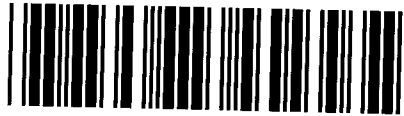


Control Number: 42860



Item Number: 8

Addendum StartPage: 0

42860

SOAH DOCKET NO. 582-14-1052  
TCEQ DOCKET NO. 2013-1735-UCR

APPLICATION OF DOUGLAS § BEFORE THE STATE OFFICE  
UTILITY COMPANY, TO §  
CHANGE ITS WATER AND § OF  
SEWER RATES § ADMINISTRATIVE HEARINGS

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THE EXECUTIVE DIRECTOR'S FIRST REQUESTS FOR DISCLOSURE,  
INTERROGATORIES, AND REQUESTS FOR PRODUCTION,  
TO DOUGLAS UTILITY COMPANY

TO: Douglas Utility Company  
c/o Mark H. Zeppa  
Attorney for Douglas Utility Company

Pursuant to §2001 et seq. of the Texas Government Code (the Texas Administrative Procedure Act or APA), Rules 190-198 of the Texas Rules of Civil Procedure and 30 Texas Administrative Code ("TAC") § 80.151, and 1 TAC § 155.251, you are required to answer in complete detail and in writing each of the following requests for disclosure, interrogatories, requests for production and requests for admissions. You are required to sign your answers to the questions or requests, to swear to the truth of your responses to interrogatories before a Notary Public or other judicial officer, and to deliver a complete, signed, and notarized copy of your answers and responses to Brian MacLeod, Staff Attorney, Environmental Law Division, MC 173, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087, within 30 days after service of this discovery, in accordance with the Administrative Law Judge's directive.

I. DEFINITIONS

As used herein, the terms "you," "your," or "yourself," refer to Douglas Utility Company, the party to whom these requests are addressed, as well as to each of its parents, predecessors, subsidiaries and affiliates, each of its present and former officers, employees, agents, representatives and attorneys acting on its behalf.

REPRESENTATIVE

As used herein, the term "representative" means any and all agents, employees, servants, officers, directors, attorneys, or other persons acting or purporting to act on your behalf.

PERSON

As used herein, the term "person" means any natural individual in any capacity whatsoever or any entity or organization, including divisions, departments and other units therein, and shall include, but not be limited to, a public or private corporation, partnership, joint venture, voluntary or unincorporated association, organization, proprietorship, trust, estate, governmental agency, commission, bureau, municipality, or department.

### DOCUMENT

As used herein, the term "document" means any medium upon which information can be recorded or retrieved, and includes, without limitation, the original and each copy, regardless of origin and location, of any book, pamphlet, periodical, letter, memorandum (including any memorandum or report of a meeting or conversation), invoice, bill, order form, receipt, financial statement, accounting entry, diary, calendar, telex, telegram, cable, facsimile transmission, report, record, contract, agreement, study, handwritten note, draft, working paper, chart, paper, print, laboratory record, drawing, sketch, graph, index, list, tape, photograph, microfilm, data sheet or data processing card, computer tape or disk, or any other written, recorded, transcribed, punched, taped, filmed, or graphic matter, however produced or reproduced, which is in your possession, custody, or control. The term "document" further means a copy of any document, as referred to above, if such copy contains notes, writings or is in any way different from or an alteration of the original document.

### COMMUNICATION

As used herein, the term "communication" means any oral or written utterance, notation or statement of any nature whatsoever, by and to whomsoever made, including, but not limited to, correspondence, conversations, dialogues, discussions, interviews, consultations, agreements and other understandings between or among two or more persons.

### IDENTIFICATION

As used herein, the terms "identification," "identify," or "identity," when used in reference to: (a) a natural individual - require you to state his or her full name and business address; (b) a corporation - require you to state its full corporate name and any names under which it does business, its state of incorporation, the address of its principal place of business, and the addresses of all of its offices; (c) a business - require you to state the full name or style under which the business is conducted, its business address or addresses, the types of businesses in which it is engaged, the geographic areas in which it conducts those business, and the identity of the person or persons who own, operate, and control the business; (d) a document - require

you to state the number of pages and the nature of the document (e.g., letter or memorandum), its title, its date, the name or names of its authors and recipients, and its present location and custodian; (e) a communication - require you, if any part of the communication was written, to identify the document or documents which refer to or evidence the communication, and, to the extent that the communication was non-written, to identify the persons participating in the communication and to state the date, manner, place and substance of the communication.

## II. INSTRUCTIONS

### IDENTIFICATION OF DOCUMENTS

With respect to each request, in addition to supplying the information requested, you are to identify all documents that support, refer to or evidence the subject matter of each request and your answer thereto.

If any or all documents identified herein are no longer in your possession, custody or control because of destruction, loss or any other reason, then do the following with respect to

**THE EXECUTIVE DIRECTOR'S DISCOVERY REQUESTS  
FOR DISCLOSURE, INTERROGATORIES AND  
REQUESTS FOR PRODUCTION TO DOUGLAS UTILITY COMPANY**

each and every such document: (a) describe the nature of the document (e.g., letter or memorandum); (b) state the date of the document; (c) identify the persons who sent and received the original and a copy of the document; (d) state in as much detail as possible the contents of the document; and (e) state the manner and date of disposition of the document.

If you contend that any material or information responsive to any of the interrogatories is privileged, state in response that: (a) the information or material responsive to the interrogatories has been withheld; (b) the interrogatory to which the information or material relates; and (c) the privilege or privileges asserted.

**CONTENTION REQUESTS**

When a request requires you to "state the basis of" a particular claim, contention, or allegation, state in your answer the identity of each and every communication and each and every legal theory that you think supports, refers to, or evidences such claim, contention, or allegation.

**CONTINUING REQUESTS**

These requests are to be considered continuing in nature and you are under a duty to timely supplement any response given to such request(s) as required by Rule 193.5 of the Texas Rules of Civil Procedure.

**III. REQUEST FOR DISCLOSURE**

Pursuant to Texas Rule of Civil Procedure 194, you are requested to disclose the information or material described in Rule 194.2(b),(c),(e),(f),(h) and (i) within thirty (30) days of the date of service of this request, as follows:

- b. the name, address and telephone number of any potential parties;
- c. the legal theories and, in general, the factual bases of the responding party's claims or defenses;
- e. the name, address, and telephone number of persons having knowledge of relevant facts, and a brief statement of each identified person's connection with the case;
- f. for any testifying expert:
  - 1. the expert's name, address, and telephone number;
  - 2. the subject matter on which the expert will testify;
  - 3. the general substance of the expert's mental impressions and opinions and a brief summary of the basis for them, or if the expert is not retained by, employed by, or otherwise subject to the control of the responding party, documents reflecting such information;
  - 4. if the expert is retained by, employed by, or otherwise subject to the control of the responding party:
    - A. all documents, tangible things, reports, models or data compilations that have been provided to, reviewed by, or prepared by or for the expert in anticipation of the expert's testimony; and
    - B. the expert's current resume and bibliography;
- h. any discoverable settlement agreements; and
- i. any discoverable witness statements.

#### IV. INTERROGATORIES

**Interrogatory No. 1.**

Please explain the reasons why and how the revenue requirement and Cost of Service expenses were allocated between water and sewer utility service.

**Interrogatory No. 2.**

Please identify each individual who worked for Douglas Utility Company, either as an employee or as a contract laborer for the test year, July 1, 2011 to June 30, 2012.

**Interrogatory No. 3.**

For each individual identified in Interrogatory No. 2, please provide the following information for the test year, July 1, 2011 to June 30, 2012:

- a. the total amount paid to the individual;
- b. the number of hours per week devoted to working for Douglas Utility Company
- c. how and the reasons why the employee's salary was allocated between the water and sewer systems;
- d. the type and monthly cost of benefits such as bonus, health, life or dental insurance of each employee; and
- e. the monthly cost of group insurance and how it was allocated for employees who worked or the water and sewer systems.

**Interrogatory No. 4.**

Please explain in detail why Douglas needs to build a New or Replacement Wastewater Treatment Facility and exactly what will be rebuilt, repaired, or replaced.

**Interrogatory No. 5.**

Please explain in detail all the factors that were considered when designing the proposed water and sewer rates, and why it is just and reasonable in regards to all customers, meter sizes, and customer classes.

**Interrogatory No. 6.**

Please explain the reasons why Douglas should be allowed to collect a surcharge to fund a New or Replacement Wastewater Treatment Facility. In particular, explain why the customers should service the loan instead of having the utility service the loan for the wastewater treatment plant and then have the loan included in calculating the weighted cost of capital.

**Interrogatory No. 7.**

Did you attempt to obtain the loan for the wastewater treatment facility and pay for the loan with your own funds without the surcharge? If so, please identify the documents involved in the application(s). Specifically, identify the application and the response to the application (either approval or refusal).

**Interrogatory No. 8.**

Please state all reasons and identify all documents that reveal that the utility is not able to obtain the loan from Integrity Bank itself and explain why it is necessary to have the customers pay the debt instead?

**Interrogatory No. 9.**

Please describe in detail what services are offered by Ms. Zieben that cannot be provided by your contractor (TNG) and /or employee (Olga Schnur).

**Interrogatory No. 10.**

List all customer or developer contributed capital (CIAC) for any assets that are included in your rate increase request calculations.

**Interrogatory No. 11.**

Please state who originally paid for the Wastewater treatment plant in place, how much was paid, when it was placed in service, how it was depreciated when it was completed depreciated, and explain how the utility recouped the cost of the wastewater treatment plant in its previous rates.

**Interrogatory No. 12.**

Please state how much longer you believe the wastewater treatment plant will be functional and provide continuous and adequate sewer service, and provide all reasons and identify all documents for that belief and identify all documents that support that belief.

**Interrogatory No. 13.**

Please provide a detailed summary of rate case expenses included in the known & measurable revenue requirement for the test year, July 1, 2011 to June 30, 2012.

**Interrogatory No. 14.**

Please describe the basis for the amount(s) mentioned in your application for each and every asset item(s) listed on Depreciation Schedule.

## V. REQUESTS FOR PRODUCTION

**Request for Production No. 1.** Please provide Douglas Utility Company's general ledger and financial statements for the test year, July 1, 2011 to June 30, 2012, which includes an explanation of all account codes.

**Request for Production No. 2.** Please provide all invoices and other information to support the information contained in Request for Production No. 1 above.

**Request for Production No. 3.** Please provide invoices or documents that support the original cost at the time of installation of all wastewater and water treatment facilities and collection and distribution systems as listed in the Application.

**Request for Production No. 4.** Provide a copy of the trending study that was used to derive the original cost of trended assets.

**Request for Production No. 5.** Please provide backup invoices and other information to support the information provided under Request for Production No. 3 and 4 above.

**Request for Production No. 6.** Please provide copies of the utility's payroll taxes paid to any government agencies for 2011 and 2012. Include copies of W2's and 1099's for 2011 and 2012.

**Request for Production No. 7.** Please produce copies of applications for loans and any loan documents and agreements for the New or Replacement Wastewater Treatment Facility. Specifically, please provide all documents including but not limited to guarantees, security agreements, UCC filings, and all documents that are related to the loan between you and Integrity Bank referenced in your amendment to the application (exhibit ED E offered at the preliminary hearing).

**Request for Production No. 8.** Please provide all documents that reveal that you do not have sufficient funds to service the loan for the wastewater system referenced in your amendment to the application

**Request for Production No. 9.** Please provide all documents that indicate the amount of time Ms. Zieben and all other employees spend working on utility business broken down into hours per week (or as much detail as you keep records of -- e.g. timesheets) with a description of the services provided each week. Also provide all documents that reveal whether the time worked is allocable to water or sewer.

**Request for Production No. 10.** Please provide copies of the terms and conditions of any loans that Douglas Utility Company has obtained or applied for and the responses to such applications since January 1, 2009, and copies of the terms and conditions of any loans that Douglas is contemplating obtaining since January 1, 2009. Also provide all financial statements you or any person whose financial means were part of the application (including guarantors, cosigners, providers of collateral, etc.) provided in order to facilitate approval of the loan.

**Request for Production No. 11.** Please provide documents supporting the need for the surcharge requested by Douglas Utility Company.

**Request for Production No. 12.** Please produce documentation showing the number of gallons of water for which Douglas Utility Company has billed the customers during the test year, July 1, 2011 to June 30, 2012.

**Request for Production No. 13.** Please provide documentation of the number of Customers served by Douglas Utility Company during the Test Year, July 1, 2011 to June 30, 2012, and the number of Customers currently being served, as well as a breakdown on the types of Customers by class of service or customer classes or meter size.

**Request for Production No. 14.** Please provide documentation of the consumption levels for each meter size at each gallonage tier during the test year and documents providing the same information for expected usage for each of these categories.

**Request for Production No. 15.** Please provide documents showing the estimated costs for the new or replacement Wastewater Treatment Facility, including but not limited to the engineering, equipment, and construction costs. . In responding to this request, please provide documents that reveal the basis for the list of estimated costs as well as the summary list of estimated costs.

**Request for Production No. 16.** Please provide documentation supporting the need for the new or replacement Wastewater Treatment Facility.

**Request for Production No. 17.** Please provide all documents that reveal investigations into comparing the cost of repairing the wastewater treatment plant to the cost of replacing the wastewater treatment plant.

**Request for Production No. 18.** Please provide all bids or estimates you have received for repairing or replacing the wastewater treatment plant.

**Request for Production No. 19.** Please provide all documents that relate to customer contributed capital or developer contributed capital (CIAC) for any assets that are included in your rate increase request calculations.

**Request for Production No. 20.** Please provide copies of construction plans, design plans and/or engineering reports for the new or replacement Wastewater Treatment Facility.

**Request for Production No. 21.** Please provide copies of any contracts and/or work orders or other agreements (that exceed \$300) between Douglas Utility Company and the operator(s) and/or contractors used to operate, repair, and/or maintain the Wastewater Treatment Facility.

**Request for Production No. 22.** Please provide copies of reports and/or work orders or other agreements (that exceed \$300) from the operator(s) and or contractors of Douglas Utility Company related to the repair and maintenance of the Water and Wastewater Treatment Facility since the facility was dedicated to public service, especially during the test year and beyond.

**Request for Production No. 23.** Please provide a list of names of all affiliates of Douglas Utility Company.

**Request for Production No. 24.** Please provide all documentation to support Douglas Utility Company's request for rate change in the application and the surcharge request.

**Request for Production No. 25.** Please provide all contracts and invoices for services and goods between you and any person that you will be making a rate case expense claim for.

**Request for Production No. 26.** Please provide income tax returns for the 2011 and 2012 tax years for the utility and any other person who guaranteed, cosigned, provided collateral for, or in any other way has any type of obligation relating to the loan with Integrity Bank. (Included with this request is a confidentiality agreement to protect the confidentiality of the information provided.)

**Request for Production No. 27.** Please provide a list of officers and directors of Douglas Utility Company since the company was formed.

**Request for Production No. 28.** Please provide your bank records and check register for the test year.

**Request for Production No. 29.** Please provide the corporate minutes of every meeting Douglas Utility Company has had since its inception.

**Request for Production No. 30.** Please provide any documents that reveal that all persons who have obligations (as a guarantor, cosigner, provider of collateral, etc.) under the loan agreement with Integrity Bank are unable to service the loan.

**Request for Production No. 31.** Please provide invoices for the rate case expenses to date which indicate the date(s) of service, the amount of time spent, a description of the work done, the hourly fee (if applicable), and the total amount billed. Please continue to supplement this request timely up to the date of trial.



**Request for Production No. 32.** Please provide invoices for all property taxes for Douglas Utility Company during the test period of July 1, 2011 to June 30, 2012.

**Request for Production No. 33.** Please provide any and all documents that support the following figures presented in your water and sewer rate/tariff change applications submitted to the TCEQ: (a) total number of gallons pumped and (b) total number of gallons billed to customers.

**Request for Production No. 34.** Please provide a copy of any and all blueprints, diagrams, or drawings of your existing water and sewer distribution system that describe size, fire hydrants, and total linear feet of pipe.

**Request for Production No. 35.** Please provide map(s) and all blueprints, diagrams, or drawings of all water and wastewater facilities currently in place for your water system.

**Request for Production No. 36.** Produce all invoices that support each item included in your calculations that add up to the revenue requirement you propose for your water rate increase application. The list is on page 11 of your application.

**Request for Production No. 37.** Produce all invoices that support each item included in your calculations that add up to the revenue requirement you propose for your sewer rate increase application. The list is on page 24 of your application.

**Request for Production No. 38.** Produce all documents that would reveal or estimate how much longer the wastewater treatment plant will be functional and deliver continuous and adequate sewer service.

**Request for Production No. 39.** Please provide any correspondence from TCEQ for construction approval of the existing water and wastewater facilities and any improvements since the original construction.

**Request for Production No. 40.** Provide all documents that support and/or were identified in your answers to interrogatories.

## VI. REQUESTS FOR ADMISSIONS

**Request for Admission No. 1.** Admit that the Utility is incapable of repaying the loan.

**Request for Admission No. 2.** Admit that any other person who is obligated in any way (including but not limited to co-signers, guarantors, and/or providers of security or collateral) are incapable of repaying the loan.

**Request for Admission No. 3.** Admit that the Utility is capable of repaying the loan.

**Request for Admission No. 4.** Admit that any other person who is obligated in any way (including but not limited to co-signers, guarantors, and/or providers of security or collateral) are capable of repaying the loan.

**Request for Admission No. 5.** Admit that if the customers pay the Integrity Bank loan through the surcharge, they will pay off the balance on the purchased assets at least five years before the expiration of the expected useful life of the asset.

**Request for Admission No. 6.** Admit that if the customers pay the loan through the surcharge that they will be paying for the assets purchased with the loan at a quicker rate than if they were paid for by the utility and the annual depreciation were part of the cost of service.

**Request for Admission No. 7.** Admit that the services provided by Ms. Zeiben could be provided by the contractors and/or employees if Douglas Utility Company.

**Request for Admission No. 8.** Admit that Ms. Zeiben is an affiliate of Douglas Utility Company.

**Request for Admission No. 9.** Admit that the wastewater treatment plant sought to be paid for by the surcharge cannot be constructed until the plans and specs are approved by the TCEQ.

**Request for Admission No. 10.** Admit that no plans and specs have been provided to the TCEQ for a new wastewater treatment plant pursuant to 30 TAC § 217.1 and 217.10 or other law and regulation.

**Request for Admission No. 11.** Admit that you received only one bid for the cost of putting in a new wastewater treatment plant before applying for a loan to pay for it.

**Request for Admission No. 12.** Admit that the bid for the cost of a new wastewater treatment plant was taken from TNG.

**Request for Admission No. 13.** Admit that the bid attached hereto as attachment "A" is the entire and only bid you took for replacement of the wastewater treatment plant.

**Request for Admission No. 14.** Admit that TNG is the contractor you use to operate the plant.

**Request for Admission No. 15.** Admit that TNG is an affiliate of Douglas Utility Company

**Request for Admission No. 16.** Admit that your wastewater treatment plant is not 25 years old.

**Request for Admission No. 17.** Admit that your wastewater treatment plant is not in need of replacement.

**Request for Admission No. 18.** Admit that the current Wastewater treatment plant is operational and functional and capable of continuing to provide continuous and adequate service.

**Request for Admission No. 19.** Admit that the wastewater treatment plant will continue to be operational and functional and capable of continuing to provide continuous and adequate service for at least 4 more years.

**Request for Admission No. 20.** Admit that the documents attached to this discovery marked as attachment "B" are true and correct copies of documents on file with the Texas Secretary of State regarding your corporate status and structure.

**Request for Admission No. 21.** Admit that you have completely depreciated the wastewater treatment plant in this application (there is no provision for the current wastewater treatment plant in annual depreciation or in net invested capital in this application).

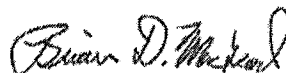
**Request for Admission No. 22.** Admit that one purpose for collecting annual depreciation in a rate is to provide recovery of the cost of using up the purchased asset based on straight line depreciation over the service life of that asset.

Respectfully submitted,

TEXAS COMMISSION ON  
ENVIRONMENTAL QUALITY

Richard A. Hyde, P.E., Executive Director

Robert Martinez, Director  
Environmental Law Division



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Brian MacLeod  
Staff Attorney  
Environmental Law Division  
State Bar of Texas No. 12783500  
P.O. Box 13087; MC 173  
Austin, Texas 78711-3087  
Phone: (512) 239-0750  
Fax: (512) 239-0606

ATTORNEYS FOR THE  
EXECUTIVE DIRECTOR

#### CERTIFICATE OF SERVICE

I certify that on February 11, 2014, a copy of the foregoing document was sent by first class, agency mail, electronic mail, and/or facsimile to the persons on the attached Mailing List.



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Brian MacLeod  
Staff Attorney

**Mailing List**  
**Douglas Utility Company**  
**TCEQ Docket No. 2013-1735-UCR**  
**SOAH Docket No. 582-14-1052**

**FOR THE APPLICANT:**

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Austin, Texas 78701  
512.495.6015  
512.505.6315 (Fax)

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**FOR THE PUBLIC INTEREST  
COUNSEL:**

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Quality  
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512.239.6377 (Fax)  
[Garrett.arthur@tceq.texas.us](mailto:Garrett.arthur@tceq.texas.us)

**Attachment**  
**A**

# TNG UTILITY

PO Box 2749  
Spring, Texas 77383

# QUOTE

Invoice # D-9113  
Date 9/24/2013


To: Douglas Utilities  
5530 N. Sam Houston Pkwy.  
Houston, TX 77032

Re: Wastewater Treatment Capitol Improvements

| Job Location               | P O #  | Date Shipped        | Terms |
|----------------------------|--|---------------------|-------|
| Wastewater Treatment Plant | N/A  | N/A                 | N/A   |
| Item                       | Description  | Amount              |       |
| 1                          | Engineering and TCEQ Approval Process  | \$15,000.00         |       |
| 2                          | Gaylord Investment Company<br>360,000 GPD w/4Q peak flow design Wastewater Treatment Plant | \$829,000.00        |       |
| 3                          | Clearing, Site Work and Electrical (not to exceed)   | \$100,000.00        |       |
| <b>Total Due</b>           |  | <b>\$944,000.00</b> |       |

Thank you for the opportunity to be of service. Should you have any question regarding this quote please contact Wesley Wright at 281-350-0895 or [wesleyw@tng-utility.com](mailto:wesleyw@tng-utility.com).

**THANK YOU FOR YOUR BUSINESS**



# Gaylord Investment Company

P.O. Box 79266  
Houston, TX 77279  
Phone: 713/461-1111  
Fax: 713/461-1821

E12/Gaylord Quote

For

Douglass Utility .360 MGD WWTP

Prepared for Wesley Wright, TNG Utility

The follow quotation is for a steel waste water treatment plant from flange in to flange out, sized for an average flow of 360,000 GPD with a peak flow of 40. The influent strength is assumed to be 230/230 and the effluent quality is assumed to be 10-15-3.

Included in the plant are:

- Clarifier with a diameter of 44' and a side wall height of about 15' to accommodate for the ground slope, complete with gear drive, sweep arm, rake arm, stilling well, scum pipe, launder trough, v-notch weir plate, and RAS with airlift.
- Three (3) Aeration tanks with dimensions of 55' long x 12' wide x 12' tall (10' SWD), complete with handrails, kick plates, individually ball valved air drops with coarse bubble diffusers, air header and sludge header.
- Three (3) digester tanks sized 52' L x 12' H x 12' W, with handrails, kick plates, individually ball valved air drops with coarse bubble diffusers, air header, sludge header, decants with air lifts.
- A baffled CL2 tank sized 28' L x 12' W x 12' H (8' H V notch weir), flow measuring equipment, air header, and individually ball valved drop pipes and coarse bubble diffusers.
- All interconnecting piping and valves
- A headworks splitter box to handle the entire plant
- The existing blowers refurbished and reused
- Gas chlorine system
- Exterior epoxy coating and interior coal tar epoxy coating
- Stairs
- Control panel/s for equipment provided
- Freight to the site

Not included items are: clearing and grubbing of the site, foundations, road work, electrical work, grout in the clarifier, fence, and installation of the plant.

The price for the above plant with all new equipment is \$829,000.

Refurbished equipment may be available.

Wednesday, September 11, 2013

Douglas Utilities  
 Water and Wastewater Facility  
 Capital Improvements Program / Budget Revised  
 Replace Phase 1

Wastewater Treatment Plant

Page: 10/24/12

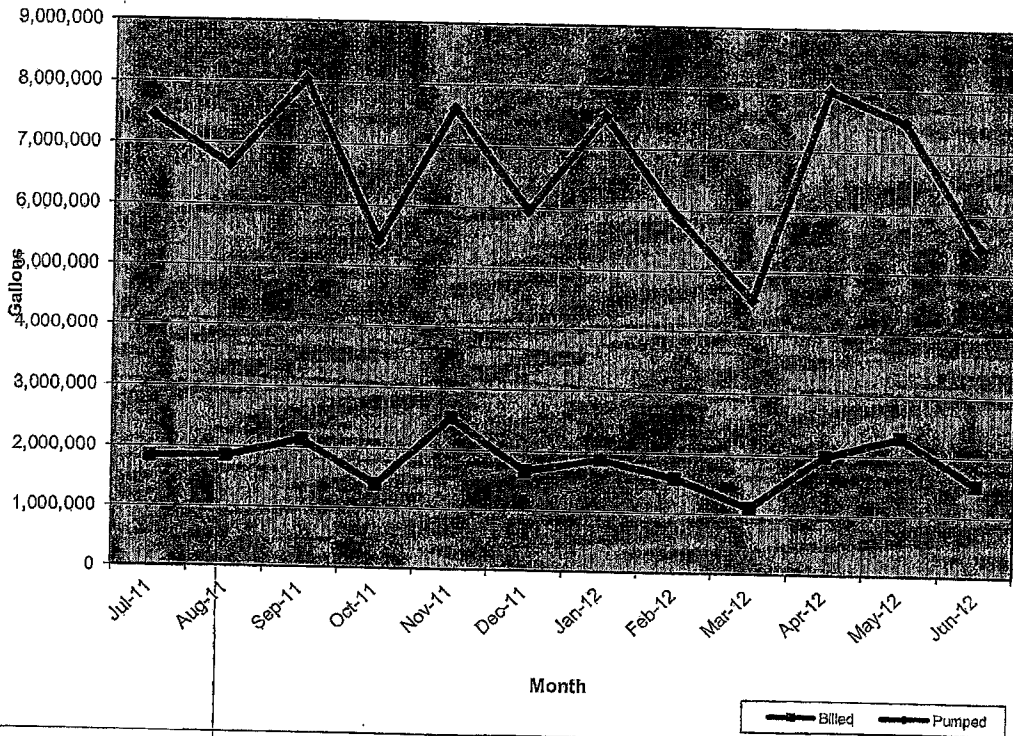
| Wastewater Components     | 2012         | 2017         | 2022         | 2027         | 2032           |
|---------------------------|--------------|--------------|--------------|--------------|----------------|
| Influent Treatment Plant  |              |              |              |              |                |
| Plant Rehab (150,000 gpd) | \$600,000.00 | \$695,564.44 | \$806,349.83 | \$924,780.45 | \$1,032,866.74 |
| Plant Transition          | \$100,000.00 | \$115,927.44 | \$134,591.67 | \$155,796.74 | \$180,611.12   |
| Plant Cleanout            | \$22,850.00  | \$37,880.50  | \$43,878.87  | \$50,867.84  | \$58,969.53    |
| Plant Rehab               | \$0.00       | \$0.00       | \$0.00       | \$0.00       | \$0.00         |
| Reefer Facility           | \$0.00       | \$0.00       | \$0.00       | \$0.00       | \$0.00         |
| Plant Startup             | \$35,000.00  | \$40,574.59  | \$47,057.07  | \$54,528.36  | \$63,215.89    |
| Chlorination System       | \$0.00       | \$0.00       | \$0.00       | \$0.00       | \$0.00         |
| Control Room              | \$9,500.00   | \$10,018.10  | \$12,787.24  | \$14,800.00  | \$17,158.98    |
| Inching Power Switch Gear | \$45,000.00  | \$52,167.58  | \$60,476.24  | \$70,108.33  | \$81,275.01    |
| Generator/Transfer Switch | \$0.00       | \$0.00       | \$0.00       | \$0.00       | \$0.00         |
| Blower Motors             | \$0.00       | \$0.00       | \$0.00       | \$0.00       | \$0.00         |
| Blower                    | \$0.00       | \$0.00       | \$0.00       | \$0.00       | \$0.00         |
| Blower Controls           | \$0.00       | \$0.00       | \$0.00       | \$0.00       | \$0.00         |
| Charmer Drive             | \$0.00       | \$0.00       | \$0.00       | \$0.00       | \$0.00         |
| Lift Station Wet Well     | \$0.00       | \$0.00       | \$0.00       | \$0.00       | \$0.00         |
| Lift Pump # 1             | \$0.00       | \$0.00       | \$0.00       | \$0.00       | \$0.00         |
| Lift Pump # 2             | \$0.00       | \$0.00       | \$0.00       | \$0.00       | \$0.00         |
| Subtotal                  | \$82,150     | \$95,197     | \$110,910    | \$128,983    | \$148,494      |
| Engineering               | \$0          | \$95,310     | \$110,490    | \$128,086    | \$148,489      |
| Contingencies             | \$123,323    | \$142,985    | \$165,735    | \$192,132    | \$222,734      |
| Total                     | \$945,473    | \$1,194,374  | \$1,387,135  | \$1,609,104  | \$1,856,148    |



**Douglas Utility Co.**  
**Water Production Report**  
**June 2012**

| Month        | Billed            | Maintenance | Est. Taverstock  | Pumped            | Accountability |
|--------------|-------------------|-------------|------------------|-------------------|----------------|
| Jun-12       | 1,529,000         | 0           | 0                | 5,452,000         | 28.04%         |
| May-12       | 2,306,000         | 0           | 0                | 7,486,000         | 30.80%         |
| Apr-12       | 1,985,000         | 0           | 0                | 7,998,000         | 24.82%         |
| Mar-12       | 1,113,000         | 0           | 3,053,000        | 4,553,000         | 91.50%         |
| Feb-12       | 1,581,000         | 0           | 3,901,000        | 5,882,000         | 93.20%         |
| Jan-12       | 1,865,000         | 0           | 0                | 7,537,000         | 24.74%         |
| Dec-11       | 1,665,000         | 0           | 0                | 5,966,000         | 27.91%         |
| Nov-11       | 2,524,000         | 0           | 0                | 7,614,000         | 33.15%         |
| Oct-11       | 1,402,000         | 0           | 0                | 5,428,260         | 25.83%         |
| Sep-11       | 2,132,000         | 0           | 0                | 8,062,800         | 26.44%         |
| Aug-11       | 1,854,000         | 0           | 0                | 6,644,200         | 27.90%         |
| Jul-11       | 1,836,000         | 0           | 0                | 7,440,700         | 24.68%         |
| <b>Total</b> | <b>21,792,000</b> | <b>0</b>    | <b>3,954,000</b> | <b>80,063,960</b> | <b>27.22%</b>  |

**12 Month Water Accountability**



#2 Water Production Info:

| Month  | Billed     | Maintenance | Estimated Haverstock | Pumped      | % Accountability |
|--------|------------|-------------|----------------------|-------------|------------------|
| Sep-12 | 5,865,000  | 100,000     | 3,564,000            | 7,263,000   | 82.13%           |
| Aug-12 | 6,793,000  | 100,000     | 5,061,000            | 7,478,000   | 92.18%           |
| Jul-12 | 2,363,000  | 0           | 0                    | 7,394,000   | 31.96%           |
| Jun-12 | 1,529,000  | 0           | 0                    | 5,452,000   | 28.04%           |
| May-12 | 2,306,000  | 0           | 0                    | 7,486,000   | 30.80%           |
| Apr-12 | 1,985,000  | 0           | 0                    | 7,998,000   | 24.82%           |
| Mar-12 | 1,113,000  | 0           | 3,053,000            | 4,553,000   | 24.45%           |
| Feb-12 | 1,581,000  | 0           | 3,901,000            | 5,882,000   | 26.88%           |
| Jan-12 | 1,865,000  | 0           | 0                    | 7,537,000   | 24.74%           |
| Dec-11 | 1,665,000  | 0           | 0                    | 5,966,000   | 27.91%           |
| Nov-11 | 2,524,000  | 0           | 0                    | 7,614,000   | 33.15%           |
| Oct-11 | 1,402,000  | 0           | 0                    | 5,428,260   | 25.83%           |
| Sep-11 | 2,132,000  | 0           | 0                    | 8,062,800   | 26.44%           |
| Aug-11 | 1,854,000  | 0           | 0                    | 6,644,200   | 27.90%           |
| Jul-11 | 1,836,000  | 0           | 0                    | 7,440,700   | 24.68%           |
| Jun-11 | 2,243,000  | 500,000     | -7,165,500           | -           | 31.30%           |
| Total  | 39,056,000 | 700,000     | 15,579,000           | 109,364,260 | 51%              |

#3 Sewer Treatment Info:

| Month  | Gallons Treated |
|--------|-----------------|
| Sep-12 | 4,584,000       |
| Aug-12 | 4,841,000       |
| Jul-12 | 5,065,000       |
| Jun-12 | 4,514,000       |
| May-12 | 4,448,000       |
| Apr-12 | 5,038,000       |
| Mar-12 | 4,931,000       |
| Feb-12 | 4,481,000       |
| Jan-12 | 4,606,000       |
| Dec-11 | 4,608,000       |
| Nov-11 | 4,366,000       |
| Oct-11 | 4,104,000       |
| Sep-11 | 4,725,000       |
| Aug-11 | 4,153,000       |
| Jul-11 | 4,593,000       |
| Jun-11 | 4,291,000       |
| Total  | 55,586,000      |

#5 Customer Usage Info:

| Category             | Sep-12    | Aug-12    | Jul-12    | Jun-12    | May-12    | Apr-12    | Mar-12    | Feb-12    | Jan-12    | Dec-11    | Nov-11    | Oct-11    | Sep-11    | Aug-11    | Jul-11    | Jun-11    |
|----------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| 5/8" Water & Sewer   | 973,000   | 852,000   | 941,000   | 759,000   | 876,000   | 1,024,000 | 562,000   | 786,000   | 892,000   | 750,000   | 940,000   | 823,000   | 1,210,000 | 951,000   | 1,038,000 | 1,286,000 |
| 1 1/2" Water & Sewer | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 1,000     | 2,000     | 3,000     | 0         | 0         | 0         |
| 2" Water & Sewer     | 545,000   | 494,000   | 725,000   | 441,000   | 545,000   | 650,000   | 399,000   | 600,000   | 605,000   | 606,000   | 511,000   | 371,000   | 594,000   | 457,000   | 423,000   | 492,000   |
| 2" Water Only        | 761,000   | 370,000   | 678,000   | 263,000   | 805,000   | 277,000   | 125,000   | 169,000   | 279,000   | 238,000   | 1,036,000 | 197,000   | 313,000   | 436,000   | 369,000   | 458,000   |
| Apartment            | 3,564,000 | 5,061,000 |           |           |           |           |           |           |           |           |           |           |           |           |           |           |
| Vacants              | 22,000    | 16,000    | 19,000    | 66,000    | 79,000    | 34,000    | 26,000    | 26,000    | 89,000    | 71,000    | 36,000    | 9,000     | 12,000    | 16,000    | 6,000     | 8,000     |
| Totals:              | 5,865,000 | 6,793,000 | 2,363,000 | 1,529,000 | 2,305,000 | 1,985,000 | 1,113,000 | 1,581,000 | 1,865,000 | 1,665,000 | 2,524,000 | 1,402,000 | 2,132,000 | 1,854,000 | 1,836,000 | 2,243,000 |

#6 Customer Count:

| Category         | Sep-12 | Aug-12 | Jul-12 | Jun-12 | May-12 | Apr-12 | Mar-12 | Feb-12 | Jan-12 | Dec-11 | Nov-11 | Oct-11 | Sep-11 | Aug-11 | Jul-11 | Jun-11 |
|------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Water & Sewer    | 182    | 182    | 186    | 182    | 183    | 184    | 175    | 179    | 181    | 175    | 175    | 180    | 184    | 180    | 180    | 181    |
| 2" Water & Sewer | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      |
| 2" Water Only    | 15     | 15     | 15     | 15     | 15     | 16     | 14     | 14     | 14     | 13     | 13     | 14     | 14     | 14     | 14     | 12     |
| Sewer Only       | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      |
| Apartment        | 2      | 2      | 2      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      |
| Vacants          | 20     | 20     | 15     | 19     | 18     | 16     | 25     | 21     | 19     | 25     | 25     | 19     | 15     | 19     | 19     | 18     |
| Totals:          | 222    | 222    | 221    | 219    | 219    | 219    | 218    | 218    | 218    | 217    | 217    | 216    | 216    | 216    | 216    | 214    |

**Attachment  
B**

130383280701

TX2013

Ver. 4.2

05-102

(Rev. 8-11/30)

Tcode 13196

Texas Franchise Tax Public Information Report

To be filed by Corporations, Limited Liability Companies (LLC) and Financial Institutions

This report MUST be signed and filed to satisfy franchise tax requirements

Taxpayer number

Report year

You have certain rights under Chapter 552 and 559, Government Code, to review, request, and correct information we have on file about you. Contact us at (800) 252-1381 or (512) 463-4600.

30000498805

2013

|   |                 |   |        |
|---|-----------------|---|--------|
| Taxpayer name <b>DOUGLAS UTILITY COMPANY</b>    |                 | Secretary of State (SOS) file number or Comptroller file number |        |
| Mailing address<br><b>32 EAST RIVERCREST DR</b> |                 | <b>0018261200</b>   |        |
| City <b>HOUSTON</b>                             | State <b>TX</b> | ZIP Code <b>77042</b>   | Plus 4 |

Check box if there are currently no changes from previous year; if no information is displayed, complete the applicable information in Sections A, B and C.

Principal office **32 EAST RIVERCREST DR, HOUSTON, TX 77042**

Principal place of business **32 EAST RIVERCREST DR, HOUSTON, TX 77042**

Officer, director and member information is reported as of the date a Public Information Report is completed. The information is updated annually as part of the franchise tax report. There is no requirement or procedure for supplementing the information as officers, directors, or members change throughout the year.



3000049880513

SECTION A Name, title and mailing address of each officer, director or member.

|   |                           |   |                                       |
|---|---------------------------|---|---------------------------------------|
| Name<br><b>CAROL ZIEBEN</b>                     | Title<br><b>PRESIDENT</b> | Director<br><input checked="" type="checkbox"/> YES | Term expiration<br><b>m m d d y y</b> |
| Mailing address<br><b>32 EAST RIVERCREST DR</b> | City<br><b>HOUSTON</b>    | State<br><b>TX</b>                                  | ZIP Code<br><b>77042</b>              |
| Name  | Title                     | Director<br><input type="checkbox"/> YES            | Term expiration<br><b>m m d d y y</b> |
| Mailing address                                 | City                      | State   | ZIP Code                              |
| Name  | Title                     | Director<br><input type="checkbox"/> YES            | Term expiration<br><b>m m d d y y</b> |
| Mailing address                                 | City                      | State   | ZIP Code                              |

SECTION B Enter the information required for each corporation or LLC, if any, in which this entity owns an interest of 10 percent or more.

|   |                    |                               |                         |
|---|--------------------|-------------------------------|-------------------------|
| Name of owned (subsidiary) corporation or limited liability company<br><b>N/A</b> | State of formation | Texas SOS file number, if any | Percentage of ownership |
| Name of owned (subsidiary) corporation or limited liability company               | State of formation | Texas SOS file number, if any | Percentage of ownership |

SECTION C Enter the information required for each corporation or LLC, if any, that owns an interest of 10 percent or more in this entity or limited liability company.

|  |   |                               |                         |
|--|---|-------------------------------|-------------------------|
| Name of owned (parent) corporation or limited liability company<br><b>N/A</b>                            | State of formation  | Texas SOS file number, if any | Percentage of ownership |
| Registered agent and registered office currently on file. (see instructions if you need to make changes) |   |                               |                         |
| Agent: <b>CAROL JEAN ZIEBEN</b>  | <input type="checkbox"/> Check box if you need forms to change the registered agent or registered office information. |                               |                         |
| Office: <b>32 E RIVERCREST DR</b>  | City <b>HOUSTON</b>   | State <b>TX</b>               | ZIP Code <b>77042</b>   |

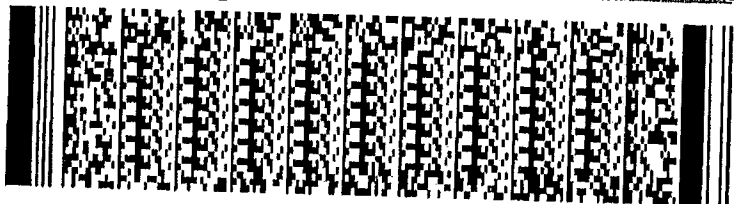
The above information is required by Section 171.203 of the Tax Code for each corporation or limited liability company that files a Texas Franchise Tax Report. Use additional sheets for Sections A, B, and C, if necessary. The information will be available for public inspection.

I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief, as of the date below, and that a copy of this report has been mailed to each person named in this report who is an officer, director or member and who is not currently employed by this, or a related, corporation or limited liability company.

sign here

Title **PRESIDENT** Date **9-13-13** Area code and phone number **713 7834553**

Texas Comptroller, Official Use Only



VE/DE  PIR IND



132603305339

00014864750

Filing Number: 18261200

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180701 12-07-11  
TX2012  
Ver. 3.3 05-102  
(Rev. 9-11/30)

Texas Franchise Tax Public Information Report

To be filed by Corporations, Limited Liability Companies (LLC) and Financial Institutions

This report MUST be signed and filed to satisfy franchise tax requirements

Tcode 13196

Taxpayer number

30000498805

Report year

2012

You have certain rights under Chapter 552 and 559, Government Code, to review, request, and correct information we have on file about you. Contact us at (800) 252-1381 or (512) 463-4600.

Taxpayer name DOUGLAS UTILITY COMPANY

Mailing address 32 EAST RIVERCREST DR

City HOUSTON

State TX

ZIP Code 77042 Plus 4

Secretary of State (SOS) file number or Comptroller file number

0018261200

Check box if there are currently no changes from previous year; if no information is displayed, complete the applicable information in Sections A, B and C.

Principal office 32 EAST RIVERCREST DR, HOUSTON, TX 77042

Principal place of business 32 EAST RIVERCREST DR, HOUSTON, TX 77042

Officer, director and member information is reported as of the date a Public Information Report is completed. The information is updated annually as part of the franchise tax report. There is no requirement or procedure for supplementing the information as officers, directors, or members change throughout the year.



\*3000049880512\*

Please sign below

SECTION A Name, title and mailing address of each officer, director or member.

Name HERBERT J. ZIEBEN  
Mailing address 32 EAST RIVERCREST DR

Title PRESIDENT  
City HOUSTON

Director  YES

Term expiration m m d d y y  
State TX ZIP Code 77042

Name  
Mailing address

Title  
City

Director  YES

Term expiration m m d d y y  
State ZIP Code

Name  
Mailing address

Title  
City

Director  YES

Term expiration m m d d y y  
State ZIP Code

SECTION B Enter the information required for each corporation or LLC, if any, in which this entity owns an interest of 10 percent or more.

Name of owned (subsidiary) corporation or limited liability company N/A

State of formation

Texas SOS file number, if any

Percentage of ownership

Name of owned (subsidiary) corporation or limited liability company

State of formation

Texas SOS file number, if any

Percentage of ownership

SECTION C Enter the information required for each corporation or LLC, if any, that owns an interest of 10 percent or more in this entity or limited liability company.

Name of owned (parent) corporation or limited liability company N/A

State of formation

Texas SOS file number, if any

Percentage of ownership

Registered agent and registered office currently on file: (see instructions if you need to make changes)

Agent: CAROL JEAN ZIEBEN  
Office: 32 E RIVERCREST DR

Check box if you need forms to change the registered agent or registered office information.

City HOUSTON

State TX

ZIP Code 77042

The above information is required by Section 171.203 of the Tax Code for each corporation or limited liability company that files a Texas Franchise Tax Report. Use additional sheets for Sections A, B, and C, if necessary. The information will be available for public inspection.

I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief, as of the date below, and that a copy of this report has been mailed to each person named in this report who is an officer, director or member and who is not currently employed by this, or a related, corporation or limited liability company.

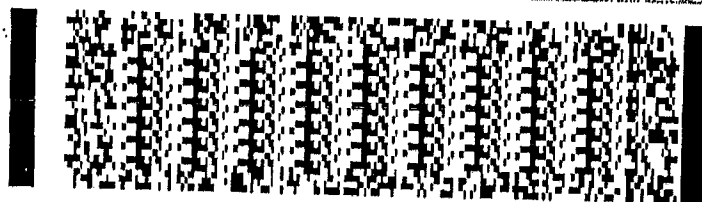
sign here Carol Zieben

Title PRESIDENT

Date 11/12/12

Area code and phone number 713 7834553

Texas Comptroller Official Use Only



VE/DE  PIR IND



Form 424  
(Revised 05/11)

Submit in duplicate to:  
Secretary of State  
P.O. Box 13697  
Austin, TX 78711-3697  
512 463-5555  
FAX: 512/463-5709  
Filing Fee: See instructions



Certificate of Amendment

This space reserved for office use.

FILED  
In the Office of the  
Secretary of State of Texas

NOV 16 2012

Corporations Section

Entity Information

The name of the filing entity is:

Douglas Utility Company, Inc.

State the name of the entity as currently shown in the records of the secretary of state. If the amendment changes the name of the entity, state the old name and not the new name.

The filing entity is a: (Select the appropriate entity type below.)

For-profit Corporation

Professional Corporation

Nonprofit Corporation

Professional Limited Liability Company

Cooperative Association

Professional Association

Limited Liability Company

Limited Partnership

The file number issued to the filing entity by the secretary of state is: 18261200

The date of formation of the entity is: 5/1/2002

Amendments

1. Amended Name

(If the purpose of the certificate of amendment is to change the name of the entity, use the following statement)

The amendment changes the certificate of formation to change the article or provision that names the filing entity. The article or provision is amended to read as follows:

The name of the filing entity is: (state the new name of the entity below)

The name of the entity must contain an organizational designation or accepted abbreviation of such term, as applicable.

2. Amended Registered Agent/Registered Office

The amendment changes the certificate of formation to change the article or provision stating the name of the registered agent and the registered office address of the filing entity. The article or provision is amended to read as follows:

RECEIVED

NOV 16 2012

Secretary of State

**Effectiveness of Filing** (Select either A, B, or C.)

- A.  This document becomes effective when the document is filed by the secretary of state.
- B.  This document becomes effective at a later date, which is not more than ninety (90) days from the date of signing. The delayed effective date is: \_\_\_\_\_
- C.  This document takes effect upon the occurrence of a future event or fact, other than the passage of time. The 90<sup>th</sup> day after the date of signing is: \_\_\_\_\_

The following event or fact will cause the document to take effect in the manner described below:

**Execution**

The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument and certifies under penalty of perjury that the undersigned is authorized under the provisions of law governing the entity to execute the filing instrument.

Date: 11/8/12

By: Douglas Utility Company Inc.

Carol Zieben  
Signature of authorized person

Carol Zieben  
Printed or typed name of authorized person (see instructions)

Form 401

Secretary of State  
P.O. Box 13697  
Austin, TX 78711-3697  
FAX: 512/463-5709



Statement of Change of  
Registered Office/Agent

Filed in the Office of the  
Secretary of State of Texas  
Filing #: 18261200 03/30/2011  
Document #: 361735180002  
Image Generated Electronically  
for Web Filing

Filing Fee: See Instructions

Entity Information

The name of the entity is :

**DOUGLAS UTILITY COMPANY**

The file number issued to the entity by the secretary of state is: **18261200**

The registered agent and registered office of the entity as currently shown on the records of the secretary of state are:

**Leon Phillips**

**1902 BLODGETT AVE, Houston, TX, USA**

Change to Registered Agent/Registered Office

The following changes are made to the registered agent and/or office information of the named entity:

Registered Agent Change

A. The new registered agent is an organization by the name of:

OR

B. The new registered agent is an individual resident of the state whose name is:

**Carol Jean Zieben**

Registered Office Change

C. The business address of the registered agent and the registered office address is changed to:

**32 East Rivercrest Dr., Houston, TX, USA 77042-2501**

The street address of the registered office as stated in this instrument is the same as the registered agent's business address.

Consent of Registered Agent

A. A copy of the consent of registered agent is attached.

B. The consent of the registered agent is maintained by the entity.

Statement of Approval

The change specified in this statement has been authorized by the entity in the manner required by the BOC or in the manner required by the law governing the filing entity, as applicable.

Effectiveness of Filing

A. This document becomes effective when the document is filed by the secretary of state.

B. This document becomes effective at a later date, which is not more than ninety (90) days from the date of its filing by the secretary of state. The delayed effective date is:

Execution

The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument.

Date: **March 30, 2011**

**Carol Zieben**



980701 12-02-09  
TX2010  
Ver 1.0

00008086900

Filing Number: 18261200

103123300892

### TEXAS FRANCHISE TAX PUBLIC INFORMATION REPORT

To be filed by Corporations, Limited Liability Companies (LLCS) and Financial Institutions

This report MUST be signed and filed to satisfy franchise tax requirements

05-102  
(9-09/29)

Tcode 13196

Taxpayer number

30000498805

Report year

2010

You have certain rights under Chapter 552 and 559, Government Code, to review, request, and correct information we have on file about you. Contact us at: (512) 463-4600, or (800) 252-1381, toll free nationwide.

Taxpayer name  
**DOUGLAS UTILITY COMPANY**

Mailing address  
**5326 W. BELLFORT, SUITE 120**

City  
**HOUSTON**

State  
**TX**

ZIP Code  
**77035**

FIPS 4

Secretary of State file number or  
Comptroller file number

**0018261200**

Check box if there are currently no changes from previous year; if no information is displayed, complete the applicable information in Sections A, B and C.

Principal office  
**5326 W. BELLFORT, SUITE 120, HOUSTON, TX 77035**

Principal place of business  
**5326 W. BELLFORT, SUITE 120, HOUSTON, TX 77035**

Please sign below!

Officer, director and member information is reported as of the date a Public Information Report is completed. The information is updated annually as part of the franchise tax report. There is no requirement or procedure for supplementing the information as officers, directors, or members change throughout the year.



\*3000049880510\*

#### SECTION A Name, title and mailing address of each officer, director or member.

| Name                     | Title            | Director                                | Term expiration | State     | ZIP Code     |
|--------------------------|------------------|---|-----------------|-----------|--------------|
| <b>HERBERT J. ZIEBEN</b> | <b>PRESIDENT</b> | <input checked="" type="checkbox"/> YES |                 | <b>TX</b> | <b>77035</b> |
|                          |                  |   |                 |           |              |
|                          |                  |   |                 |           |              |
|                          |                  |   |                 |           |              |

#### SECTION B Enter the information required for each corporation or LLC, if any, in which this entity owns an interest of ten percent (10%) or more.

| Name of owned (subsidiary) corporation or limited liability company | State of formation | Texas SOS file number, if any | Percentage of Ownership |
|---|--------------------|-------------------------------|-------------------------|
| <b>N/A</b>  |                    |                               |                         |
|   |                    |                               |                         |

#### SECTION C Enter the information required for each corporation or LLC, if any, that owns an interest of ten percent (10%) or more in this entity or limited liability company.

| Name of owned (parent) corporation or limited liability company | State of formation | Texas SOS file number, if any | Percentage of Ownership |
|---|--------------------|-------------------------------|-------------------------|
| <b>N/A</b>  |                    |                               |                         |

Registered agent and registered office currently on file. (See instructions if you need to make changes)

Agent: **LEON PHILLIPS**

Office: **1902 BLODGETT AVE**

City  
**HOUSTON**

State  
**TX**

ZIP Code  
**77004**

Check box if you need forms to change the registered agent or registered office information.

The above information is required by Section 171.203 of the Tax Code for each corporation or limited liability company that files a Texas Franchise Tax Report. Use additional sheets for Sections A, B, and C, if necessary. The information will be available for public inspection.

I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief, as of the date below, and that a copy of this report has been mailed to each person named in this report who is an officer, director or member and who is not currently employed by this, or a related, corporation or limited liability company.

sign here

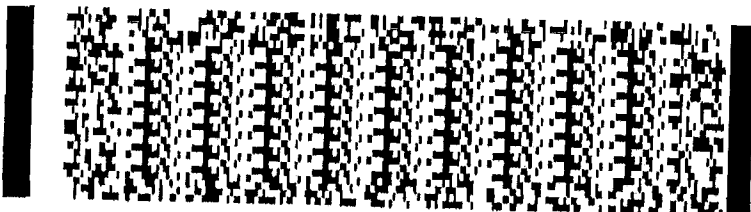
*Herbert J. Zieben*

Title  
**PRESIDENT**

Date  
**11-1-2010**

Area code and phone number

Texas Comptroller Official Use Only



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TX2009  
Ver. 1.1

05-102  
(Rev. 1-08/28)

Tcode 13196

# TEXAS FRANCHISE TAX PUBLIC INFORMATION REPORT

(To be filed by Corporations or Limited Liability Companies (LLCS))  
This report MUST be filed to satisfy franchise tax requirements

You have certain rights under Chapter 552 and 559, Government Code, to review, request, and correct information we have on file about you. Contact us at: (512) 463-4600, or (800) 252-1381, toll free nationwide.

■ Taxpayer number  
30000498805

■ Report year  
2009

Taxpayer name  
DOUGLAS UTILITY COMPANY  
Mailing address  
5326 W BELLFORT #120  
City  
HOUSTON

State  
TX

ZIP Code  
77035

Plus 4

Secretary of State file number  
or Comptroller file number  
0018261220

Check box if there are currently no changes or additions to the information displayed in Section A of this report. Then complete Sections B and C.

Entity's principal office  
5326 W BELLFORT #120, HOUSTON TX 77035  
Principal place of business  
5326 W BELLFORT #120, HOUSTON TX 77035

Please sign below! Officer, director, and member information is reported as of the date a Public Information Report is completed. The information is updated annually as part of the franchise tax report. There is no requirement or procedure for supplementing the information as officers, directors, or members change throughout the year.



## SECTION A. Name, title, and mailing address of each officer, director, or member.

| Name  | Title                        | Director                                | Term expiration | State | ZIP Code |
|---|------------------------------|---|-----------------|-------|----------|
| HERBERT J ZIEBEN<br>Mailing address<br>5326 W BELLFORT #120 | PRESIDENT<br>City<br>HOUSTON | <input checked="" type="checkbox"/> Yes | NONE            | TX    | 77035    |
|   |                              | <input type="checkbox"/> Yes            |                 |       |          |
|   |                              | <input type="checkbox"/> Yes            |                 |       |          |

## SECTION B. Enter the information required for each corporation or LLC, if any, in which this reporting entity owns an interest of ten percent (10%) or more.

| Name of owned (subsidiary) corporation or limited liability company | State of formation | Texas SOS file number, if any | Percentage of Ownership |
|---|--------------------|-------------------------------|-------------------------|
| None  |                    |                               |                         |

## SECTION C. Enter the information required for each corporation or LLC, if any, that owns an interest of ten percent (10%) or more in this reporting entity.

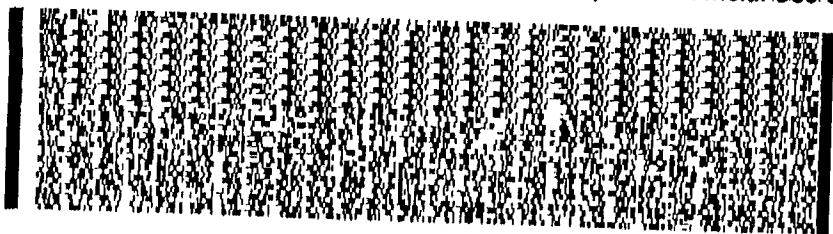
| Name of owning (parent) corporation or limited liability company | State of formation | Texas SOS file number, if any | Percentage Ownership |
|--|--------------------|-------------------------------|----------------------|
| None   |                    |                               |                      |

Registered agent and registered office currently on file. (See instructions if you need to make changes.)  
 Agent: LEON PHILLIPS  
 Office: 1902 BLODGETT ST, City HOUSTON, State TX, ZIP Code 77004

The above information is required by Section 171.203 of Tax Code for each corporation or limited liability company that files a Texas Franchise Tax Report. Use additional sheets for Sections A, B, and C, if necessary. The information will be available for public inspection.

I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief, as of the date below, and that a copy of this report has been mailed to each person named in this report who is an officer, director or member and who is not currently employed by this, or a related, corporation or limited liability company.  
 sign here: *Herbert J Zieben* Title: President Date: 7-1-09 Area code and phone number: 713-783-4553

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SOAH DOCKET NO. 582-15-1052  
TCEQ DOCKET NO. 2013-1735-UCR

APPLICATION OF DOUGLAS UTILITY COMPANY, TO CHANGE ITS WATER AND SEWER RATES      §      BEFORE THE STATE OFFICE  
   §      OF  
   §      ADMINISTRATIVE HEARINGS  
   §  
   §

**CONFIDENTIALITY AND NONDISCLOSURE AGREEMENT**

This agreement is made as of February 11, 2014, between the Douglas Utility Company (DUC) and the Executive Director (ED) of the Texas Commission on Environmental Quality (TCEQ).

DUC is in the business of providing water and sewer utility service to paying customers and the TCEQ is responsible for regulating water and sewer utilities rates. In order to pursue changes to water and sewer rates charged by DUC, the TCEQ recognizes that there is a need for DUC to disclose to the TCEQ certain confidential information to be used only for assessing the support for the proposed rate change. The TCEQ also recognizes the need to protect DUC's confidential information from unauthorized use and disclosure.

Therefore, the TCEQ agrees to keep confidential and exempt from disclosure under the Public Information Act all copies of DUC's federal income tax records received by the TCEQ. IF the ED receives a public information request that could encompass the income tax returns provided in response to discovery in the referenced case, the ED will not disclose the information, but will alert DUC of the request and forward the documents to the Attorney General for an opinion on whether the TCEQ must disclose the Income Tax returns. DUC agrees and will stamp the Income Tax Returns conspicuously with the word "confidential" in order to facilitate keeping the records confidential.

If order of the SOAH court, the Commission, the Attorney General, or a Court of Law determines that the information is not confidential, the ED will abide by that ruling regardless of this agreement.

Agreed to:

\_\_\_\_\_  
Brian MacLeod  
Attorney for the Executive Director of the  
TCEQ

\_\_\_\_\_  
Mark Zeppa  
Attorney for Douglas Utility Company