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DOCKET NO. 52270

APPLICATION OF AQUA WATER	§	PUBLIC UTILITY COMMISSION
SUPPLY CORPORATION AND	§	
POLONIA WATER SUPPLY	§	OF TEXAS
CORPORATION FOR SALE,	§	
TRANSFER, OR MERGER OF	§	
FACILITIES AND CERTIFICATE	§	
RIGHTS IN BASTROP AND	§	
CALDWELL COUNTIES	§	

**JOINT MOTION TO ADMIT SUPPLEMENTAL EVIDENCE AND
PROPOSED NOTICE OF APPROVAL**

COME NOW, Aqua Water Supply Corporation (“Aqua WSC”) and Polonia Water Supply Corporation (“Polonia WSC”) (collectively, the “Applicants”), together with the Staff of the Public Utility Commission of Texas (“Commission Staff”) (collectively, the “Parties”), and file this Joint Motion to Admit Supplemental Evidence and Proposed Notice of Approval. In support thereof, the Parties show the following:

I. BACKGROUND

On June 24, 2021, Aqua WSC and Polonia WSC filed an application (the “Application”) for approval of the sale and transfer of certificate of convenience and necessity (“CCN”) rights in Bastrop County and Caldwell County. Aqua WSC seeks approval to acquire facilities and to transfer all of Polonia WSC’s certificated water service area in Polonia WSC’s water CCN Number 10420 to Aqua WSC’s CCN Number 10294, and the cancellation of Polonia WSC’s water CCN number. The requested area associated with the transaction includes approximately 38,623 acres and 3,189 customer connections.

On February 17, 2022, the Honorable Administrative Law Judge (“ALJ”) issued Order No. 9 Approving Sale and Transfer to Proceed, which required the Applicants to file proof that the transaction was consummated and customer deposits, if any, were addressed. On August 16, 2022,

Applicants filed the required closing documentation. On August 29, 2022, Commission Staff filed a recommendation that Applicants' closing documentation be found sufficient and a proposed procedural schedule. On August 31, 2022, the ALJ issued Order No. 10 Finding Closing Documentation Sufficient and Establishing Procedural Schedule.

On September 30, 2022, Commission Staff provided the Applicants with the proposed final map and certificates for review and consent. On October 6, 2022, the Applicants filed a Request for Extension to allow Applicants additional time to coordinate with Commission mapping staff to address deficiencies in the proposed final map. On October 7, 2022, the ALJ issued Order No. 11, granting Applicants' request and extending the deadline for Applicants to file signed consent forms with the Commission to October 13, 2022. On October 13, 2022, Aqua WSC and Polonia WSC filed their signed consent forms concurring with the Commission Staff's map and certificate. Order No. 11 established a deadline of October 27, 2022, for the Parties to jointly file a proposed notice of approval, including findings of fact, conclusions of law, and ordering paragraphs. This pleading is therefore timely filed.

II. JOINT MOTION TO ADMIT SUPPLEMENTAL EVIDENCE

The Parties move to admit the following items into the record as evidence of this proceeding:

- (1) Applicants' notice of completed transaction, filed on August 16, 2022 (Interchange Item No. 31);
- (2) Commission Staff's recommendation on sufficiency of closing documents, filed on August 29, 2022 (Interchange Item No. 32);
- (3) Aqua WSC's consent form filed on October 13, 2022 (Interchange Item No. 36);
- (4) Polonia WSC's consent form filed on October 13, 2022 (Interchange Item No. 36);
and
- (5) The attached final map and certificate.

III. JOINT PROPOSED NOTICE OF APPROVAL

The Parties have agreed to the attached Joint Proposed Notice of Approval, which would grant Applicants' request for approval of the sale of Polonia WSC's water facilities and water CCN service area to Aqua WSC. The Parties request that the Commission adopt the findings of fact, conclusions of law, and ordering paragraphs from the Joint Proposed Notice of Approval.

IV. CONCLUSION AND PRAYER

The Parties respectfully request that the items listed above be admitted into the record of this proceeding as evidence and that the Commission adopt the attached Joint Proposed Notice of Approval.

Respectfully submitted,

/s/ Ty H. Embrey

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**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

CERTIFICATE OF SERVICE

I certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record via electronic mail on October 27, 2022, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Ty H. Embrey
Ty H. Embrey

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RIGHTS IN BASTROP AND	§	
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JOINT PROPOSED NOTICE OF APPROVAL

This Notice addresses the application of Aqua Water Supply Corporation (Aqua WSC) and Polonia Water Supply Corporation (Polonia WSC) (Collectively, the Applicants) for approval of the sale, transfer, or merger of facilities and certificate rights in Bastrop and Caldwell Counties. The applicants seek approval of the following: (1) the sale and transfer of all facilities and service area held under Polonia WSC's certificate of convenience and necessity (CCN) number 10420 to Aqua WSC's CCN number 10294, (2) the cancellation of Polonia WSC's CCN number 10420, and (3) the amendment of Aqua WSC's CCN number 10294 to include the area previously included in Polonia WSC's CCN number 10420. The administrative law judge (ALJ) grants that the application is approved, and adopts the following Findings of Fact, Conclusions of Law, and Ordering Paragraphs.

I. Findings of Fact

The Commission makes the following findings of fact:

Applicants

1. Aqua WSC is a Texas non-profit water supply corporation, organized under Chapter 67 of the Texas Water Code (TWC), and registered with the Texas Secretary of State under file number 25894701.
2. Aqua WSC operates, maintains, and controls facilities for providing retail water service in Bastrop, Caldwell, Lee, Travis, and Williamson counties under water CCN number 10294.

3. Aqua WSC owns and operates a public water system that is registered with the Texas Commission on Environmental Quality (TCEQ) as Aqua WSC, public water system identification number TX0110013.
4. Polonia WSC is a Texas non-profit water supply corporation, organized under Chapter 67 of the TWC, and registered with the Texas Secretary of State under file number 29577001.
5. Polonia WSC operates, maintains, and controls facilities for providing retail water service in Bastrop and Caldwell Counties under CCN number 10420.
6. Polonia WSC owns and operates three public water systems that are registered with the TCEQ as: (1) Polonia WSC, public water system identification number TX0280005; (2) Polonia WSC North, public water system identification number TX0280007; and (3) Polonia WSC South, public water system identification number TX0280020.

Application

7. On June 24, 2021, the Applicants jointly filed an application for approval of the sale, transfer, or merger of facilities and certificate rights in Bastrop and Caldwell Counties.
8. In the application, the applicants seek approval for the following transaction: (a) Aqua WSC will acquire all of Polonia WSC's facilities and water service area held under Polonia WSC's CCN number 10420; (b) Polonia WSC's CCN number 10420 will be cancelled; and (c) Aqua WSC's CCN number 10294 will be amended to add the area previously included in Polonia WSC's CCN number 10420.
9. The total requested area includes approximately 38,623 acres and 3,189 connections.
10. The total requested area to be transferred is comprised as follows:
 - a. Requested Area 1 is located approximately 1.5 miles north of downtown Lockhart, Texas, and is generally bounded on the north by West State Highway 21 (Camino Real) and Farm-to-Market Road 812; on the east by intersection of Farm-to-Market Road 812 and Farm-to-Market Road 20 East; on the south by Farm-to-Market Road 20 East; and on the west by intersection of Farm-to-Market Road 2720 and State Highway 21 (Camino Real).
 - b. Requested Area 2 is located approximately 1.6 miles southeast of downtown Lockhart, Texas, and is generally bounded on the north by State Park Road and Black Jack Road (Farm-to-Market Road 20 East); on the east by Harwood Road;

on the south by Ivy Switch Road and Mule Creek Road; and on the west by State Park Road (Farm-to-Market Road 20).

11. On July 13, 2021, July 21, 2021, and January 6, 2022, the Applicants filed supplements to the application.
12. In Order No. 3 filed on August 23, 2021, the ALJ deemed the application, as supplemented, administratively complete.
13. On January 6, 2022, the applicants filed their third application supplement, which included supplemental mapping documents and digital mapping files.
14. In Order No. 9 filed on February 17, 2022, the ALJ approved the sale and transfer to proceed, and ordered the Applicants to consummate the transaction.
15. On August 16, 2022, the Applicants filed notice that the transaction had been consummated.
16. In Order No. 10 filed on August 31, 2022, the ALJ found the closing documentation sufficient and ordered (1) Commission Staff to provide final maps and certificates for the Applicants' review and consent; (2) applicants to file signed consent forms; and (3) the Parties to jointly file a proposed notice of approval, including proposed findings of fact, conclusions of law, and ordering paragraphs.
17. On October 27, 2022, Aqua WSC, Polonia WSC, and Commission Staff filed a Joint Motion to Admit Supplemental Evidence and Proposed Notice of Approval.

Notice

18. On September 14, 2021, Aqua WSC filed (1) the affidavit of Dave McMurry, general manager of Aqua WSC, attesting that notice was provided to all current customers, landowners, neighboring utilities, and affected parties on August 26, 2021; and (2) the affidavit of Paul Pittman, general manager of Polonia WSC, attesting that notice was provided to all current customers, landowners, neighboring utilities, and affected parties on September 10, 2021.
19. In Order No. 4 filed on October 1, 2021, the ALJ found the notice sufficient.

Evidentiary Record

20. On December 10, 2021, the Applicants and Commission Staff filed a joint motion to admit evidence.

21. In Order No. 5 filed on December 20, 2021, the ALJ admitted the following evidence into the record:
 - a. The application and all attachments filed on June 24, 2021;
 - b. The Applicants' first application supplement filed on July 13, 2021;
 - c. The Applicants' second application supplement filed on July 21, 2021;
 - d. Commission Staff's recommendation on administrative completeness and notice, proposed procedural schedule, and request to restyle docket filed on August 20, 2021;
 - e. The Applicants' proof of notice and supporting documentation filed on September 14, 2021;
 - f. Commission Staff's recommendation on sufficiency of notice filed on September 30, 2021; and
 - g. Commission Staff's recommendation on approval of sale filed on November 12, 2021.
22. On January 6, 2022, the Applicants filed a motion to admit evidence.
23. In Order No. 6 filed on January 7, 2022, the ALJ admitted the third application supplement and supplemental mapping documents and digital mapping filed on January 6, 2022, as evidence into the record.
24. On February 14, 2022, the Applicants and Commission Staff filed a joint motion to admit supplemental evidence.
25. In Order No. 8 filed on February 17, 2022, the ALJ admitted Commission Staff's supplemental recommendation on approval of sale filed on February 7, 2022, as evidence into the record.
26. On October 27, 2022, the Applicants and Commission Staff filed a joint motion to admit supplemental evidence.
27. In Order No. __ filed on ____, 2022, the ALJ admitted the following evidence into the record:
 - a. Applicants' notice of completed transaction, filed on August 16, 2022;
 - b. Commission Staff's recommendation on sufficiency of closing documents, filed on August 29, 2022;
 - c. Aqua WSC's consent form filed on October 13, 2022;

- d. Polonia WSC's consent form filed on October 13, 2022; and
- e. The attached final map and certificate.

Sale

- 28. In Order No. 9, issued on February 17, 2022, the ALJ approved the transaction to proceed and required the Applicants to file proof that the transaction had been consummated and customer deposits, if any, had been addressed.
- 29. On August 16, 2022, the Applicants filed closing documentation and notice that the transaction had been consummated.
- 30. In Order No. 10, issued on August 31, 2022, the ALJ found the closing documentation sufficient.

System Compliance

- 31. The last TCEQ compliance investigation of the Polonia WSC system was on April 29, 2020. No violations or concerns were noted as a result of the investigation.
- 32. The Commission's complaint records, which date back to 2018, show one complaint against Polonia WSC.
- 33. Aqua WSC's public water system has five violations listed in the TCEQ database, which have all been resolved.
- 34. The Commission's complaint records, which date back to 2017, show eleven complaints against Aqua WSC.
- 35. Aqua WSC has not been subject to any enforcement action by the Commission, TCEQ, Texas Department of State Health Services, the Texas Office of the Attorney General, or the United States Environmental Protection Agency in the past five years for non-compliance with rules, orders, or state statutes.

Adequacy of Existing Service

- 36. Aqua WSC will continue to use Polonia WSC's existing facilities to serve the requested area.
- 37. No additional construction is necessary for Aqua WSC to serve the requested area.

Need for Additional Service

- 38. There are 3,189 existing customers in the requested area that have an ongoing need for water service.
- 39. There have been no specific requests for additional service within the requested area.

Effect of Approving the Transaction

40. Approving the proposed transaction and granting the CCN amendment will result in Aqua WSC being the sole certificated entity for the requested area and will obligate Aqua WSC to provide continuous and adequate water service to existing and future customers.
41. There will be no effect on landowners as the area is currently certificated.
42. All retail public utilities in the proximate area were provided notice of the transaction proposed in this application and none filed protests, adverse comments, or sought to intervene in this proceeding.

Ability to Serve: Managerial and Technical

43. Aqua WSC has sufficient capacity to provide adequate service in the requested area.
44. Aqua WSC has a TCEQ-registered public water system.
45. Aqua WSC's existing certificated service area and water system infrastructure is in close proximity to Polonia WSC's public water systems.
46. Aqua WSC employs TCEQ-licensed operators who will be responsible for the operation of the public water system being transferred.
47. Aqua WSC 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.
48. Aqua WSC has the managerial and technical capability to provide continuous and adequate service in the requested area.

Ability to Serve; Financial Ability; and Stability

49. Aqua WSC has a debt-to-equity ratio of less than one, satisfying the leverage test.
50. Aqua WSC has demonstrated it has sufficient cash available to cover any projected operations and maintenance shortages in the first five years of operations after completion of the transaction, satisfying the operations test.
51. Aqua WSC has demonstrated the financial capability and stability to provide continuous and adequate service to the requested area.

Financial Assurance

52. There is no need to require Aqua WSC to provide a bond or other financial assurance to ensure continuous and adequate service to the requested area.

Feasibility of Obtaining Service from an Adjacent Retail Public Utility

53. Notice was provided to utilities within a two-mile radius and no protests or requests to opt out were received regarding the proposed transaction.
54. Obtaining service from an adjacent retail public utility would likely increase costs to customers because new facilities will need to be constructed. At a minimum, an interconnect would need to be installed in order to connect to a neighboring retail public utility. Therefore, it is not feasible to obtain service from an adjacent retail public utility.

Environmental Integrity and Effect on the Land

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

Improvement in Service or Lowering of Cost to Consumers

56. Aqua WSC will continue to provide water service to the existing customers in the area. There will be no change in the quality of service to customers.
57. There will be no change in the cost of service to customers as a result of the transaction.

Regionalization or Consolidation

58. The construction of a physically separate water system is not necessary for Aqua WSC to serve the requested area. Therefore, concerns of regionalization or consolidation do not apply.

Map and Certificate

59. On September 30, 2022, Commission Staff emailed the final proposed map and certificate to the Applicants.
60. On October 13, 2022, the Applicants filed their consent forms concurring with the final proposed map and certificates.
61. On October 27, 2022, the final map and certificate were filed as attachments to the Applicants' and Commission Staff's joint motion to admit supplemental evidence and proposed notice of approval.

Informal Disposition

62. More than 15 days have passed since the completion of notice provided in this docket.
63. No Person filed a protest or motion to intervene.
64. The Applicants and Commission Staff are the only parties to this proceeding.
65. No party requested a hearing and no hearing is needed.
66. Commission Staff recommended approval of the application.

67. 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, 13.251, and 13.301.
2. Aqua WSC and Polonia WSC are retail public utilities as defined by TWC § 13.002(19) and 16 Texas Administrative Code (TAC) § 24.3(31).
3. Notice of the application was provided in compliance with TWC §§ 13.246 and 13.301(a)(2) and 16 TAC § 24.239.
4. The applicants completed the sale within the time frame required by 16 TAC § 24.239(m).
5. After consideration of the factors in TWC § 13.246(c), Aqua WSC has demonstrated adequate financial, managerial, and technical capability for providing continuous and adequate water service to the requested areas as required by TWC § 13.301(b).
6. It is not necessary for Aqua WSC to provide a bond or other financial assurance under TWC §§ 13.246(d) and 13.301(c).
7. Aqua WSC and Polonia WSC have demonstrated that the sale and transfer of Polonia WSC's water facilities and water service area under CCN number 10420 to Aqua WSC will serve the public interest and is necessary for the service, accommodation, convenience, and safety of the public as required by TWC § 13.301(d) and (e).
8. Aqua WSC must record a certified copy of its issued certificate and map approved by this Notice of Approval, along with a boundary description of the service area in the real property records of Bastrop and Caldwell Counties within 45 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).
9. 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 Aqua WSC's purchase of Polonia WSC's water system, and amends Aqua WSC's water CCN number 10294 to add the requested service area as described in this Notice of Approval and shown on the attached maps.
2. The Commission dissolves and eliminates Polonia WSC's CCN number 10420.
3. The Commission issues the certificate attached to this Notice of Approval.
4. Aqua WSC must serve every customer and applicant for water service within the approved area under water CCN number 10294 who requests service and meets the terms of Aqua WSC's tariff, and such service must be continuous and adequate.
5. Aqua WSC must comply with the recording requirements of TWC § 13.247(r) and (s) for the area in Bastrop and Caldwell Counties affected by the application and submit to the Commission evidence of the recording no later than 45 days after receipt of this Notice of Approval.
6. The Commission denies all other motions and any other requests for general or specific relief, if not expressly granted herein.

Signed at Austin, Texas the __ day of October 2022.

PUBLIC UTILITY COMMISSION OF TEXAS

**CHRISTINA DENMARK
ADMINISTRATIVE LAW JUDGE**

EXHIBIT A

Proposed Map and Certificate



Public Utility Commission of Texas

By These Presents Be It Known To All That

Aqua 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, Aqua Water Supply Corporation is entitled to this

Certificate of Convenience and Necessity No. 10294

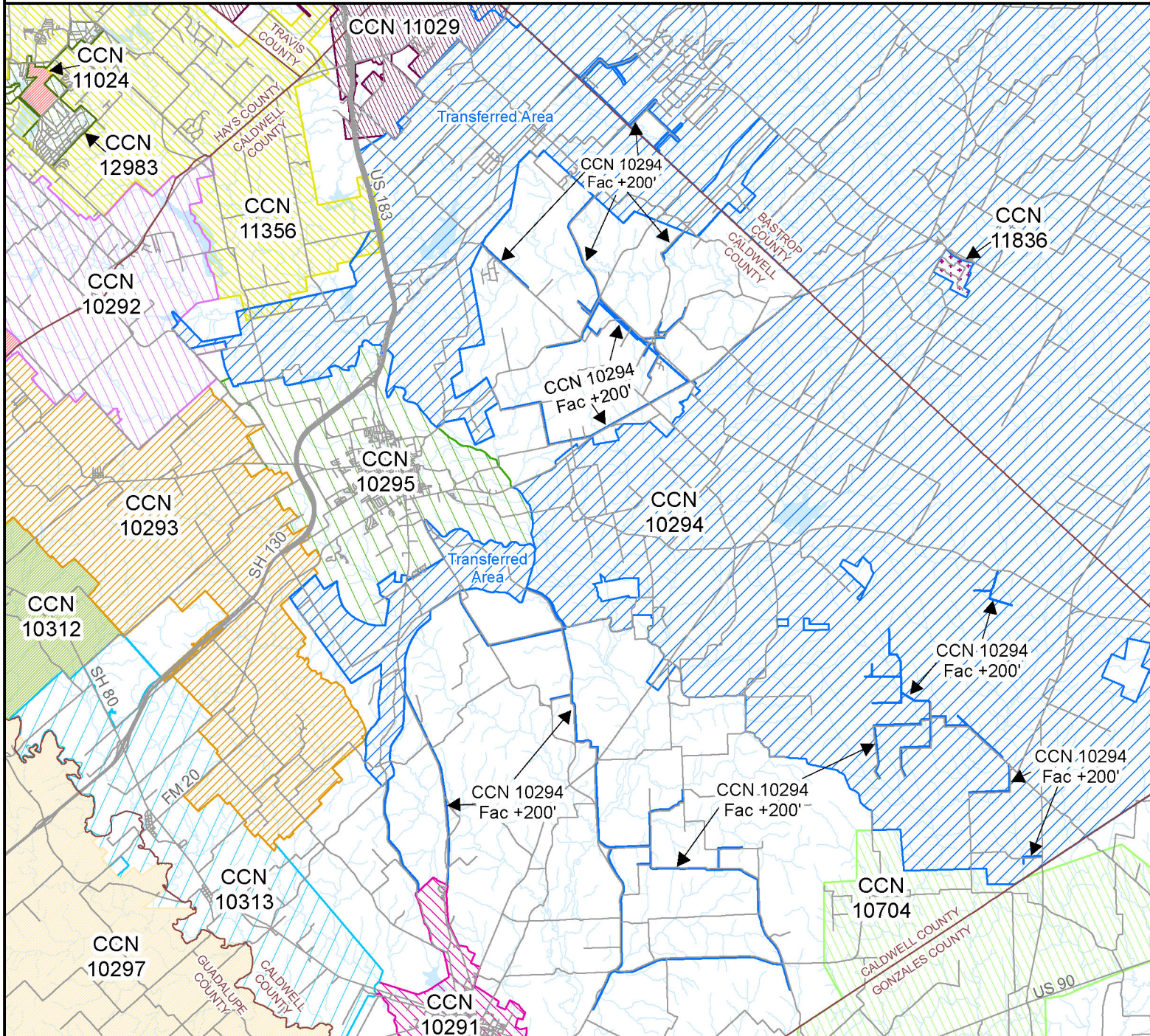
to provide continuous and adequate water utility service to that service area or those service areas in Bastrop, Caldwell, Lee, Travis and Williamson counties as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 52270 are on file at the Commission 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 Aqua 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.

Aqua Water Supply Corporation

Water CCN No. 10294

PUC Docket No. 52270

Transferred all of Polonia Water Supply Corporation, CCN No. 10420 in Bastrop and Caldwell Counties



Water CCN

- Aqua WSC
- 10295 - City of Lockhart
- 10293 - Maxwell SUD
- 10292 - County Line SUD
- 11356 - Goforth SUD
- 11024 - City of Kyle
- 12983 - Monarch Utilities I LP
- 11029 - Creedmoor Maha WSC
- 11836 - K & K Water Company
- 10704 - Gonzales County WSC
- 10291 - City of Luling
- 10297 - Crystal Clear SUD
- 10313 - Tri Community WSC
- 10312 - Martindale WSC

Water CCN Facilities +200'

- 10294 - Aqua WSC



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

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Miles



Map by: Komal Patel
Date: September 29, 2022
Project: 52270AquaWSC.mxd