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DOCKET NO. 54813

APPLICATION OF THE CITY OF	§	PUBLIC UTILITY COMMISSION
DONNA TO AMEND ITS	§	
CERTIFICATE OF CONVENIENCE	§	OF TEXAS
AND NECESSITY IN HIDALGO	§	
COUNTY	§	

NOTICE OF APPROVAL

This Notice of Approval addresses the application of the City of Donna to amend its certificate of convenience and necessity (CCN) number 20825 to add approximately 81 uncertificated acres in Hidalgo County. The Commission amends Donna's CCN number 20825 to add the requested area, to the extent provided in this Notice of Approval.

I. Findings of Fact

The Commission makes the following findings of fact.

Applicant

1. Donna is a home rule municipality.
2. Donna operates, maintains, and controls facilities for providing retail sewer service in Hidalgo County under CCN number 20825.
3. Donna owns and operates a wastewater treatment plant permitted by the Texas Commission on Environmental Quality (TCEQ) under wastewater treatment plant discharge permit number WQ0010504001.

Application

4. On March 31, 2023, Donna filed the application at issue in this proceeding.
5. On June 7 and July 31, 2023, Donna filed supplements to the application.
6. Donna's application, as supplemented, seeks to amend its sewer CCN number 20825 to add 81 acres of uncertificated land, zero current connections, and 325 potential future connections.

7. The requested area is located approximately 1.2 miles northwest of downtown Donna, Texas, and is generally bounded on the north by County Road 200, on the east by Goolie Road, on the south by Interstate Highway 2, and on the west by Hutto Road.
8. In Order No. 4 filed on September 6, 2023, the administrative law judge (ALJ) found the application, as supplemented, administratively complete.

Notice

9. On October 19, 2023, Donna filed the following:
 - a. the affidavit of Chanel Borrego, director of planning for Donna, attesting that notice was provided to all neighboring utilities and affected parties on September 15, 2023;
 - b. the affidavit of Ms. Borrego attesting that notice was provided to all landowners owning a tract of land over 25 acres wholly or partially inside the requested CCN area on September 15, 2023; and
 - c. a publisher's affidavit attesting to publication of notice in *The Monitor*, a newspaper of general circulation in Hidalgo County, on September 16 and 20, 2023.
10. In Order No. 6 filed on December 1, 2023, the ALJ found notice sufficient.

Evidentiary Record

11. In Order No. 8 filed on March 28, 2024, the ALJ admitted the following evidence into the record of this proceeding:
 - a. Donna's application and all attachments filed on March 31, 2023;
 - b. Donna's supplement to the application filed on June 7, 2023;
 - c. Donna's supplement to the application filed on July 31, 2023;
 - d. Commission Staff's supplemental recommendation on administrative completeness and proposed procedural scheduled filed on September 5, 2023;
 - e. Donna's proof of notice filed on October 19, 2023;
 - f. Donna's consent form filed on February 5, 2023; and
 - g. Commission Staff's final recommendation, including the attached map and certificate, filed on February 8, 2024.

Adequacy of Existing Service

12. There are no existing customers in the requested area.
13. Sewer service is not currently being provided to the requested area.

Need for Service

14. The requested area is being developed into a new subdivision, which will have approximately 325 customer connections.
15. The developer of the requested area requested sewer service from Donna and Donna filed a copy of a memorandum of understanding with the developer demonstrating the need for sewer service in the requested area.

Effect of Granting the CCN Amendment

16. Donna will be the certificated entity for the requested area and will be required to provide continuous and adequate service to the requested area.
17. Landowners in the area will have a sewer provider available when they need to request service.
18. All retail public utilities in the proximate area were provided notice of the application and none requested to intervene.
19. There will be no effect on any retail public utility serving the proximate area.

Ability to Serve: Managerial and Technical

20. Donna operates the TCEQ-permitted wastewater treatment plant under wastewater treatment plant discharge permit number WQ0010504001.
21. Donna had additional issues listed on their last comprehensive compliance investigation report, but TCEQ did not recommend that service was inadequate.
22. Donna has not been under any enforcement action by the Commission, TCEQ, the Texas Department of Health, the Office of the Attorney General, or the Environmental Protection Agency in the past five years for non-compliance with rules, orders, or state statutes.
23. Donna employs or contracts with TCEQ-licensed operators who will be responsible for operating and maintaining the public sewer system.

24. Donna has the managerial and technical capability to provide continuous and adequate sewer service to the requested area.

Feasibility of Obtaining Service from Adjacent Utilities

25. The requested area has been or will be annexed to Donna's extraterritorial jurisdiction.
26. The developer of the subdivision requested sewer service from Donna.
27. Donna has sufficient capacity to serve the requested area.
28. It is not feasible to obtain service from an adjacent retail public utility.

Regionalization or Consolidation

29. Construction of a physically separate sewer system is not needed to serve the requested area because Donna will be extending its wastewater treatment plant facilities into the requested area.
30. Donna demonstrated that regionalization or consolidation with an adjacent retail public utility is not economically feasible.

Ability to Serve: Financial Ability and Stability

31. Donna's financial statements show that Donna's unrestricted cash balance exceeds two years of debt service, satisfying the leverage test.
32. Donna projects no operations and maintenance shortages during the first five years after the approval of the CCN amendment, satisfying the operations test.
33. Under the memorandum of understanding and agreement for amendment of service area executed by Donna and the developer, the developer will bear the responsibility for all costs and expense to design, construct, and install all necessary sewer facilities and improvements.
34. Capital improvements are required to provide service to the required area, and the developer of the requested area is required to bear all costs associated with the capital improvements.
35. Donna has demonstrated the financial capability and stability to provide continuous and adequate sewer service to the requested area.

Financial Assurance

36. There is no need to require Donna to provide a bond or other financial assurance to ensure continuous and adequate service.

Environmental Integrity and Effect on the Land

37. There will be minimal effects on environmental integrity and on the land as the wastewater treatment plant facilities are extended to the requested area.
38. The effects on environmental integrity and on the land will not be adverse to such a degree that the CCN amendment should not be granted.

Improvement of Service or Lowering of Cost to Consumers

39. Sewer service to the requested area will improve because Donna will be obligated to provide continuous and adequate service to future customers in the requested area.
40. No lowering of cost to customers in the requested area will result from granting the CCN amendment.

Map and Certificate

41. On February 1, 2024, Commission Staff emailed the proposed final map and certificate to Donna.
42. On February 5, 2024, Donna filed its consent to the proposed final map and certificate.
43. On February 8, 2024, Commission Staff filed the final map and certificate as attachments to its final recommendation.

Informal Disposition

44. More than 15 days have passed since the completion of the notice provided in this docket.
45. No person filed a protest or motion to intervene.
46. Donna and Commission Staff are the only parties to this proceeding.
47. No party requested a hearing, and no hearing is needed.
48. Commission Staff recommended approval of the application.
49. The 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 this application under TWC §§ 13.041, 13.241, 13.242, 13.244, and 13.246.
2. Donna is a retail public utility as defined by TWC § 13.002(19) and 16 Texas Administrative Code (TAC) § 24.3(31).
3. Donna's application meets the requirements of TWC § 13.244 and 16 TAC §§ 24.227 and 24.233.
4. Donna provided notice of the application that complies with TWC § 13.246 and 16 TAC § 24.235.
5. The Commission processed the application in accordance with the requirements of the Administrative Procedure Act,¹ the TWC, and Commission rules.
6. After consideration of the factors in TWC §§ 13.241(c) and 13.246(c) and 16 TAC § 24.227(a) and (e), Donna demonstrated adequate financial, managerial, and technical capability for providing continuous and adequate service to the requested area, as required by TWC § 13.241 and 16 TAC § 24.227.
7. Donna demonstrated that regionalization or consolidation is not economically feasible, as required by TWC § 13.241(d) and 16 TAC § 24.227(b).
8. It is not necessary for Donna to provide a bond or other financial assurance under TWC § 13.246(d) and 16 TAC § 24.227(f).
9. Donna has demonstrated that the amendment of sewer CCN number 20825 is necessary for the service, accommodation, convenience, or safety of the public as required by TWC § 13.246(b) and 16 TAC § 24.227(d).
10. Under TWC § 13.257(r) and (s), Donna must record a certified copy of the approved maps and certificates, along with a boundary description of the service area, in the real property

¹ Tex. Gov't Code §§ 2001.001-.903.

records of Hidalgo County within 31 days of this Notice of Approval and must submit evidence of the recording to the Commission.

11. The requirements for informal disposition in 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 amends Donna's CCN number 20825 to add the requested area as described in this Notice of Approval and as shown on map attached to this Notice of Approval.
2. The Commission approves the map attached to this Notice of Approval.
3. The Commission issues the certificate attached to this Notice of Approval.
4. Donna must provide service to every customer and applicant for service within the approved area under CCN number 20825 who requests sewer service and meets the terms of Donna's sewer service policies, and such service must be continuous and adequate.
5. Donna must comply with the recording requirements of TWC § 13.257(r) and (s) for the area in Hidalgo County affected by this application and submit to the Commission evidence of the recording no later than 45 days after receipt of this Notice of Approval.
6. The Commission denies all other motions and any other requests for general or specific relief, if not expressly granted.

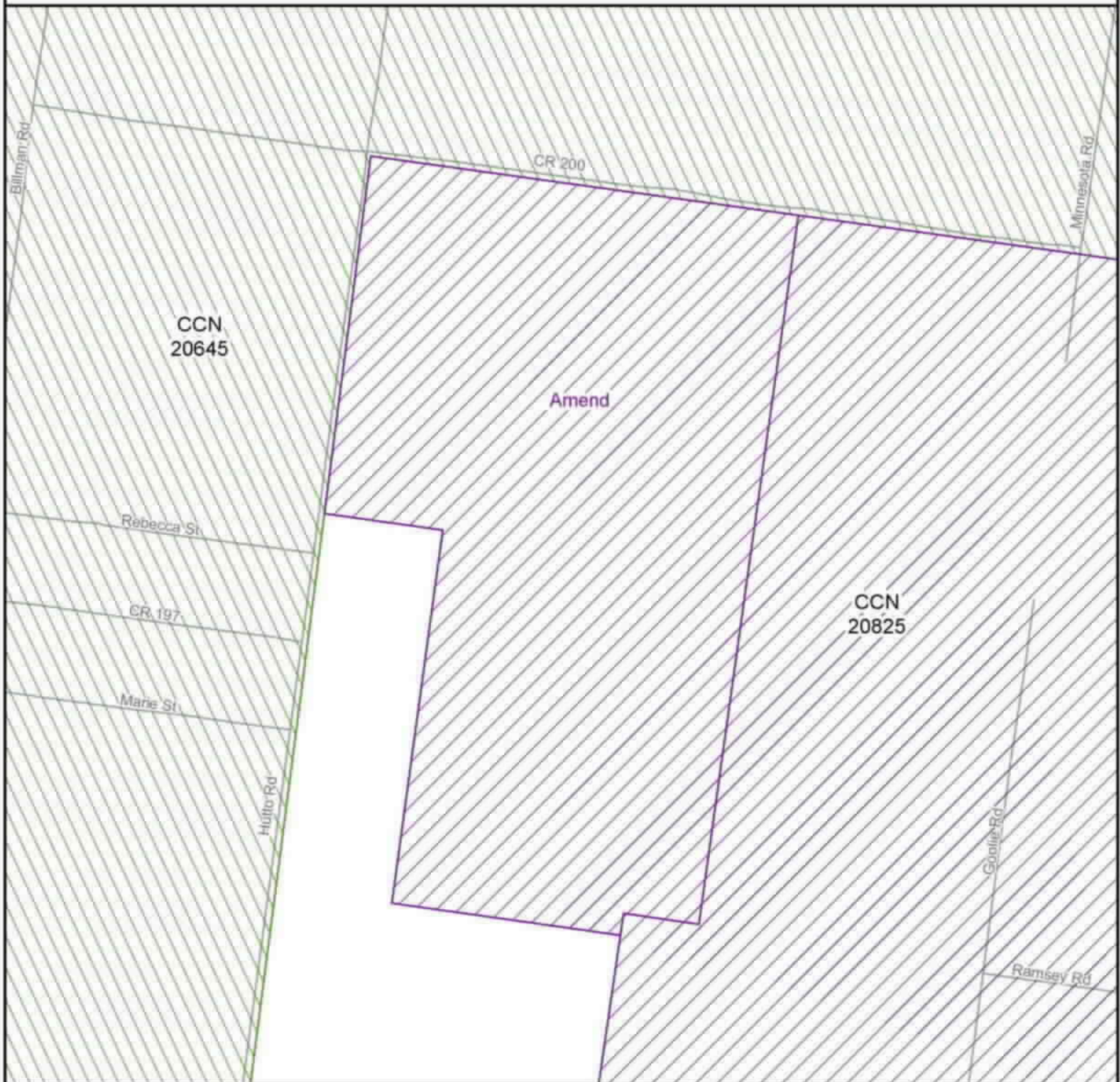
Signed at Austin, Texas on the 12th day of April 2024.

PUBLIC UTILITY COMMISSION OF TEXAS





KATIE MOORE MARX
ADMINISTRATIVE LAW JUDGE

PUCT Docket No. 54813
City of Donna
Portion of Sewer CCN No. 20825
Amend CCN No. 20825 in Hidalgo County



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

Sewer CCN

-  20825 - City of Donna
-  20645 - North Alamo WSC

0 250 500
Feet



Map by: Komal Patel
Date: November 20, 2023
Project: 54813CityofDonna.mxd



Public Utility Commission of Texas

By These Presents Be It Known To All That

City of Donna

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, the City of Donna is entitled to this

Certificate of Convenience and Necessity No. 20825

to provide continuous and adequate sewer utility service to that service area or those service areas in Hidalgo County as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 54813 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 Donna 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.