

Buddy Garcia, *Chairman*  
Larry R. Soward, *Commissioner*  
Bryan W. Shaw, Ph.D., *Commissioner*  
Mark R. Vickery, P.G., *Executive Director*



## TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

*Protecting Texas by Reducing and Preventing Pollution*

April 15, 2009

Ms. LaDonna Castañuela, Chief Clerk  
Office of the Chief Clerk  
Texas Commission on Environmental Quality  
P.O. Box 13087, MC-105  
Austin, Texas 78711-3087

2009 APR 15 PM 1:26  
CHIEF CLERKS OFFICE  
TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Re: TCEQ Docket No. 2008-1377-UCR; Consideration of a request for a Commission order approving a contract designating service areas between the City of Penitas (City) and the Agua Special Utility District (SUD), formerly known as La Joya Water Supply Corporation.

Dear Ms. Castañuela:

Enclosed for filing with the Texas Commission on Environmental Quality (Commission) is the original plus seven copies of the following items to be filed as backup materials for the May 6, 2009 agenda on a request for an order approving a contract designating water service areas between the City of Penitas and Agua Special Utility District:

1. Agenda Executive Summary;
2. Caption;
3. Staff memo detailing financial, managerial, and technical capabilities of the City to provide continuous and adequate service in the affected area;
4. Request for Commission order approving a Texas Water Code section 13.248 agreement filed by the City on December 12, 2007;
5. Texas Water Code section 13.248 agreement between the SUD and the City executed on November 27, 2007;
6. Consent Forms
7. Proposed Order;
8. Proposed map of the service area subject to the section 13.248 agreement; and
9. Certificate of Convenience and Necessity (CCN) Nos. 20794 and 20785.

Please do not hesitate to contact me at 239-0635 if you have any questions regarding this material. Thank you for your attention to this matter.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Trey Jackson".

Trey Jackson  
Staff Attorney  
Environmental Law Division

Enclosure

CC: Mailing List

**Texas Commission on Environmental Quality**

INTEROFFICE MEMORANDUM

NOV 15 PM 1:26

CHIEF CLERKS OFFICE

**TO:** Texas Commission on Environmental Quality      **DATE:** 11/13/2008

**THRU:** LaDonna Castañuela, Chief Clerk

**FROM:** Trey Jackson, Staff Attorney, Environmental Law Division

**SUBJECT:** **TCEQ Docket No. 2008-1377-UCR.** Consideration of a request for a Commission order approving a contract designating service areas between City of Penitas and the Agua Special Utility District, formerly known as La Joya Water Supply Corporation.

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DESCRIPTION OF APPLICATION

**Applicant:** Agua Special Utility District, formerly La Joya Water Supply Corporation and the City of Penitas.

**Regulated Activity:** Retail sewer utility service

**Type of Application:** Request for a Commission Order approving a contract

**Commission Action:** Hearing regarding approval of the contract

**Authority:** Texas Water Code § 13.248 and 30 Texas Administrative Code § 291.117

FACTUAL BACKGROUND

The City of Penitas ("City"), sewer certificate of convenience and necessity (CCN) No. 20794, and Agua Special Utility District ("Agua SUD"), formerly known as La Joya Water Supply Corporation ("La Joya WSC), sewer CCN No. 20785, provide retail sewer service in Hidalgo County, Texas. On November 27, 2007, the City of Penitas and Agua SUD entered into an agreement regarding their respective sewer service areas pursuant to section 13.248 of the Texas Water Code.

Under the agreement, Agua SUD will decertify and transfer its entire dually certificated area that includes approximately 4,098 acres of its sewer CCN area to the City of Penitas. There are no customers or facilities in the area being transferred. Both parties have reviewed the CCN map to be issued with the commission's Order and have approved it.

## LEGAL AUTHORITY

The Texas Water Code prohibits a utility, a utility operated by an affected county, or a water supply corporation from rendering retail water or sewer utility service directly or indirectly to the public without first obtaining a CCN.<sup>1</sup> Conversely, a municipality is not required to obtain a CCN to provide retail water service.<sup>2</sup> However, a municipality may not provide service to areas that are outside of its corporate boundaries but within the CCN of another retail public utility without first obtaining written consent from that retail public utility.<sup>3</sup>

The Texas Water Code and TCEQ rules allow retail public utilities to enter into service area agreements and have the Commission affirm the agreements by amending the entities' respective CCNs.<sup>4</sup> A transfer of a water or sewer system that also includes the transfer of customers and/or facilities may, in some cases, also require separate Commission approval for the transfer of customers and/or facilities.<sup>5</sup>

The request to approve a 13.248 agreement is not subject to the notice provisions of section 291.106, Title 30 of the Texas Administrative Code, which apply to applications for new and amended CCNs. The Commission may approve the service area agreement pursuant to section 13.248 of the Texas Water Code with the appropriate notice under the Open Meetings Act. The Executive Director will mail notice of the hearing upon the setting of an Agenda date.

## BASIS FOR STAFF RECOMMENDATION

The following items were considered in developing the staff's recommendation:

1. Request for a Commission order approving the 13.248 agreement filed by Agua SUD on December 12, 2007 (application no. 35926-C);

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<sup>1</sup> TEX. WATER CODE ANN. § 13.242(a) (Vernon 2006).

<sup>2</sup> A municipality is a "retail public utility" under section 13.002(19) of the Texas Water Code but is not a "utility" under section 13.002(23). Therefore, the section 13.242(a) requirement that a "utility" must obtain a CCN before providing retail water utility service does not apply to a municipality.

<sup>3</sup> *Id.* § 13.242(b).

<sup>4</sup> *Id.* § 13.248; 30 TEX. ADMIN. CODE § 291.117 (West 2005) (Tex. Comm'n on Envtl. Quality, Contracts Valid and Enforceable). Section 13.248 states "[c]ontracts between retail public utilities designating areas to be served and customers to be served by those retail public utilities, when approved by the commission after public notice and hearing, are valid and enforceable and are incorporated into the appropriate areas of public convenience and necessity."

<sup>5</sup> TEX. WATER CODE § 13.301. The section requires that some applicants also demonstrate "adequate financial, managerial, and technical capability for providing continuous and adequate service to the service area being acquired and to any areas currently certificated to the person" for the separate transaction relating to the transfer of facilities and/or customers.

2. Agreement between the City and the Agua SUD, executed on November 27, 2007;
3. Map of the service area subject to the 13.248 agreement submitted by the City and Agua SUD.
4. Financial, Managerial, and Technical analysis of the City to operate in the affected area.

#### STAFF RECOMMENDATION

Based on the facts stated in the application and the supporting documentation submitted by Agua SUD and the City, Staff supports the request for a Commission order approving a contract designating service areas between the City and Agua SUD. Staff has confirmed that both parties are retail public utilities with active sewer CCNs and that the area the parties are seeking to transfer is either dually certificated to both parties or abuts the CCN of the entity receiving the CCN.

Further, staff is satisfied that the City possesses the adequate financial, managerial, and technical capability to provide continuous and adequate service to the area being transferred. As of October 2008, the City has informed staff that USDA/RD has committed loan/grant funds to the City in the amounts of \$1,364,000 and \$2,996,000, respectively, to construct sewer collection and treatment facilities. Both parties have received copies of the maps which will become part of the order and each has signed its approval for the proposed maps.

#### STAFF CONTACTS

Trey Jackson, Environmental Law Division (239-0635)  
Lisa Fuentes, Water Supply Division (239-6117)

**CAPTION**  
**CITY OF PENITAS/AGUA SUD**  
**Application No. 35926-C**

**TCEQ Docket No. 2008-1377-UCR.** Consideration of a request for a Commission order approving a contract designating service areas between the Agua Special Utility District (“ Agua SUD”), sewer certificate of convenience and necessity (“CCN”) No. 20785, and the City of Penitas (“City”), sewer CCN No. 20794, in Hidalgo County, Texas pursuant to section 13.248 of the Texas Water Code. Currently, Agua SUD holds sewer CCN No. 20785 that includes the area in question. Under the Agreement, Agua SUD will transfer approximately 4,098 acres of its dually certificated sewer CCN area to the City. No customers or facilities are proposed to be transferred. (Trey Jackson, Lisa Fuentes).

# Texas Commission on Environmental Quality

INTEROFFICE MEMORANDUM

**To:** Environmental Law Division                      **Date:** October 16, 2008  
**Thru:** Lisa Fuentes/Tammy Benter  
**From:** Dan Smith  
**Subject:** Contract Service Agreement Pursuant to Texas Water Code, Section 13.248, from City of Penitas (Penitas), Certificate of Convenience and Necessity (CCN) No. 20794, to Transfer a Portion of CCN No. 20785 from La Joya Water Supply Corporation, now known as Agua Special Utility District, (Agua) in Hidalgo County; Application No. 35926-C

CN: 600740971; RN: 101420412 (transferee)  
CN: 601495468; RN: 102946589 (transferor)

In my opinion, the City of Penitas has demonstrated adequate financial and managerial capability to provide wastewater service on its own, due to imminent loan/grant funds from United States Department of Agriculture's Rural Development office (USDA/RD). Agua can be allowed to decertify its area from the dually-certified area with Penitas.

Signed:     *Dan Smith*                          Date:     October 16, 2008    

Penitas and Agua have dual certification in Penitas' sewer CCN. Penitas and Agua have entered an agreement described in the agreement, and in this application as a transfer, but in effect, it is an action for La Joya to decertify its sewer CCN in the 4,098 acres in which it is dually-certified with Penitas sewer CCN. For information, approximately 1,539 of those acres would be outside the statutory ½ mile extraterritorial jurisdiction (etj) of a city less than 5,000 population. Penitas has a population of 1,167 according to the 2000 census. There is no known sewer service being provided in the dually-certified area, by either party.

(continued)

Agua provides water service to about 13,000 connections in Hidalgo and Starr Counties, including in Penitas. The number of sewer connections is not known. This 4,000-acre area would not likely be considered material to La Joya's sewer operations.

We have been informed as of the date of this memorandum that USDA/RD has committed loan/grant funds to Penitas in the amounts of \$1,364,000 and \$2,996,000, respectively, to construct sewer collection and treatment facilities. The large grant component is likely a result of the determination of some amount of disadvantaged area.

I have reviewed an audit for Penitas for the fiscal year ended September 30, 2007. It is performed by Mr. Oscar R. Gonzalez, CPA in Pharr, and contains an unqualified opinion. There is only a "General" fund accounting under "Governmental Fund Types," apparently indicating there presently are no business-type, proprietary or utility-type operations. Penitas has had their CCN since 1994. Water service is provided by Agua.

The statement of net assets (balance sheet) showed total city assets of \$2,377,518, with no long-term debt. Net assets (equity) was \$2,135,399 on that date, and since there is no term debt, there is no debt-to-equity ratio.

The statement of activities (income and expense statement) shows taxes apparently adequate for minimal services that are provided, but cash flow has had to be supported by occasional local borrowings at relatively high interest rates, compared, for example, with the rate they will pay on the USDA/RD loan.

In summary, the large grant component acts as instant equity, which, with the loan, provides a debt-to-equity ratio of just 0.45:1, without considering the existing equity of Penitas with no term debt.

# Bickerstaff Heath Delgado Acosta LLP

816 Congress Avenue Suite 1700 Austin, Texas 78701 (512) 472-8021 Fax (512) 320-5638 www.bickerstaff.com

December 12, 2007

*Via Messenger*

Tammy Benter  
Utilities & Districts Section  
Water Permits & Resource Management Division  
Texas Commission on Environmental Quality  
12100 Park 35 Circle  
Building F, Room 31050  
Austin, Texas 78711-3087

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TEXAS COMMISSION  
ON  
ENVIRONMENTAL QUALITY

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TC EQ  
WATER SUPPLY DIV.  
2007 DEC 12 PM 3 56

RE: Texas Water Code § 13.248 Agreement between the La Joya Water Supply Corporation (Sewer CCN No. 20785) and the City of Penitas (Sewer CCN No. 20794).

Dear Ms. Benter:

Please find enclosed four copies of the November 27, 2007 Transfer Retail Water and Sewer Utility Service Area Agreement ("November 2007 Agreement") between La Joya Water Supply Corporation (La Joya WSC) and the City of Penitas (Penitas) concerning sewer service territory in Hidalgo County, Texas. Also, please find four copies of the map identifying the areas to be transferred and four CDs with the electronic data that is used to create the map.

The Agreement designates territory between Penitas, which holds Sewer Certificate of Convenience and Necessity (CCN) No. 20794, and La Joya WSC, which holds Sewer CCN No. 20785. The November 27, 2007 Agreement provides for the transfer of territory identified on the attached map. Enlarged color copies of the map attached to the Agreement are also included.

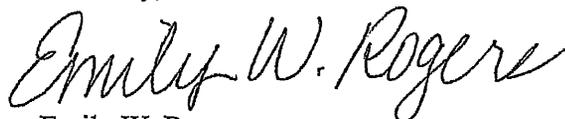
In accordance with 30 TEX. ADMIN. CODE § 291.117, La Joya WSC and Penitas respectfully request that the November 2007 Agreement between them be noticed for and set on Texas Commission on Environmental Quality agenda so that the November 2007 Agreement may be considered and incorporated into the appropriate areas of public convenience and necessity, as set forth in Texas Water Code § 13.248.

Tammy Benter  
December 12, 2007  
Page 2

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As required by Texas Water Code § 5.701, please find enclosed a \$100 filing fee. If you have any questions or comments, please do not hesitate to call me at 512-472-8021. Thank you for your attention to this matter.

Sincerely,



Emily W. Rogers  
Attorney for the Receiver of  
La Joya Water Supply Corporation

EWR/mmr  
Enclosures

cc. Pablo Vela, Receiver for La Joya WSC  
Frank Flores, General Manager for La Joya WSC  
City Administrator of the City of Penitas

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TCEQ  
WATER SUPPLY DIV.

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DEC 13 2007  
TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

**AGREEMENT DESIGNATING RETAIL  
SEWER SERVICE TERRITORY**

STATE OF TEXAS

§  
§  
§

COUNTY OF HIDALGO

THIS AGREEMENT Designating Retail Sewer Service Territory is made and executed by and between the La Joya Water Supply Corporation (hereinafter "La Joya WSC") and the City of Peñitas, Texas (hereinafter "Peñitas"). La Joya WSC and Peñitas may be collectively referred to herein as the "Parties."

**RECITALS**

WHEREAS, La Joya WSC is a Texas non-profit water supply corporation which holds sewer Certificate of Convenience and Necessity ("CCN") Nos. 20785 (hereinafter referred to collectively as "La Joya WSC's CCN");

WHEREAS, Peñitas is a Texas municipal corporation which holds sewer CCN No. 20794;

WHEREAS, Mr. Pablo Vela, Jr. was appointed Temporary Receiver of the assets and business of La Joya WSC by order of the District Court of Hidalgo County, Texas on August 31, 2005 in *State of Texas v. La Joya Water Supply Corporation*, Cause No. C-848-05-1; and

WHEREAS, La Joya WSC and Peñitas are dually certificated for sewer service to an area in and around the City of Peñitas as shown on Exhibit A attached hereto and incorporated herein; and

WHEREAS, Peñitas desires to be singly certificated to its city limits and extraterritorial jurisdiction (ETJ) so that it may provide sewer service to the area; and

WHEREAS, La Joya WSC desires to be singly certificated to the area outside the city limits and extraterritorial jurisdiction of Peñitas; and

NOW, THEREFORE, for and in consideration of the foregoing mutual benefits, covenants, and agreements herein expressed and other good and valuable consideration, the receipt of which is hereby acknowledged, La Joya WSC and Peñitas agree as follows:

**TERMS OF AGREEMENT**

IN CONSIDERATION of the mutual promises and covenants contained in this Agreement, including the recitals set forth above, and other good and valuable consideration, the receipt of which is hereby acknowledged, by their representatives affixing signatures below, La Joya WSC and Peñitas agree as follows:

(1) Single Certification of Dually Certificated Area. La Joya WSC hereby agrees to decertify the dually certificated area identified on Exhibit A so that the City of Peñitas may be singly certificated to the area.

10-21

**DRAFT – 07-23-07**

(2) Customers and Facilities in the Areas to be Singly Certificated. As of the Effective Date of this Agreement, there are no La Joya WSC customers or facilities, collection lines, or related equipment in the area to be singly certificated to Peñitas. No facilities or customers will be transferred from La Joya WSC to the City of Peñitas under this Agreement.

(3) Amendment of CCNs. As soon as possible after the Effective Date of this Agreement, but no later than December 31, 2007, La Joya WSC and Peñitas shall jointly file this Agreement with the Texas Commission on Environmental Quality ("TCEQ") to effectuate the decertification to which the Parties have agreed, and to request that this Agreement be incorporated into the respective CCNs of Peñitas and La Joya WSC pursuant to Texas Water Code § 13.248. La Joya WSC and Peñitas shall endeavor to obtain TCEQ approval of the CCN amendments contemplated herein in an expeditious manner and will support and cooperate with each other and the TCEQ to accomplish this goal.

(5) Effective Dates. This Agreement is effective and enforceable as between La Joya WSC and Peñitas following execution by both parties.

(6) Section 13.248. This Agreement shall be construed and interpreted in accordance with Section 13.248 of the Texas Water Code.

**MISCELLANEOUS**

(1) Applicable Texas Law. This Agreement shall be governed by and construed and enforced under the laws of the State of Texas.

(2) Performance. The obligations and undertakings of each of the parties to this Agreement shall be performed in Hidalgo County, Texas. Except for matters within the jurisdiction of the TCEQ (or its successor), the parties expressly agree that all judicial proceedings to enforce any of the provisions of this Agreement shall take place in Hidalgo County, Texas.

(3) Entire Agreement. This Agreement contains the entire agreement of La Joya WSC and Peñitas with respect to the subject matter of the Agreement. No Agreement, statement, or promise made by any party or to any employee, agent, or officer of any party, that is not contained in this Agreement regarding decertification of the dually certificated area shall be valid, binding, or of any force or effect. Any amendments to this Agreement must be in writing and signed by the party or parties to be charged.

(4) Successors and Assigns. This Agreement shall be binding upon the parties hereto and their respective successors, heirs, representatives, and assigns.

(5) Agreement Drafted Equally. This Agreement shall be deemed drafted equally by the Parties hereto. The language of all parts of this Agreement shall be construed as a whole according to its fair meaning, and any presumption or principle that the language herein is to be construed against either Party shall not apply.

(6) Severability. Should any provision of this Agreement be declared void by a court of competent jurisdiction, the remaining provisions of this Agreement shall remain in full force and effect.

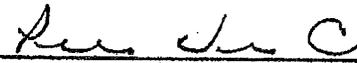
**DRAFT – 07-23-07**

(7) Attorney's Fees. In the event of any suit or other adjudication between the Parties to enforce any claim arising out of this Agreement, or to interpret the terms of this Agreement, the prevailing Party shall be entitled to recover its fees, damages, costs, attorneys' fees, and such other and further relief from the non-prevailing Party, general or special, at law or in equity, to which the prevailing Party may show itself justly entitled as provided by Texas Local Government Code § 271.159.

(8) Covenant of Authority. The respective signatories to this Agreement covenant that they are fully authorized to sign this Agreement on behalf of their respective party.

IN WITNESS WHEREOF, EXECUTED by the Receiver of La Joya WSC and the City of Peñitas under the authority of their respective governing bodies in Duplicate Originals on the dates indicated below.

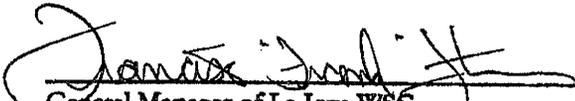
**LA JOYA WSC**

BY: 

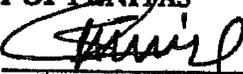
Pablo Vela, Jr.

Date: NOVEMBER 27, 2007

ATTEST:

  
General Manager of La Joya WSC

**CITY OF PEÑITAS**

BY: 

Servando Ramirez, Mayor

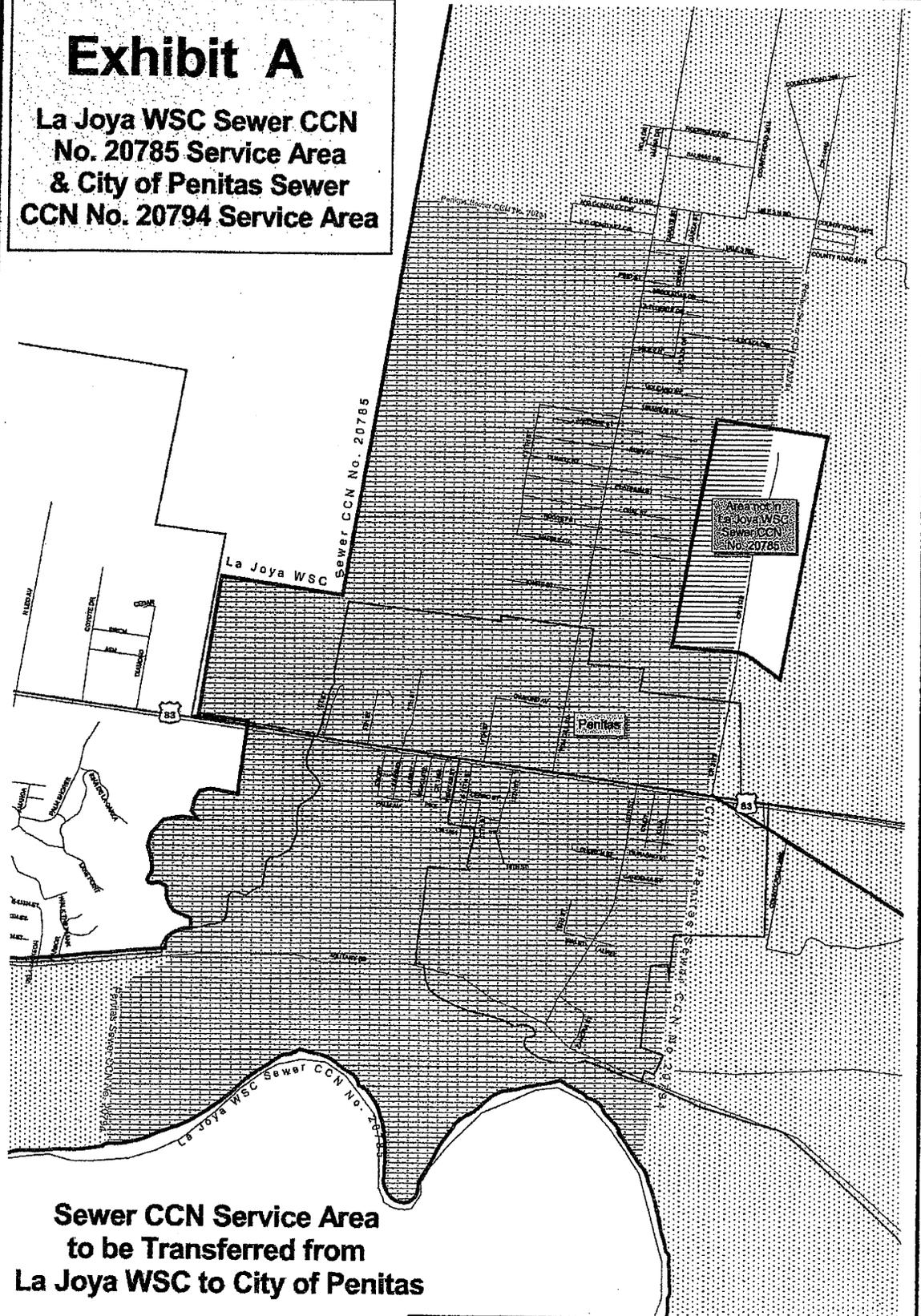
Date: 10/24/07

ATTEST:

  
City Secretary of the City of Peñitas

# Exhibit A

La Joya WSC Sewer CCN  
No. 20785 Service Area  
& City of Penitas Sewer  
CCN No. 20794 Service Area



**Sewer CCN Service Area  
to be Transferred from  
La Joya WSC to City of Penitas**

Prepared By: Bickerstaff Heath Delgado Acosta LLP  
Data Sources: CCN Boundaries obtained from TCEQ Mapping;  
City Limit Boundaries obtained from Hidalgo County Appraisal District.  
Roads obtained from Lower Rio Grande Valley Council of Governments.  
Updated November 2007

2000 0 2000 Feet

**Legend**

- Highways and Roads
- Hidalgo County
- Sewer CCN No. 20794 - City of Penitas Existing Sewer CCN Service Area
- Sewer CCN Area to Transfer From La Joya WSC to City of Penitas
- 20785 - La Joya Water Supply Corporation Sewer CCN Service Area

MAP CONSENT FORM

Applicant=s Name: City of Penitas /La Joya Water Supply Corporation 13.248 Agreement  
Application No.: 35926-C

- I concur with the map created 7/3/2008 as a result of the above mentioned application.
- I do not concur with the map created 7/3/2008 and intend to respond by letter dated \_\_\_\_\_.

I am authorized by the La Joya Water Supply Corporation to sign this form.

Signature:

*Francisco Flores*

Printed Name:

Francisco Flores

Relationship to Applicant:

General Manager

Date signed:

7/10/2008

Mail to or fax to:  
Lisa V. Fuentes  
Utilities & Districts Section, MC 153  
Water Supply Division  
Texas Commission on Environmental Quality  
P.O. Box 13087  
Austin, TX 78711-3087  
Fax (512) 239-6972

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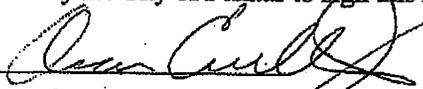
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TCEQ WATER SUPPLY

**MAP CONSENT FORM**

Applicant=s Name: City of Penitas/La Joya Water Supply Corporation 13.248 Agreement  
Application No.: 35926-C

- I concur with the map created 7/3/2008 as a result of the above mentioned application.
- I do not concur with the map created 7/3/2008 and intend to respond by letter dated \_\_\_\_\_.

I am authorized by the City of Penitas to sign this form.

Signature: 

Printed Name: Oscar Cuellar Jr.

Relationship to Applicant: City Administrator

Date signed: 11/4/08

Mail to or fax to:  
 Lisa V. Fuentes  
 Utilities & Districts Section, MC 153  
 Water Supply Division  
 Texas Commission on Environmental Quality  
 P.O. Box 13087  
 Austin, TX 78711-3087  
 Fax (512) 239-6972

**AN ORDER** Approving an agreement designating sewer service areas between the City of Peñitas and Agua Special Utility District pursuant to Texas Water Code Section 13.248; TCEQ Docket No. 2008-1377-UCR.

A request for a Commission order approving a contract designating service areas between the City of Peñitas (“City”), sewer Certificate of Convenience and Necessity (CCN) No. 20794, and Agua Special Utility District (“Mustang SUD”), sewer Certificate of Convenience and Necessity (CCN) No. 20785, in Hidalgo County, Texas, was presented to the Texas Commission on Environmental Quality (“TCEQ” or “Commission”) for approval pursuant to Section 13.248 of the Texas Water Code and Title 30, Section 291.117 of the Texas Administrative Code.

On November 27, 2007, the City and Agua SUD entered into an agreement (“Agreement”) regarding their respective sewer service areas pursuant to Section 13.248 of the Texas Water Code. Under the Agreement, Agua SUD will transfer the rights to sewer service for approximately 4,098 acres of its dually certificated CCN area to the City and the City will be the sole retail sewer service provider in that service area. There are no customers in the area and there will be no transfer of facilities under the Agreement. The Agreement is attached to this Order.

Contracts between retail public utilities that designate areas to be served and customers to be served by those retail public utilities, when approved by the Commission after public notice and hearing, are valid and enforceable and are incorporated into the appropriate areas of public convenience and necessity. TEXAS WATER CODE, §13.248.

The Commission held a hearing on the request at the \_\_\_\_\_ agenda and found the request had merit.

The City is capable of rendering continuous and adequate sewer service to every customer in the area, as described by the Agreement. The CCN transfer, which results in the City being the sole sewer service provider in that area, is necessary for the service, accommodation, convenience, or safety of the public.

NOW, THEREFORE, BE IT ORDERED BY THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY that:

1. The Agreement transferring approximately 4,098 acres of the dually certificated area of Agua SUD sewer CCN No. 20785 to the City, CCN No. 20794, and designating that the City is the sole retail sewer service provider in that area, is hereby approved.

2. CCN No. 20785 in Hidalgo County, held by Agua SUD, is hereby amended in accordance with the Agreement.

3. CCN No. 20794 in Hidalgo County, held by the City of Peñitas, is hereby amended in accordance with the Agreement.

4. The Executive Director is directed to redraw the maps of the respective sewer CCNs as provided in the Agreement and as set forth on the map attached to this Order, and to amend the Commission's official water service area map for Denton County, Texas.

5. The Chief Clerk of the Texas Commission on Environmental Quality shall forward a copy of this Order to the parties.

If any provision, sentence, clause, or phrase of this Order is for any reason held to be invalid, the invalidity of any portion shall not affect the validity of the remaining portions of the Order.

Issue Date:

TEXAS COMMISSION ON  
ENVIRONMENTAL QUALITY

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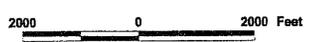
For the Commission

**La Joya WSC Sewer CCN  
No. 20785 Service Area  
& City of Penitas Sewer  
CCN No. 20794 Service Area**



**Sewer CCN Service Area  
to be Transferred from  
La Joya WSC to City of Penitas**

Prepared By: Bickerstaff Heath Delgado Acosta LLP  
 Data Sources: CCN Boundaries obtained from TCEQ Mapping;  
 City Limit Boundaries obtained from Hidalgo County Appraisal District.  
 Roads obtained from Lower Rio Grande Valley Council of Governments.  
 Updated November 2007



**Legend**

- Highways and Roads
- Hidalgo County
- Sewer CCN No. 20794 - City of Penitas Existing Sewer CCN Service Area
- Sewer CCN Area to Transfer From La Joya WSC to City of Penitas
- 20785 - La Joya Water Supply Corporation Sewer CCN Service Area



# Texas Commission On Environmental Quality

**By These Presents Be It Known To All That**

**City of Penitas**

having duly applied for 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 by this Applicant, is entitled to and is hereby granted this

## **Certificate of Convenience and Necessity No. 20794**

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 Application No. 35926-C 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 City of Penitas 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 \_\_\_\_\_

\_\_\_\_\_  
For the Commission



**Texas** **Commission**  
**On**  
**Environmental Quality**

**By These Presents Be It Known To All That**

**La Joya Water Supply Corporation**

having duly applied for 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 by this Applicant, is entitled to and is hereby granted this

**Certificate of Convenience and Necessity No. 20785**

to provide continuous and adequate water utility service to that service area or those service areas in Hidalgo and Starr Counties as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Application No. 35926-C 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 La Joya Water Supply Corporation 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 \_\_\_\_\_

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For the Commission