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PETITION OF TRINITY BAY CONSERVATION DISTRICT AND GULF COAST AUTHORITY FOR APPROVAL OF SERVICE AREA CONTRACT UNDER TEXAS WATER CODE § 13.248 AND TO AMEND CERTIFICATES OF CONVENIENCE AND NECESSITY IN CHAMBERS COUNTY

2021 FEB -2 AM ID: 5 I PUBLIC UTILITY COMMISSION MUSCIC CHARTY COMMUNICS OF TEXAS LOW

NOTICE OF APPROVAL

This Notice of Approval addresses the petition of Trinity Bay Conservation District and Gulf Coast Authority for approval of a service-area contract under Texas Water Code (TWC) § 13.248 and to amend sewer certificates of convenience and necessity (CCNs) in Chambers County. The petition seeks to transfer approximately 65,643 acres of sewer service area from Gulf Coast's CCN number 20465 to Trinity Bay's CCN number 20399. The Commission approves the service-area contract and amends sewer CCN numbers 20465 and 20399 accordingly.

I. Findings of Fact

The Commission makes the following findings of fact.

Petitioners

- Trinity Bay is a conservation and reclamation district that operates, maintains, and controls facilities for providing retail sewer service for compensation under CCN number 20399 in Chambers County.
- Gulf Coast is a conservation and reclamation district that Coast operates, maintains, and controls facilities for providing sewer service for compensation under CCN number 20465 in Chambers County.

Petition

3. On July 9, 2020, Trinity Bay and Gulf Coast entered into an agreement (the service-area contract) whereby they agreed to transfer approximately 65,875 acres of sewer service area from Gulf Coast's sewer CCN number 20465 to Trinity Bay's sewer CCN number 20399.

Notice of Approval

- 4. On August 20, 2020, the petitioners filed the petition at issue in this proceeding in which they seek approval of the service-area contract and to amend their sewer CCNs to transfer the approximately 65,875 acres of sewer service area from Gulf Coast's sewer CCN number 20465 to Trinity Bay's sewer CCN number 20399.
- 5. The petition included the service-area contract executed by the petitioners.
- 6. On September 15, 2020, Trinity Bay and Gulf Coast supplemented the petition with digital mapping data of the requested area.
- 7. No transfer of sewer assets, facilities, or customers will occur between the petitioners as a result of the service-area contract or petition.
- 8. In Order No. 2 filed on September 23, 2020, the administrative law judge (ALJ) found the petition administratively complete.
- 9. On January 6, 2021, the parties clarified that, based on digital mapping data, the requested area is 65,643 acres.

<u>Notice</u>

- 10. On June 19, 2020, Trinity Bay's board of directors considered and approved the service-area contract at a duly posted open meeting.
- 11. On July 9, 2020, the president of Trinity Bay's board of directors, acting with delegated authority, executed the service-area contract.
- 12. On July 9, 2020, Gulf Coast's board of directors considered and approved the service-area contract at a duly posted open meeting.
- 13. On July 9, 2020, Gulf Coast's general manager, acting with delegated authority, executed the service-area contract.
- 14. The petition included a copy of the agenda and minutes from the June 19, 2020 Trinity Bay open meeting and the July 9, 2020 Gulf Coast open meeting. The petition also included: (1) the affidavit of Jeffrey Jenkins, Trinity Bay's president of the board, attesting that public notice of Trinity Bay's June 19, 2020 board meeting was provided at least 72 hours in advance of the meeting; and (2) the affidavit of Lori Traweek, Gulf Coast's general manager, attesting that public notice of Gulf Coast's July 9, 2020 board meeting was provided at least 72 hours in advance of the meeting; advance of the meeting.

15. In Order No. 2 filed on September 23, 2020, the ALJ found the notice sufficient.

Map and Certificates

- On November 5, 2020, Commission Staff emailed the proposed map and certificates to Trinity Bay and Gulf Coast.
- 17. On November 9, 2020, Trinity Bay filed its consent to the proposed sewer CCN map and certificate.
- 18. On November 9, 2020, Gulf Coast filed its consent to the proposed sewer CCN map and certificate.
- 19. On December 3, 2020, Commission Staff filed the proposed map and certificates as attachments to its final recommendation.

Evidentiary Record

- 20. On December 8, 2020, the parties filed a joint proposed notice of approval and motion to admit evidence.
- 21. On December 9, 2020, the parties filed a first amended joint proposed notice of approval and first motion to admit evidence.
- In Order No. 3 filed on December 29, 2020, the ALJ admitted the following evidence into the record of this proceeding: (a) the petition and all attachments filed on August 20, 2020; (b) the petitioners' supplemental digital mapping information filed on September 15, 2020; (c) Commission Staff's recommendation on administrative completeness, notice, and proposed procedural schedule filed September 21, 2020; (d) Gulf Coast's consent to the final map and certificates filed on November 9, 2020; (e) Trinity Bay's consent to the final map and certificates filed on November 9, 2020; and (f) Commission Staff's final recommendation and all attachments filed on December 3, 2020.
- 23. On January 14, 2021, the parties filed an agreed supplemental motion to admit evidence.
- 24. In Order No. 6 filed on January 20, 2021, the ALJ admitted the parties' January 6, 2021 clarification into the record of this proceeding.

Informal Disposition

- 25. More than 15 days have passed since the completion of the notice provided in this docket.
- 26. No person filed a protest or motion to intervene.

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- 27. Trinity Bay, Gulf Coast, and Commission Staff are the only parties to this proceeding.
- 28. No party requested a hearing and no hearing is needed.
- 29. Commission Staff recommended approval of the petition.
- 30. 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. Trinity Bay and Gulf Coast are conservation and reclamation districts under article XVI, section 59 of the Texas constitution and political subdivisions of this state under Local Government Code § 172.003(3).
- Trinity Bay and Gulf Coast are retail public utilities as defined in TWC § 13.002(19) and 16 Texas Administrative Code (TAC) § 24.3(31).
- 4. 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 CCNs.
- 5. The petition meets the requirements of 16 TAC § 24.253.
- Notice of the petition was provided in compliance with TWC § 13.248 and 16 TAC § 24.253(c).
- 7. The Commission processed the petition in accordance with the requirements of the Administrative Procedure Act,¹ the TWC, and Commission rules.
- 8. Trinity Bay and Gulf Coast 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 Chambers 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).

¹ Tex. Gov't Code §§ 2001.001–.903.

9. 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 Gulf Coast's CCN number 20465, as described in this Notice of Approval and as shown in the map filed by Commission Staff on December 3, 2020.
- 3. The Commission amends Trinity Bay's CCN number 20399, as described in this Notice of Approval and as shown in the map filed by Commission Staff on December 3, 2020.
- 4. The Commission approves the map filed by Commission Staff on December 3, 2020.
- 5. The Commission issues the certificates filed by Commission Staff on December 3, 2020.
- 6. Gulf Coast must provide service to every customer and applicant for sewer service within the approved area under CCN number 20465 that requests sewer service and meets the terms of Gulf Coast's sewer service and such service must be continuous and adequate.
- 7. Trinity Bay must provide service to every customer and applicant for sewer service within the approved area under CCN number 20399 that requests sewer service and meets the terms of Trinity Bay's sewer service and such service must be continuous and adequate.
- 8. Trinity Bay and Gulf Coast must file in this docket proof of the recording required in TWC §§ 13.257(r) and (s) within 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.

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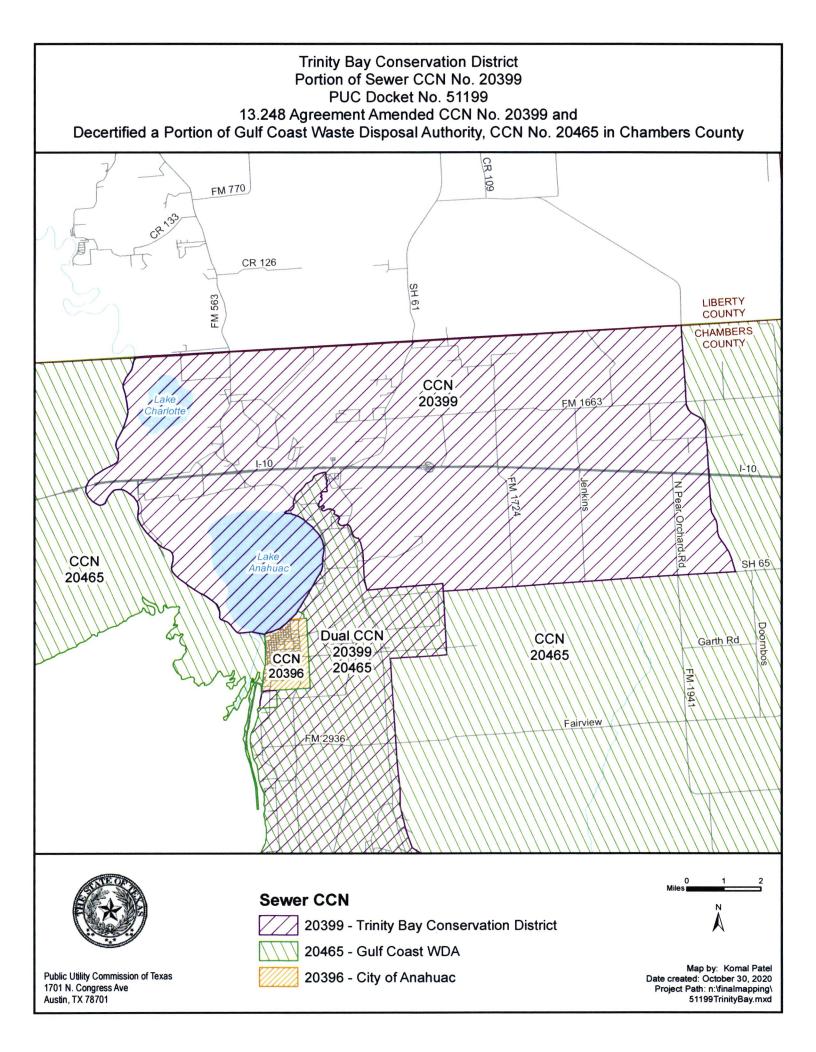
Signed at Austin, Texas the 2nd day of February 2021.

PUBLIC UTILITY COMMISSION OF TEXAS

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ISAAC TA ADMINISTRATIVE LAW JUDGE

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Public Utility Commission of Texas

By These Presents Be It Known To All That

Gulf Coast Authority

having obtained certification to provide sewer 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, Gulf Coast Authority is entitled to this

Certificate of Convenience and Necessity No. 20465

to provide continuous and adequate sewer utility service to that service area or those service areas in Chambers County as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 51199 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 Gulf Coast Authority 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 2nd day of February 2021.



Public Utility Commission of Texas

By These Presents Be It Known To All That

Trinity Bay Conservation District

having obtained certification to provide sewer 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, Trinity Bay Conservation District is entitled to this

Certificate of Convenience and Necessity No. 20399

to provide continuous and adequate sewer utility service to that service area or those service areas in Chambers County as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 51199 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 Trinity Bay Conservation 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 2nd day of February 2021.