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OPEN MEETING COVER SHEET COMMISSIONER MEMORANDUM

MEETING DATE: June 5, 2025

DATE DELIVERED: June 4, 2025

AGENDA ITEM NO.: 18

CAPTION: Docket No. 57765 – Petition of Premier at Katy, LLC Appealing the Decision of the Northwest Harris-Fort Bend Counties Municipal Utility District No. 3 to Change Rates

DESCRIPTION: Commissioner Courtney Hjaltman

Public Utility Commission of Texas

Commissioner Memorandum

TO: Chairman Thomas J. Gleeson
Commissioner Kathleen Jackson

FROM: Commissioner Courtney K. Hjaltman *ckh*

DATE: June 4, 2025

RE: June 5, 2025 Open Meeting – Agenda Items No. 16 and 18
Docket No. 57445 – *Petition of Heritage Cardiff SPE, LLC Appealing the Decision of Northwest Harris County Municipal Utility District No. 36 to Change Rates* and
Docket No. 57765 – *Petition of Premier at Katy, LLC Appealing the Decision of Northwest Harris-Fort Bend Counties Municipal Utility District No. 3 to Change Rates*

Before the Commission are two draft preliminary orders regarding appeals of rates by municipal utility districts under Texas Water Code § 13.043(b). Both draft preliminary orders identified certain issues not to be addressed based on an interpretation of statute by the Texas Commission on Environmental Quality that predates the transfer of certain jurisdiction over water utilities to the Public Utility Commission of Texas. While I am sensitive to established precedent in contested cases, particularly when jurisdiction has transferred between sister agencies, these cases provide an instance of first impression for the Commission to interpret Texas Water Code § 49.2122, on which the parties are clearly not aligned.

Therefore, I recommend we remove all of the issues not to be addressed in both preliminary orders, approve the preliminary orders as amended so the cases may proceed to the State Office of Administrative Hearings, and request that the Office of Policy and Docket Management issue an order directing parties and other interested persons to separately provide briefing to the Commission on the issue of interpreting Texas Water Code § 49.2122 in harmony with Texas Water Code § 13.043.

I look forward to discussing these considerations with you at the Open Meeting on June 5, 2025.