



City of Mesquite, Texas

Legislation Details (With Text)

File #: 19-4120 **Version:** 1 **Name:** Letter of Understanding with Talty SUD
Type: Agenda Item **Status:** Passed
File created: 4/24/2019 **In control:** City Council
On agenda: 5/6/2019 **Final action:** 5/6/2019

Title: Authorize the City Manager to finalize and execute a Letter of Understanding with Talty Special Utility District for a limited transfer of Certificate of Convenience and Necessity (CCN) area to the City of Mesquite.

Sponsors:

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Attachments: 1. Location Map of CCN Transfer, 2. List of Accounts

Date	Ver.	Action By	Action	Result
5/6/2019	1	City Council	Approved	Pass

Authorize the City Manager to finalize and execute a Letter of Understanding with Talty Special Utility District for a limited transfer of Certificate of Convenience and Necessity (CCN) area to the City of Mesquite.

The Talty Special Utility District (Talty SUD) has approached the City requesting the execution of a Letter of Understanding (LOU) for an eventual limited transfer of CCN from Talty SUD to the City. The area Talty SUD wishes to transfer is either within the City limits of Mesquite or is covered by a 43.035 Agreement and is bounded by IH 20 on the north, FM 741/Dozier Circle on the southeast and High Country Lane on the southwest, see attached location map. The area is served by a dead-end six-inch diameter water main and has 23 water accounts of which 18 are active.

The terms of the LOU require Mesquite to prepare the necessary documents (legal description of area to be transferred, transfer agreement, bill of sale, assignment of easements, assignment of customer deposits and an Application for Sale, Transfer, or Merger of a Retail Public Utility (STM Application)) and filing the documents with the Public Utility Commission (PUC). Talty would continue to serve the subject area on a temporary basis until the City extends its water system to the area and connects to the subject six-inch water main.

Financial Implications

The City will fund the preparation of the necessary agreements and surveys. Once the City takes over operation of this small section of six-inch water main and customer’s accounts from the Talty SUD the City will be responsible for normal operation of the water main, reading of water meters and account billing.

Recommended/Desired Action

Staff recommends the approval of the Letter of Understanding with Talty Special Utility District and authorizing the City Manager to finalize and execute the LOU.

Attachment(s)

Location Map of CCN Transfer

List of Accounts

Drafter

Matthew Holzapfel, P.E.

Head of Department

Matthew Holzapfel, P.E.