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RECEIVED

APPLICATION OF THE CITY OF
HASLET TO AMEND A WATER
CERTIFICATE OF CONVENIENCE
AND NECESSITY AND DECERTIFY
A PORTION OF THE CITY OF FORT
WORTH'S SERVICE AREA IN
TARRANT COUNTY

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PUBLIC UTILITY COMMISSION

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PUBLIC UTILITY COMMISSION
OF TEXAS FILING CLERK

**ORDER NO. 7
REQUIRING RESPONSE**

The Application. The City of Haslet seeks changes to its water certificate of convenience and necessity (CCN) to serve a proposed 168-acre residential development in its extra-territorial jurisdiction. Haslet operates approved public water system number 2200052 and serves approximately 700 connections.¹ Haslet purchases partially treated water from the City of Fort Worth.² Haslet and Fort Worth are in agreement on the proposed CCN boundary change. The agreement contemplates that a public improvement district will be created to cover the new development and that funding for much of the infrastructure to extend service will come from revenue bonds backed by assessments or impact fees collected from the sale of individual lots.³ The agreement contemplates water related improvements will cost \$5,818,198. This amount appears to include funds for excavation, an elevated storage tank (including a pump station), and distribution lines.⁴

The application was declared administratively complete on January 30, 2017, notice was completed by March 4, 2017, and on June 15, 2017, Haslet filed a consent form concurring with the map and certificate prepared by Commission Staff. No protests or comments have been filed.

Processing. After a period of extensions and abatement, Commission Staff explained that Haslet lacks the necessary water system permits from the Texas Commission on Environmental Quality (TCEQ) for the application to be approved. On January 12, 2018, Commission Staff reported that Haslet had not started the process of obtaining permits from the TCEQ and presented

¹ Application at 6 (Jan 3, 2017).

² *Id.* at 7.

³ Amendment to the application, Le Tara Development Agreement, at 3 (June 28, 2017) (Agreement).

⁴ *Id.* at Exhibit G.

a motion to dismiss the application for failure to prosecute. Commission Staff indicated that it is not able to submit a final recommendation until Haslet meets the requirement in 16 TAC § 24.102(a)(1)(A). The provision reads as follows:

§24.102. Criteria for Granting or Amending a Certificate of Convenience and Necessity.

- (a) In determining whether to grant or amend a certificate of convenience and necessity (CCN), the commission shall ensure that the applicant possesses the financial, managerial, and technical capability to provide continuous and adequate service.
 - (1) For retail water utility service, the commission shall ensure that the applicant has:
 - (A) a TCEQ-approved public water system that is capable of providing drinking water that meets the requirements of Texas Health and Safety Code, chapter 341, TCEQ rules, and the TWC; . . .

Response Required. As noted above, Haslet currently operates an approved public water system (PWS) and it appears that the only improvements contemplated for the proposed development are a storage tank and distribution. Commission Staff is directed to confirm that Haslet's existing PWS does not have the capacity to serve the proposed development and that a separate PWS is required. If Haslet's existing PWS does have the capacity to serve the proposed development, Commission Staff is directed to confirm that the infrastructure improvements identified in Exhibit G of the development agreement are the type of improvements that require a TCEQ permit prior to approval of the instant application. Commission Staff shall respond on or before, April 3, 2018.

Signed at Austin, Texas the 16th day of March 2018.

PUBLIC UTILITY COMMISSION OF TEXAS



**IRENE MONTELONGO
DIRECTOR, DOCKET MANAGEMENT**