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PUBLIC UTILITY COMMISSION
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May 29, 2018

Via Hand Delivery

Public Utility Commission of Texas
Central Records Division
1701 N. Congress Avenue, Room 8-100
Austin, Texas 78701

Re: Application of the City of Justin for Approval of a Service Area Agreement Under Texas Water Code §13.248 and to Amend Certificates of Convenience and Necessity in Denton County

To the Public Utility Commission of Texas:

On behalf of the City of Justin ("Justin"), please accept this application under Texas Water Code §13.248 and 16 Tex. Admin. Code §24.117 for approval of a service area agreement and to transfer a portion of Aqua Texas, Inc.'s, ("Aqua's") CCN No. 13201 in Denton County, Texas to Justin's CCN No. 10167. Justin and Aqua have both agreed to the transfer. The affidavit of Cori Reaume supporting the application is attached as Exhibit A. A copy of the agreement is attached as Exhibit B. The agreement was presented to and approved by Justin's City Council. The agenda and minutes from Justin's January 29, 2018, City Council meeting in which the agreement was approved is attached as Exhibit C.

The amount of territory is approximately 61.8 acres, and there are no existing customers in the tract. Small and large-scale maps of the area to be transferred are attached as Exhibit D, and a CD is also attached containing the digital data. Justin consulted with Aqua regarding these maps.

Please let me know if you need any additional information to allow the Commission to incorporate this agreement into the respective CCNs of Justin and Aqua.

Sincerely,


Joe Freeland

Attorney for City of Justin

cc: Cori Reaume, Justin City Manager
Geoffrey Kirshbaum, Attorney for Aqua Texas, Inc.

Exhibit A

Affidavit of Cori Reaume

STATE OF TEXAS
COUNTY OF DENTON

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§

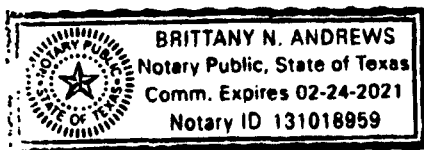
AFFIDAVIT OF CORI REAUME

BEFORE ME, the undersigned authority, personally appeared Cori Reaume, known to me to be the person who subscribed her name below, who, being by me first duly sworn did depose on her oath as follows:

1. "I am over 18 years of age, have not been convicted of a crime, and I am of sound mind.
2. The City of Justin, Texas ("City") employs me as City Manager. I am capable of making this Affidavit, and personally acquainted with the facts herein stated.
3. The City considered and approved an agreement between the City and Aqua Texas, Inc., ("Aqua") whereby certain water certificate of convenience and necessity ("CCN") service territory of Aqua's would be transferred to the City.
4. A true and correct copy of the City's City Council meeting agenda and minutes for the regular meeting on January 29, 2018, are attached hereto. Notice for this meeting complied with the Texas Open Meetings Act. At this meeting, the City Council discussed and approved the agreement with Aqua.
5. There are no customers being transferred pursuant to the agreement referenced above.
6. Further affiant sayeth not."

Cori Reaume
Cori Reaume

Subscribed to and sworn to before me, the undersigned authority on this the 25th day of May, 2018.



Brittany Andrews
Notary Public in and for
the State of Texas

Exhibit B

**TWC §13.248 Agreement between
Justin and Aqua Texas, Inc.**

SERVICE AREA AGREEMENT

This Service Area Agreement (the "Agreement") is by and between the City of Justin, Texas, ("Justin" or "City") and Aqua Texas, Inc. d/b/a Aqua Texas ("Aqua") (all the above are also sometimes referred to herein collectively as the "Parties" or individually as a "Party").

RECITALS

WHEREAS, the City of Justin is a municipal corporation in Denton County, Texas, owning a retail public water utility operating under water CCN No. 10167 in Denton County; and

WHEREAS, Aqua Texas, Inc., is an investor-owned, retail public water utility operating under water CCN No. 13201 in Denton County; and

WHEREAS, B&M Properties, Joint Venture ("B&M Properties"), owns an approximately 61 acre-tract in Denton County located at the intersection of John Wiley Road and FM 156, inside Aqua's CCN but immediately adjacent to Justin's CCN and corporate boundaries, as shown as the "Requested Water CCN Transfer Area" on Exhibit A; and,

WHEREAS, B&M Properties has requested retail water utility service from Justin; and,

WHEREAS, Aqua consents, pursuant to the terms of this Agreement, to allowing Justin to provide retail water utility service to the Requested Water CCN Transfer Area; and,

WHEREAS, pursuant to Texas Water Code §13.248, contracts between retail public utilities designating areas to be served, when approved by the Public Utility Commission ("PUC"), are valid and enforceable and are incorporated into the appropriate CCNs; and,

WHEREAS, Justin and Aqua mutually desire to enter into this Agreement setting forth the terms and conditions pursuant to which they will designate areas to be served and to request the PUC to incorporate such designations into the CCNs held by Justin and Aqua;

NOW, THEREFORE, in consideration of the promises, mutual agreements, and covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Justin and Aqua hereby contract and agree as follows:

ARTICLE I **TERMS**

1.1 Term. This Agreement shall remain valid and enforceable until superceded by subsequent written agreement.

1.2 Property Subject to the Agreement. The property subject to this Agreement is the property identified as "Requested Water CCN Transfer Area" as shown on Exhibit A.

1.3 Transfer of Water Utility Service Area. Aqua consents and agrees to the transfer of CCN service territory that includes the Requested Water CCN Transfer Area to Justin provided the following conditions are satisfied:

- A. Justin agrees to pay Aqua \$5,000.00 contemporaneously with the execution of this Agreement as payment toward Aqua's legal expenses incurred in response to Justin's and B&M Properties' request for Aqua to enter this Agreement, including participation in its development and the PUC approval process for same.
- B. Within 30 days of execution of this Agreement, Justin shall prepare, file, and diligently prosecute, at Justin's expense, an application pursuant to Texas Water Code §13.248 with the PUC to have the Requested Water CCN Transfer Area transferred from CCN No. 13201 to CCN No. 10167. Aqua shall support the 13.248 Application and will not object or otherwise attempt to defeat Justin's 13.248 Application to include the Requested Water CCN Transfer Area in Justin's water CCN.
- C. If the PUC denies the 13.248 Application for any reason, Justin and Aqua shall work in good faith to implement a reasonable alternative administrative approach providing Justin with the necessary authority to serve the Requested Water CCN Transfer Area.

1.4 Retail Service. Aqua hereby consents to Justin providing retail water service to the Requested Water CCN Transfer Area during the pendency of the 13.248 Application.

1.5 Additional Consideration. Justin additionally agrees to consider allowing Aqua to obtain water from the Upper Trinity Regional Water District ("UTRWD") through the Justin water system. Aqua expressly recognizes that a final agreement will require: (1) both Parties agreeing to comprehensive terms for such an agreement, which might include the additional division of service area in Justin's extraterritorial jurisdiction; (2) technical feasibility; and (3) approval by UTRWD. Both parties shall negotiate in good faith to determine whether such arrangement may be finalized, but the Parties' exchange of compensation in this Agreement shall not be contingent on such finalization.

ARTICLE II **MISCELLANEOUS**

2.1 No agreements other than this Agreement now exist between Justin and Aqua concerning the subject matter of this Agreement.

2.3 This Agreement shall be binding on Justin and Aqua, and shall be binding on and inure to the benefit of the successors and assigns of the respective Parties to this Agreement.

2.4 This Agreement is the entire agreement between the Parties hereto with respect to the subject matter hereof. No modifications of this Agreement shall be of any force or effect, whatsoever, except as by subsequent modification in writing signed by the Parties.

2.5 The provisions of this Agreement shall be governed by and construed and entered in accordance with the substantive laws of the State of Texas. Any action at law or in equity brought to enforce any provision of this Agreement shall be brought in a court of competent jurisdiction with venue in Denton County, Texas.

2.6 The individuals executing this Agreement on behalf of the respective parties below represent that all necessary and appropriate action has been taken to authorize the individual who is executing this Agreement to do so for and on behalf of the party for which his or her signature appears, that there are no other parties or entities required to execute this Agreement in order for the same to be an authorized and binding agreement on the party for whom the individual is signing, and that each individual affixing his or her signature is authorized to do so, and such authorization is valid and effective on the date hereof. If the authority of the individual executing this Agreement is subsequently challenged, the party for which the individual was acting shall take all steps necessary to ratify the authority of the individual.

2.7 This Agreement may be executed in multiple originals, either copy of which shall be considered an original.

2.8 This Agreement shall be effective on the date of execution below.

2.9 No Party will be penalized for alleged authorship of a particular provision on judicial construction of this Agreement.

2.10 No Party to this Agreement shall initiate any litigation or arbitration challenging the validity or enforceability of any provision of this Agreement once it has been signed. The Parties reserve only their right to enforce the terms of this Agreement to the extent they are not fully performed by any other Party.

EXECUTED AND AGREED TO by the Parties hereto this ____ day of April, 2018.

AQUA TEXAS, INC. D/B/A AQUA TEXAS

CITY OF JUSTIN, TEXAS

By: 

By: 

Printed Name: Robert L. Laughman

Printed Name: DAVID A. WILSON

Title: President

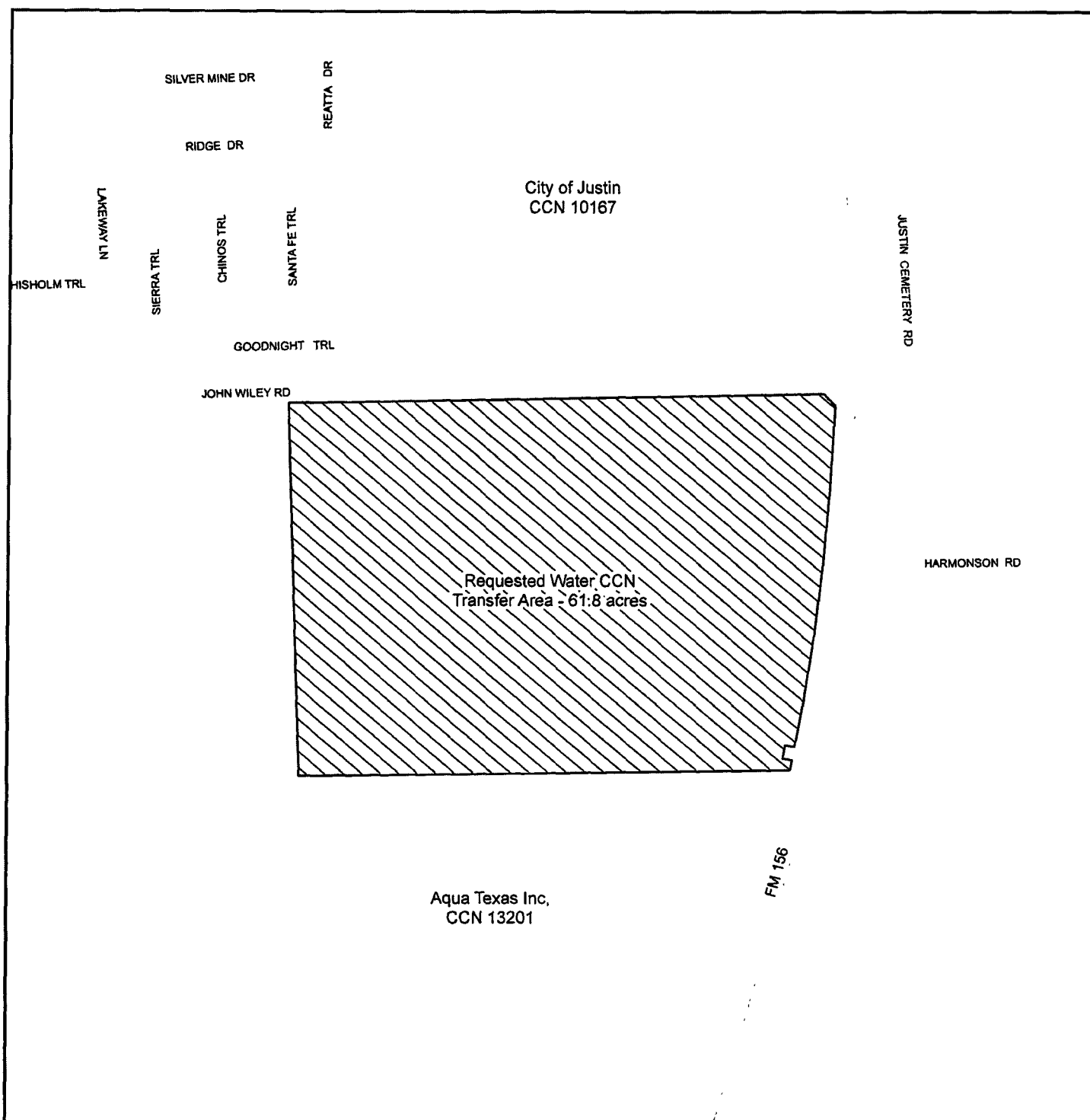
Title: MAYOR

Date: 5/22/18

Date: 4/12/18

Exhibit A

Proposed Transfer Area



Detailed Map with CCNs

Aqua Texas, Inc. / City of Justin 13.248 Agreement
to Transfer a Portion of Aqua Texas, Inc., CCN No. 13201 to City of Justin, CCN No. 10167
in Denton County



Requested Water CCN Transfer Area - 61.8 acres

Water CCN 10167 - City of Justin

Water CCN 13201 - Aqua Texas, Inc.

0 250 500
Feet

Aqua - Justin
Service Area Agreement



Map by: S. Burt, ASBG
Date: January 23, 2018
Base: TxDOT 2015 Roadways
Project: Detail Map with CCNs

Exhibit C

**City of Justin City Council Meeting
January 29, 2018
Agenda and Minutes**

John Mounce, Councilmember
Charlotte Moore, Councilmember
Lynn Crites, Councilmember



Alan Woodall, Councilmember
Teri Addington, Councilmember

David Wilson, Mayor

MINUTES

**State of Texas
County of Denton
City of Justin**

Justin City Council Meeting – January 29, 2018

The Justin City Council Meeting convened into a Workshop Session being open to the public the 29th day of January, 2018 at 5:00 pm in the Council Chambers of Justin Municipal Complex, and notice of said meeting giving the time, place, date and subject there of having been posted as prescribed by Article 5 of the Texas Government Code, with the following members present and in attendance to wit:

WORKSHOP SESSION

1. Discuss update to Capital Improvement Plan for the City of Justin.

City Planner, Chris Cha discussed with Mayor and Council his proposed updates to the CIP plan.

2. Discuss timeline and plan for water system improvements utilizing SWIFT funding.

City Planner, Chris Cha discussed the SWIFT funding timeline and plan for the beginning phases for the Water System Improvements.

3. Discuss service area agreement between the City of Justin and Aqua Texas, Inc. regarding service of water to an approximately 61 acre-tract of land located at the southwest corner of the intersection of John Wiley Road and FM 156.

City Manager, Cori Reaume opened the item up for discussion and informed Mayor and Council of the updated status of the negotiations with Aqua Texas.

4. Discuss Resolution 522-18 approving a Multiple Use Agreement between the City of Justin and the State of Texas Department of Transportation for the construction of a public parking area.

Pacheco Koch is working with the city on Green Ribbon funding to help cover some of the cost for the landscaping.

5. Discuss Resolution 521-18, establishing a Keep Justin Beautiful Advisory Board and establishing bylaws for said Board.

Changes were made based on Council suggestions at the previous meeting and will be ready for action if they chose to do so.

6. Discuss Records Management Officer Ordinance 636-18.

City Secretary, Brittany Andrews informed Mayor and Council of Ord. 636-18 and the recommended changes.

7. Discuss appointment(s) to the Justin Economic Development Corporation type A Board.
Discussion only
8. Discuss Community Development Corporation and Economic Development Corporation projects.
Discussion only, handouts were given
9. Discuss Gym Rental Fees.

City Secretary, Brittany Andrews stated that a fitness group had approached her asking that we possibly work out a more favorable fee, they believed the original fee set was too high to accommodate their time and use of the gym.

POSSIBLE EXECUTIVE SESSION

Convene into executive session at 6:00 PM
Re-Convene at 6:50 PM

ZONING BOARD OF ADJUSTMNT HEARING AT 6:45 PM (Separate Agenda)

Convene into the ZBA hearing at 6:58PM

CONVENE INTO REGULAR SESSION- 7:00PM or Immediately Following Zoning Board of Adjustment Hearing Which May Be Prior to 7:00PM

Invocation and Pledge of Allegiance at 7:21 PM
American Flag

Texas Flag: *"Honor the Texas Flag; I pledge allegiance to thee, Texas, one state under God, one and indivisible"*

I. PUBLIC COMMENT

In order to expedite the flow of business and to provide all the citizens the opportunity to speak, the Mayor may impose a three-minute limitation on any person addressing the Council, however, the Texas Open Meetings Act prohibits the City Council from discussing issues which the public has not been given seventy-two (72) hour notice. Issues raised may be referred to City Staff for research and/or placed on a future agenda for possible future action.

No Public Comment

II. PUBLIC HEARING

10. PUBLIC HEARING (7:00 P.M.): Public hearing to consider an Ordinance 635-18 proposed assessments to be levied against the assessable property within the

Timberbrook Public Improvement District No. 1 pursuant to the provisions of Chapter 372, as amended, of the Texas Local Government Code.

- a. Open Public Hearing at 7:21PM
- b. Receive public comments, both for and against

Julia Guiderian- 1040 Scenic Dr. stated a public hearing is to receive input on what the hearing is in regards to, however this one does not, so why the hearing? City Attorney, Matthew Boyle responded that it is required by City Council, by law to hold these public hearings.

- c. Close Public Hearing at 7:26 PM

Councilman Crites continued the Public Hearing to February 26, 2018 at 7:00 PM.
Seconded by: Councilman Mounce

III. PROCLAMATION

Mayor Wilson to read and present a Proclamation recognizing Mary Emma Tate as a cofounder of the Justin Community Library

Mayor Wilson read the Proclamation, and presented an award to Mary Emma Tate.

IV. ACTION ITEMS

11. Discuss, consider, and act on appointment(s) to the Justin Economic Development Corporation, Type A Board.

Councilman Mounce made the motion to appoint Teri Addington to the EDC type A Board.

Seconded by: Councilman Crites
Aye votes: Councilmembers Crites, Woodall, and Mounce
Motion Carries

12. Discuss, consider, and act on service area agreement between the City of Justin and Aqua Texas, Inc. regarding service of water to an approximately 61 acre-tract of land located at the southwest corner of the intersection of John Wiley Road and FM 156.

Councilman Crites made the motion to approve the service area agreement between the City of Justin and Aqua Texas, Inc. regarding service of water to an approximately 61 acre-tract of land located at the southwest corner of the intersection of John Wiley Road and FM 156.

Seconded by: Councilman Mounce
Aye votes: Councilmembers Crites, Woodall, and Mounce
Motion Carries

13. Discuss, consider, and act on Resolution 522-18 approving a Multiple Use Agreement between the City of Justin and the State of Texas Department of Transportation for the construction of a public parking area.

Councilman Woodall made the motion to approve Resolution 522-18

Seconded by: Councilman Crites
Aye votes: Councilmembers Crites, Woodall, and Mounce
Motion Carries

14. Discuss, consider, and act on Resolution 521-18, establishing a Keep Justin Beautiful Advisory Board and establishing bylaws for said Board.

Councilman Woodall made the motion to approve Resolution 521-18.

Seconded by: Councilman Crites
Aye votes: Councilmembers Crites, Woodall, and Mounce
Motion Carries

15. Discuss, consider, and act on Records Management Officer Ordinance 636-18.

Councilman Mounce made the motion to approve Ordinance 636-18

Seconded by: Councilman Crites
Aye votes: Councilmembers Crites, Woodall, and Mounce
Motion Carries

16. Discuss, consider and act on Ordinance 637-18 calling for a General Election and Special Election to be held on May 5, 2018 for the purpose of electing three council members to two-year terms and one council member to an unexpired term for the remaining one year, authorizing notice of the election, authorizing a joint election with other Denton County political subdivisions, and authorizing the City Manager to enter into an agreement with Denton County for the election.

Councilman Woodall made the motion to approve Ordinance 637-18 calling for a General Election and Special Election to be held on May 5, 2018 for the purpose of electing three council members to two-year terms and one council member to an unexpired term for the remaining one year, authorizing notice of the election, authorizing a joint election with other Denton County political subdivisions, and authorizing the City Manager to enter into an agreement with Denton County for the election.

Seconded by: Councilman Woodall
Aye votes: Councilmembers Crites, Woodall, and Mounce
Motion Carries

17. Discuss, consider and act on an amendment to the City of Justin Fee Schedule Resolution regarding gym rental fees.

Councilman Crites made the motion to amend the Gym rental fees for Justin Residents to \$20 hour for the first hour and \$10 an hour thereafter.

Seconded by: Councilman Woodall
Aye votes: Councilmembers Crites, Woodall, and Mounce
Motion Carries

V. CONSENT ITEMS

18. Consider approval of City Council minutes dated January 15, 2018.

Councilman Woodall made the motion to approve City Council minutes dated January 15, 2018.

Seconded by: Councilman Crites

Aye votes: Councilmembers Crites, Woodall, and Mounce

Motion Carries

VI. STAFF UPDATES

- **Library**
- **Court**
- **Monthly Financials**

VII. EXECUTIVE SESSION

Any item on this posted agenda could be discussed in Executive Session as long as it is within one of the permitted categories under sections 551.071 through 551.076 and Section 551.087 of the Texas Government Code.

As authorized by Section 551.074 of the Texas Government Code, this meeting may be convened into closed executive session for the purpose of item(s) listed herein:

- To deliberate the appointment, employment evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee;
 - ❖ City Council Vacancy
- As authorized by Section 551.071 of the Texas Government Code, the City Council may adjourn into closed executive session to seek confidential legal advice from the City Attorney.
 - ❖ City of Justin v. Town of Northlake

Adjourn into open meeting

19. Discuss, consider, and act on items discussed in Executive Session.

Councilman Crites made the motion to appoint Brad Rieger into the vacant Council Seat

Seconded by: Councilman Mounce

Aye votes: Councilmembers Crites, Woodall, and Mounce

Motion Carries

VIII. ADJOURN

Councilman Woodall Made the motion to adjourn at 7:52 PM

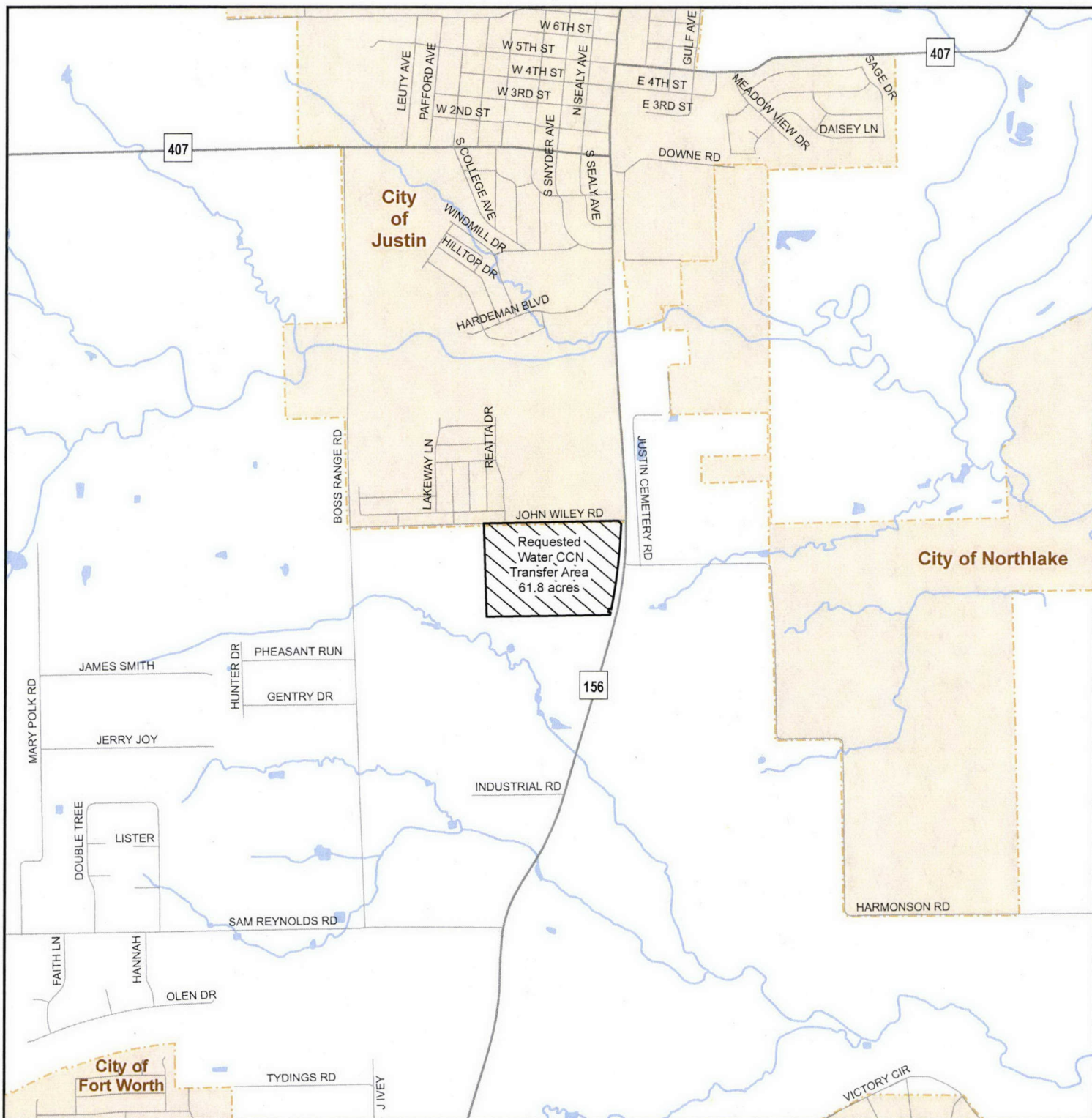
Brittany Andrews
Brittany Andrews, City Secretary

Seal:



Exhibit D

Small and Large Scale Maps



General Location

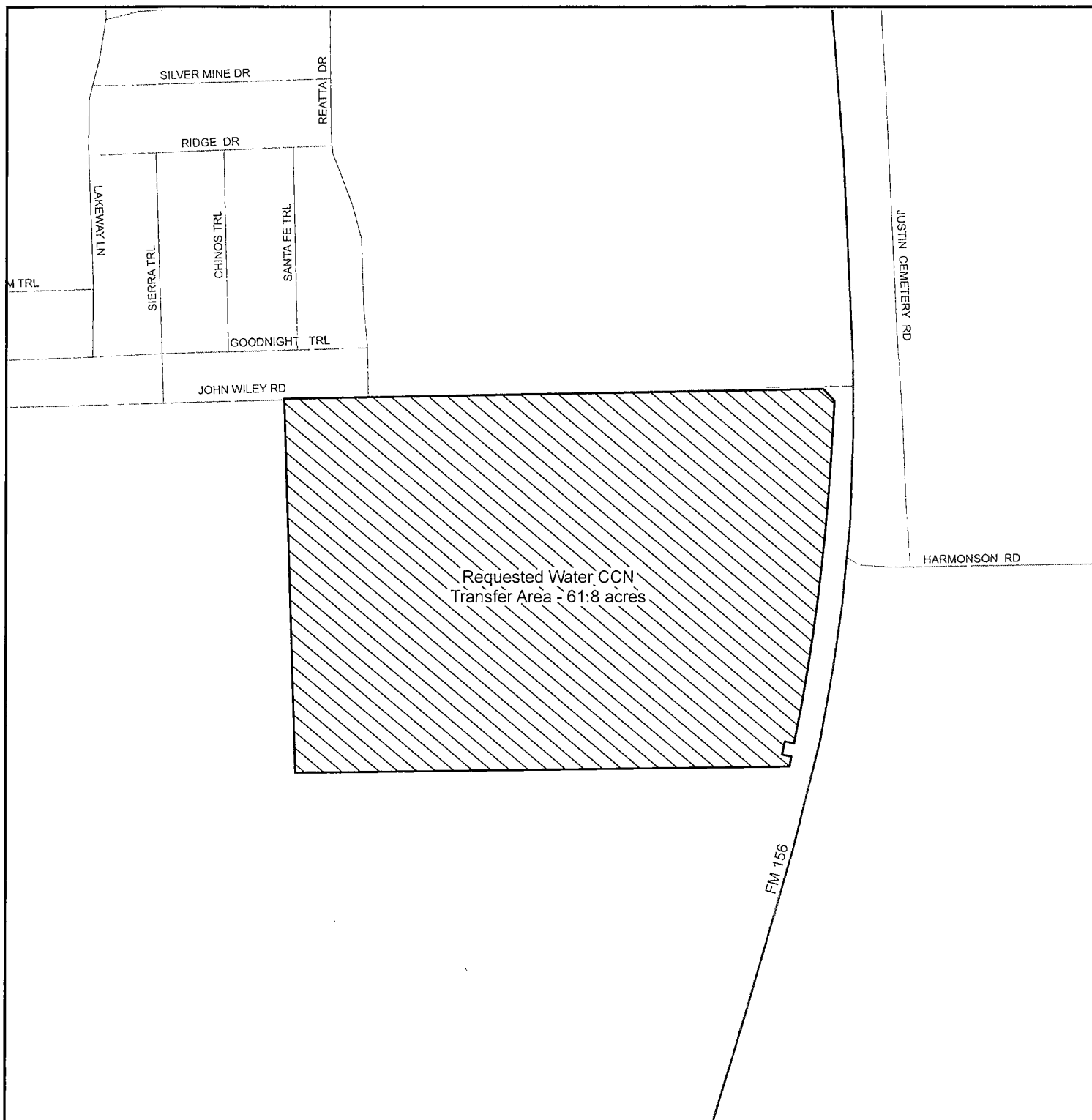
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to Transfer a Portion of Aqua Texas, Inc., CCN No. 13201 to City of Justin, CCN No. 10167
in Denton County

 Requested Water CCN Transfer Area - 61.8 acres
 Cities

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Feet



Map by: S. Burt, ASBGI
Date: January 23, 2018
Base: TxDOT 2015 Roadways
Project: General Location



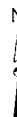
Detailed Map

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0 250 500
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