

Control Number: 42964



Item Number: 23

Addendum StartPage: 0

House Bill (HB) 1600 and Senate Bill (SB) 567 83<sup>rd</sup>  
Legislature, Regular Session, transferred the functions  
relating to the economic regulation of water and sewer  
utilities from the TCEQ to the PUC effective  
September 1, 2014

**R&R**  
RUSSELL & RODRIGUEZ, L.L.P.  
ATTORNEYS AT LAW

1633 WILLIAMS DRIVE  
BUILDING 2, SUITE 200  
GEORGETOWN, TEXAS 78628

Email: arodriguez@txadminlaw.com

April 29, 2010

**VIA HAND DELIVERY**

Ms. Tammy Holguin-Benter  
Texas Commission on Environmental Quality  
Utilities & Districts Section  
P.O. Box 13087, MC-153  
Austin, Texas 78711-3087

Re: *Application from the City of Bonham, Certificate of Convenience and Necessity (CCN) No. 11186, to Obtain Dual Certification with a Portion of CCN No. 12406 from Southwest Fannin County SUD, to Obtain Dual Certification with a Portion of CCN No. 10170 from White Shed Water Supply Corporation, to Decertify a Portion of CCN No. 11753 from Bois D'Arc MUD, to Decertify a Portion of CCN No. 10155 from Ravenna Nunnelee Water Supply Corporation and to Amend CCN No. 11186 in Fannin County; Application No. 35091-C*

*Application from the City of Bonham to Amend CCN No. 20460 in Fannin County; Application No. 35092-C*

CN: 600435762; RN: 101396349 (water) and 101395853 (sewer)

Dear Ms. Benter,

Enclosed is a copy of the City of Bonham's Settlement Agreement with Ravenna-Nunnelee Water Supply Corporation ("RNWSC"). The Settlement Agreement provides for both singly certificated area and area to be dually certificated with RNWSC. The maps attached to the Settlement Agreement clearly delineate the dually certificated area Bonham seeks along with RNWSC. The maps attached are consistent with the Settlement Agreement currently pending in RNWSC's pending CCN Application, Application No. 35606-C, TCEQ Docket No. 2007-0974-UCR. The submission of the Settlement Agreement should result in RNWSC's withdrawal of its protest in the above-referenced docket.

Thank you very much for your attention to this matter.

Sincerely,

Arturo D. Rodriguez, Jr.

Attachments as stated in letter

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PHONE (512) 930-1319

PUBLIC UTILITY COMMISSION  
FILING CLERK  
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2010 APR 29 PM 3:53

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Ms. Tammy Holguin-Benter  
April 29, 2010  
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cc: Service List  
Mr. Corby Alexander  
Mr. Pat Dillon

COPY

**SETTLEMENT AGREEMENT**

This Settlement Agreement (this "Agreement") is entered into as of January 12, 2009 by and between **Ravenna-Nunnelee Water Supply Corporation**, a Texas non-profit water supply corporation ("RNWSC") and the **City of Bonham**, a Texas municipality ("Bonham").

**Recitals**

**WHEREAS**, RNWSC is the holder of Certificate of Convenience and Necessity No. 10155 (the "RNWSC CCN") which authorizes RNWSC to provide retail water service to the lands described therein;

**WHEREAS**, RNWSC filed an application to amend the RNWSC CCN (Application No. 35606-C) which application (the "RNWSC Amendment") has been protested by Bonham and referred to the State Office of Administrative Hearings ("SOAH") for a contested case hearing (SOAH Docket No. 582-07-3697; TCEQ Docket No. 2007-0974-UCR);

**WHEREAS**, Bonham is the holder of Certificate of Convenience and Necessity No. 11186 (the "Bonham CCN") which authorizes Bonham to provide retail water service to the lands described therein;

**WHEREAS**, Bonham filed an application to amend the Bonham CCN and for certain other approvals (Application Nos. 35091 and 35092-C), (collectively, the "Bonham CCN Amendment") which applications have been protested by RNWSC and referred to the State Office of Administrative Hearings ("SOAH") for a contested case hearing (SOAH Docket No. 582-06-1767; TCEQ Docket No. 2006-0144-UCR);

**WHEREAS**, RNWSC and Bonham now desire to enter into this Agreement to resolve all disputes between the parties regarding the RNWSC Amendment and the Bonham Amendment.

**NOW, THEREFORE**, in consideration of the premises and the covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, RNWSC and Bonham agree as follows:

**I.****Resolution of Service Territory Dispute**

**1.1 Amendment of RNWSC Application.** Within ten (10) business days after the date of execution of this Agreement by the parties, RNWSC agrees to furnish a copy of this Agreement to the Administrative Law Judge ("ALJ") in the above-referenced proceeding related to the RNWSC Amendment and request that the ALJ remand the RNWSC Amendment to the Executive Director for approval in accordance with the terms of this Agreement. The lands to be certificated to RNWSC are designated on the map attached hereto as Exhibit "A" (the "New RNWSC Service Territory"). Bonham agrees to consent to such remand and approval.

**1.2 Amendment of Bonham Application.** Within ten (10) business days after the date of execution of this Agreement by the parties, Bonham agrees to furnish a copy of this Agreement to the Administrative Law Judge ("ALJ") in the above-referenced proceeding related to the Bonham Amendment and request

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WATER SUPPLY DIV.

that the ALJ remand the Bonham Amendment to the Executive Director for approval in accordance with the terms of this Agreement and other settlement agreements. The lands to be certificated to Bonham are designated on the map attached hereto as Exhibit "B" (the "New Bonham Service Territory"). RNWSC agrees to consent to such remand and approval.

**1.3 Service Territory Agreements.** The parties mutually agree that the New RNWSC Service Territory and the New Bonham Service Territory will reflect the following:

- a. RNWSC shall be solely certificated for water service in all areas identified as the New RNWSC Service Territory, with the exception of the "Dual CCN Areas" described below (which will be dually certificated with Bonham). Without limitation, the following lands shall be included within the New RNWSC Service Territory:
  - i. All lands within the RNWSC Amendment located west of Hwy 1410;
  - ii. All lands within the RNWSC Amendment located north of CR 898;
  - iii. All lands within the RNWSC Amendment located east and west of Hwy 274; and
  - iv. All lands within the RNWSC amendment located south of Hwy 1753.
- b. Bonham shall be solely certificated for water service in all areas identified as the New Bonham Service Territory, with the exception of the "Dual CCN Areas" described below (which will be dually certificated with RNWSC). Without limitation, the following lands shall be included within the New Bonham Service Territory:
  - i. All lands within the Bonham CCN Amendment located east of Hwy 1410 (with the exception of the 1410 Dual Certification Area (defined below));
  - ii. All lands within the Bonham CCN Amendment located south of Hwy 898 (with the exception of the Horseshoe Dual Certification Area (defined below));
  - iii. All lands within the Bonham CCN Amendment located east of Highway 121; and
  - iv. All lands located within the Bonham CCN Amendment not discussed by his Agreement.

**1.4 Dual CCN Areas.**

- a. The parties agree that the areas shaded in red in the attached Exhibits "A" and "B" shall be dually certificated to RNWSC and to Bonham. Such areas consist of the following:
  1. A 200-foot area (to be measured from the center of the right of way) on the east side of Hwy 1410 (the "1410 Dual Certification Area"); and

2. A 200-foot area (to be measured from the center of the right of way) on the south side of CR 898 and surrounding each leg of the "horseshoe" lands included within the RNWSC CCN Amendment created by CR 898, CR 1555, and CR 1545 (the "Horseshoe Dual Certification Area").

b. The following terms of service would apply to the Dual CCN Areas-

1. For the 1410 Dual Certification Area:

- a. RNWSC may continue to serve all existing connections in this area.
- b. RNWSC would not serve any new connections within this area unless prior approval of Bonham was received.
- c. Any existing customer of RNWSC may transfer to Bonham at any time elected by the customer. RNWSC would not be responsible for any costs associated with such transfer (including disconnection of service), and the customer must pay RNWSC in full for all service received prior to, and as a condition of, transfer of service.

2. For the Horseshoe Dual Certification Area:

- a. RNWSC will continue to serve all existing connections in this area.
- b. Either RNWSC or Bonham may serve new connections within this 200 foot area— it will be a choice of the customer. In the event RNWSC declines any request for new service, it will refer the applicant to Bonham and Bonham will make service available in accordance with its standard policies and procedures.
- c. Any existing customer of RNWSC in this area may transfer to Bonham at any time elected by the customer. RNWSC will not be responsible for any costs associated with such transfer (including disconnection of service), and the customer must pay RNWSC in full for all service received prior to, and as a condition of, transfer of service.

**1.5 Existing Customers.** Nothing in this Agreement shall be construed to prevent any party from continuing to provide service to any existing customer or service location. To the extent that any customer served by one party is located within lands to be certificated to the other party under the terms of this Agreement, the latter party specifically consents for all purposes to the provision of service by the former party to the existing customer or service location.

**1.6 Future Rights.**

- a. This Agreement shall in no manner impair or alter the rights of the parties with respect to any lands that are not addressed within this Agreement

## II.

### Withdrawal of Protests

2.1 **Withdrawal of Protest by RNWSC.** Within fifteen (15) business days after the date of execution of this Agreement by the parties (and after Bonham makes the request referenced in Section 1.2 above), RNWSC agrees to withdraw its party status and protest of the Bonham CCN Amendment. The letter(s) of withdrawal shall specifically provide that RNWSC does not object to the Bonham CCN Amendment, as amended to reflect the terms of this Agreement, and the provision of retail water service by Bonham within the lands included therein. A copy of the correspondence withdrawing the request will be sent to Mr. Anthony Corbett, legal counsel to RNWSC.

2.2 **Withdrawal of Protest by Bonham.** Within fifteen (15) business days after the date of execution of this Agreement by the parties (and after RNWSC makes the request referenced in Section 1.1 above), Bonham agrees to withdraw its request for hearing, objections and protest of the RNWSC CCN Amendment. The letter(s) of withdrawal shall specifically provide that Bonham does not object to the RNWSC CCN Amendment, as amended to reflect the terms of this Agreement, and the provision of retail water service by RNWSC within the lands included therein. A copy of the correspondence withdrawing the request will be sent to Mr. Art Rodriguez, legal counsel to Bonham.

## III.

### Miscellaneous

3.1 **Remedies upon Default.** It is not intended hereby to specify (and this Agreement shall not be considered as specifying) an exclusive remedy for any default, but all remedies existing at law or in equity may be availed of by any party and shall be cumulative.

3.2 **Cooperation.** The parties covenant and agree that they shall execute and deliver such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out the intent of this Agreement.

3.3 **No Oral Agreements; Modification.** There are no oral agreements between the parties hereto with respect to the subject matter hereof. This Agreement shall be subject to change or modification only with the mutual written consent of all parties hereto.

3.4 **Assignability.** This Agreement may be assigned by any party to any other entity upon prior written notice to the other parties.

3.5 **Counterparts.** This Agreement may be executed in as many counterparts as may be convenient or required. All counterparts shall collectively constitute a single instrument, and it shall not be necessary in making proof of this Agreement to produce or account for more than a single counterpart. The Parties may rely upon facsimile signatures the same as if they were originals.

3.6 **Governing Law.** The terms and provisions hereof shall be governed by and construed in accordance with the laws of the State of Texas and the United States of America from time to time in effect. Wood County, Texas shall be the proper place of venue for suit hereon.

3.7 **Authority of Parties Executing Agreement.** By their execution hereof each of the undersigned parties represents and warrants to the other party to this document that he or she has the authority to execute the document in the capacity shown on this document.

**IN WITNESS WHEREOF,** the Parties have executed this Agreement to be effective as of the date and year first written above.

RAVENNA-NUNNELEE  
CORPORATION

WATER

SUPPLY

By: 

Name: JIM HUGHES

Title: PRESIDENT

CITY OF BONHAM

By: 

Name: Roy V. Floyd

Title: Mayor



Jan. 20. 2009 2:17PM

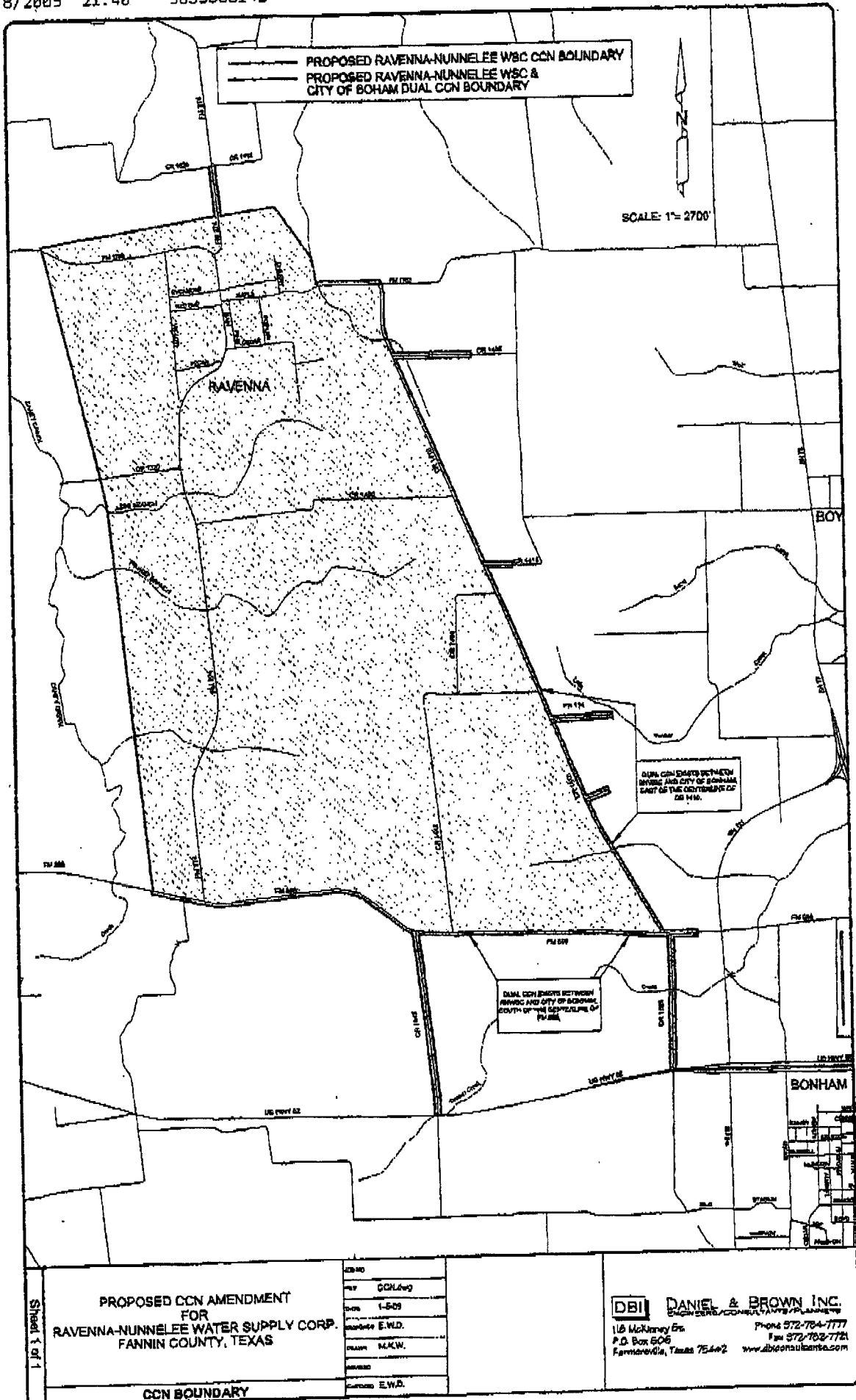
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SIMPSON BOOKKEEPING

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**Exhibit "A"**  
**Map Depicting RNWSC Service Territory**



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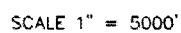
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SIMPSON BOOKKEEPING

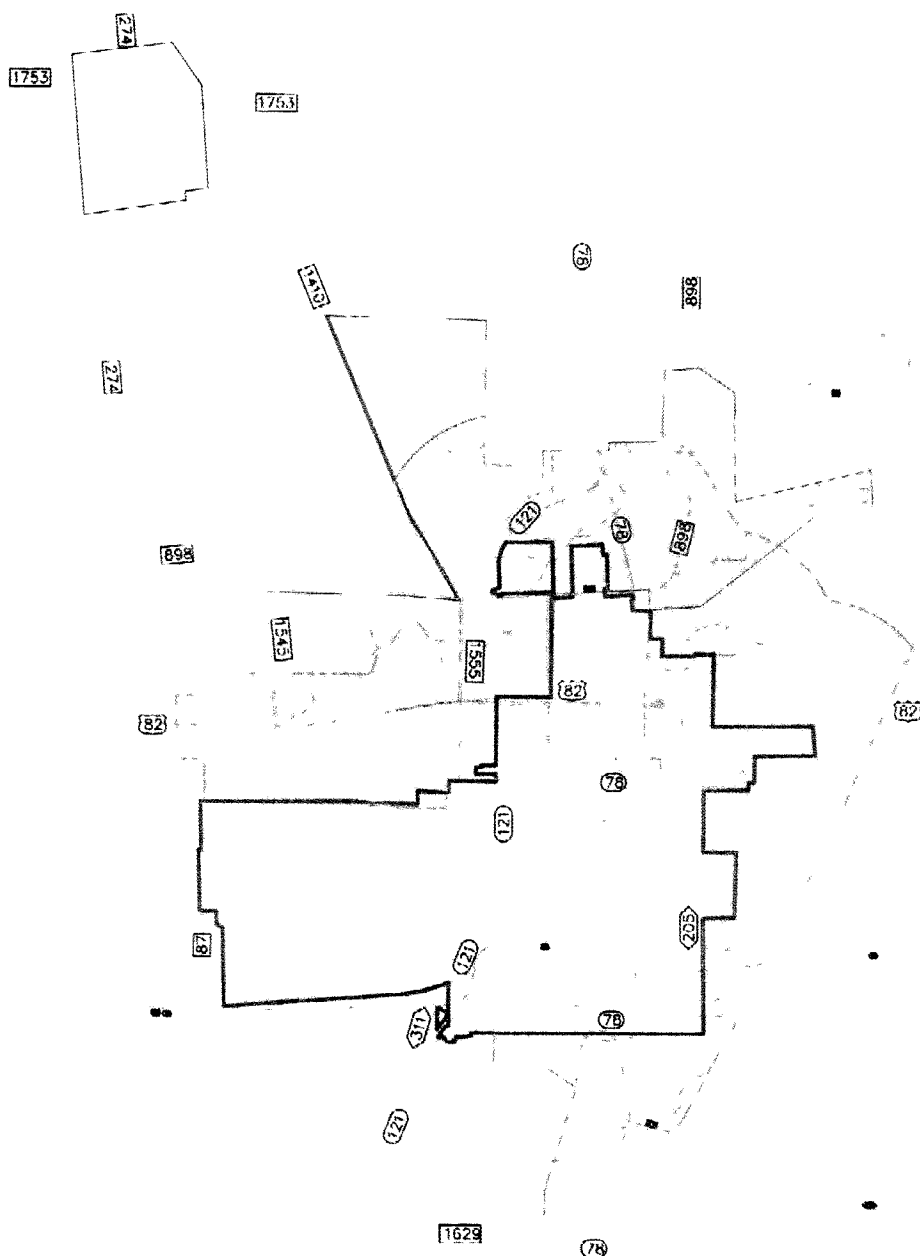
PAGE 10

**Exhibit "B"**  
**Map Depicting Bonham Service Territory**



### LEGEND

- 1410 DUAL CERTIFICATION
- PROPOSED DUAL CCN
- PROPOSED BONHAM  
WATER CCN
- BONHAM (ETJ)
- BONHAM CITY LIMITS
- RAVENNA CITY LIMITS



**EXHIBIT "B"**  
**BONIAM**  
**SERVICE TERRITORY**

SCALE 1" = 5000'

DATE: SEPTEMBER 17, 2008

FCD JOB# 10500

**SHEET EXHIBIT B**

FILE: 10500-Bonham Service Territory.dwg

CITY OF  
BONHAM