



Control Number: 51531



Item Number: 32

Addendum StartPage: 0

PUC DOCKET NO. 51531

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PETITION OF JLM 717 KAUFMAN LP, §  
TO AMEND THE CITY OF §  
CRANDALL'S WATER CERTIFICATE §  
OF CONVENIENCE AND NECESSITY §  
IN KAUFMAN COUNTY BY EXPEDITED §  
RELEASE §  
§

BEFORE THE PUBLIC UTILITY COMMISSION  
OF TEXAS

**JOINT NOTICE OF PETITIONER'S THIRD SUPPLEMENTAL FILING**

TO THE HONORABLE ADMINISTRATIVE LAW JUDGE:

In accordance with Texas Water Code § 13.2541(b) and current Public Utility Commission of Texas ("PUC") rules at 16 Tex. Admin. Code § 24.245(h), Petitioner JLM 717 Kaufman, LP ("Petitioner"), and the City of Crandall ("City") (together the "Parties") file this joint notice of agreement and accompanying Decertification Compensation Agreement.

**I. PROCEDURAL BACKGROUND**

On November 17, 2020, Petitioner filed with the PUC the petition for expedited release in this matter ("Petition") regarding a portion of the service area of the City's water Certificate of Convenience and Necessity ("CCN") No. 11295 in Kaufman County. On December 11, 2020, the City filed a motion to intervene, which was granted on December 21, 2021 in Order No. 2. After various filings by the Petitioner, the Administrative Law Judge issued Order No. 7 finding the Petition administratively complete. The City filed a motion to withdraw on June 14, 2021, which was granted by Order No. 8 on June 18, 2021. By Order No. 10 issued on July 2, 2021, the Petition was granted.

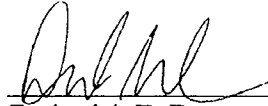
**II. NOTICE OF COMPENSATION SETTLEMENT**

The Parties have, through good faith negotiations, resolved all their issues concerning compensation to their mutual satisfaction as demonstrated in the attached Decertification

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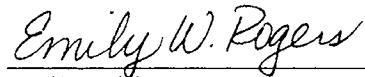
Compensation Agreement which provides for the payment of \$35,000 for just and adequate compensation, which the Parties request be included in a duly issued Order pursuant to PUC rules at 16 Tex. Admin. Code § 24.245(i)(5).

Respectfully Submitted,



\_\_\_\_\_  
Zachariah T. Evans  
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Derek Seal  
State Bar No. 00797404  
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**ATTORNEYS FOR PETITIONER**



\_\_\_\_\_  
Emily Willms Rogers  
State Bar No. 24002863  
BICKERSTAFF HEATH DELGADO ACOSTA LLP  
3711 S. Mo-Pac, Building One, Suite 300  
Austin, Texas 78746  
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[erogers@bickerstaff.com](mailto:erogers@bickerstaff.com)  
**ATTORNEY FOR THE CITY OF CRANDALL**

**CERTIFICATE OF SERVICE**

I hereby certify that a true and complete copy of the above and foregoing document was served on the parties of record on this 12<sup>th</sup> day of July, 2021.

  
Derek Seal

**ATTCHMENT**

**Decertification Compensation Agreement**

**DECERTIFICATION COMPENSATION AGREEMENT BETWEEN  
THE CITY OF CRANDALL, TEXAS AND  
JLM 717 KAUFMAN, L.P.**

THIS AGREEMENT is entered into on this 14<sup>th</sup> day of January 2021 ~~December, 2020~~, by and between the City of Crandall, Texas ("City"), and JLM 717 Kaufman, L.P. ("JLM"), hereinafter referred to collectively as the "Parties," or individually as a "Party."

**RECITALS**

WHEREAS, the City is a Type A, general-law city, organized and operating under and in accordance with the laws of the State of Texas; and

WHEREAS, JLM is a Texas limited partnership; and

WHEREAS, on November 17, 2020, JLM filed with the Public Utility Commission of Texas ("PUC") its Petition to Decertify and Amend a Portion of the City of Crandall, Texas, Water Certificate of Convenience and Necessity by Streamlined Expedited Release ("SER") under Texas Water Code § 13.2541(b) and 16 TAC § 24.245(h) (the "Petition"), initiating a proceeding before the PUC, Docket No. 51531 (the "Proceedings"), in which it petitioned the PUC to release approximately 45.8 acres of land owned by JLM (the "Property") from water Certificate of Convenience and Necessity ("CCN") No. 11295, held by the City; and

WHEREAS, Section 13.2541, Texas Water Code, provides that the PUC may require an award of compensation by an SER petitioner to the certificate holder in the manner provided by that section; and

WHEREAS, the Parties recognize that subsection 16 TAC § 24.245(i) provides that, in an SER proceeding, "the amount of compensation, if any, will be determined after the [PUC] has granted a petition for streamlined expedited release filed under subsection." 16 TAC § 24.245(h); and

WHEREAS, the Parties have reached agreement on the amount of compensation JLM will pay the City as related to the Petition for the release of JLM's 45.8-acre tract from the City's water CCN No. 11295, which amount the Parties intend to be full satisfaction of any compensation provided by JLM to the City in the Proceedings.

NOW, THEREFORE, for and in consideration of the mutual covenants, conditions, and promises expressed herein, the City of Crandall, Texas, and JLM 717 Kaufman, L.P., agree as follows:

1. Findings of Fact. The preceding Recitals are the Parties' true and correct findings of fact. The Parties incorporate the Recitals herein for all purposes.
2. Compensation to be Paid by JLM to the City. The Parties intend for the following amount to constitute the complete and total compensation payable to the City by JLM

in the Proceedings, pursuant to Section 13.2541, Texas Water Code, and 16 TAC § 24.245(h).

In consideration of, and complete, total, and final satisfaction of any compensation the City may have otherwise been entitled to in the "Compensation Phase" of the Proceedings, JLM agrees to pay to the City Thirty-One Thousand, Three Hundred Twenty-Nine and 15/100 Dollars (~~\$31,329.13~~) (35,000) ("Settlement Amount").

3. Payment Schedule. JLM must pay the City the Compensation Amount in one lump-sum payment within 30 days following the Effective Date of this Agreement, which will be the date last signed by the Parties below.
4. Compensation in Satisfaction of City's Asserted and Unasserted Claims. The payment of the Compensation Amount by JLM to the City fully satisfies any and all claims, demands, and causes of action for liabilities of any kind the City now has or may have against JLM for damages, attorneys' fees, consultant fees, interest, costs, and expenses based on events predating the Effective Date, related to the Proceedings, and the release of JLM's 45.8-acre tract from the City's water CCN No. 11295.
5. Cooperation; City Will Not Object or Appeal. As partial consideration for the payment of the sums identified herein, the City agrees to cooperate with JLM or its assigns, or any retail public utility provider, as applicable, in filing any documents with the PUC as may be reasonably necessary to assist such entities in attempting to secure approval for water service to the Property and to otherwise effectuate and carry out the intent of this Agreement. Such cooperation may include, but will not be limited to, acknowledging compensation received for any property that may have been rendered useless or valueless for purposes of the Proceedings and Section 13.2541, Texas Water Code. Crandall agrees to respond to such request(s) by JLM or its assigns within 15 days of such a written request.

As additional consideration under this Agreement, the City agrees not to object to or otherwise appeal any order of the PUC (or a PUC administrative law judge) granting the release of the subject 45.8 acres from the City's CCN.
6. No Admissions. By entering into this Agreement, neither Party is making any admission as to any wrongdoing, liability, or factual allegation. This Agreement is not admissible as evidence in any action, except the current Proceedings and any action to interpret or enforce the terms of this Agreement.
7. No Precedent. Because this is a compromise and settlement Agreement, neither Party is obligated to take the same positions as set out in this Agreement in other proceedings, whether those proceedings present the same or a different set of circumstances. This Agreement shall not be binding or precedential upon a Party outside the Proceedings, and the Parties retain their rights to pursue relief to which they may be entitled in other proceedings.



8. Entire Agreement. This Agreement incorporates all the agreements, covenants and understandings between the Parties concerning the subject matter hereof, and all such covenants, agreements and understandings have been merged into this written Agreement. No other prior agreements or understandings, verbal or otherwise, of the Parties or their agents shall be valid or enforceable unless embodied in this Agreement.
9. No Third-Party Beneficiaries. This Agreement shall inure only to the benefit of the Parties and their successors and assigns as permitted by this Agreement. No person or entity that is not a party to this Agreement shall be considered a third-party beneficiary of this Agreement.
10. Effective Date. This Agreement is effective as of the date last signed by the Parties below.
11. Governing Law; Venue. This Agreement shall be construed in accordance with, and governed by, the laws of the State of Texas. Venue for any action arising under this Agreement shall lie exclusively in Kaufman County, Texas.
12. Amendment and Waiver. This Agreement may be amended, modified, or supplemented, and waivers or consents to departures from the provisions hereof may be given, provided that the same are in writing and signed by each of the Parties.
13. Capacity and Authority. The Parties represent and warrant that: (a) they have the legal capacity to and are duly authorized to execute and deliver this Agreement; (b) they have taken all action and obtained all consent, if any, necessary to authorize the execution and delivery of this Agreement; (c) this Agreement is a legal, valid, and binding obligation, enforceable in accordance with its terms; and (d) the execution and delivery of this Agreement does not conflict with or result in a breach of any of the terms or provisions of, or constitute a default under, any material agreement or instrument or any other provision of law, statute, or regulation to which they may be bound.
14. Opportunity to Review Agreement and Consult with Counsel; Legal Capacity. The Parties represent and certify that they (1) have received a copy of this Agreement for review and study and have had ample time to study it before signing it; (2) have read this Agreement carefully; (3) understand this Agreement's provisions; (4) have been advised by and consulted with an attorney of their choice, or have had the opportunity to do same whether or not they have done so, as to this Agreement; (5) have the legal capacity to enter into this Agreement; (6) have not been influenced to sign this Agreement by any statement or representation by anyone not contained in this Agreement; and (7) enter into this Agreement knowingly and voluntarily and of their own free will.
15. Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated,



and the Parties shall use their best efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the Parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any such terms that hereafter may be declared invalid, illegal, void or unenforceable.

16. Binding Effect; Restriction on Assignment. This Agreement is binding upon and will inure to the benefit of the Parties and their respective legal representatives, corporate affiliates, successors, and assigns. No Party may assign its obligations under this Agreement without the written consent of the other Party, which consent may not be unreasonably withheld. However, JLM may assign its obligations to a successor entity such as a special district or another development entity if the successor or assign agrees to be bound by JLM's obligations herein.
17. Notice. Any notice required or communication permitted to be given under this Agreement will be deemed to have been served and given if (i) delivered in person to the address set forth below for the Party to whom the notice is given or (ii) placed in the United States mail by certified mail, postage prepaid and return receipt requested, addressed to the Party to whom the notice is given at the address set forth below. Notice shall be effective upon receipt.

The address for the City shall be:

Attn: City Manager  
City of Crandall  
110 S. Main Street  
P.O. Box 277  
Crandall, TX 75114

The address for JLM shall be:

Attn: James L. Mabrey  
JLM 1100 Investment Land, L.P.  
8350 N. Central Expressway, Suite 1725  
Dallas, TX 75206

From time to time any Party may designate another address within the United States for all purposes of this Agreement by giving the other Parties not less than ten (10) calendar days advance written notice of such change of address in accordance with the provisions hereof.

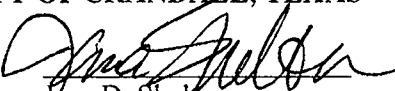
18. Interpretation. The headings contained in this Agreement are for convenience of reference only and will not in any way affect the meaning or interpretation hereof. As used herein the word "including" shall be deemed to mean "including without limitation." This Agreement reflects the mutual intent of the Parties and no rule of construction against the drafting party shall apply.

19. Counterparts. This Agreement may be executed in any number of counterparts (including by facsimile) and by the Parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

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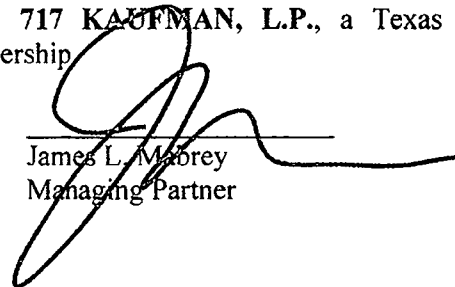
**CITY OF CRANDALL, TEXAS**

By:

  
Jana D. Shelton  
City Manager

**JLM 717 KAUFMAN, L.P., a Texas Limited Partnership**

By:

  
James L. Maorey  
Managing Partner