



Control Number: 51124



Item Number: 10

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**PETITION OF THE CITY OF PHARR
AND THE CITY OF SAN JUAN FOR
APPROVAL OF SERVICE AREA
CONTRACT UNDER THE TEXAS
WATER CODE § 13.248 AND TO
AMEND CERTIFICATES OF
CONVENIENCE AND NECESSITY IN
HIDALGO COUNTY**

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**PUBLIC UTILITY COMMISSION
OF TEXAS**

**COMMISSION STAFF'S SECOND SUPPLEMENTAL RECOMMENDATION ON
ADMINISTRATIVE COMPLETENESS AND SUFFICIENCY OF NOTICE**

COMES NOW the Staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest, and files this Second Supplemental Recommendation on Administrative Completeness and Sufficiency of Notice. Staff recommends that the petition be deemed administratively complete and notice be deemed sufficient. In support thereof, Staff shows the following:

I. BACKGROUND

On July 29, 2020, the City of Pharr (Pharr) and the City of San Juan (San Juan) (collectively, Petitioners) filed a petition for approval of a service area contract under Texas Water Code § 13.248 and 16 Texas Administrative Code (TAC) § 24.253 to amend their sewer certificates of convenience and necessity (CCN) in Hidalgo County. Specifically, the Petitioners seek to dually certificate an area to both San Juan's CCN number 20643 and Pharr's sewer CCN number 20791.

On October 15, 2020, the administrative law judge (ALJ) issued Order No. 3, requiring Staff to file comments on the administrative completeness of the petition and sufficiency of notice by November 13, 2020. Therefore, this pleading is timely filed.

II. ADMINISTRATIVE COMPLETENESS

Staff has reviewed the petition and supplements filed by the Petitioners and, as detailed in the attached memorandum from Alicia Maloy, Infrastructure Division, recommends that it be found administratively complete.

III. NOTICE

Notice in this matter is governed by 16 TAC § 24.253(c). Pursuant to that section, two forms of notice may potentially be required. First, if affected customers will be transferred as part of the contract, then notice shall be provided to them.¹ As stated in the application, no customers will be transferred as part of the contract. Therefore, Staff recommends that this form of notice is not required.

Second, if the decision to enter into a contract was discussed at a meeting of a city council, water supply or sewer service corporation's board, district board, county commissioner's court, or other regulatory authority, then the agenda and minutes for the meeting during which the item was discussed may be considered sufficient notice.² Petitioners attached the city council meeting agendas and minutes for San Juan and Pharr during which the decision to enter into a contract under 16 TAC § 24.253 was discussed. Petitioners also attached affidavits attesting to the submitted agenda postings and meeting minutes.³ Therefore, Staff recommends that the Petitioners have satisfied the notice requirements of 16 TAC § 24.253(c) and no further notice should be required.

IV. PROPOSED PROCEDURAL SCHEDULE

Staff proposes the following procedural schedule.

Event	Date
Deadline for intervention	November 20, 2020
Deadline for Staff to provide final maps, certificates, and tariffs (if applicable) to Petitioners for review and consent	December 18, 2020
Deadline for Petitioners to file signed consent forms with the Commission	January 8, 2021
If no hearing is requested, deadline for Staff to file a final recommendation on the application	January 15, 2021
If no hearing is requested, deadline for the parties to file joint proposed findings of fact, including findings that address the factors in Texas Water Code § 13.246(c), and conclusions of law	January 29, 2021

¹ 16 TAC § 24.253(c)(1)

² *Id.* at (c)(2)

³ *Id.* at (c)(3).

V. CONCLUSION

Staff respectfully requests an order consistent with the above recommendations.

Dated: November 13, 2020

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

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/s/ Megan Chalifoux
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DOCKET NO. 51124

CERTIFICATE OF SERVICE

I certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record via electronic mail on November 13, 2020, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Megan Chalifoux
Megan Chalifoux

Public Utility Commission of Texas

Memorandum

TO: Megan Chalifoux, Attorney
Legal Division

FROM: Alicia Maloy, Senior Infrastructure Analyst,
Infrastructure Division

DATE: November 13, 2020

RE: Docket No. 51124: *Petition of the City of Pharr and the City of San Juan for Approval of a Service Area Contract Under Texas Water Code § 13.248 and to Amend Certificates of Convenience and Necessity in Hidalgo County*

The City of Pharr and the City of San Juan (collectively, Petitioners) filed a petition for approval of a contract designating Certificate Convenience and Necessity (CCN) service areas in Hidalgo County under Texas Water Code (TWC) § 13.248, to amend the City of Pharr's sewer certificate of convenience and necessity (CCN) No. 20643 and the City of San Juan's sewer CCN No. 20791. Specifically, the Petitioners seek dual certification of the sewer service territory designated in an Agreement Designating Retail Sewer Service Territory between the cities of Pharr and San Juan. The Petitioners' TWC § 13.248 service area contract is being reviewed in accordance with 16 Texas Administrative Code (TAC) § 24.253.

Specifically, the Petitioners entered into a contractual agreement which permits the City of Pharr to provide sewer services within the agreed upon sewer service area. Petitioners will not transfer assets or facilities under the terms of the agreement. The sewer service area the Petitioners contracted to transfer consists of approximately 4,620 acres and no current customers.

On July 29, 2020, the Petitioners submitted supplemental documentation to satisfy the notice requirements under 16 TAC § 24.253(c). Specifically, the Petitioners submitted copies of their meeting minutes approving the agreement and agendas that were posted prior to each of their meetings. Petitioners also provided affidavits attesting to the date notice was posted and the dates that the respective meetings approving the agreement transpired.

On October 15, 2020, the Petitioners submitted additional mapping information in response to Commission Order No. 3. Mapping Staff has reviewed the additional mapping information and recommends the application be deemed administratively complete and sufficient for filing.