



Control Number: 54147



Item Number: 73

DOCKET NO. 54147

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10:11:00

APPLICATION OF ROLLING V §
RANCH WATER CONTROL AND §
IMPROVEMENT DISTRICT NO. 3 §
OF WISE COUNTY FOR A §
CERTIFICATE OF CONVENIENCE §
AND NECESSITY AND FOR DUAL §
CERTIFICATION WITH THE CITY OF §
RHOME IN WISE COUNTY §

PUBLIC UTILITY COMMISSION
OF TEXAS

ORDER

This Order addresses the application of Rolling V Ranch Water Control and Improvement District No. 3 of Wise County to obtain a new certificate of convenience and necessity (CCN) for 2,367.5 acres that are certificated under the City of Rhome's CCN number 10989 in Wise County. The Commission issues Rolling V Ranch CCN number 13315 for the requested areas described in this Order, to the extent provided in this Order.

I. Findings of Fact

The Commission makes the following findings of fact.

Applicant and Interested Entity

1. Rolling V Ranch is a water control and improvement district operating under chapter 51 of the Texas Water Code (TWC).
2. Rolling V Ranch does not currently hold a CCN to provide water service to customers in Texas.
3. Rolling V Ranch owns and operates a public water system registered with the Texas Commission on Environmental Quality (TCEQ) as Rolling V Ranch WCID 3 of Wise County, identification number 2490098.
4. Rhome is a municipality in Texas.
5. Rhome operates, maintains, and controls facilities for providing retail water service to customers in Wise County under CCN number 10989.

Application

6. On September 23, 2022, Rolling V Ranch filed the application at issue in this proceeding.
7. On November 4, 2022, and February 16, March 3, May 9, and July 10, 2023, Rolling V Ranch filed supplemental information.
8. Rolling V Ranch's application, as supplemented, requests a service area that includes four non-contiguous areas totaling approximately 2,367.5 acres and 14 customer connections.
9. The requested areas are singly certificated under Rhome's CCN number 10989.
10. The requested areas are located approximately 0.7 miles south of downtown Rhome, Texas and are generally bounded on the north by State Highway 114; on the east by United States Highway 287; on the south by the Tarrant and Wise county line; and on the west by Farm-to-Market Road 718.
11. In Order No. 11 filed on August 10, 2023, the administrative law judge (ALJ) found the application, as supplemented, administratively complete.

Notice

12. On September 25, 2023, Rolling V Ranch filed the following:
 - a. the affidavit of Scott Eidman, attorney for Rolling V Ranch, attesting that notice was mailed on September 11, 2023, to neighboring utilities, county authorities, municipalities, landowners, customers, and affected parties;
 - b. the affidavit of Mr. Eidman attesting that notice was sent via first class mail on September 18, 2023, to landowners owning tracts of land over 25 acres wholly or partly inside the requested areas; and,
 - c. a publisher's affidavit attesting to the publication of notice in the *Wise County Messenger*, a newspaper of general circulation in Wise County, on August 24, 2023.
13. On October 6, 2023, Rolling V Ranch filed a publisher's affidavit attesting to the publication of notice in the *Wise County Messenger*, a newspaper of general circulation in Wise County, on September 28 and October 5, 2023.
14. In Order No. 13 filed on October 19, 2023, the ALJ found the notice sufficient.

Evidentiary Record

15. In Order No. 16 filed on February 21, 2024, the ALJ admitted the following evidence into the record of this proceeding:
 - a. Rolling V Ranch's application filed on September 23, 2022;
 - b. Rolling V Ranch's supplement to the application filed on May 9, 2023;
 - c. Rolling V Ranch's revised dual certification agreement filed on July 10, 2023;
 - d. Commission Staff's fifth supplemental recommendation on administrative completeness and notice and proposed procedural schedule filed on August 9, 2023;
 - e. Rolling V Ranch's proof of notice filed on September 25, 2023;
 - f. Rolling V Ranch's supplemental proof of notice filed on October 6, 2023;
 - g. Commission Staff's recommendation on notice and proposed procedural schedule filed on October 18, 2023;
 - h. Commission Staff's first request for information to Rolling V Ranch filed on October 23, 2023;
 - i. Rolling V Ranch's response to Commission Staff's first request for information filed on October 30, 2023;
 - j. Rolling V Ranch's executed consent form with attachment filed on December 18, 2023; and
 - k. Commission Staff's amended final recommendation and all attachments filed February 5, 2024.
16. In Order No. 23 filed on June 25, 2024, the ALJ admitted the following evidence into the record of this proceeding:
 - a. Rolling V Ranch's response to Order No. 18 filed on April 18, 2024;
 - b. Commission Staff's response to Order No. 19 filed on May 9, 2024;
 - c. Rolling V Ranch and Commission Staff's joint response to Order No. 21 filed on June 4, 2024; and
 - d. Commission Staff's clarification filed on June 13, 2024.

Adequacy of Existing Service

17. Rolling V Ranch currently provides retail water service to 14 existing customers in the requested areas through Rolling V Ranch WCID 3 of Wise County, identification number 2490098, and such service has been continuous and adequate.
18. Rolling V Ranch has no violations listed in the TCEQ database.

Need for Service

19. There are 14 existing customers in the requested areas who have an ongoing need for water service.
20. There is anticipated growth and potential additional need for service in the requested areas.

Effect of Issuing the CCN

21. The requested areas will be dually certificated to Rolling V Ranch and Rhome.
22. Rolling V Ranch will be required to provide continuous and adequate water service to current and future customers in the requested areas.
23. Landowners in the requested areas will have a water provider available when they need to request water service.
24. All retail public utilities in the proximate area were provided notice of the transaction and none filed protests, adverse comments, or sought to intervene in this proceeding.
25. Rhome, the only adjacent retail public utility, consented to Rolling V Ranch's requested dual certification.
26. With the exception of the dual certification with Rhome, there will be no effect on any retail public utility providing service in the proximate area.

Ability to Serve: Managerial and Technical

27. Rolling V Ranch has a long-term contract to purchase water from Rhome.
28. Rolling V Ranch employs or contracts with TCEQ-licensed operators that will be responsible for operating the water system.
29. The Commission's complaint records go back five years and show three complaints against Rolling V Ranch's retail sewer service. All three complaints have been reviewed and closed by the Commission's consumer protection division.

30. Rolling V Ranch has the managerial and technical capability to provide continuous and adequate service to the requested areas.

Feasibility of Obtaining Service from Adjacent Retail Public Utilities

31. Rolling V Ranch is currently serving customers in the requested areas, has facilities in the requested areas, has approval from the TCEQ to build additional facilities in the requested areas to serve any future customers, and has sufficient capacity to serve the requested areas.
32. It is not feasible to obtain service from an adjacent retail public utility.

Regionalization or Consolidation

33. It will be necessary for Rolling V Ranch to construct a physically separate water system to serve the requested areas.
34. Rhome is the only retail public utility within one half mile of the outer boundary of the requested areas.
35. Rhome consented in an executed agreement to dual certification of the requested areas and has a water supply contract with Rolling V Ranch.
36. Rolling V Ranch demonstrated that regionalization or consolidation with an adjacent retail public utility is not economically feasible.

Ability to Serve: Financial Ability and Stability

37. In lieu of meeting the leverage and operations tests described in 16 Texas Administrative Code (TAC) §§ 24.11(e)(2) and (3), Rolling V Ranch filed the following:
- a. a letter from Rolling V Ranch's financial advisor indicating that Rolling V Ranch can issue debt in an amount sufficient to cover capital requirements to provide continuous and adequate service to the requested areas; and
 - b. audited financial statements containing an unqualified auditor's opinion from McCall Gibson Swedlund Barfoot PLLC stating that the financial statements present fairly, in all material respects, the financial position of Rolling V Ranch as of April 30, 2023.
38. Rolling V Ranch provided a copy of a developer agreement, in which the developer agreed to pay for the required capital improvements necessary to provide continuous and adequate

water service to the requested areas and that Rolling V Ranch will reimburse the developer by issuing bonds.

39. Rolling V Ranch provided a letter from Vantage Bank indicating the developer is in a satisfactory financial position to construct the system improvements.
40. The developer agreement between Rolling V Ranch and the developer as well as the letter from Vantage Bank constitute good cause for the Commission to grant an exception to the requirements in 16 TAC § 24.11(e)(5)(B) that Rolling V Ranch submit loan approval documents or firm capital commitments.
41. Estimated costs for the capital improvements are expected to exceed \$100,000.
42. Rolling V Ranch submitted a capital improvement plan that included a budget and an estimated timeline for construction of all facilities necessary to provide full service to the requested areas, keyed to a map showing where the facilities will be located.
43. Rolling V Ranch demonstrated the financial capability and stability to pay for the facilities necessary to provide continuous and adequate service to the requested areas.

Financial Assurance

44. There is no need to require Rolling V Ranch to provide a bond or other financial assurance to ensure continuous and adequate service to the requested areas.

Environmental Integrity and Effect on the Land

45. The effects on environmental integrity and the land will be minimal and temporary as facilities are constructed to extend service to the requested areas.
46. The effects on environmental integrity and the land will not be adverse to such a degree that the CCN should not be granted.

Improvement in Service or Lowering of Cost

47. No lowering of cost to customers in the requested areas will result from issuance of the CCN.
48. Water service in the requested areas will improve because customers requiring service in the requested areas will be able to request service from Rolling V Ranch and Rhome.

Map and Certificates

49. On December 5, 2023, Commission Staff emailed the proposed map and certificates to Rolling V Ranch and Rhome.
50. On December 18, 2023, Rolling V Ranch filed its consent and Rhome's consent to the proposed map and certificates.
51. On February 5, 2024, Commission Staff filed the final map and certificates as attachments to its amended final recommendation.

Informal Disposition

52. More than 15 days have passed since completion of the notice provided in this docket.
53. No party filed a protest or motion to intervene.
54. Rolling V Ranch and Commission Staff are the only parties to this proceeding.
55. No party requested a hearing, and no hearing is needed.
56. Commission Staff recommended approval of the application.
57. 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 application under TWC §§ 13.041, 13.241, 13.242, 13.244, and 13.246.
2. Rolling V Ranch is a retail public utility as defined by TWC § 13.002(19) and 16 TAC § 24.3(31).
3. Rolling V Ranch's application meets the requirements of TWC § 13.244 and 16 TAC §§ 24.227 and 24.233.
4. Notice of the application complies with TWC § 13.246 and 16 TAC § 24.235(b).¹

¹ After this application was filed, 16 TAC § 24.235 was amended, effective July 19, 2023. Accordingly, all references and citations to 16 TAC § 24.235 in this Order are made to the version in effect at the time the application was filed.

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 §§ 13.241(a) and 13.246(c) and 16 TAC § 24.227(a) and (e), Rolling V Ranch demonstrated adequate financial, managerial, and technical capability for providing continuous and adequate service to the requested areas, as required by TWC § 13.241 and 16 TAC § 24.227.
7. It is not necessary for Rolling V Ranch to provide a bond or other financial assurance under TWC § 13.246(d) or 16 TAC § 24.227(f).
8. Rolling V Ranch filed a capital improvements plan that complies with the requirements of TWC § 13.244(d)(3) and 16 TAC § 24.233(a)(6).
9. Rolling V Ranch filed an executed agreement that allows for dual certification of the requested area between Rolling V Ranch and Rhome in accordance with 16 TAC § 24.233(a)(12).
10. Good cause exists under 16 TAC § 24.2(b) to grant an exception to the requirement in 16 TAC § 24.11(e)(5)(B) that Rolling V Ranch submit loan approval documents or firm capital commitments.
11. Rolling V Ranch demonstrated that regionalization or consolidation with an adjacent retail public utility is not economically feasible, as required by TWC § 13.241(d) and 16 TAC § 24.227(b).
12. Rolling V Ranch demonstrated that the issuance of a CCN to Rolling V Ranch will serve the public interest and 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).
13. Under TWC § 13.250, Rolling V Ranch is required to provide service to every customer within its certificated service area and to render continuous and adequate service within its service area.
14. Under TWC § 13.257(r) and (s), Rolling V Ranch must record a certified copy of the approved maps and certificates, along with a boundary description of the service areas, in

² Tex. Gov't Code §§ 2001.001–.903.

the real property records of Wise County within 31 days of this Order and submit evidence of the recording to the Commission.

15. 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 grants Rolling V Ranch a good-cause exception to the requirement in 16 TAC § 24.11(e)(5)(B) that Rolling V Ranch submit loan approval documents or firm capital commitments.
2. The Commission issues Rolling V Ranch water CCN number 13315 as described in this Order and shown on the attached map.
3. The Commission dually certifies Rolling V Ranch water CCN number 13315 and a portion of Rhome's water CCN number 10989 as described in this Order and shown on the attached map.
4. The Commission approves the map attached to this Order.
5. The Commission issues the certificate attached to this Order.
6. Rolling V Ranch must provide service to every customer and applicant for service within the approved areas under CCN number 13315 who requests water service and meets the terms of Rolling V Ranch's water service policies, and such service must be continuous and adequate.
7. Rolling V Ranch must comply with the recording requirements in TWC § 13.257(r) and (s) for the areas in Wise County affected by this application and must file in this docket proof of the recording no later than 45 days after the date of this Order.
8. The Commission denies all other motions and any other requests for general or specific relief, if not expressly granted.

Signed at Austin, Texas the 12th day of September 2024.

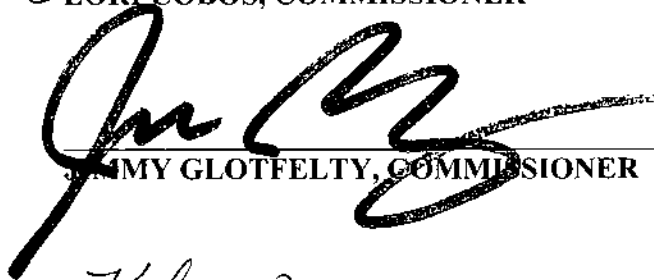
PUBLIC UTILITY COMMISSION OF TEXAS



THOMAS J. GLEESON, CHAIRMAN



LORI COBOS, COMMISSIONER



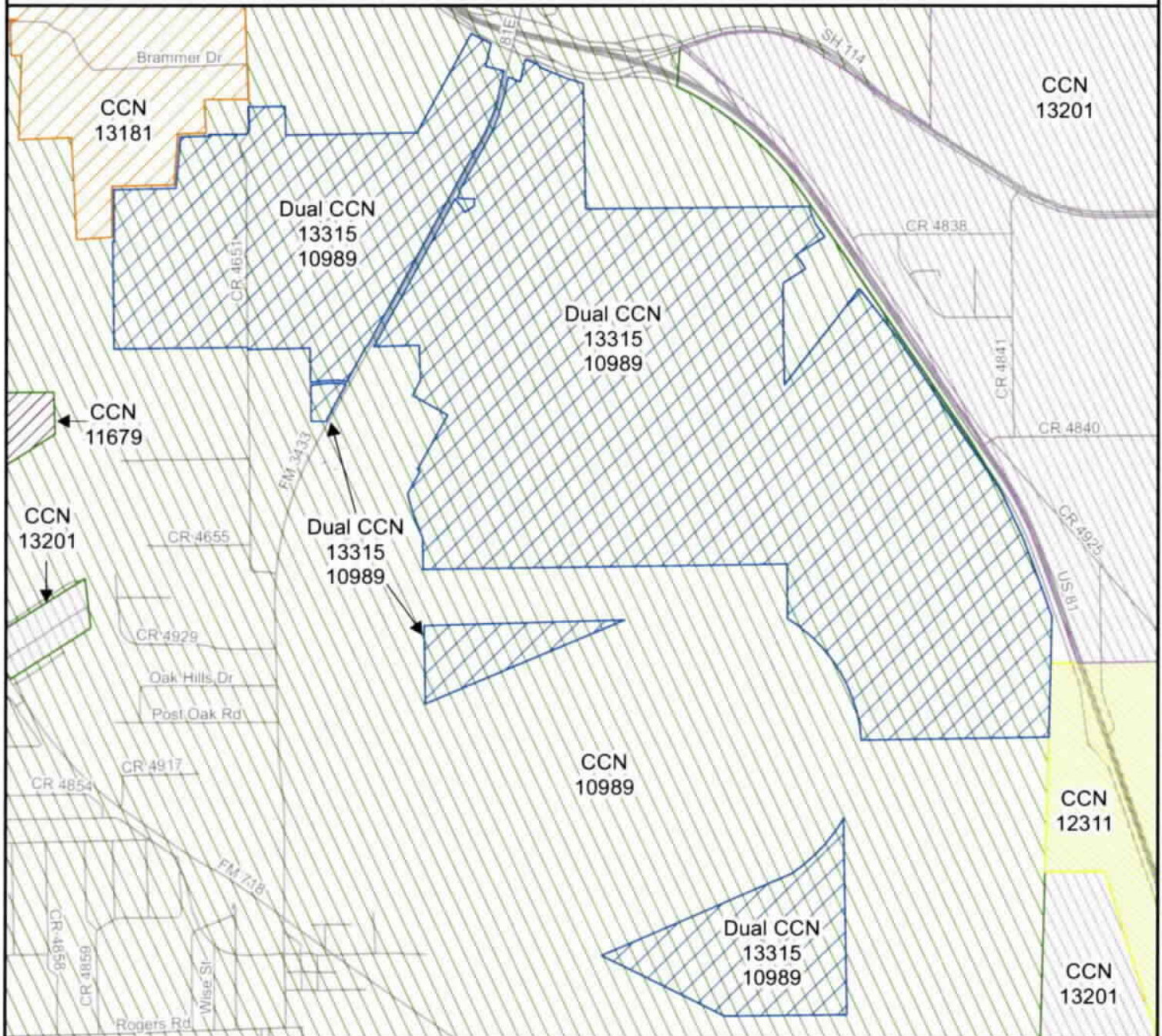
JIMMY GLOTFELTY, COMMISSIONER



KATHLEEN JACKSON, COMMISSIONER

PUCT Docket No. 54147
Rolling V Ranch Water Control Improvement District No. 3 of Wise County
Water CCN No. 13315

Obtain New Water CCN and Obtain Dual Certification with a Portion of City of Rhome, CCN No. 10989 in
Wise County



Water CCN

-  13315 - Rolling V Ranch WCID No. 3 of Wise County
-  10989 - City of Rhome
-  13181 - City of Aurora
-  13201 - Aqua Texas Inc
-  11679 - Jones Acres Water
-  12311 - City of Fort Worth

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Feet



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

Map by: Komal Patel
Date: December 4, 2023
Project: 54147RollingVRanch.mxd



Public Utility Commission of Texas

By These Presents Be It Known To All That

City of Rhome

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, City of Rhome is entitled to this

Certificate of Convenience and Necessity No. 10989

to provide continuous and adequate water utility service to that service area or those service areas in Tarrant and Wise Counties as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 54147 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 Rhome 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.



Public Utility Commission of Texas

By These Presents Be It Known To All That

Rolling V Ranch Water Control Improvement District No. 3

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, Rolling V Ranch Water Control Improvement District No. 3 is entitled to this

Certificate of Convenience and Necessity No. 13315

to provide continuous and adequate water or sewer utility service to that service area or those service areas in Wise County as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 54147 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 Rolling V Ranch Water Control Improvement District No. 3 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.