded on the north by County Road 596; on the east by County Road 637 and County Road 640; on the south by County Road 1040; and on the west by County Road 544.
14. In Order No. 9 filed on November 3, 2020, the administrative law judge (ALJ) found the application administratively complete.

Notice

15. On December 1, 2020, Nevada SUD filed the affidavit of Eddy Daniel, Nevada SUD's authorized representative, attesting that notice was mailed to neighboring utilities, county authorities, municipalities, and affected parties on November 16, 2020.
16. On December 1, 2020, Nevada SUD filed a publisher's affidavit attesting to the publication of notice of the application in the *Collin County Commercial Record*, a newspaper of general circulation in Collin County, on November 19 and 26, 2020.
17. In Order No. 10 filed on December 31, 2020, the ALJ found the notice sufficient.

Name Change

18. On March 2, 2015, the TCEQ granted Nevada SUD's petition to convert from a water supply corporation to a special utility district.
19. On March 2, 2021, Nevada SUD requested that the Commission approve a name change to reflect its conversion from a water supply corporation to a special utility district.
20. In Order No. 14 filed on April 16, 2021, the ALJ approved Nevada SUD's name change and found no additional notice of the name change was required.

Evidentiary Record

21. On June 9, 2021, the parties filed an agreed motion to admit evidence and proposed notice of approval.
22. On June 14, 2021, the parties filed an amended agreed motion to admit evidence and proposed notice of approval.
23. In Order No. 18 filed on August 2, 2021, the ALJ admitted the following into evidence: (a) Nevada SUD's application filed on December 30, 2019; (b) Nevada SUD's

supplemental information filed on March 5 and 31, April 2 and 17, May 28, June 26, August 31, and September 28, 2020; (c) Nevada SUD's response to Commission Staff's first request for information filed on October 5, 2020; (d) Commission Staff's third supplemental recommendation on administrative completeness filed on November 2, 2020; (e) Nevada SUD's proof of notice filed on December 1, 2020; (f) Commission Staff's recommendation on sufficiency of notice filed on December 30, 2020; (g) Nevada SUD's proof of name change filed on March 2, 2021; (h) Commission Staff's recommendation on the name change filed on March 24, 2021; (i) Commission Staff's clarification on its name change recommendation filed on April 16, 2021; (j) consent forms to maps and certificates of Nevada SUD, Caddo Basin SUD, Copeville SUD, and Josephine filed on April 29, 2021; (k) Commission Staff's final recommendation filed on May 26, 2021; and (l) Commission Staff's supplemental final recommendation filed on May 26, 2021.

Adequacy of Existing Service

24. Nevada SUD currently provides water service to 15 existing connections in the requested area through its public water system identification number 0430053.
25. Nevada SUD has not been subject to any enforcement action by the Commission, the TCEQ, the Texas Department of State Health Services, 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.
26. Nevada SUD does not have any unresolved violations listed in the TCEQ database.

Need for Service

27. There are 74 existing customer connections in the requested area that are receiving water service from either Nevada SUD or Caddo Basin SUD and have an ongoing need for service.

Effect of Granting the CCN Amendments

28. Granting the CCN amendments will obligate Nevada SUD to provide water service to current and future customers in the requested area.
29. No protests, adverse comments, or motions to intervene were filed by an adjacent retail public utility in this docket.

30. Caddo Basin SUD, Copeville SUD, and Josephine consented to decertification of their respective certificated service areas.
31. There will be no effect on any other retail public utility serving the proximate area.

Ability to Serve: Managerial and Technical

32. Nevada SUD currently provides water service to 1,042 existing connections under CCN number 12175.
33. Nevada SUD provides water service from a public water system that is registered with the TCEQ.
34. Nevada SUD employs TCEQ-licensed operators who are responsible for operating the public water system.
35. Nevada SUD does not have any unresolved violations listed in the TCEQ database.
36. Nevada SUD has access to an adequate supply of water and is capable of providing drinking water that meets the requirements of chapter 341 of the Texas Health and Safety Code, chapter 13 of the TWC, and the TCEQ's rules.
37. Nevada SUD has the managerial and technical capability to provide continuous and adequate service to the requested area.

Feasibility of Obtaining Service from Adjacent Utilities

38. Landowners in the requested area and other interested entities have made inquiries to retail public utilities in the area about receiving water service for proposed developments and for the Community Independent School District.
39. Caddo Basin SUD has customers and water distribution facilities in the vicinity of the proposed developments and requested approval to transfer to Nevada SUD the relevant portion of its certificated service area associated with those facilities and customers.
40. Copeville SUD and Josephine do not have customers or facilities in the vicinity of the proposed developments and service requests but have certificated service area adjacent to the proposed developments and service requests. Copeville SUD and Josephine requested approval to transfer those portions of their respective certificated service areas to Nevada SUD.

41. Nevada SUD is currently serving customers in the requested area, has facilities in and adjacent to the requested area, and has sufficient capacity.
42. It is not feasible to obtain service from an adjacent retail public utility.

Regionalization or Consolidation

43. Because the requested area will not require construction of a physically separate water system, consideration of regionalization or consolidation with another retail public utility is not required.

Ability to Serve: Financial Ability and Stability

44. Nevada SUD has a debt-to-equity ratio that is less than one, satisfying the leverage test.
45. Nevada SUD demonstrated it has sufficient cash available to cover any projected operations and maintenance shortages in the first five years of operations after approval of the CCN amendments, satisfying the operations test.
46. Nevada SUD demonstrated the financial capability and stability to pay for the facilities necessary to provide continuous and adequate service to the requested area.

Financial Assurance

47. There is no need to require Nevada SUD to provide a bond or other financial assurance to ensure continuous and adequate service.

Environmental Integrity and Effect on the Land

48. There will be minimal effect on the land and on environmental integrity when the distribution lines necessary to provide service to the requested area are installed.

Improvement in Service or Lowering of Cost

49. Nevada SUD will continue to provide the same quality of water service to the existing customers in the requested area.
50. Water service to the requested area will improve because Nevada SUD will be obligated to serve future customers in the requested area.
51. No lowering of cost to customers in the requested area will result from granting the CCN amendments.

Written Consent of Certificate Holders

52. On November 14, 2019, Caddo Basin SUD, Copeville SUD, and Josephine entered into a Retail Water Service Transfer Agreement in which they consented to the transfer of their respective portions of the requested area to Nevada SUD.

Map and Certificate

53. On April 21, 2021, Commission Staff emailed the proposed map and certificates to Nevada SUD, Caddo Basin SUD, Copeville SUD and Josephine.
54. On April 29, 2021, Nevada SUD, Caddo Basin SUD, Copeville SUD and Josephine filed their consent to the proposed map and certificates.
55. On June 9, 2021, Commission Staff filed the proposed map and certificates as attachments to the agreed motion to admit evidence.

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. Nevada 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 recommended that the application be approved.
61. 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 TWC §§ 13.241, 13.242, 13.244, 13.246, and 13.254.
2. Nevada SUD is a retail public utility as defined by TWC § 13.002(19) and 16 Texas Administrative Code (TAC) § 24.3(31).
3. Nevada SUD's application meets the requirements of TWC § 13.244 and 16 TAC § 24.235.
4. Notice of the application was provided in compliance with TWC § 13.246(a) and 16 TAC § 24.235.

5. The Commission processed the application as required by the TWC, the Administrative Procedure Act,² and Commission rules.
6. After consideration of the factors in TWC § 13.246(c) and 16 TAC §§ 24.11(e) and 24.227(e), Nevada SUD demonstrated adequate financial, managerial, and technical capability to providing continuous and adequate service to the requested service area and its current service area in Collin and Rockwall 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 the construction of a physically separate water system is not required.
8. It is not necessary for Nevada SUD to provide a bond or other financial assurance under TWC § 13.246(d) or 16 TAC § 24.227(f).
9. Nevada SUD demonstrated that the amendment of CCN numbers 12175, 10165, 11376, and 12307 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. Caddo Basin SUD, Copeville SUD, and Josephine consented in writing to the decertification of their respective portions of the requested area, as required by TWC § 13.254(a).
11. Under TWC § 13.257 (r) and (s), Nevada SUD, Caddo Basin SUD, Copeville SUD, and Josephine must record a certified copy of the approved map and certificates, along with a boundary description of the service areas, in the real property records of Collin County within 31 days of this Notice of Approval and submit evidence of the recording to the Commission.
12. 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.

² Tex. Gov't Code § 2001.001–.903.

1. The Commission amends Nevada SUD's CCN number 12175 as described in this Notice of Approval and shown on the attached map.
2. The Commission amends Caddo Basin SUD's CCN number 10165 as described in this Notice of Approval and shown on the attached map.
3. The Commission amends Copeville SUD's CCN number 11376 as described in this Notice of Approval and shown on the attached map.
4. The Commission amends Josephine's CCN number 12307 as described in this Notice of Approval and shown on the attached map.
5. The Commission approves the map attached to this Notice of Approval.
6. The Commission issues the certificates attached to this Notice of Approval.
7. Nevada SUD must provide service to every customer and applicant for service within the approved area under CCN number 12175 who requests water service and meets the terms of Nevada SUD's water service, and such service must be continuous and adequate.
8. Caddo Basin SUD must provide service to every customer and applicant for service within the approved area under CCN number 10165 who requests water service and meets the terms of Caddo Basin's water service, and such service must be continuous and adequate.
9. Copeville SUD must provide service to every customer and applicant for service within the approved area under CCN number 11376 who requests water service and meets the terms of Copeville SUD's water service, and such service must be continuous and adequate.
10. Josephine must provide service to every customer and applicant for service within the approved area under CCN number 12307 who requests water service and meets the terms of Josephine's water service, and such service must be continuous and adequate.
11. Nevada SUD, Caddo Basin SUD, Copeville SUD, and Josephine must comply with the recording requirements in TWC § 13.257(r) and (s) for the areas in Collin County affected by this application and file in this docket proof of the recording no later than 45 days after the date of this Notice of Approval.

12. 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 6th day of August 2021.

PUBLIC UTILITY COMMISSION OF TEXAS

A handwritten signature in black ink, appearing to read 'Isaac TA', written over a horizontal line.

**ISAAC TA
ADMINISTRATIVE LAW JUDGE**



Public Utility Commission of Texas

By These Presents Be It Known To All That

Caddo Basin 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, Caddo Basin Special Utility District is entitled to this

Certificate of Convenience and Necessity No. 10165

to provide continuous and adequate water utility service to that service area or those service areas in Collin and Hunt Counties as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 50399 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 Caddo Basin 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 6th day of August 2021.



Public Utility Commission of Texas

By These Presents Be It Known To All That

City of Josephine

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, the City of Josephine is entitled to this

Certificate of Convenience and Necessity No. 12307

to provide continuous and adequate water utility service to that service area or those service areas in Collin and Hunt as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 50399 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 Josephine, 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 6th day of August 2021.



Public Utility Commission of Texas

By These Presents Be It Known To All That

Nevada 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, Nevada Special Utility District is entitled to this

Certificate of Convenience and Necessity No. 12175

to provide continuous and adequate water utility service to that service area or those service areas in Collin and Rockwall Counties as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Project No. 50399 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 Nevada 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 6th day of August 2021.



Public Utility Commission of Texas

By These Presents Be It Known To All That

Copeville Special Utility District

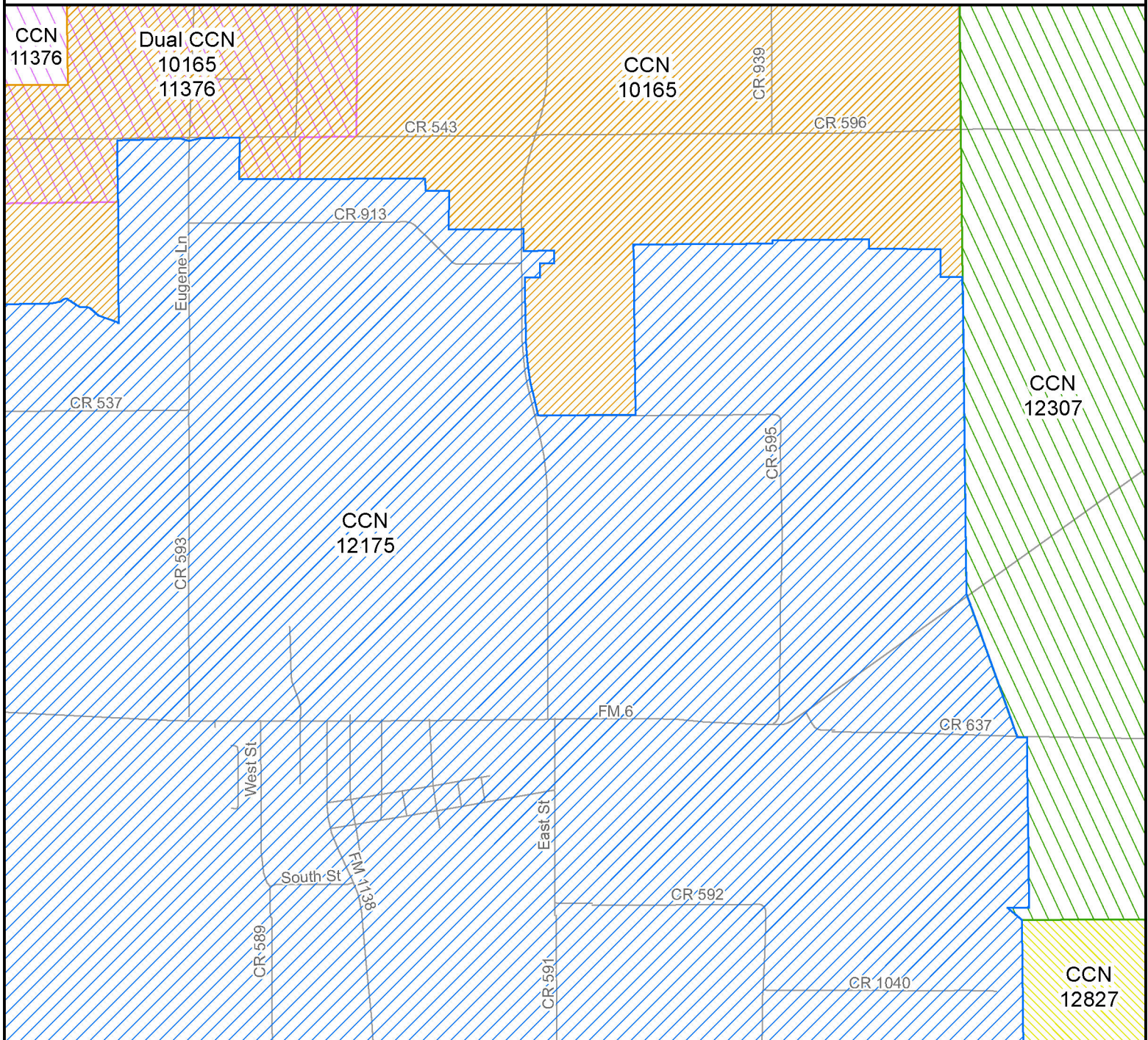
having obtained certification to provide water utility service for the convenience and necessity of the public, and it having been determined by this Commission that the public convenience and necessity would in fact be advanced by the provision of such service, Copeville Special Utility District is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

Certificate of Convenience and Necessity No. 11376

to provide continuous and adequate water utility service to that service area or those service areas in Collin as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 50399 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 Copeville 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 6th day of August 2021.

Nevada SUD
Portion of Water CCN No. 12175
PUC Docket No. 50399
Amended CCN No. 12175 and
Decertified a Portion of Copeville SUD, CCN No. 11376, Caddo Basin SUD, CCN No. 10165 and
City of Josephine, CCN No. 12307 in Collin County



Water CCN

-  12175 - Nevada SUD
-  11376 - Copeville SUD
-  10165 - Caddo Basin SUD
-  12307 - City of Josephine
-  12827 - City of Royse City

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