



Control Number: 50553



Item Number: 29

Addendum StartPage: 0

DOCKET NO. 50553

APPLICATION OF COUNTY LINE
SPECIAL UTILITY DISTRICT TO
AMEND ITS CERTIFICATE OF
CONVENIENCE AND NECESSITY
AND TO DECERTIFY A PORTION OF
POLONIA WATER SUPPLY
CORPORATION'S CERTIFICATE OF
CONVENIENCE AND NECESSITY IN
HAYS AND CALDWELL COUNTIES

§
§
§
§
§
§
§
§
§

RECEIVED
2021 FEB -5 PM 12:19
PUBLIC UTILITY COMMISSION
OF TEXAS

NOTICE OF APPROVAL

This Notice of Approval addresses the application of County Line Special Utility District to amend its water certificate of convenience and necessity (CCN) number 10292 and to decertify a portion of Polonia Water Supply Corporation's water CCN number 10420. The Commission amends County Line SUD's water CCN number 10292 to include the requested area and decertifies a portion of Polonia WSC's water CCN number 10420.

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 water service under CCN number 10292 in Hays and Caldwell counties.

Application

3. On February 14, 2020, County Line SUD filed an application to amend its water CCN number 10292 in Hays and Caldwell counties and to decertify a portion of Polonia WSC's water CCN number 10420.
4. The first requested area includes approximately 202 acres, which is located approximately one mile north of downtown Uhland, Texas, and is generally bounded on the north by Rohde Road; on the east by State Highway 21; on the south by High Road; and on the west by the intersection of County Road 128 and High Road.

29

5. The second requested area includes approximately 17.4 acres, which is located approximately 1.8 miles southeast of downtown Uhland, Texas, and is generally bounded on the north by Cottonwood Trail (County Road 228A) and Plum Creek; on the east by Farm to Market Road 2001; on the south by Jolly Road (County Road 230); and on the west by the intersection of Farm to Market road 2720 and County Road 228.
6. The third requested area includes approximately 222 acres, which is located approximately 3.5 miles southwest of downtown Uhland, Texas, and is generally bounded on the north by the intersection of Drue Drive and Ranch to Market Road 150; on the east by State Highway 21; on the south by intersection of Farm to Market Road 1966 and State Highway 21; and on the west by County Road 158 and comprises: (a) 18 acres of dually certificated area to be decertified from Polonia WSC; (b) 222 acres to be decertified from Polonia WSC; and (c) 0.55 acres of uncertificated area.
7. The requested area comprises 425 acres and includes no current customers.
8. On April 17, 2020, and June 16, 2020, County Line SUD filed supplements to the application.
9. In Order No. 4 filed on July 16, 2020, the administrative law judge (ALJ) found the application administratively complete.

Notice

10. On August 31, 2020, County Line SUD filed the affidavit of Jeff J. Kallus, County Line SUD's authorized representative, attesting that notice was mailed to neighboring utilities, county authorities, municipalities, and affected parties on July 28, 2020.
11. On August 31, 2020, County Line SUD filed the affidavit of Cyndy Slovak-Barton attesting to publication of notice in the *Hays Free Press*, a newspaper of general circulation in Hays County, on March 18 and 25, 2020.
12. On August 31, 2020, County Line SUD filed the affidavit of Dana Garrett, attesting to publication of notice in the *Lockhart Post Register*, a newspaper of general circulation in Hays and Caldwell counties, on July 30, 2020 and August 6, 2020.
13. In Order No. 5 filed on September 15, 2020, the ALJ found the notice sufficient.

Maps and Certificates

14. On October 19, 2020, and November 5, 2020, Commission Staff emailed the proposed maps and certificates to County Line SUD and Polonia WSC.
15. On November 13, 2020, County Line SUD filed its consent to the proposed maps and certificates.
16. On November 13, 2020, Polonia WSC filed its consent to the proposed maps and certificates.
17. On December 1, 2020, Commission Staff filed the proposed maps and certificates as attachments to its recommendation on final disposition.

Evidentiary Record

18. On February 1, 2021, the parties filed an agreed motion to admit evidence and proposed notice of approval.
19. In Order No. 9 filed on February 5th, 2021, the ALJ admitted the following evidence into the record of this proceeding: (a) County Line SUD's application and attachments filed on February 14, 2020; (b) County Line SUD's supplement to the application filed on April 17, 2020; (c) County Line SUD's supplement to the application filed on June 16, 2020; (d) Commission Staff's second supplemental recommendation on administrative completeness of application filed on July 15, 2020; (e) County Line SUD's affidavits of proof of notice filed on August 31, 2020; (f) Commission Staff's recommendation on sufficiency of notice filed on September 14, 2020; (g) County Line SUD and Polonia WSC consent forms filed on November 13, 2020; and (h) Commission Staff's recommendation on final disposition and attachments filed on December 1, 2020.

Adequacy of Existing Service— Texas Water Code (TWC) § 13.246(c)(1), 16 Texas Administrative Code (TAC) § 24.227(e)(1)

20. A portion of the requested area is within the certificated water service areas of Polonia WSC; however, Polonia WSC is not currently providing service within the requested area.
21. County Line SUD has a TCEQ approved public water system identification number 1050038 and a wastewater discharge permit number WQ 14222- 001.
22. County Line SUD does not have any violations listed in the TCEQ database.

23. There are no current customers in the requested area.

Need for Additional Service—TWC § 13.246(c)(2), 16 TAC § 24.227(e)(2)

24. A property owner is developing the requested area into single-family residential lots.
25. Water utility service is necessary in these proposed areas since individual water wells are not economically feasible.

Effect of Granting the Amendment—TWC § 13.246(c)(3), 16 TAC § 24.227(e)(3)

26. Granting the amendment will decertify a portion of Polonia WSC's water CCN number 10420.
27. The amendment adds property that was previously within County Line SUD's CCN.
28. Most of the properties affected fall within both service areas and the amendment will clarify which area each utility will serve, helping in future infrastructure planning.

Ability to Serve: Managerial and Technical—TWC §§ 13.241(a), 13.246(c)(4); 16 TAC § 24.227(a), (e)(4)

29. County Line SUD's public water system number 1050038, through which it will provide service in the requested area has adequate capacity to meet the projected demand in the requested area.
30. No unresolved violations exist for public water system number 1050038 in the TCEQ databases.
31. County Line SUD owns an elevated tank adjacent to one of the properties at issue that is capable of serving the requested area.
32. County Line 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 & Safety Code and TWC chapter 13.
33. County Line SUD employs an adequate number of licensed water operators to operate and maintain the water system.
34. County Line SUD has the managerial and technical capability to provide continuous and adequate service to the requested area.

Feasibility of Obtaining Service from Other Utilities—TWC § 13.246(c)(5); 16 TAC § 24.227(e)(5)

35. Goforth Special Utility District, Polonia WSC, and Maxwell Water Supply Corporation are all retail public water or sewer utilities within one half mile of the outer boundary of the requested area but are not serving the proximate area.
36. Obtaining service from another retail public utility would likely increase costs to customers because new facilities would need to be constructed.
37. County Line SUD owns an elevated tank adjacent to one of the properties at issue that is capable of serving the requested area.
38. Some of the areas requested, south of Uhland, include properties, most of which are already partially inside County Line SUD's existing service area.
39. It is not feasible to obtain water or sewer service from another utility.

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

40. County Line SUD has a debt-to-equity ratio of 0.61, which is less than one, satisfying the leverage test.
41. County Line SUD had an increase in net assets of \$1,587,769 as of December 31, 2018, \$676,223 as of December 21, 2017, and \$521,662 as of December 31, 2016 and reported a cash and cash equivalents balance of \$1,578,626; therefore, no operating shortages are expected in the first five years of operation, satisfying the operations test.
42. County Line SUD has the financial ability and stability to pay for the facilities necessary to provide continuous and adequate service to the requested area.

Financial Assurance—TWC § 13.246(d), 16 TAC § 24.227(f)

43. There is no need to require County Line SUD 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), (c)(9); 16 TAC § 24.227(e)(7), (e)(9)

44. Extending County Line SUD's existing water and wastewater system to the requested area will have minimal effect on the environmental integrity and effect on the land.

Improvement in Service and Lowering of Cost—TWC § 13.246(c)(8); 16 TAC § 4.227(e)(8)

45. County Line SUD is already serving customers within a portion of the requested area and granting the CCN amendment will allow for service to future customers in the planned development.
46. There will be no change in cost to customers because County Line SUD will continue to charge its current rates.

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

47. County Line SUD will extend its existing water system to serve the requested area and will not need to construct a physically separate water system.

Informal Disposition

48. More than 15 days have passed since the completion of notice provided in this docket.
49. No person filed a protest or motion to intervene.
50. County Line SUD and Commission Staff are the only parties to this proceeding.
51. No party requested a hearing and no hearing is needed.
52. Commission Staff recommended approval of the application.
53. The decision is not adverse to any party.

II. Conclusions of Law

The Commission makes the following conclusions of law.

1. The Commission has jurisdiction over this proceeding under TWC §§ 13.041, 13.241, 13.244, and 13.246.
2. County Line SUD is a retail public utility as defined in TWC § 13.002(19) and 16 Texas Administrative Code (TAC) § 24.3(31).
3. County Line SUD provided notice of the application that 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,¹ the TWC, and Commission rules.
5. After consideration of the factors in TWC § 13.246(c) and 16 TAC § 24.277(e), County Line SUD demonstrated adequate financial, managerial, and technical capability to provide continuous and adequate service to the requested service area in Hays and Caldwell counties as required by TWC § 13.241(a) and 16 TAC § 24.227.
6. County Line SUD meets the requirements of TWC § 13.241(b) to provide water utility service.
7. It is not necessary for County Line SUD to provide a bond or other financial assurance under TWC § 13.246(d).
8. County Line SUD has demonstrated that the requested amendment to its water CCN number 10292 and to Polonia WSC's water CCN number 10420, will serve the public interest and is necessary for the service, accommodation, convenience, and safety of the public, as required by TWC § 13.246(b).
9. Polonia WSC's written consent to decertification of the requested area meets the requirements of TWC § 13.254(a) and 16 TAC § 24.245(d)(1)(A).
10. County Line SUD and Polonia WSC must each record a certified copy of the approved maps for their respective certificates, along with a boundary description of the service areas, in the real property records of Hays and Caldwell counties within 31 days of receiving this Notice of Approval and submit to the Commission evidence of the recording, as required by TWC § 13.257(r) and (s).
11. The requirements for informal disposition in 16 TAC § 22.35 have been met in this proceeding.

¹ Tex. Gov't Code § 2001.001–.903.

III. Ordering Paragraphs

In accordance with these findings of fact and conclusions of law, the Commission issues the following orders:

1. The Commission amends County Line SUD's water CCN number 10292 to include the requested area and decertifies a portion of Polonia WSC's water CCN number 10420.
2. The Commission approves the maps and certificates filed by Commission Staff as attachments to its recommendation on final disposition filed on December 1, 2020, and attached to this Notice of Approval.
3. County Line SUD and Polonia WSC must provide service to every customer or applicant for service within the approved areas under water CCN numbers 10292 and 10420, respectively, that requests water service and meets the terms of County Line SUD's and Polonia WSC's water service, and such service must be continuous and adequate.
4. County Line SUD and Polonia WSC must comply with the recording requirements in TWC §§ 13.257(r) and (s) for the areas in Hays and Caldwell Counties affected by the application and must file evidence of the recording in this docket 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.

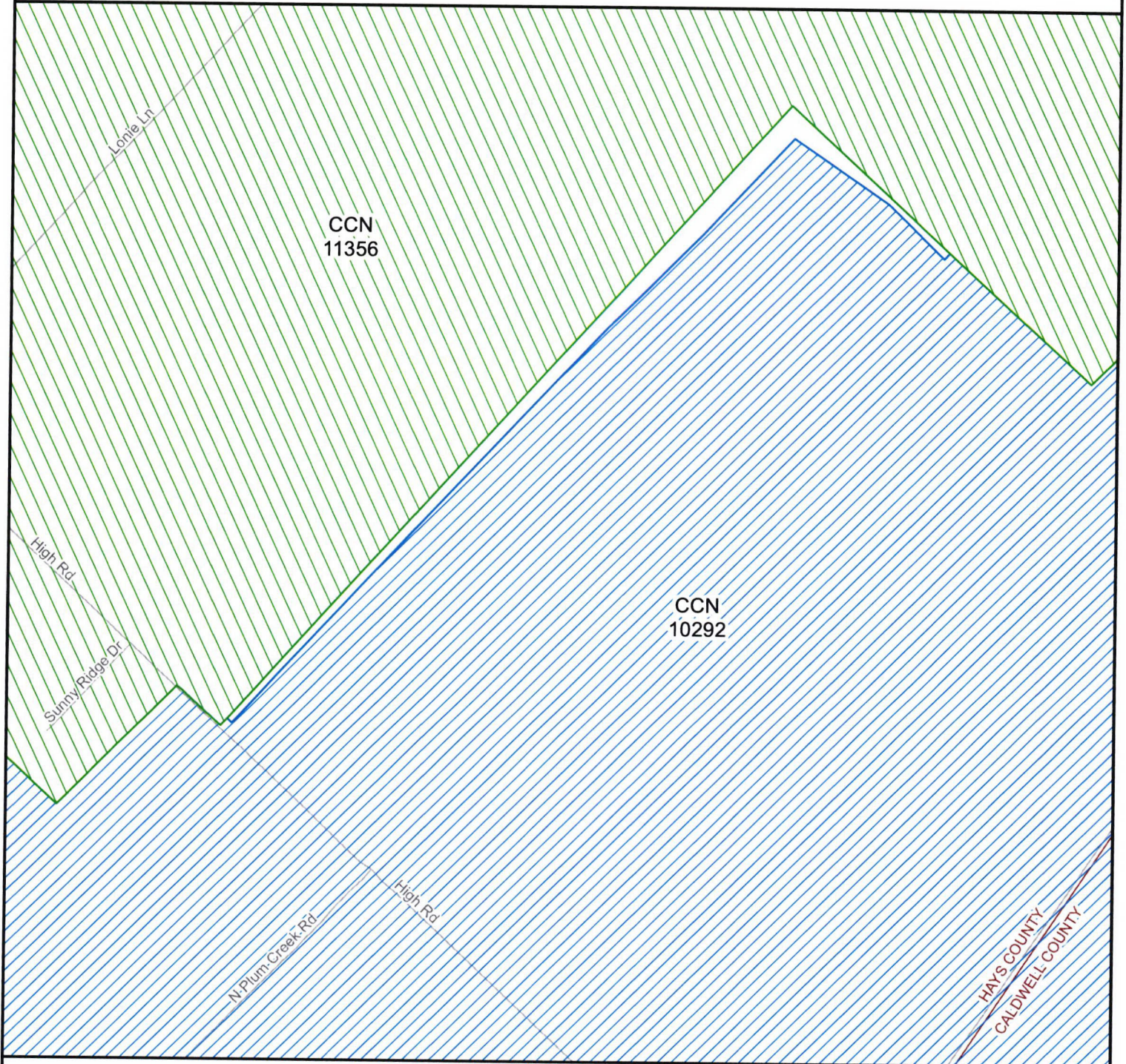
Signed at Austin, Texas the 5th day of February 2021.

PUBLIC UTILITY COMMISSION OF TEXAS



GREGORY R. SIEMANKOWSKI
ADMINISTRATIVE LAW JUDGE

County Line Special Utility District
Portion of Water CCN No. 10292
PUC Docket No. 50553
Amended CCN No. 10292 in Hays County



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

Water CCN

-  10292 - County Line SUD
-  11356 - Goforth SUD

0 500 1,000
Feet



Map by: Komal Patel
Date created: October 15, 2020
Project Path: n:\finalmapping\
CountyLineSUDHaysMap1.mxd
Map 1 of 3

County Line Special Utility District
Portion of Water CCN No. 10292
PUC Docket No. 50553
Decertified a Portion of CCN No. 10292 in Hays County

CCN
11024

Area Decertified

CCN
10293

Area Decertified

CCN
10292

SH 21

HAYS COUNTY
CALDWELL COUNTY

FW 1966



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

Water CCN

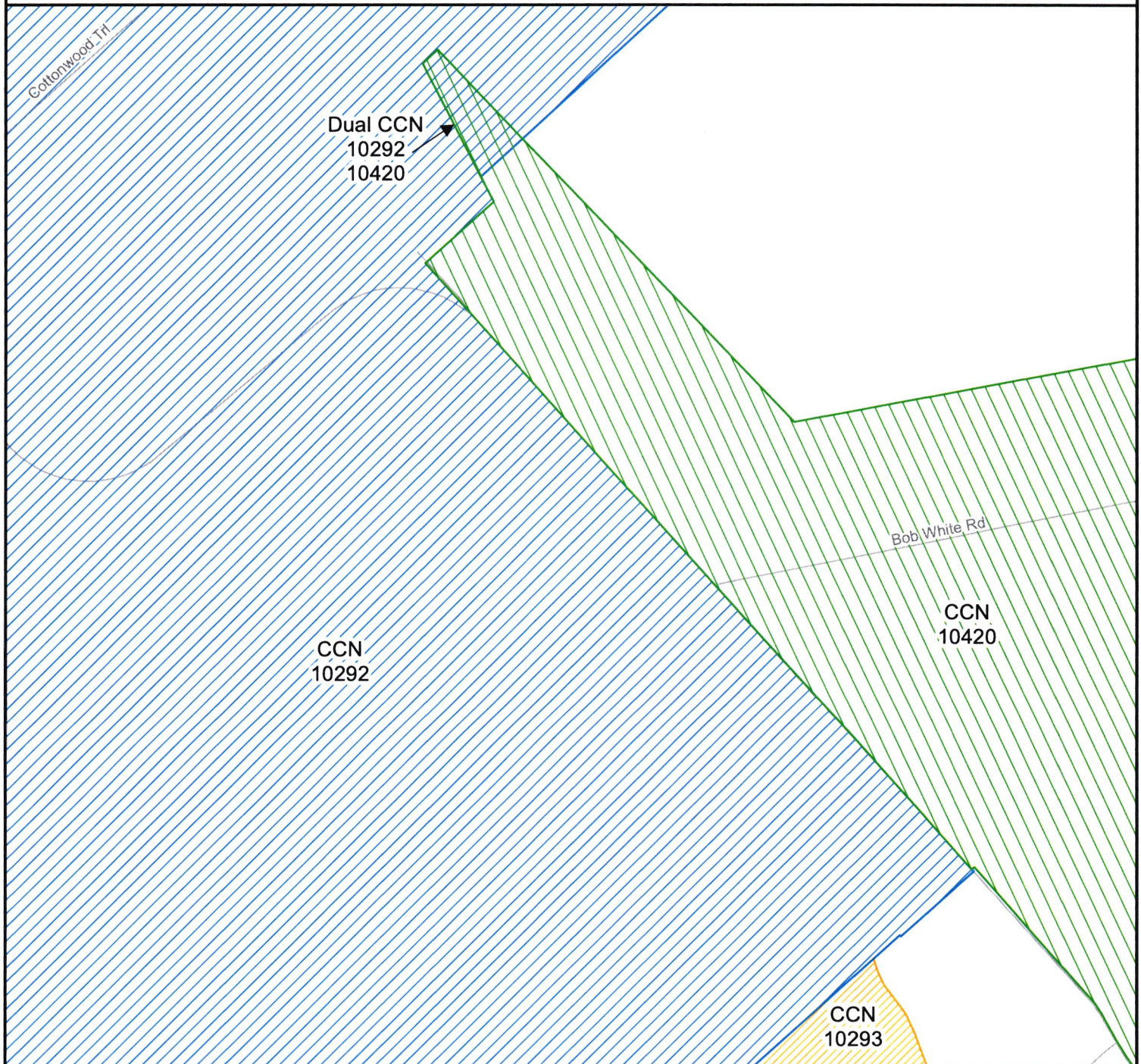
- 10292 - County Line SUD
- 10293 - Maxwell WSC
- 11024 - City of Kyle

Feet 0 300 600





Map by: Komal Patel
Date created: October 15, 2020
Project Path: n:\finalmapping\
50553CountyLineSUDHaysMap2.mxd
Map 2 of 3

County Line Special Utility District
Portion of Water CCN No. 10292
PUC Docket No. 50553
Amended CCN No. 10292 and
Decertified a Portion of Polonia Water Supply Corporation, CCN No. 10420 in Caldwell County



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

Water CCN

-  10292 - County Line SUD
-  10420 - Polonia WSC
-  10293 - Maxwell WSC

0 750 1,500
Feet



Map by: Komal Patel
Date created: October 15, 2020
Project Path: n:\finalmapping\
50553CountyLineSUDCaldwell.mxd
Map 3 of 3



Public Utility Commission of Texas

By These Presents Be It Known To All That

County Line 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, County Line Water Supply Corporation is entitled to this

Certificate of Convenience and Necessity No. 10292

to provide continuous and adequate water utility service to that service area or those service areas in Caldwell and Hays County as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 50553 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 County Line 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 5th day of February 2021.



Public Utility Commission of Texas

By These Presents Be It Known To All That

Polonia 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, Polonia Water Supply Corporation is entitled to this

Certificate of Convenience and Necessity No. 10420

to provide continuous and adequate water utility service to that service area or those service areas in Bastrop and Caldwell Counties as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 50553 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 Polonia 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 5th day of February 2021.