



Control Number: 50927



Item Number: 25

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**DOCKET NO. 50927**

**PETITION OF THE CITY OF  
MESQUITE AND TALTY SPECIAL  
UTILITY DISTRICT FOR APPROVAL  
OF A SERVICE AREA CONTRACT  
UNDER TEXAS WATER CODE  
§ 13.248 AND TO AMEND  
CERTIFICATES OF CONVENIENCE  
AND NECESSITY IN KAUFMAN  
COUNTY**

**PUBLIC UTILITY COMMISSION  
OF TEXAS**

FILED  
MAY 19 PM 12:42  
PUBLIC UTILITY COMMISSION

**NOTICE OF APPROVAL**

This Notice of Approval addresses the petition of the City of Mesquite and Talty Special Utility District for approval of a service-area contract under Texas Water Code (TWC) § 13.248 and to amend water certificates of convenience and necessity (CCNs) in Kaufman County. The petition seeks to transfer a 131-acre tract of land from the water service area of Talty's CCN number 10850 to the water service area of Mesquite's CCN number 10060, 23 customers, and approximately 6,180 feet of six-inch water line held by Talty to Mesquite. The Commission approves the service-area contract and amends water CCN numbers 10850 and 10060 accordingly.

**I. Findings of Fact**

The Commission makes the following findings of fact.

**Petitioners**

1. Mesquite is a municipality that operates, maintains, and controls facilities for providing water service in Dallas and Kaufman counties under water CCN number 10060.
2. Talty is a special utility district formed under chapter 65 of the TWC.
3. Talty operates, maintains, and controls facilities for providing water service in Kaufman county under water CCN number 10850.

**Petition**

4. On February 3, 2020, Mesquite and Talty entered into an Agreement Designating Retail Water Service Territory and Transferring Facilities and Customers (the service-area contract) whereby they agreed to the transfer of 131 acres of the service area, 23 customers,

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and approximately 6,180 feet of six-inch water lines held by Talty under water CCN number 10850 to Mesquite's water CCN number 10060.

5. On June 15, 2020, Mesquite and Talty filed the petition at issue in this proceeding for approval of the service-area contract and to amend their water CCNs to transfer the 131 acres of water service area, 23 customers, and approximately 6,180 feet of six-inch water lines held by Talty under water CCN number 10850 to Mesquite's water CCN number 10060.
6. The petition included a copy of service-area contract executed by Mesquite and Talty.
7. The 131 acres, customer connections, and the water lines are currently within Talty's certificated water service area in Kaufman County.
8. In Order No. 5 filed on February 17, 2021, the administrative law judge (ALJ) found the petition administratively complete.

#### **Notice**

9. On October 21, 2019, Mesquite's city council considered and approved the service-area contract.
10. On August 19, 2019 and January 27, 2020, Talty's board of directors considered and approved the service-area contract.
11. The applicants provided copies of the agendas and minutes from the relevant city council and board of directors meetings at which the service-area contract was considered and approved.
12. On December 21, 2020, Mesquite filed the affidavit of Berman Mark Kerby, special projects manager for Mesquite, attesting that notice was provided, on December 18, 2020, to Talty's customers within the area being transferred.
13. In Order No. 5 filed on February 17, 2021, the ALJ found the notice sufficient.

#### **Map and Certificates**

14. On March 26, 2021, Commission Staff emailed the proposed map and certificates to Mesquite and Talty.
15. On March 30, 2021, Mesquite filed its consent to the proposed water CCN map and certificates.

16. On April 1, 2021, Talty filed its consent to the proposed water CCN map and certificates.
17. On April 23, 2021, Commission Staff filed a recommendation on final disposition that included the proposed map and certificates as attachments.
18. On May 7, 2021, Commission Staff filed a clarification to its recommendation on final disposition.

**Evidentiary Record**

19. On May 7, 2021, the parties filed a joint proposed notice of approval and motion to admit evidence.
20. In Order No. 7 filed on May 13, 2021, the ALJ admitted the following evidence into the record of this proceeding: (a) Mesquite and Talty's petition and all attachments filed on June 15, 2020; (b) affidavit regarding proof of notice and all attachments filed on December 21, 2020; (c) Commission Staff's second supplemental recommendation on administrative completeness, notice, and proposed procedural schedule filed on February 12, 2021; (d) Mesquite's signed consent form filed on March 30, 2021; (e) Talty's signed consent form filed on April 1, 2021; and (f) Commission Staff's final recommendation and supporting documentation filed on April 23, 2021.
21. On May 14, 2021, Mesquite filed a motion to admit additional evidence.
22. In Order No. 9 filed on May 17, 2021, the ALJ admitted the August 19, 2019 regular board meeting agenda for the Talty Special Utility District into the record of this proceeding.

**Informal Disposition**

23. More than 15 days have passed since the completion of the notice provided in this docket.
24. No person filed a protest or motion to intervene.
25. Mesquite, Talty, and Commission Staff are the only parties to this proceeding.
26. No party requested a hearing and no hearing is needed.
27. Commission Staff recommended approval of the petition.
28. 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 the petition under TWC §§ 13.041 and 13.248.
2. Mesquite and Talty are retail public utilities as defined in TWC § 13.002(19) and 16 Texas Administrative Code (TAC) § 24.3(31).
3. Under TWC § 13.248, contracts between retail public utilities designating areas to be served by those retail public utilities, when approved by the Commission, are valid and enforceable and incorporated into the affected CCN's.
4. The petition meets the requirements of 16 TAC § 24.253.
5. Notice of the petition complies with TWC § 13.248 and 16 TAC § 24.253(c).
6. The Commission processed the petition in accordance with the requirements of the Administrative Procedure Act,<sup>1</sup> the TWC, and Commission rules.
7. Mesquite and Talty are each required to record a certified copy of the approved map for the certificate amendment, along with a boundary description of their respective service areas, in the real property records of Kaufman County within 31 days of receiving this Notice of Approval and submit to the Commission evidence of the recording as required by TWC § 13.257(r) and (s).
8. The requirements for informal disposition under 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 approves the service-area contract to the extent provided in this Notice of Approval.
2. The Commission amends Mesquite's CCN number 10060, as described in this Notice of Approval and as shown on the map attached to this Notice of Approval.

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<sup>1</sup> Tex. Gov't Code §§ 2001.001–.903.

3. The Commission amends Talty's CCN number 10850, as described in this Notice of Approval and as shown on the map attached to this Notice of Approval.
4. The Commission approves the map attached to this Notice of Approval.
5. The Commission grants the certificates attached to this Notice of Approval.
6. Mesquite must provide service to every customer and applicant for water service within the approved area under CCN number 10060 that requests water service and meets the terms of Mesquite's water service, and such service must be continuous and adequate.
7. Talty must provide service to every customer and applicant for water service within the approved area under CCN number 10850 that requests water service and meets the terms of Talty's water service, and such service must be continuous and adequate.
8. Mesquite and Talty must each comply with the recording requirements in TWC §§ 13.257(r) and (s) for the areas in Kaufman County affected by the petition and submit to the Commission evidence of the recording no later than 45 days after receipt of this Notice of Approval.
9. The Commission denies all other motions and any other requests for general or specific relief, if not expressly granted.

**Signed at Austin, Texas the 19th day of May 2021.**

PUBLIC UTILITY COMMISSION OF TEXAS

  
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HUNTER BURKHALTER  
CHIEF ADMINISTRATIVE LAW JUDGE



City of Mesquite  
Portion of Water CCN No. 10060  
PUC Docket No. 50927  
13.248 Agreement Amended CCN No. 10060 and  
Decertified a Portion of Talty SUD, CCN No. 10850 in Kaufman County



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

**Water CCN**

- 10060 - City of Mesquite
- 10850 - Talty SUD
- 13087 - Kaufman Co MUD 12
- 13226 - Kaufman Co MUD 11
- 13229 - Kaufman Co MUD 14

0 300 600  
Feet



Map by: Komal Patel  
Date created: March 22, 2021  
Project Name: 50927CityofMesquite.mxd



# **Public Utility Commission of Texas**

**By These Presents Be It Known To All That**

## **City of Mesquite**

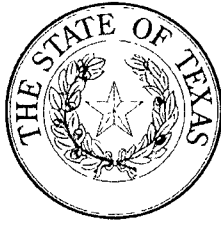
having obtained certification to provide water utility service for the convenience and necessity of the public, and it having been determined by this Commission that the public convenience and necessity would in fact be advanced by the provision of such service, the City of Mesquite is entitled to this

### **Certificate of Convenience and Necessity No. 10060**

to provide continuous and adequate water utility service to that service area or those service areas in Dallas and Kaufman Counties as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 50927 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 Mesquite 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.

Issued at Austin, Texas, this 19<sup>th</sup> day of May 2021.





# **Public Utility Commission of Texas**

**By These Presents Be It Known To All That**

## **Talty Special Utility District**

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, Talty Special Utility District is entitled to this

### **Certificate of Convenience and Necessity No. 10850**

to provide continuous and adequate water utility service to that service area or those service areas in Kaufman County as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Project No. 50927 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 Talty Special Utility District 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.

Issued at Austin, Texas, this 19<sup>th</sup> day of May 2021.