

**CITY OF KERRVILLE, TEXAS
RESOLUTION NO. 07-2021**

A RESOLUTION GRANTING THE REQUEST FOR DECERTIFICATION OF THE CITY'S CERTIFICATE OF CONVENIENCE AND NECESSITY FOR A SPECIFIED AREA IN AND AROUND THE CASTLECOMB WATER SYSTEM, SUCH SYSTEM SERVING A HOUSING DEVELOPMENT GENERALLY LOCATED SOUTH OF THE INTERSECTION OF PETERSON FARM ROAD AND SPLITROCK ROAD; AND AUTHORIZING THE CITY MANAGER AND CITY ATTORNEY TO TAKE ALL ACTION TO EFFECTUATE THE DECERTIFICATION OF THE CITY'S WATER UTILITY CCN IN THE SPECIFIED AREA

WHEREAS, in 2010, the Texas Commission on Environmental Quality ("TCEQ"), in response to an application from the City, granted the City a certificate of convenience and necessity ("CCN") for the City's water utility; and

WHEREAS, the CCN is given to an entity by TCEQ to authorize the entity, in this case the City, to be the supplier of water service in a specified area; and

WHEREAS, the CCN granted to the City consists of the area two miles beyond the City's limits at that time, but excluded areas where other CCNs, whether from private or public water systems, were in existence; and

WHEREAS, the Texas Public Utility Commission ("PUC") recently appointed CSWR-Texas Utility Operating Company, LLC ("CSWR Texas") as temporary manager for the Castlecomb water and wastewater systems ("Castlecomb") in Kerr County; and

WHEREAS, Castlecomb currently provides water and wastewater service to a platted residential development made up of approximately 30 homes and 3 remaining lots, said development generally located south of the intersection of Peterson Farm Road and Splitrock Road; and

WHEREAS, CSWR Texas intends to acquire Castlecomb outright and to continue providing water and wastewater service for the development; and

WHEREAS, CSWR Texas has contacted the City as Castlecomb is located within the City's CCN, and CSWR Texas requests that the City agree to decertify, as to the CCN, the area that CSWR Texas will acquire upon approval of its acquisition of Castlecomb by the PUC; and

WHEREAS, City staff has studied this request from CSWR Texas, worked with CSWR Texas to define the area that is requested for decertification from the CCN, and is of the opinion that such request is in the best interest of the City and should be granted; and

WHEREAS, City Council finds it to be in the public interest to grant the decertification as specified herein and to authorize the City Manager and City Attorney to take such action(s) as necessary to effectuate the decertification;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KERRVILLE, KERR COUNTY, TEXAS:

SECTION ONE. City Council authorizes the decertification of the City's CCN pursuant to the request from CSWR Texas and as indicated on the map attached as **Exhibit A**.

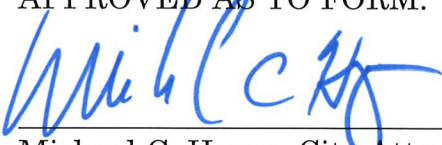
SECTION TWO. The City Manager, or designee, and the City Attorney are authorized to take all action necessary to effectuate decertification referenced in Section One, above.

PASSED AND APPROVED ON this the 26 day of January A.D., 2021.



Bill Blackburn, Mayor

APPROVED AS TO FORM:



Michael C. Hayes, City Attorney

ATTEST:



Shelley McElhannon, City Secretary

Coffin | Renner

December 9, 2020

Mark McDaniel
City Manager of Kerrville
701 Main Street
Kerrville, Texas 78028

Dear Mr. McDaniel:

CSWR-Texas Utility Operating Company, LLC (“CSWR Texas”), a Missouri-based water and wastewater utility with operations throughout the state of Texas, was recently appointed by the Public Utility Commission of Texas as temporary manager for the Castlecomb water and wastewater systems (“Castlecomb”) in Kerr County. Upon being appointed temporary manager, CSWR Texas determined that it would be more efficient and beneficial to customers to promptly acquire these systems outright in order to establish stable long-term management willing to make the necessary investments to rehabilitate the systems and improve the quality of water and service. CSWR Texas intends to file a sale-transfer-merger (“STM”) application with the Commission soon.

As legal counsel for CSWR Texas, I am contacting you because it has come to our attention that the Castlecomb systems appears to be located within the certificated service area of the City of Kerrville. Castlecomb is not currently certificated by the Commission. In order to properly certificate the facilities and service area—and to remove these facilities and any potential obligation to serve from Kerrville’s certificated service area—the Company requests that Kerrville agree to decertify the area CSWR Texas will acquire upon approval of the acquisition by the Commission. Attached to this letter is a map that identifies the area currently certificated to Kerrville that CSWR Texas requests be decertified upon approval of the acquisition by the Commission.

I look forward to discussing this matter with you in more detail at your earliest convenience. My contact information is below. Thank you again for your time and consideration.

Sincerely,

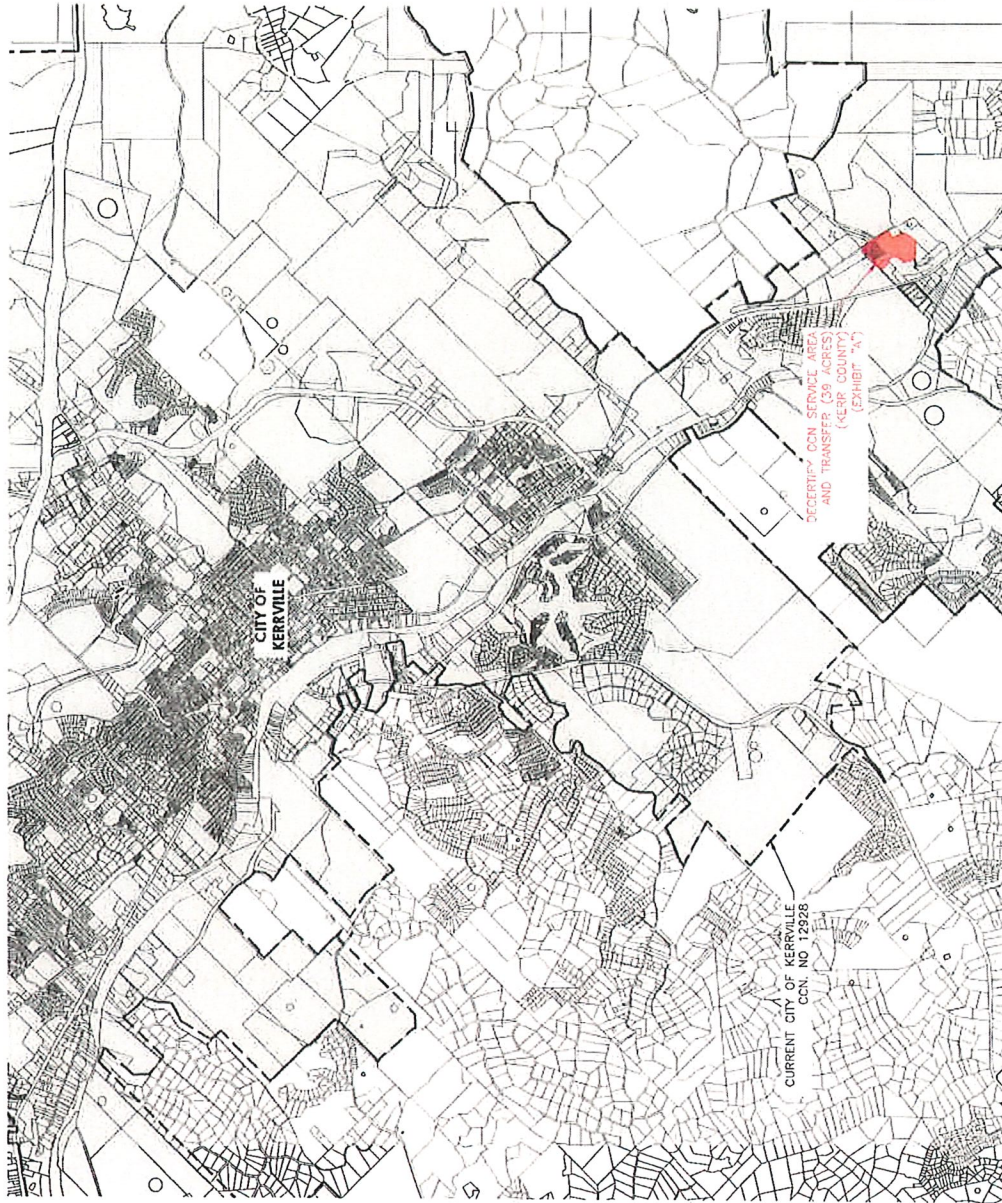
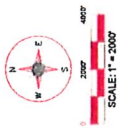


Evan D. Johnson
Attorney for CSWR, LLC

cc: Mike Hayes, City Attorney of Kerrville

CSWR To Transfer Facilities from City of Kerrville to Amend Castlecomb CCN

OVERALL LOCATION - KERR COUNTY



REQUESTED WATER SERVICE AREA TO TRANSFER AND AMEND

--- Current City of Kerrville CCN No. 12928

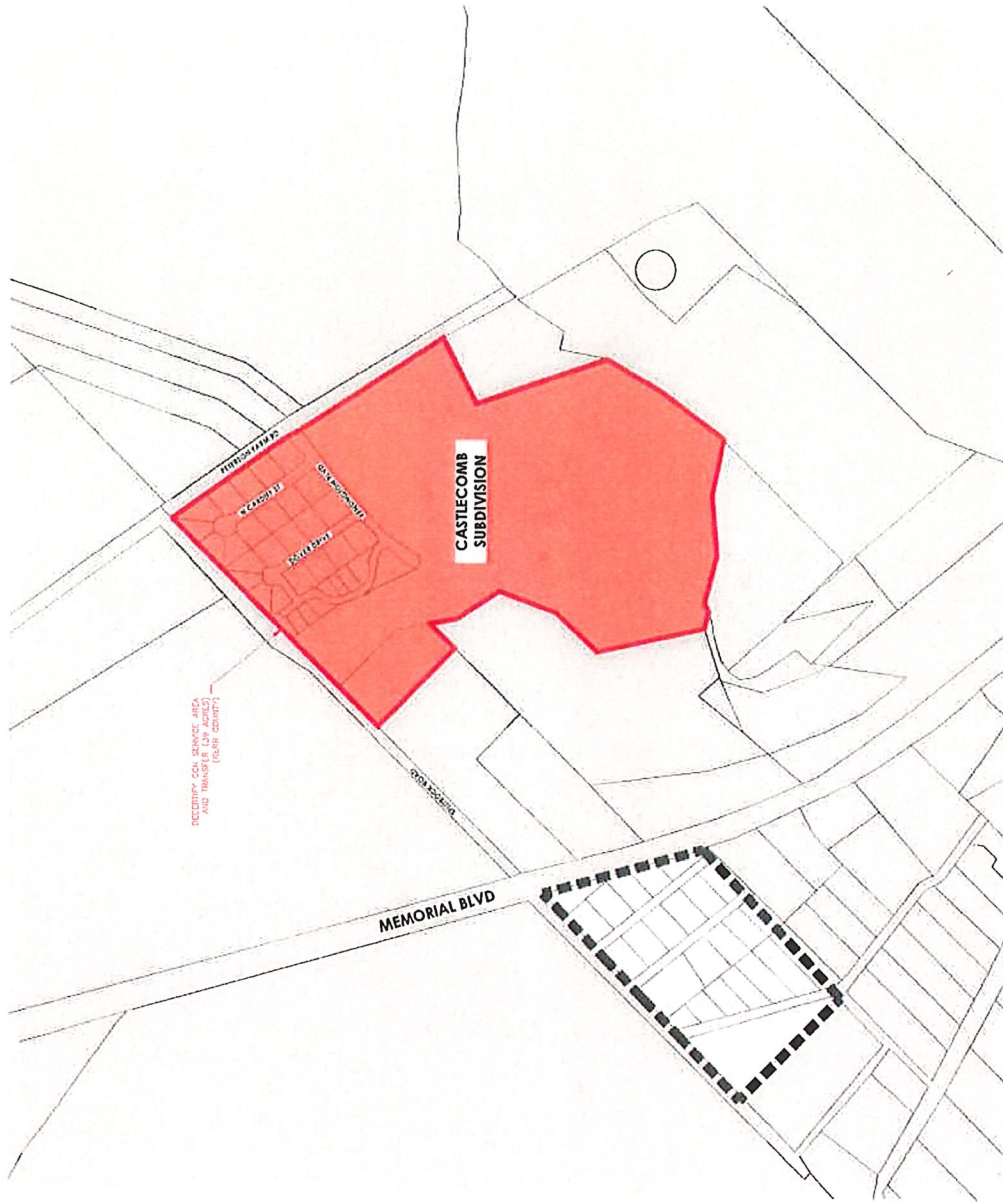
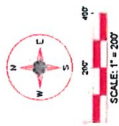
█ Security Portion from City of Kerrville CCN No. 12928 and Transfer to CCN's Castlecomb CCN

DATE	12/27/20
DRAWN BY	N.A.B.
SCALE	1" = 2000'
SHEET NAME	OVERALL LOCATION MAP
PROJECT NAME	CSWR TO TRANSFER FACILITIES FROM CITY OF KERRVILLE TO AMEND CASTLECOMB CCN

DESIGN GROUP INC.
1201 W. 10TH STREET
KERRVILLE, TEXAS 78601
PH: 361-2222 FAX: 361-2223

CSWR To Transfer Facilities from City of Kerrville to Amend Castlecomb CCN

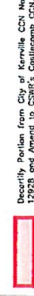
OVERALL LOCATION - KERR COUNTY



REQUESTED WATER SERVICE AREA TO TRANSFER AND AMEND



Current City of Kerrville CCN No. 12928



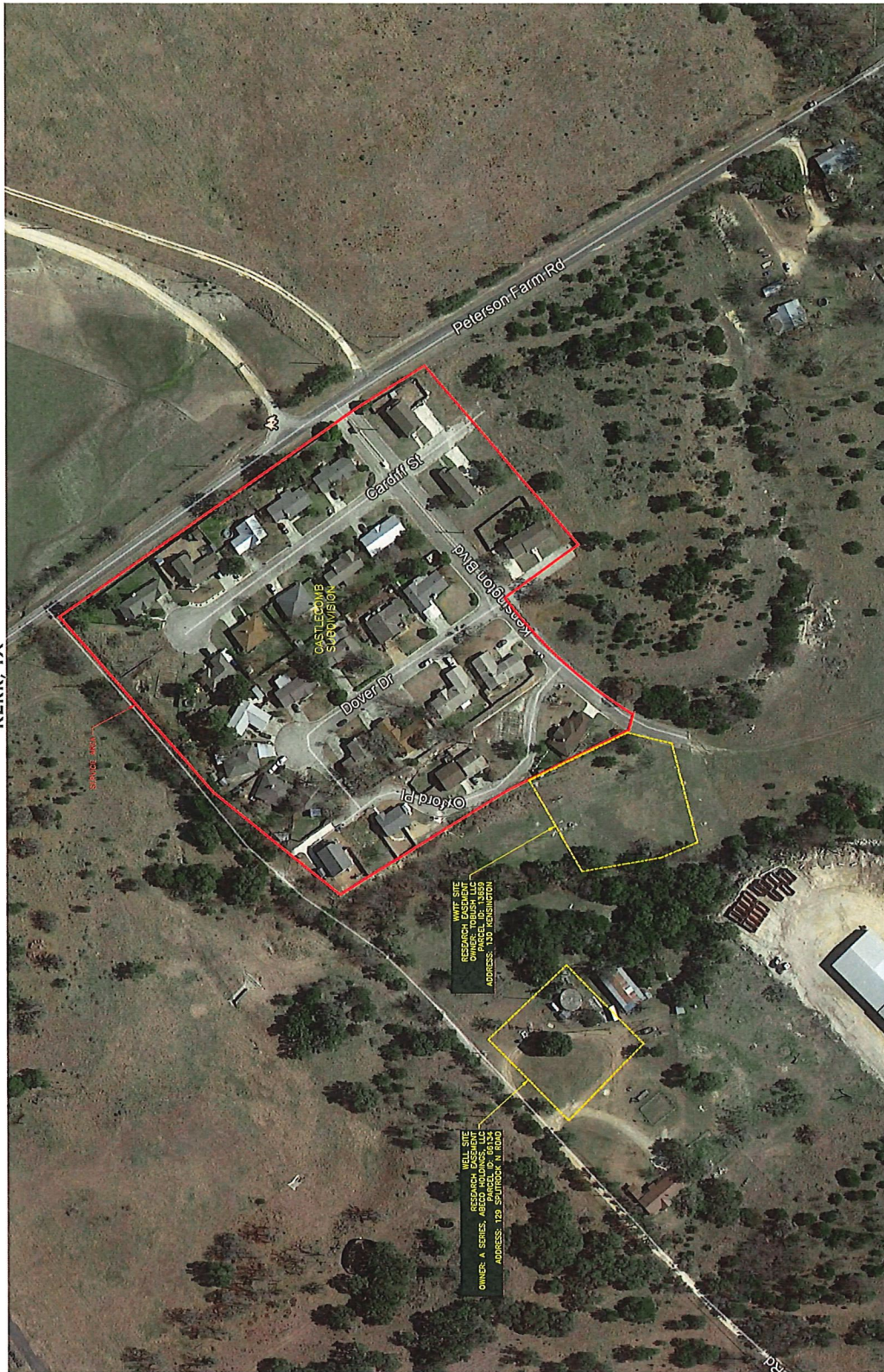
Proposed Facilities from City of Kerrville, City No. 12928 and Amend to CSWR's Castlecomb CCN.

DATE:	12/02/20
DRAWN BY:	K.S.A.
SCALE:	1" = 200'
SHEET NO.:	1
TOTAL SHEETS:	1
DESIGNED BY:	
CHECKED BY:	
APPROVED BY:	

21
DESIGN
GROUP INC.
1500 S. RICHMOND AVE.
KERRVILLE, TEXAS 78601
TEL: 361-222-2222
WWW.DESIGNGROUPINC.COM

Resolution No. 07-2021

**ROUGH SERVICE AREA MAP (v3)
CASTLECOMB
(WATER)
KERR, TX**



*The area outlined in red as well as the well site and the wastewater sites in yellow will be de-certified out of the City of Kerrville's CCN pursuant to the request from CSWR-Texas.

Utility Note Description:

The utilities shown hereon are depicted based on the customer list provided by the system manager. 21 Design Group, Inc. does not warrant the accuracy of the information provided hereon. The information is provided as a reference only and should not be used for design or construction purposes. It is shown to provide general layout of the system only and should not be used to interpret encroachments.

DATE:	1/2/21
PROJECT NO:	00000000
PROJECT NAME:	CASTLECOMB
PROJECT LOCATION:	CASTLECOMB
PROJECT OWNER:	CASTLECOMB
PROJECT MANAGER:	CASTLECOMB
PROJECT ENGINEER:	CASTLECOMB

21 DESIGN GROUP INC.
1311 Johnson, Suite 201
Kerrville, TX 78601
mks21@designgroupinc.com
737.835.0000