



City of San Antonio

Agenda Memorandum

File Number: 16-5765

Agenda Item Number: 19.

Agenda Date: 2/23/2017

In Control: City Council A Session

DEPARTMENT: Finance

DEPARTMENT HEAD: Troy Elliott

COUNCIL DISTRICTS IMPACTED: City Wide

SUBJECT: Cibolo Valley Ranch CCN

SUMMARY:

South Central Water Company (SCWC) has requested consent from the City of San Antonio (City) to apply for a Certificate of Convenience and Necessity (CCN) from the Public Utility Commission (PUC). San Antonio Water System (SAWS) staff has conducted an analysis of the request working with SCWC and recommends that the City agree to the consent request under the specified conditions contained in the Settlement Agreement between SAWS, Cibolo Valley Partners, LLC and SCWC, and as stated in the proposed Ordinance. Due to the additional capital cost required to serve the area, it is more economical for SCWC to provide service to the area.

BACKGROUND:

SCWC has requested consent from the City to apply for a CCN from the PUC allowing the SCWC to provide service to the Cibolo Valley Ranch (CVR) Tract. The CCN would apply to a 498-acre tract in southern Comal and northern Bexar Counties south of FM 1863 and East of US 281, of which 394 acres is within SAWS sewer CCN. CVR is located in the Edwards Aquifer Recharge Zone and the remainder of the Ranch is located in the Edwards Aquifer Contributing Zone. The portion of the Ranch located inside of the City's extraterritorial jurisdiction (the ETJ) is subject to the City's Aquifer Protection Ordinance.

Section 13.245 of the Texas Water Code requires consent from a city with a population of 500,000 or more prior to PUC granting a CCN within the ETJ of the city. As a condition of the consent, the city can require that all sewer facilities be designed and constructed in accordance with the municipality's standards for facilities.

SAWS staff worked directly with SCWC discussing various options relating to the development and operations of the sewer system. SCWC has agreed to make certain improvements to existing facilities and committed to construct future development in a manner that is acceptable to SAWS. Therefore, it is SAWS' recommendation that the City agree to the consent request to apply for the CCN under the specified conditions as set out in the Ordinance.

ISSUE:

SCWC has requested consent from the City of San Antonio to apply for a CCN from the PUC. The Texas Water Code requires the City's consent prior to PUC granting a CCN. Due to the following benefits to SAWS it is more economical for SCWC to provide service in the area:

- Defers significant capital costs for SAWS and there will be a capital cost savings for the Developer
- It will also help define growth assumptions for SAWS downstream capacity related CIP

ALTERNATIVES:

Alternatively, the City could not offer consent to the CCN application request. Should the City not consent, the PUC may grant the CCN without the conditions negotiated between SAWS, Cibolo Valley Partners, LLC and SCWC.

FISCAL IMPACT:

The proposed Resolution will have no fiscal impact to the City.

RECOMMENDATION:

Staff recommends approval of the proposed Ordinance consenting to a request by SCWC to file an application for a Sewer CCN from the PUC.