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DOCKET NO. 55373

APPLICATION OF MCLENNAN	§	PUBLIC UTILITY COMMISSION
COUNTY WATER CONTROL AND	§	
IMPROVEMENT DISTRICT NO. 2 TO	§	OF TEXAS
AMEND ITS CERTIFICATE OF	§	
CONVENIENCE AND NECESSITY	§	
AND FOR DUAL CERTIFICATION	§	
WITH CITY OF WACO IN	§	
MCLENNAN COUNTY	§	

**COMMISSION STAFF'S SUPPLEMENTAL RECOMMENDATION ON
ADMINISTRATIVE COMPLETENESS AND NOTICE AND PROPOSED
PROCEDURAL SCHEDULE**

On August 16, 2023, McLennan County Water Control and Improvement District No. 2 (McLennan County WCID No. 2) filed an application to obtain certificates of convenience and necessity (CCNs) in McLennan County and for dual certification of a portion of the City of Waco's CCN Nos. 10039 and 20010. McLennan County WCID No. 2 filed supplemental information on August 18, 2023, January 26, 2024, March 25, 2024, September 25, 2024, and October 22, 2024.

On June 18, 2024, the administrative law judge (ALJ) issued Order No. 7, directing the Staff (Staff) of the Public Utility Commission of Texas (Commission) to file a supplemental recommendation regarding the administrative completeness of the application, along with a proposed procedural schedule, if appropriate, by October 28, 2024. Therefore, this pleading is timely filed.

I. ADMINISTRATIVE COMPLETENESS

Staff reviewed the application and supplemental information and, as detailed in the attached memorandum from Jaspinder Singh of the Infrastructure Division recommends that the supplemented application is administratively incomplete from a technical, managerial, and financial perspective. Staff further recommends that McLennan County WCID No. 2 be ordered to cure the deficiencies listed in Mr. Singh's memoranda by December 2, 2024, and for Staff to be given a deadline of January 2, 2025, to file a supplemental recommendation on the administrative completeness of the application.

Staff respectfully requests adoption of these proposed deadlines as some of the noted deficiencies are related to mapping information, and Staff's mapping experts may be required to

assist McLennan County WCID No. 2 regarding the supplemental mapping information needed to cure the mapping deficiencies and will require at least thirty days to review same.

II. PROCEDURAL SCHEDULE

In accordance with Staff's deficiency recommendation, Staff does not propose a procedural schedule for further processing of the docket at this time. Staff intends to propose a procedural schedule alongside a subsequent recommendation that the application be found administratively complete. Staff notes that McLennan County WCID No. 2 should not issue notice until the application is deemed sufficient.

III. CONCLUSION

For the reasons detailed above, Staff recommends that the supplemented application be found administratively incomplete, that McLennan County WCID No. 2 be ordered to cure the deficiencies by December 2, 2024, and for Staff to be given a deadline of January 2, 2025, to file a supplemental recommendation on the administrative completeness of the application. Staff respectfully requests the entry of an order consistent with these recommendations.

Dated: October 28, 2024

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

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CERTIFICATE OF SERVICE

I certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document will be provided to all parties of record via electronic mail on October 28, 2024, in accordance with the Second Order Suspending Rules, filed in Project No. 50664.

/s/ Garrett Sharp
Garrett Sharp

Public Utility Commission of Texas

Memorandum

TO: Garrett Sharp, Attorney
Legal Division

FROM: Jaspinder Singh, Engineering Specialist
Infrastructure Division

DATE: October 28, 2024

RE: Docket No. 55373 – *Application of McLennan County Water Control and Improvement District No. 2 to Amend Its Certificate of Convenience and Necessity and for Dual Certification with City of Waco in McLennan County*

On August 16, 2023, McLennan County Water Control and Improvement District 2 (McLennan County WCID 2 or Applicant) filed with the Public Utility Commission of Texas (Commission) an application to obtain a new water and sewer certificate of convenience and necessity (CCN) in McLennan County, Texas under Texas Water Code (TWC) §§ 13.242 through 13.250 and 16 Texas Administrative Code (TAC) §§ 24.225 through 24.237 and for dual certification with a portion of the City of Waco's (Waco) water CCN No. 10039 and sewer CCN No. 20010.

Based on the mapping review and my technical and managerial review of the additional information filed by McLennan County WCID 2 on August 18, 2023, January 26, 2024, March 25, 2024, and September 25, 2024, I recommend that the application be deemed administratively incomplete and not accepted for filing.

Application Content:

The following deficiencies must be remedied:

- 1) Please update the CCN Amendment application to state the correct name as 'McLennan County Water Control and Improvement District 2'.
- 2) Response to Question 9 states that "No" need for service in the requested area and Question 10 states that "No" existing or anticipated growth in the requested area. Please provide clarification regarding the need to obtain a water and sewer CCN in the requested area (over 2,000+ acres) and provide supporting documentation requested under Question 9 and 10.
- 3) Please provide a detailed map(s) identifying the location of all the following items:
 - a) Boundary of McLennan County Water Control and Improvement District 2's water and sewer CCN area;

- b) Boundary of the requested areas in the current docket;
 - c) Boundaries of city limits and extraterritorial jurisdiction for neighboring cities;
 - d) Potential customers requesting service within the requested areas; and
 - e) Existing customers within the requested area.
- 4) Please provide a detailed map identifying the location of the following items within the boundaries of the requested areas, identify each map and boundary:
- a) Existing water and sewer facilities for production, transmission, distribution, collection, and treatment; and
 - b) Proposed water and sewer facilities for production, transmission, distribution, collection, and treatment.

Note: Facilities should be identified on subdivision plats, engineering planning maps, or detailed maps. Please use color coding to distinguish different types of facilities and boundaries.

- 5) Please provide a copy of each map that McLennan County WCID 2 uses to respond to the above requests in electronic format, file a copy, in an Adobe PDF file format, to the Commission Interchange Filer.
- 6) Provide any requests for service to support the need for service for the entire requested area.
- 7) Provide a capital improvement plan that includes a budget, an estimated timeline for construction (including date construction is expected to begin or when it began), and a keyed map showing where facilities will be located.
- 8) Provide a map (or maps) showing all existing and proposed facilities for production, transmission, and distribution, and the location of existing or proposed customer connections, in the requested area. Facilities should be identified on subdivision plats, engineering planning maps, or other large-scale maps. Color coding can be used, and is encouraged, to distinguish types of facilities.

Application and Mapping Content:

Based on the mapping review by Hank Journeay, Infrastructure Division, the maps of the requested area and the digital mapping data of the corporate boundaries for the City of Lacy-Lakeview filed with Item 20 on September 25, 2024, under TAC § 24.257(a)(1), (2), and (3)(C), are deficient. The Applicant did not file revised digital mapping data for the requested area with Item 20 filed on September 25, 2024. The digital mapping data for the requested area filed with Item 14 on March 25, 2024, remains deficient as detailed below. The Applicant filed digital mapping data for the requested area, which overlaps Waco's water CCN No. 10039 and sewer CCN No. 20010, Ross Water Supply Corporation's (WSC) water CCN No. 11268, and Leroy Tours Gerald WSC's water CCN No. 10025. The digital mapping data, general location map, and detailed map must identify the same boundary of the requested area.

Applicant must indicate if they are seeking either dual certification under 16 TAC § 24.233(a)(12) or if they are seeking to amend a CCN under 16 TAC § 24.233(a)(13) to

resolve the overlaps with the CCN holders stated above. Otherwise, Applicant must file revised maps and digital mapping data that removes the overlap of each CCN from the requested area.

In addition, the requested area overlaps the corporate boundaries of the City of Lacy-Lakeview. Applicant must resolve these overlaps with the corporate boundaries of this city under 16 TAC § 24.233(a)(4)(B). If Applicant does not resolve the overlaps with the corporate boundaries of the City of Lacy-Lakeview under 16 TAC § 24.233(a)(4)(B), then the Applicant must file revised maps and digital mapping data that removes the overlaps from the requested area.

Applicant must file the following items to resolve the mapping deficiencies as required under 16 TAC § 24.257(a)(1), (2), and (3)(C):¹

1. A general location map identifying only the requested area, in reference to the nearest county boundary, city, or town.
2. A detailed map identifying only the requested area, in reference to verifiable man-made and natural landmarks, such as roads, rivers, and railroads.
3. Digital mapping data for the requested area, as a single polygon record, in a shapefile (SHP) format, georeferenced in either NAD83 Texas Statewide Mapping System (Meters) or NAD83 Texas State Plane Coordinate System (US Feet).

Staff recommends that the Applicant file the following items to determine overlaps with corporate boundaries pursuant to 16 TAC § 24.233(a)(16):

4. Digital mapping data for the *current corporate boundaries of the City of Lacy-Lakeview*, as a single polygon record, in a shapefile (SHP) format, georeferenced in either NAD83 Texas Statewide Mapping System (Meters) or NAD83 Texas State Plane Coordinate System (US Feet).

If Applicant is seeking dual certification between McLennan County WCID No. 2 (New Water and Sewer CCN Nos.) and Waco (CCN Nos. 10039 and 20010) under 16 TAC § 24.233(a)(12), Staff recommends that the Applicant file the following items:

5. A signed dual certification agreement between McLennan County WCID No. 2 and Waco indicating the following:
 - a. McLennan County WCID No. 2 (New Water and Sewer CCN Nos.) is seeking dual certification with the Waco (CCN Nos. 10039 and 20010); and
 - b. The approximate total acreage agreed upon for dual certification as calculated in the digital mapping data as requested in 3 above; and
 - i. Please use NAD1983 State Plane Coordinate System (US Feet) to

¹ Please note that 16 TAC § 24.257(a)(3) allows applicants to submit mapping data as a metes and bound survey sealed or embossed by either a licensed state land surveyor or registered professional surveyor, a recorded plat, or digital mapping data, as suggested. Staff recommends that providing digital mapping data for the requested area under 16 TAC § 24.257(a)(3)(C) is the most efficient and effective manner to provide mapping data and will streamline the mapping process for the following reasons: (1) the official certificated service area (boundary) for each CCN is managed and maintained in a digital mapping data format; (2) digital mapping data is essential to verify if a boundary of a requested area overlaps another CCN, city or district; (3) digital mapping data for the requested area is needed to determine who the applicant must provide notice within a two-mile buffer; and (4) digital mapping data is used to update the boundary of the CCN that is granted in the application. While mapping data may be filed using the other methods described above, said mapping data may not be sufficient to make the aforementioned determinations and Staff may require digital mapping data, as permitted by 16 TAC § 24.233(a)(16), to verify the location of the requested area.

calculate the approximate total acreage used in the dual certification agreement.

- c. The revised general location map and revised detailed map requested in 1 and 2 above identifies the requested area for dual certification between McLennan County WCID No. 2 (New Water and Sewer CCN Nos.) and the Waco CCN Nos. 10039 and 20010).

In addition to the content above, Staff respectfully requests that the Applicant's mapping professional carefully review the written guidance on how to meet the CCN mapping requirements, and to use the mapping resources (video, frequently asked questions, GIS map templates, and guidance documents) that are provided on the PUCT's CCN Mapping Information webpage at: <https://www.puc.texas.gov/industry/water/utilities/gis.aspx>, to help them meet the CCN mapping requirements.

Staff recommends the Applicant's mapping professional obtain additional mapping guidance from the PUCT's mapping staff, Hank Journeay, by email at hank.journeay@puc.texas.gov. Staff is available to schedule a Teams meeting to help them quickly resolve the mapping deficiencies.

Lastly, please file all maps in accordance with 16 TAC §§ 22.71 and 22.72.

Additional Documentation:

The items listed below stem from statutory requirements and must be filed before Staff files a final recommendation for this application. Items in response to these requests may be filed confidentially as requested below:

- 1) Under TWC § 13.1396(b), "An affected utility shall submit to the office of emergency management of each county in which the utility has more than one customer, the utility commission, and the office of emergency management of the governor a copy of:
 - (1) the affected utility's emergency preparedness plan approved under Section 13.1395; and
 - (2) the utility commission's notification to the affected utility that the plan is accepted."

Please see new emergency preparedness plan (EPP) requirements on the TCEQ website at: https://www.tceq.texas.gov/drinkingwater/homeland_security/disasterprep/epp.

Please file one of the following:

- a) A statement that a copy of McLennan County WCID 2's approved EPP has been filed in Docket No. 52272,
 - b) Proof that the EPP has been submitted to the TCEQ for approval, or
 - c) A copy of the waiver approval for the EPP requirement from the TCEQ, under Texas Water Code § 13.1395(j).
- 2) Under TWC § 13.1396(c), "Each affected utility shall submit to the utility commission, each electric utility that provides transmission and distribution service to the affected utility, each retail electric provider that sells electric power to the affected utility, the office of emergency management of each county in which the utility has water and

wastewater facilities that qualify for critical load status under rules adopted by the utility commission, and the division of emergency management of the governor:

- (1) information identifying the location and providing a general description of all water and wastewater facilities that qualify for critical load status; and
- (2) emergency contact information for the affected utility, including:
 - (A) the person who will serve as a point of contact and the person's telephone number;
 - (B) the person who will serve as an alternative point of contact and the person's telephone number; and
 - (C) the affected utility's mailing address."

Please file a list of the information requested in TWC § 13.1396(c) for McLennan County WCID 2 in Docket No. 53938.

Note: Any confidential items should be submitted as confidential filings with the PUC. The instructions for filing confidential documents can be found on our website at: (<http://www.puc.texas.gov/industry/filings/FilingProceed.aspx>).