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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	§	

NOTICE OF APPROVAL

This Notice of Approval addresses the application of Aqua Water Supply Corporation and Polonia Water Supply Corporation for the sale, transfer, or merger of facilities and certificate rights in Bastrop and Caldwell counties. The Commission approves the sale and transfer of Polonia WSC’s facilities and water service area held under certificate of convenience and necessity (CCN) number 10420 to Aqua WSC, the cancellation of Polonia WSC’s CCN number 10420, and the amendment of Aqua WSC’s CCN number 10294 to include the area previously held under Polonia WSC’s CCN number 10420.

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 holds CCN number 10294 which obligates it to provide retail water service in its certificated service area in Bastrop, Caldwell, Lee, Travis, and Williamson counties.
3. Aqua WSC owns a public water system that is registered with the Texas Commission on Environmental Quality (TCEQ) as Aqua WSC, public water system identification number 0110013.
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 holds CCN number 10420 which obligates it to provide retail water service in its certificated service area in Bastrop and Caldwell counties.
6. Polonia WSC owns three public water systems that are registered with the TCEQ as: (1) Polonia WSC, public water system identification number 0280005; (2) Polonia WSC North, public water system identification number 0280007; and (3) Polonia WSC South, public water system identification number 0280020.

Application

7. On June 24, 2021, Aqua WSC and Polonia WSC jointly filed the application at issue in this proceeding.
8. On July 13 and 21, 2021, Aqua WSC and Polonia WSC supplemented the application.
9. In the application, Aqua WSC and Polonia WSC 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.
10. The requested areas to be transferred (requested area) is comprised as follows:
 - a. Requested area one 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 the 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 the intersection of Farm-to-Market Road 2720 and State Highway 21 (Camino Real).
 - b. Requested area two 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. The requested area includes approximately 38,623 acres and 3,189 connections.

12. In Order No. 3 filed on August 23, 2021, the administrative law judge (ALJ) found the application, as supplemented, administratively complete.
13. On January 6, 2022, Aqua WSC and Polonia WSC filed their third application supplement, which included supplemental mapping documents and digital mapping files.

Notice

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

Evidentiary Record

17. 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.
18. In Order No. 6 filed on January 7, 2022, the ALJ admitted the third application supplement and the attached supplemental mapping documents and digital mapping files filed on January 6, 2022, as evidence into the record.
19. 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.

20. In Order No. 12 filed on October 31, 2022, the ALJ admitted the following evidence into the record: (a) the 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 final map and certificate attached to the joint motion to admit supplemental evidence and proposed notice of approval filed on October 27, 2022.

Sale

21. In Order No. 9 filed on February 17, 2022, the ALJ approved the transaction to proceed and required the applicants to file proof that the transaction had been completed and customer deposits, if any, had been addressed.
22. On August 16, 2022, the applicants filed closing documentation and notice that the transaction had been completed.
23. In Order No. 10 filed on August 31, 2022, the ALJ found the closing documentation sufficient.

Aqua WSC's Compliance History

24. Aqua WSC's public water system is registered with the TCEQ under public water system identification number 0110013.
25. Aqua WSC's public water system has five violations listed in the TCEQ database, which have all been resolved.
26. The Commission's complaint records, which date back to 2017, show 11 complaints against Aqua WSC.
27. Aqua WSC has not been subject to any enforcement action by the 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.
28. There is no evidence Aqua WSC has a history of continuing mismanagement or misuse of revenues as a utility service provider.

29. Aqua WSC demonstrated a compliance status that is adequate for approval of the transaction.

Adequacy of Existing Service

30. There are currently 3,189 water connections in the requested area that are being served by Polonia WSC through its three TCEQ-registered public water systems: (1) Polonia WSC, public water system identification number 0280005; (2) Polonia WSC North, public water system identification number 0280007; and (3) Polonia WSC South, public water system identification number 0280020.
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 will continue to use Polonia WSC's existing facilities to serve the requested area.

Need for Additional Service

34. There are currently 3,189 existing customers in the requested area that are receiving service from Polonia WSC and have an ongoing need for service.
35. This is an application to transfer only existing facilities, customers, and service area.
36. There is no evidence in the record indicating a need for additional service.

Effect of Approving the Transaction and Granting the Amendment

37. All retail public utilities in the proximate area were provided notice of the transaction taking place in this application and none filed a protest or motion to intervene.
38. There is no evidence that approval of the transaction and granting the amendment will have any adverse effect on any other retail public utility providing service in the proximate area.
39. Polonia WSC is the only utility affected by this transfer.
40. There will be no adverse effects on landowners in the requested area because the requested area is already certificated.

41. Approving the sale and transfer and granting the amendment will obligate Aqua WSC to provide continuous and adequate water service to current and future customers in the requested area.

Ability to Serve: Managerial and Technical

42. Aqua WSC has a TCEQ-registered public water system.
43. Aqua WSC's existing certificated service area and water system infrastructure is in close proximity to Polonia WSC's public water systems.
44. Aqua WSC employs TCEQ-licensed operators who will be responsible for the operation of the public water systems being transferred.
45. 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.
46. No additional construction is necessary for Aqua WSC to serve the requested area.
47. Aqua WSC has the managerial and technical capability to provide continuous and adequate service to the requested area.

Ability to Serve: Financial Ability and Stability

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

Financial Assurance

51. 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.

Regionalization or Consolidation

52. It will not be necessary for Aqua WSC to construct a physically separate water system to serve the requested area.

53. 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.

Feasibility of Obtaining Service from Adjacent Retail Public Utility

54. Polonia WSC is currently serving customers in the requested area with existing facilities that have sufficient capacity.
55. 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 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

56. The environmental integrity of the land will not be affected as no additional construction is needed for Aqua WSC to be able to provide service to the requested area.

Improvement in Service or Lowering Cost to Consumers

57. 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.
58. No lowering of cost to customers in the requested area will result from approving the transaction.

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, Aqua WSC and Polonia WSC filed their consent forms concurring with the final proposed map and certificate.
61. On October 27, 2022, the final map and certificate were filed as attachments to the 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. Aqua WSC, Polonia WSC, 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. 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 §§ 13.241, 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. Aqua WSC and Polonia WSC provided notice of the application in compliance with TWC §§ 13.246(a) and 13.301(a)(2) and 16 TAC § 24.239(a) through (c).
4. Aqua WSC and Polonia WSC's application meets the requirements of TWC § 13.244 and 16 TAC § 24.233.
5. The Commission processed the application as required by the TWC, the Administrative Procedure Act,¹ and Commission Rules.
6. Aqua WSC and Polonia WSC have complied with the requirements of 16 TAC § 24.239(k) and (l) with respect to customer deposits.
7. Aqua WSC and Polonia WSC completed the sale within the time frame required by 16 TAC § 24.239(m).
8. After consideration of the factors in TWC § 13.246(c), and 16 TAC §§ 24.11(e), 24.227(e), and 24.239(h), Aqua WSC demonstrated adequate financial, managerial, and technical capability for providing continuous and adequate service to the requested area as required by TWC § 13.301(b) and 16 TAC § 24.239(e).

¹ Tex. Gov't Code §§ 2001.001–.903.

9. Aqua WSC has access to an adequate supply of water to serve the requested area, and is capable of providing water that meets the requirements of chapter 341 of the Texas Health and Safety Code, chapter 13 of the TWC, and the rules of the TCEQ in accordance with TWC § 13.241(b) and 16 TAC § 24.227(a)(1).
10. Regionalization or consolidation concerns under TWC § 13.241(d) do not apply in this proceeding because construction of a physically separate water or sewer system is not required.
11. It is not necessary for Aqua WSC to provide a bond or other financial assurance under TWC §§ 13.246(d) and 13.301(c).
12. Aqua WSC and Polonia WSC demonstrated that the sale and transfer of Polonia WSC's water facilities and water service area held under CCN number 10420 to Aqua WSC, the cancellation of Polonia WSC's CCN number 10420, and the amendment of Aqua WSC's CCN number 10294 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) and 13.301(d).
13. 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 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).
14. 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 all Polonia WSC's facilities and certificated service areas held under CCN number 10420 to Aqua WSC, as shown on the attached map.

2. The Commission amends Aqua WSC's CCN number 10294 to include the areas previously included in Polonia WSC's CCN number 10420, as shown on the map attached to this Notice of Approval.
3. The Commission cancels Polonia WSC's CCN number 10420.
4. The Commission approves the map attached to this Notice of Approval.
5. The Commission issues the certificate attached to this Notice of Approval.
6. Aqua WSC must provide service to every customer and qualified applicant for service within the approved area under CCN number 10294 that requests water service and meets the terms of Aqua WSC's water service policies, and such service must be continuous and adequate.
7. 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 must submit to the Commission evidence of the recording no later than 45 days after receipt of this Notice of Approval.
8. 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 9th day of November 2022.

PUBLIC UTILITY COMMISSION OF TEXAS



**CHRISTINA DENMARK
ADMINISTRATIVE LAW JUDGE**



Public Utility Commission of Texas

By These Presents Be It Known To All That

Aqua Water Supply Corporation

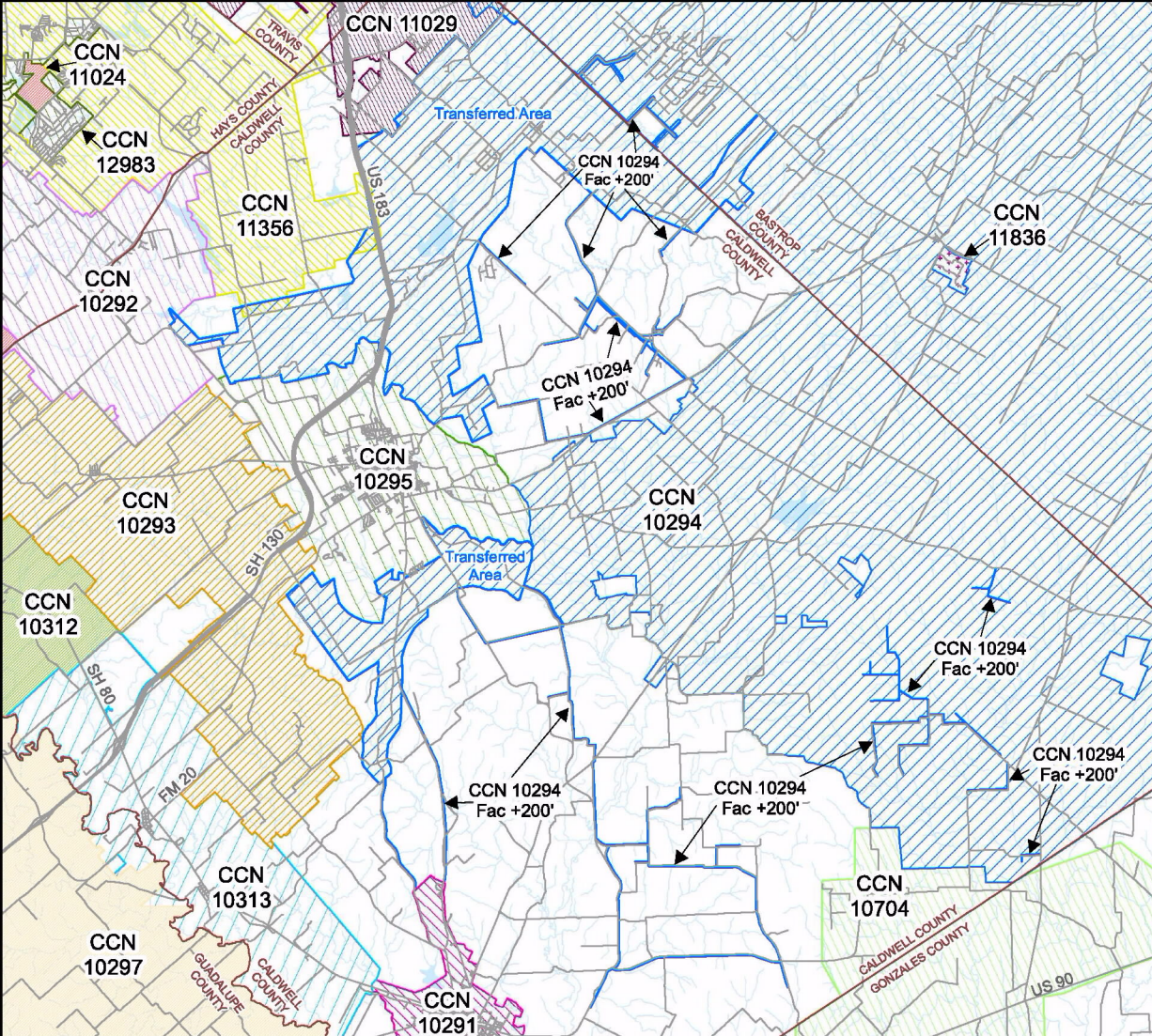
having obtained certification to provide water utility service for the convenience and necessity of the public, and it having been determined by this Commission that the public convenience and necessity would in fact be advanced by the provision of such service, Aqua Water Supply Corporation is entitled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



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