



City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Water Utilities

CM/DCM/ACM: Cassey Ogden

DATE: October 21, 2025

SUBJECT

Consider approval of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager or their designee to intervene in petitions for streamlined expedited release (Public Utility Commission of Texas Docket Nos. 58460 and 58462) filed by McCart St, LLC with the Public Utility Commission of Texas and any other streamlined expedited release petitions related thereto or involving nearby properties; authorizing the City Manager or their designee to take those actions necessary to effectuate the intent and purposes of this ordinance; and providing an effective date.

STRATEGIC ALIGNMENT

This action supports Key Focus Area: Support Healthy and Safe Communities.

BACKGROUND

The Public Utility Commission of Texas (PUC) regulates Certificates of Convenience and Necessity under the Texas Water Code, which grants the right and imposes the obligation to provide continuous and adequate retail water or sewer service over a specified geographic area. The City of Denton holds a Water CCN (CCN No. 10195) and a Sewer CCN (CCN No. 20072) granted by the PUC.

The Texas Water Code allows for Streamlined Expedited Release. Utilizing Streamlined Expedited Release, certain landowners owning tracts of twenty-five acres or more may file a petition with the PUC for release of their property from a City's CCN, provided the landowner meets specific requirements. Once a petition for a Streamlined Expedited Release Petition is administratively complete, the tracts are released within sixty days and there is no opportunity for a hearing. The tracts of land released from the City's CCN are no longer required to be served by the City.

Intervening in petitions for Streamlined Expedited Release enables the City to seek compensation through the appraisal process and procedures established by the PUC rules and the Texas Water Code. In order to intervene, the City must, among other actions, prepare and submit filings within a procedural schedule established by a PUC Administrative Law Judge. Intervening allows the City to protect and preserve the integrity of its water and sewer CCNs, support long-range planning for water, sewer, drainage, and street infrastructure, and uphold the City's development standards within the City's Extraterritorial Jurisdiction (ETJ). Granting the Denton City Manager, or their designee, the authority to efficiently and expeditiously prepare and submit filings is necessary to ensure timely protection of the City's CCNs.

On July 28, 2025, McCart St, LLC filed two petitions for Streamlined Expedited Release with the PUC (Docket Nos. 58460 and 58462) seeking to release approximately ninety-two (92) acres of land from the City's CCN.

The City owns and operates a sanitary sewer line immediately east of the eastern McCart St, LLC property. A water line, currently under design by Legends Ranch will, once constructed, be dedicated to the City south of the McCart St, LLC properties. Additionally, the City plans to construct a wastewater line along North Hickory Creek that will run through the western McCart St, LLC property.

RECOMMENDATION

Staff recommends authorizing the City Manager or their designee to intervene in petitions for streamlined expedited release (Public Utility Commission of Texas Docket Nos. 58460 and 58462) filed by McCart St, LLC with the Public Utility Commission of Texas and any other streamlined expedited release petitions related thereto or involving nearby properties. Staff also recommends authorizing the City Manager or their designee to take those actions necessary to effectuate the intent and purposes of the proposed ordinance.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

Sep. 30, 2025: Council Closed Session Discussion

EXHIBITS

Exhibit 1 - Agenda Information Sheet

Exhibit 2 - Ordinance

Respectfully submitted:
Stephen Gay, at 940-349-8086
General Manager
Water Utilities and Street Operations

For information concerning this acquisition, contact: Denis Qualls, 940-349-8783.

Legal point of contact: Christopher Mullins at 940-349-8114.