



Control Number: 42940



Item Number: 1

Addendum StartPage: 0

House Bill (HB) 1600 and Senate Bill (SB) 567 83<sup>rd</sup>  
Legislature, Regular Session, transferred the functions  
relating to the economic regulation of water and sewer  
utilities from the TCEQ to the PUC effective  
September 1, 2014.



RECEIVED

2014 SEP 11 PM 3:47

Mary Damron

PUBLIC UTILITY COMMISSION  
FILING CLERK

**From:** Bret Fenner <bretfenner@yahoo.com>  
**Sent:** Monday, June 23, 2014 8:20 AM  
**To:** Mary Damron  
**Subject:** Re: North Orange Water and Sewer application 37820 & 37821-R  
**Attachments:** Compass Loan.pdf; MCT Loan.pdf

Mary,

Attached are copies of the loan documents you requested. Please let me know if you have any questions.

Thanks Bret

On Wednesday, June 11, 2014 11:22 AM, Mary Damron <[Mary.Damron@tceq.texas.gov](mailto:Mary.Damron@tceq.texas.gov)> wrote:

Thanks Bret,

Please provide a dollar amount to the breakdown of the miscellaneous fees.

Thanks,

Mary

---

**From:** Bret Fenner [<mailto:bretfenner@yahoo.com>]  
**Sent:** Wednesday, June 11, 2014 8:57 AM  
**To:** Mary Damron  
**Subject:** Re: North Orange Water and Sewer application 37820 & 37821-R

Mary,

The miscellaneous fees in the application consist of: licenses, permits, lab analysis cost and water fees. I am still waiting on copies of the notes payable. I will ask the utility again. Please let me know if you need any additional information.

Thanks Bret

On Friday, May 30, 2014 3:02 PM, Mary Damron <[Mary.Damron@tceq.texas.gov](mailto:Mary.Damron@tceq.texas.gov)> wrote:

Country Squire, application 37820 & 37821-R.

Thanks,

Mary Damron  
4667

---

**From:** Bret Fenner [mailto:bretfenner@yahoo.com]  
**Sent:** Monday, March 10, 2014 9:13 PM  
**To:** Mary Damron  
**Cc:** Kamal Adhikari  
**Subject:** Re: North Orange Water and Sewer

For which CCN, longford Place or. Country Squire? Both have pending a applications.

Bret

Sent from my iPhone

On Mar 10, 2014, at 2:13 PM, Mary Damron <[Mary.Damron@tceq.texas.gov](mailto:Mary.Damron@tceq.texas.gov)> wrote:

Mr. Fenner,

Please attach copies of the notes payable, as page 12 of the application instructs.  
Please provide a breakdown of the miscellaneous fees shown on page 14 of 42 of the application.  
Please provide a breakdown of the miscellaneous fees shown on page 26 of 42 of the application.

Thank you,

Mary Damron  
(512)239-4667  
Fax (512) 239-0030  
Texas Commission on Environmental Quality  
MC-153, P.O. Box 13087  
Austin, Texas 78711-43087

Principal \$72,678.70	Loan Date 11-08-2010	Maturity 11-08-2015	Loan No 501B4738	Call/Col 04A1/BLA	Account	Officer 18111	Initials
--------------------------	-------------------------	------------------------	---------------------	----------------------	---------	------------------	----------

References to the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.  
Any item above containing "\*\*\*\*" has been omitted due to text length limitations.

Lender: Compress Bank  
TXZ PORT NECHES COMMUNITY BANKING  
2327 NALL ST  
PORT NECHES, TX 77851  
4097212015

Date of Agreement: November 8, 2010

**DESCRIPTION OF COLLATERAL.** The collateral described in such security agreement, mortgage, deed of trust, pledge agreement or other document that currently secures the Note shall continue to secure the Note as modified by this Change in Terms Agreement and any and all previous and future renewals of, amendments of, modifications of, continuances of, consolidations of, and substitutions for the Note.

**DESCRIPTION OF CHANGE IN TERMS:** The Note is modified as provided in the **Change in Terms Agreement**. The payments required under the Note shall be those shown in the **PAYMENT** section below. Following any advances required by this **Change in Terms Agreement** and notwithstanding any provision of the Note to the contrary, Lender no longer shall have any obligation to make any additional advances or otherwise extend any additional credit under the Note. The variable interest rate provided in the Note is modified to be a fixed interest rate of 9.260% per annum. The maturity date of the Note is extended as provided in the **PAYMENT** section below.

PROMISE TO PAY. NORTH ORANGE WATER AND SEWER, LLC ("Borrower") promises to pay to Compete Bank ("Lender") or order, in lawful money of the United States of America, the principal amount of Seventy-two Thousand Six Hundred Seventy-eight & 70/100 Dollars (\$72,678.70), together with interest on the unpaid principal balance from November 8, 2010, calculated as described in the "INTEREST CALCULATION METHOD" paragraph using an interest rate of 8.260% per annum based on a year of 360 days, until maturity. The interest rate may change under the terms and conditions of the "POST MATURITY RATE" section.

PAYMENT. Borrower will pay this loan in 60 payments of \$1,416.88 each payment. Borrower's first payment is due December 8, 2010, and all subsequent payments are due on the same day of each month after that. Borrower's final payment will be due on November 8, 2015, and will be for all principal and all accrued interest not yet paid. Payments include principal and interest. Unless otherwise agreed or required by applicable law, payments will be applied first to any accrued unpaid interest; then to principal; then to any unpaid collection costs; and then to any late charges. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

**INTEREST CALCULATION METHOD:** Interest on this loan is computed on a 365/366 basis; that is, by applying the rate of the interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. This calculation method would result in a weekend rate, in which case interest shall be calculated on a per diem basis at a year of 365 or 366 days, as the case may be. All interest payable under this loan is computed using this method. This calculation method results in a higher effective interest rate than the numeric interest rate stated in the loan documents.

**PREPAYMENT.** Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Prepayment in full shall consist of: payment of the remaining unpaid principal balance together with all accrued and unpaid interest and all other amounts, costs and expenses for which Borrower is responsible under this Agreement or any other agreement with Lender pertaining to this loan, and in no event will Borrower ever be required to pay any unearned interest. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments under the payment schedule. Rather, any payments will reduce the principal balance due and they result in Borrower's making fewer payments. Borrower agrees not to send Lender payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Agreement, and Borrower will remain obligated to pay any further amount owed to Lender. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered under other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: Compass Bank, TX2 POB1 NCMFS COMMUNITY BANKING, 2921 MALL ST, PORT NECHES, TX 77961.

**LATE CHARGE** If a payment is 10 days or more late, Borrower will be charged 5.000% of the regularly scheduled payment.

**POST MATURITY RATE.** The Post Maturity Rate on this loan is the lesser of (A) the maximum rate allowed by law or (B) 18.000% per annum based on a year of 360 days. Borrower will pay interest on all sums due after final maturity, whether by acceleration or otherwise, at that rate.

**DEFAULT** Each of the following shall constitute an Event of Default under this Agreement:

**Payment Default:** Borrower fails to make any payment when due under the indebtedness.

Other Collateral. Borrower does to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

**Default in Favor of Third Parties.** Any guarantor or Borrower defaults under any loan, extension of credit, security agreement, purchase of assets agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of any guarantor's or Borrower's property or ability to perform their respective obligations under this Agreement or any of the Related Documents.

**False Statements.** Any warranty, representation or statement made or furnished to Lender by Borrower or any Borrower's agent under this Agreement or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Death or Insolvency. The dissolution of Borrower regardless of whether action to continue is made, any member withdraws from the unit, or any other termination of Borrower's existence as a going business or the death of any member, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

creditor of forfeiture proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the indebtedness. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceedings and if Borrower gives Lender written notice of the creditor or forfeiture proceeding with deposits with Lender together with a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate security or bond for the dispute.

**Events Affecting Guarantor.** Any of the preceding events occurs with respect to any Guarantor of any of the indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any Guaranty of the indebtedness evidenced by this Note.

Adverse Change. A natural adversary always occurs in Borrower's financial condition, or lender believes the prospect of payment or performance of the indebtedness is impaired.

insecurity. Lander is used with billions of other people.

**Cure Provisions.** In any default, other than a default in payment is curable, it may be cured if Borrower, after Lender sends written notice to Borrower regarding cure of such default, (1) cures the default within twenty (20) days; or (2) if the cure requires more than twenty (20) days, immediately initiates steps which Lender deems at Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to achieve compliance as soon as reasonably practical.

**LENDER'S RIGHTS.** Upon default, Lender may declare the entire indebtedness, including the unpaid principal balance under this Agreement, or any portion thereof, immediately due and payable, together with all interest then accrued, and all other amounts, costs and expenses for which Borrower is responsible under the Agreement or any other agreement between the parties.

2014-APR-17 02:34 PM Compass Bank 404981806/

CHANGE IN TERMS AGREEMENT  
(Continued)

Page 2

Loan No: 50194735

agreement with Lender terminating in this loan, immediately due, without notice, and then Borrower will pay that amount.

**ATTORNEY'S FEES; EXPENSES.** Lender may hire an attorney to help collect this Agreement if Borrower does not pay, and Borrower will pay Lender's reasonable attorney's fees. Borrower shall not pay Lender all other amounts Lender actually incurs as court costs, lawful fees for filing, recording, returning to any public office any instrument securing this Agreement, any reasonable cost actually expended for recovery of, printing, preparing for sale, and selling any property and fees for noting it for or transferring a certificate of title to any motor vehicle offered as security for this Agreement, or premiums or nondeductible charges received in connection with the sale of authorized insurance.

**JURY WAIVER.** Lender and Borrower hereby waive the right to any jury trial in any action, proceedings, or counterclaim brought by either Lender or Borrower against the other.

**GOVERNING LAW.** This Agreement will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Texas without regard to its conflicts of law provisions. This Agreement has been accepted by Lender in the State of Texas.

**DISHONORED CHECK CHARGE.** Borrower will pay a processing fee of \$10.00 if any check drawn by Borrower to Lender as a payment on this loan is dishonored.

**RIGHT OF SETOFF.** To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or other) or other accounts. This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the debt against any and all such accounts.

**COLLATERAL.** Collateral securing other loans with Lender may also secure this loan. To the extent collateral previously has been given to Lender by any person which may secure this indebtedness, whether directly or indirectly, it is specifically agreed that, to the extent prohibited by law, all such collateral ownership of household goods will not secure this indebtedness. In addition, if any collateral requires the giving of a right of possession under Title to Lending for this indebtedness, such collateral also will not secure this indebtedness unless and until all required notices of that right have been given.

**CONTINUING VALIDITY.** Except as expressly changed by this Agreement, the terms of the original application or obligation, including all agreements, amendments or security, remain unchanged and in full force and effect. Consent by Lender to this Agreement does not waive Lender's right to strict performance of the obligation(s). It is the intention of Lender to retain as liable parties all makers and guarantors of the original obligation(s), including accommodation parties, unless a party is expressly released by Lender in writing. Any maker or guarantor of the original obligation(s) who is released by Lender in writing, shall be released by virtue of this Agreement. If any person who signed the original obligation(s) releases, including accommodation makers, will not be released by virtue of this Agreement. If any person who signed the original obligation(s) does not sign this Agreement before, then all persons signing this Agreement to the original and previous of this Agreement or otherwise will not be released by Lender. This Agreement shall not be subject to any right of rescission, modification or release, but also to all such subsequent actions.

**JURISDICTION.** Any legal action or proceeding brought by Lender or Borrower against the other arising out of or relating to the loan evidenced by this instrument is a "Proceeding" which has been brought in the federal court for or the state court sitting in the county where Lender's office that made this loan is located. With respect to any Proceeding, each Borrower, to the fullest extent permitted by law, irrevocably and exclusively submits to the jurisdiction of the court in which the Proceeding is brought, and irrevocably submits to the jurisdiction of any such court in any Proceeding. Notwithstanding anything to the contrary herein, Lender may commence legal proceedings or otherwise proceed against Borrower in any other jurisdiction if determined by Lender to be necessary in order to fully enforce or protect any right of Lender arising out of this loan, including without limitation, realization upon collateral that secures this loan.

**ERASCS AND CHANGES.** I agree that if deemed necessary by Lender or my agent during the loan evidenced by this Note ("the Loan"), Lender in the event may amend and adjust this Note and any other documents associated in connection with the Loan ("Related Documents") in my behalf, as if I were making the correction of a judgment, in order to correct clerical errors. A clerical error is information in a document that is in error or that does not fully accurately represent my agreement with Lender at the time the document was executed. If any such clerical error is made, I agree to fully execute a corrected copy of the document within 30 days of the date of making by Lender of a request to do so. Any changes to the documents after they are signed to reflect a change of the agreement of the parties is an "amendment" or "modification," which must be in writing and signed by the party who will be bound by the change.

**CHANGE IN INITIAL INTEREST RATE.** If this Note, evidencing an extension of credit with a variable rate and an initial interest rate is stated, the initial rate stated in the Note when it is signed may differ from the actual rate due to changes in the index before closing.

**DEFINED TERMS.** Unless otherwise defined in this Chicago in Terms Agreement, all undefined terms shall have the meaning given to such in the Note or related documents.

**MINIMUM INTEREST RATE.** Notwithstanding anything to the contrary contained in your note, credit agreement, or other instrument, the "Note" ("your interest rate or Periodic Rate") will never be lower than the legal minimum interest rate or floor as described in your Note. If your Note provides for a variable rate tied to an index plus a margin, that rate may, at times, equal an amount less than the Minimum Interest Rate. In such cases, your interest rate or Periodic Rate will be the stated Minimum Interest Rate. In the event that the sum of the index plus the margin is greater than the Minimum Interest Rate, then this higher rate shall be the interest rate or Periodic Rate charged on your Note.

**REINSTATEMENT OF MINIMUM INTEREST RATE.** If the Note provides for a minimum interest rate (sometimes referred to as the "floor"), and such minimum interest rate is waived or removed by Lender in conjunction with Borrower entering into an interest rate swap transaction (e.g., a swap transaction) entered into under an Interest Rate Swap Dealers Association (ISDA) Master Agreement with Lender in conjunction with the Note, such minimum interest rate shall automatically be reinstated if, and at the time, the interest rate swap transaction is terminated or terminated for any reason.

**SUCCESSORS AND ASSIGNS.** Subject to any limitations stated in this Agreement on transfer of Borrower's interest, this Agreement shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Collateral becomes vested in a person other than Borrower, Lender, without notice to Borrower, may deal with Borrower's successor with reference to this Agreement and the indebtedness without releasing Borrower from the obligations of this Agreement or liability under the indebtedness.

**MISCELLANEOUS PROVISIONS. NOTICE.** Under no circumstances and notwithstanding any other provisions of this Agreement and the original contract, interest or contract for in this Agreement exceed the maximum rate permitted by law. The term "maximum rate permitted by law" as used in this Agreement means the greater of: (a) the maximum rate of interest permitted under federal or state law applicable to the jurisdiction evidenced by the Agreement, or (b) the higher, in any case, of the rates of the Texas Finance Code. If any part of this Agreement does not comply with the "Clearly Conspicuous" requirements of Sections 203.002, 203.003 and 203.004 of the Texas Finance Code, if any part of this Agreement does not comply with the "Clearly Conspicuous" requirements of the rest of the Agreement, Borrower does not agree to pay, and Lender does not agree to accept, any amount in the nature of a charge or fee, charge, collect, take, reserve or receive (collectively referred to herein as "charges or fees"), any amount in the nature of a charge or fee in the nature of a fee for this loan, which would in any way or event (including demand, prepayment, or acceleration) cause Lender to charge or collect more for this loan than the maximum Lender would be permitted to charge or collect by federal law or the law of the State of Texas in application. Any such excess interest is unauthorized fee shall, instead of anything stated to the contrary, be applied first to reduce the principal balance of this loan, and when the principal has been paid in full, be refunded to Borrower. The right to accelerate maturity of the principal balance of this loan does not include the right to accelerate any interest which has not otherwise accrued on the date of such acceleration, and Lender does not intend to charge or collect any unearned interest in the event of acceleration. All sums paid or agreed to be paid to Lender for the use, forbearance or loan evidenced by this Agreement and payment in full to that the rate or amount of interest or principal on account of the loan evidenced hereby does not exceed the applicable early charge. Lender may delay or forego enforcing any of its rights or remedies under this Agreement without losing them. Borrower and any other person who signs, guarantees or endorses this Agreement, to the extent allowed by law, agree to indemnify Lender for payment, notice of dishonor, notice of intent to accelerate, and maturity of this Agreement, and notice of acceleration of the maturity of this Agreement. Upon any change in the terms of this Agreement, and maturity of this Agreement, and notice of acceleration of the maturity of this Agreement, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may remove or extend repeatedly interest in the collateral without the loan or release any party of guarantor or collateral, or upon, fail to realize upon or perfect Lender's security interest in the collateral without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made. The obligations under this Agreement are joint and several.

CHANGE IN TERMS AGREEMENT  
(Continued)

Loan No 50194736

Page 3

PRIOR TO SIGNING THIS AGREEMENT, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS AGREEMENT. BORROWER AGREES TO THE TERMS OF THE AGREEMENT.

BORROWER

NORTH ORANGE WATER AND SEWER, LLC

By: Bobby Marshack  
BOBBY MARSHACK, PRESIDENT of NORTH  
ORANGE WATER AND SEWER, LLC

By: Carmie Vincent  
CARMIE VINCENT, SECRETARY of NORTH  
ORANGE WATER AND SEWER, LLC

By: Michael Marshack  
MICHAEL MARSHACK, VICE PRESIDENT of NORTH  
ORANGE WATER AND SEWER, LLC

**CHANGE IN TERMS AGREEMENT  
(Continued)**

Page 3

Loan No. 50194738

This Agreement and payment in full as that the rate or amount of interest on account of the loan evidenced hereby does not exceed the applicable usury ceiling. Lender may delay or forego entering any of its rights or remedies under the Agreement without losing them. Borrower and any other person who signs, guarantees or endorses this Agreement, to the extent allowed by law, waive presentment, demand for payment, notice of dishonor, notice of intent to accelerate the maturity of this Agreement, and notice of acceleration of the maturity of this Agreement. Upon any change in the terms of this Agreement, and unless otherwise expressly stated in writing, no party who signs this Agreement, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may remove or extend temporarily and for any length of time this loan or release any party or guarantor or endorser, or modify, fail to release upon or perfect Lender's security interest in the collateral without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made. The obligations under this Agreement are joint and several.

**PRIOR TO SIGNING THIS AGREEMENT, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS AGREEMENT, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE AGREEMENT.**

**BORROWER**

**NORTH ORANGE WATER AND SEWER, LLC**

By: [Signature]  
BOBBY MANSHACK, PRESIDENT of NORTH ORANGE WATER AND SEWER, LLC  
By: [Signature]  
CAROL VINCENT, SECRETARY of NORTH ORANGE WATER AND SEWER, LLC

By: [Signature]  
MICHAEL MANSHACK, VICE PRESIDENT OF NORTH ORANGE WATER AND SEWER, LLC

COPY

11/10/08  
8500.00





## PROMISSORY NOTE

Principal	Interest	Term	Rate	Balance	Notes
\$56,431.28	\$0.00	60 Months	8.500%	\$0.00	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "\*\*\*\*" has been omitted due to text length limitations.

**Borrower:** North Orange Water & Sewer, LLC  
10406 N 87 Hwy  
Orange, TX 77632

**Lender:** MCT Credit Union  
Port Neches Branch  
2736 Nell Street  
Port Neches, TX 77651

**Principal Amount:** \$56,431.28

**Interest Rate:** 8.500%

**Date of Note:** October 29, 2012

**PROMISE TO PAY.** North Orange Water & Sewer, LLC ("Borrower") promises to pay to MCT Credit Union ("Lender"), or order, in lawful money of the United States of America, the principal amount of Fifty-six Thousand Four Hundred Thirty-one & 28/100 Dollars (\$56,431.28), together with interest on the unpaid principal balance from October 29, 2012, calculated as described in the "INTEREST CALCULATION METHOD" paragraph using an interest rate of 8.500% per annum, until maturity. This interest rate may change under the terms and conditions of the "POST MATURITY RATE" section.

**PAYMENT.** Borrower will pay this loan in 60 payments of \$1,158.43 each payment. Borrower's first payment is due December 1, 2012, and all subsequent payments are due on the same day of each month after that. Borrower's final payment will be due on November 1, 2017, and will be for all principal and all accrued interest not yet paid. Payments include principal and interest. Unless otherwise agreed or required by applicable law, payments will be applied first to any accrued unpaid interest; then to principal; and then to any late charges. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

**INTEREST CALCULATION METHOD.** Interest on this Note is computed on a 365/365 simple interest basis; that is, by applying the ratio of the interest rate over the number of days in a year, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this Note is computed using this method.

**PREPAYMENT.** Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Prepayment in full shall consist of payment of the remaining unpaid principal balance together with all accrued and unpaid interest and all other amounts, costs and expenses for which Borrower is responsible under this Note or any other agreement with Lender pertaining to this loan, and in no event will Borrower ever be required to pay any unearned interest. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments under the payment schedule. Rather, early payments will reduce the principal balance due and may result in Borrower's making fewer payments. Borrower agrees not to send Lender payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note, and Borrower will remain obligated to pay any further amount owed to Lender. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: MCT Credit Union, Port Neches Branch, 2736 Nell Street, Port Neches, TX 77651.

**LATE CHARGE.** If a payment is 15 days or more late, Borrower will be charged 5.000% of the regularly scheduled payment or \$25.00, whichever is less.

**POST MATURITY RATE.** The Post Maturity Rate on this Note is the lesser of (A) the maximum rate allowed by law or (B) 15.000% per annum. Borrower will pay interest on all sums due after final maturity, whether by acceleration or otherwise, at that rate.

**DEFAULT.** Each of the following shall constitute an event of default ("Event of Default") under this Note:

**Payment Default.** Borrower fails to make any payment when due under this Note.

**Other Defaults.** Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or in any of the related documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

**False Statements.** Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Note or the related documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

**Death or Insolvency.** The dissolution of Borrower (regardless of whether election to continue is made), any member withdraws from Borrower, or any other termination of Borrower's existence as a going business or the death of any member, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

**Creditor or Foreclosure Proceedings.** Commencement of foreclosure or foreclosure proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or foreclosure proceeding and if Borrower gives Lender written notice of the creditor or foreclosure proceeding and deposits with Lender monies or a surety bond for the creditor or foreclosure proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

**Events Affecting Guarantor.** Any of the preceding events occurs with respect to any Guarantor of any of the indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any guaranty of the indebtedness evidenced by this Note.

**Adverse Changes.** A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Note is impaired.

**LENDER'S RIGHTS.** Upon default, Lender may declare the entire indebtedness, including the unpaid principal balance under this Note, all accrued unpaid interest, and all other amounts, costs and expenses for which Borrower is responsible under this Note or any other agreement with Lender pertaining to this loan, immediately due, without notice, and then Borrower will pay that amount.

**ATTORNEYS' FEES; EXPENSES.** Lender may hire an attorney to help collect this Note if Borrower does not pay, and Borrower will pay Lender's reasonable attorneys' fees. Borrower also will pay Lender all other amounts Lender actually incurs as court costs, lawful fees for filing, recording, releasing to any public office any instrument securing this Note; the reasonable cost actually expended for repossession, storing, preparing for sale, and selling any security; and fees for noting a lien on or transferring a certificate of title to any motor vehicle offered as security for this Note, or premiums or identifiable charges received in connection with this sale of authorized insurance.

**GOVERNING LAW.** This Note will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Texas without regard to its conflicts of law provisions. This Note has been accepted by Lender in the State of Texas.

**CHOICE OF VENUE.** If there is a lawsuit, and if the transaction evidenced by this Note occurred in Jefferson County, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of Jefferson County, State of Texas.

**STATUTORY LIEN.** Borrower agrees that all loan advances under this Note are secured by all shares and deposits in all joint and individual accounts Borrower has with Lender now and in the future. Borrower authorizes Lender, to the extent permitted by applicable law, to apply the balance in these accounts to pay any amounts due under this Note when Borrower is in default under this Note. Shares and deposits in an individual Retirement Account and any other account that would lose special tax treatment under state or federal law if given as security are not subject to the security interest Borrower has given in Borrower's shares and deposits.

**COLLATERAL.** This loan is unsecured.

**RENEWAL AND EXTENSION.** This Note is given in renewal and extension and not in novation of the following described indebtedness: Line of Credit #27196-052 in the amount of \$50,000.00 dated August 15, 2011.

**SUCCESSOR INTERESTS.** The terms of this Note shall be binding upon Borrower, and upon Borrower's heirs, personal representatives, successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

Apr. 17, 2014 12:49PM

No. 3663 P. 3

Loan No: 27186-800

**PROMISSORY NOTE**  
(Continued)

Page 2

**NOTIFY US OF INACCURATE INFORMATION WE REPORT TO CONSUMER REPORTING AGENCIES.** Borrower may notify Lender if Lender reports any inaccurate information about Borrower's account(s) to a consumer reporting agency. Borrower's written notice describing the specific inaccuracy(ies) should be sent to Lender at the following address: MCT Credit Union PO Box 279 Port Neches, TX 77651.

**GENERAL PROVISIONS, NOTICE:** Under no circumstances (and notwithstanding any other provisions of this Note) shall the interest charged, collected, or contracted for on this Note exceed the maximum rate permitted by law. The term "maximum rate permitted by law" as used in this Note means the greater of: (a) the maximum rate of interest permitted under federal or other law applicable to the indebtedness evidenced by this Note, or (b) the higher, as of the date of this Note, of the "Weekly Ceiling" or the "Quarterly Ceiling" as referred to in Sections 303.002, 303.003 and 303.006 of the Texas Finance Code. If any part of this Note cannot be enforced, this fact will not affect the rest of the Note. Borrower does not agree or intend to pay, and Lender does not agree or intend to contract for, charge, collect, take, reserve or receive (collectively referred to herein as "charge or collect"), any amount in the nature of interest or in the nature of a fee for this loan, which would in any way or event (including demand, prepayment, or acceleration) cause Lender to charge or collect more for this loan than the maximum Lender would be permitted to charge or collect by federal law or the law of the State of Texas (as applicable). Any such excess interest or unauthorized fee shall, instead of anything stated to the contrary, be applied first to reduce the principal balance of this loan, and when the principal has been paid in full, be refunded to Borrower. The right to accelerate maturity of sums due under this Note does not include the right to accelerate any interest which has not otherwise accrued on the date of such acceleration, and Lender does not intend to charge or collect any unearned interest in the event of acceleration. All sums paid or agreed to be paid to Lender for the use, forbearance or detention of sums due hereunder shall, to the extent permitted by applicable law, be amortized, prorated, allocated and spread throughout the full term of the loan evidenced by this Note until payment in full so that the rate or amount of interest on account of the loan evidenced hereby does not exceed the applicable usury ceiling. Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive presentment, demand for payment, notice of dishonor, notice of intent to accelerate the maturity of this Note, and notice of acceleration of the maturity of this Note. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan or release any party or guarantor or collateral or impair, fail to realize upon or perfect Lender's security interest in the collateral without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made. The obligations under this Note are joint and several.

**PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE. BORROWER AGREES TO THE TERMS OF THE NOTE.**

**BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS PROMISSORY NOTE.**

**BORROWER:**

**NORTH ORANGE WATER & SEWER, LLC**

By: Bobby Manhack  
Bobby Manhack, President of North Orange Water  
& Sewer, LLC

**LENDER:**

**MCT CREDIT UNION**

Don Bell  
Don Bell, Vice President



2014-Apr-17 02:34 PM Compass Bank 4099818067

PROMISSORY NOTE  
(Continued)

Page 2

Loan No: 55194734

partially to the fact that the

insecurity. "What is good with believes itself insecure."

inadequacy, "water is good and preserves itself innocuous."  
Gula provisions. If any default, other than a default in payment, is established, it may be noted in Barrower, after receiving written notice from  
barrower immediately after the default, (1) within the default within twenty (20) days or (2) if the cure is more than twenty (20)  
days, immediately notify the lender within (under) thirty (30) days thereafter to be sufficient to cure the default and thereafter  
continue and complete all payments and necessary steps sufficient to produce compliance as soon as reasonably practical.

[illegible][illegible]

JURY WAIVER (Lundin and Bullock hereby waive the right to any jury trial in any future proceedings, or counterclaim or

**GOVERNING LAW:** This Note will be governed by federal law applicable in the State of Texas. This Note is subject to the provisions of the Uniform Commercial Code as adopted in the State of Texas. The provisions of the Uniform Commercial Code as adopted in the State of Texas shall govern in the event of any conflict of law provisions. This Note has been accepted by Lender in the State of Texas.

[illegible][illegible]

COLLATERAL. Borrower acknowledges that the loan is secured by the personal and real property, accounts and equipment owned by the borrower and is a Commercial Security Agreement dated November 10, 2008.

[illegible]

**ASSIGNMENTS.** These Note constitutes the entire understanding and agreement of the parties as to the assignment of the rights and obligations under the Note. No oral or written assignment shall be effective unless given in writing and signed by the party or parties concerned as to whom made.

[illegible]

modified. It shall be considered evidence of the validity of enforceability in any other provision of the laws of the State of New York. The provisions of this Article shall not affect the validity of any other provision of the laws of the State of New York.

[illegible]

ADDITIONAL EVENTS OF DEPART, REENTRY, OR OTHER  
 DEPART, REENTRY, OR OTHER

in any material adverse change in the financial condition of any guarantor  
hereunder. **WARRANTY.** The Borrower agrees to use the proceeds of this Note or Credit Agreement solely for business purposes and

JURISDICTION. Any legal action or proceeding brought by lender or borrower against the other arising out of or relating to the loan or the use of the loan proceeds shall be deemed to be a legal action or proceeding brought by the lender or borrower against the other arising out of or relating to the loan or the use of the loan proceeds. Any legal action or proceeding brought by the lender or borrower against the other arising out of or relating to the loan or the use of the loan proceeds shall be deemed to be a legal action or proceeding brought by the lender or borrower against the other arising out of or relating to the loan or the use of the loan proceeds.

[illegible][illegible]

changes the initial interest rate. If such holds, evidence an expansion of credit with a variable rate and an initial increase in the rate of interest on the money when it is issued may differ from the general rule that is changes in the index behave similarly.

CONSTRUCTION OF DOCUMENTS. In the event of any conflict within the provisions of this Order, the conflict in any of its terms interpreted in accordance with the facts, and notwithstanding any other provision to the contrary, the rule of construction permitting the most favorable interpretation to the parties hereto shall govern. The parties hereto agree and acknowledge that the rule of construction permitting the most favorable interpretation to the parties hereto shall govern in the interpretation of this Order or any of its terms.

Documents referred to or produced in connection with this Note

[illegible][illegible]

any change in the ownership of the property shall be binding on the Government only if the change is in writing and signed by the party who will be bound by the change. The Government shall not be bound by any change in the ownership of the property unless the change is in writing and signed by the party who will be bound by the change. The Government shall not be bound by any change in the ownership of the property unless the change is in writing and signed by the party who will be bound by the change.

GENERAL PROVISIONS. No part of this Note cannot be interpreted, and that the full effect and intent of the

Loan No: 80194738

PROMISSORY NOTE  
(Continued)

Page 3

including any and all interest, penalties, charges, costs, taxes, fees, and expenses (collectively referred to herein as "charges"), which may be imposed on the borrower or the lender or the guarantor, shall be paid by the borrower or the guarantor, as the case may be, to the lender or the guarantor, as the case may be, at the time and in the manner specified in the promissory note. The borrower or the guarantor, as the case may be, shall be responsible for the payment of all charges, including any and all interest, penalties, charges, costs, taxes, fees, and expenses, which may be imposed on the borrower or the guarantor, as the case may be, by the lender or the guarantor, as the case may be, at the time and in the manner specified in the promissory note. The borrower or the guarantor, as the case may be, shall be responsible for the payment of all charges, including any and all interest, penalties, charges, costs, taxes, fees, and expenses, which may be imposed on the borrower or the guarantor, as the case may be, by the lender or the guarantor, as the case may be, at the time and in the manner specified in the promissory note. The borrower or the guarantor, as the case may be, shall be responsible for the payment of all charges, including any and all interest, penalties, charges, costs, taxes, fees, and expenses, which may be imposed on the borrower or the guarantor, as the case may be, by the lender or the guarantor, as the case may be, at the time and in the manner specified in the promissory note.

PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE NOTE.

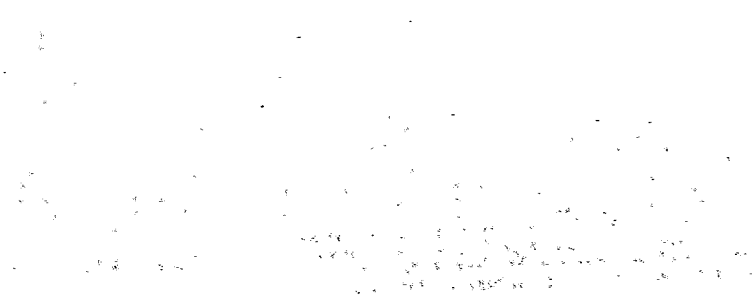
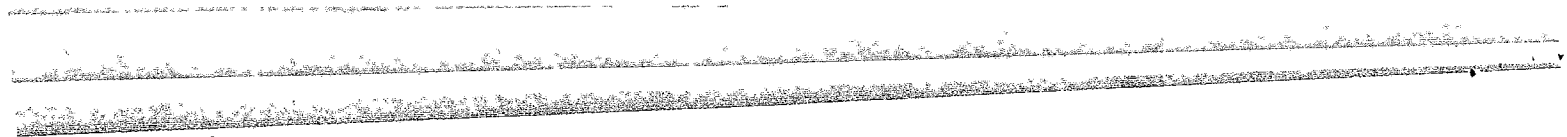
BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS PROMISSORY NOTE

BORROWER

NORTH ORANGE WATER AND SEWER, LLC

By: BARRY MANSHAK  
BARRY MANSHAK, PRESIDENT OF NORTH  
ORANGE WATER AND SEWER, LLC  
By: Caroline Vincent  
CAROLINE VINCENT, SECRETARY OF NORTH  
ORANGE WATER AND SEWER, LLC

By: Michael Manshaka  
MICHAEL MANSHAKA, VICE PRESIDENT OF NORTH  
ORANGE WATER AND SEWER, LLC



**Mary Damron**

---

**From:** Mary Damron  
**Sent:** Wednesday, June 11, 2014 11:22 AM  
**To:** 'Bret Fenner'  
**Subject:** RE: North Orange Water and Sewer application 37820 & 37821-R

Thanks Bret,

Please provide a dollar amount to the breakdown of the miscellaneous fees.

Thanks,

Mary

---

**From:** Bret Fenner [<mailto:bretfenner@yahoo.com>]  
**Sent:** Wednesday, June 11, 2014 8:57 AM  
**To:** Mary Damron  
**Subject:** Re: North Orange Water and Sewer application 37820 & 37821-R

Mary,

The miscellaneous fees in the application consist of: licenses, permits, lab analysis cost and water fees. I am still waiting on copies of the notes payable. I will ask the utility again. Please let me know if you need any additional information.

Thanks Bret

On Friday, May 30, 2014 3:02 PM, Mary Damron <[Mary.Damron@tceq.texas.gov](mailto:Mary.Damron@tceq.texas.gov)> wrote:

Country Squire, application 37820 & 37821-R.

Thanks,

Mary Damron  
4667

---

**From:** Bret Fenner [<mailto:bretfenner@yahoo.com>]  
**Sent:** Monday, March 10, 2014 9:13 PM  
**To:** Mary Damron  
**Cc:** Kamal Adhikari  
**Subject:** Re: North Orange Water and Sewer

For which CCN, longford Place or. Country Squire? Both have pending a applications.

Bret

Sent from my iPhone

On Mar 10, 2014, at 2:13 PM, Mary Damron <[Mary.Damron@tceq.texas.gov](mailto:Mary.Damron@tceq.texas.gov)> wrote:

Mr. Fenner,

Please attach copies of the notes payable, as page 12 of the application instructs.  
Please provide a breakdown of the miscellaneous fees shown on page 14 of 42 of the application.  
Please provide a breakdown of the miscellaneous fees shown on page 26 of 42 of the application.

Thank you,

Mary Damron  
(512)239-4667  
Fax (512) 239-0030  
Texas Commission on Environmental Quality  
MC-153, P.O. Box 13087  
Austin, Texas 78711-43087



Texas Commission on Environmental Quality  
Water Supply Division  
Utilities & Districts Section, MC 153  
P. O. Box 13087  
Austin, Texas 78711-3087


Re: Notice of Proposed Rate Change for Country Squire Estates PWS ID #1810060

Company: North Orange Water & Sewer

CCN:11642 & 20564

To Whom it May Concern:

Please let this letter serve as notification that I wish to protest the proposed rate change for which I have been notified. I believe that the percentage increase is much too high, and I do not believe that ratepayers have been given a detailed rationale for the increase. An almost 40% increase in water charges from the previous billing year is not reasonable. Thank you,

  
Ratepayer Signature

Timothy J. McDonald  
Ratepayer Printed Name

8205 Canterbury Dr.  
Orange TX 77632  
Residence

5-30-2014  
Date

**RECEIVED**  
JUN 05 2014  
UTILITIES & DISTRICTS  
SECTION



**B & D ENVIRONMENTAL, INC.**

P.O. BOX 500264  
AUSTIN, TEXAS 78750  
PHONE NO: (512) 264-9124  
FAX NO: (512) 692-1967

EMAIL: [bretfenner@yahoo.com](mailto:bretfenner@yahoo.com)

April 14, 2014

**RECEIVED**  
APR 15 2014

**UTILITIES & DISTRICTS  
SECTION**

Ms. Mary Damron  
Texas Commission on Environmental Quality  
Utilities & Districts Section, MC 153  
Water Supply Division  
P.O. Box 13087  
Austin, Texas 78711-3087

- Re: Water Rate/Tariff Change Application for North Orange Water and Sewer, LLC d.b.a. Country Squire Water and Sewer System (Country Squire), Certificate of Convenience and Necessity (CCN) Nos. 11642 in Orange County; Application No. 37820-R
- Re: Water Rate/Tariff Change Application for North Orange Water and Sewer, LLC d.b.a. Country Squire Water and Sewer System, Certificate of Convenience and Necessity (CCN) Nos. 20564-R in Orange County; Application No. 37821-R

Dear Ms. Damron:

Per you're accepted for filing letter of February 27, 2014 please find the following information requested:

1. Copies of Country Squire's Water and Wastewater Utility Annual Reports for the calendar years 2009 through 2012.
2. Documentation demonstrating that any deficiencies with the last inspection report for PWS No. 1810060 has been corrected.
3. Documentation demonstrating that any deficiencies with the last inspection report for TECQ Discharge No. WQ0011589001 has been corrected.
4. The 1% Regulatory Assessment Fee for the year 2012 was paid with Check #1553 in the amount of \$2,809.00 and cleared the bank on February 19, 2014

Should you have any further questions concerning this application, please do not hesitate to contact me at (512) 264-9124.

Sincerely,



Bret W. Fenner, P.E.  
B & D Environmental, Inc.

Enclosures

# WATER AND WASTEWATER UTILITIES

## ANNUAL REPORT

**RECEIVED**  
APR 15 2014

UTILITIES & DISTRICTS  
SECTION

*of*  
NORTH ORANGE WATER & SEWER, LLC  
COUNTRY SQUARE WATER & SEWER  
Exact Legal Name of Utility/Respondent

11642/20564  
Certificate of Convenience and Necessity (CCN) No.

*Submitted to the*

**State of Texas**



**Texas Commission on Environmental Quality**

*for the*

**Calendar Year Ended December 31, 2009**

### Section 1: Utility Information

Utility Name	<u>NORTH ORANGE WATER &amp; SEWER, LLC - Country Service</u> <u>Water + Sewer</u>		
Address	<u>10404 N. Hwy 87, Suite 102</u> <u>ORANGE, TX 77632</u>		
<input type="checkbox"/> Please check this box if your Official Address, which is noted on the enclosed letter, has changed.			
Telephone Number	<u>409-746-9640</u>	Fax Number	<u>409-746-9643</u>
E-mail Address	<u>NowSHwy87@yahoo.com</u>		
Contact Person	<u>Cammie VINCENT</u>	Title	<u>Sec. - Treas.</u>
Check the business ownership entity of the utility as filed with the Internal Revenue Service			
<input type="checkbox"/> Individual <input type="checkbox"/> Partnership <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> NonProfit Association			

### Section 2: Utility Background

Water CCN No.	<u>11642</u>	Number of PWSs	<u>1</u>
		PWS ID No.	<u>1810060</u>
		PWS ID No.	<u>                    </u>
		(if the Utility has more PWS ID Nos., please indicate in Section 10)	
Sewer CCN No.	<u>20564</u>	Number of Wastewater Systems	<u>1</u>
Discharge Permit No.	<u>11589-001</u>		
Discharge Permit No.	<u>                    </u>		
	(if the Utility has more Discharge Permit Nos., please indicate in Section 10)		

### Section 3: Revenues

	Water	Wastewater	Total Water + Wastewater
<b>OPERATING REVENUES:</b>			
Utility Service/Sales	110,796.49	139,684.32	250,480.81
Fees (Tap, Reconnection, etc.)	3,085.11	3,085.17	6,170.28
<b>OTHER REVENUES:</b>			
Please Identify:			
<b>TOTAL REVENUES</b>	113,881.60	142,769.49	256,651.09

### Section 4: Expenses

	Water	Wastewater	Total Water + Wastewater
Salaries & Wages	25,410.90	25,410.90	50,821.80
Contract Labor	1,485.39	1,485.44	2,970.83
Purchased Water	0	0	0
Chemicals for Treatment	4,568.18	1,449.05	6,017.23
Utilities (electricity)	4,922.57	6,946.53	11,869.10
Repairs/Maintenance/Supplies	21,594.78	27,162.03	48,756.81
Office Expenses	6,682.51	6,682.59	13,365.10
Professional Fees (Accounting, Legal)	9.38	9.38	18.76
Insurance	11,873.10	11,873.19	23,746.29
Depreciation & Amortization	11,295.74	11,295.74	22,591.48
Miscellaneous (describe in remarks below)	80.31	1,339.30	1,419.61
<b>Subtotal</b>	87,922.86	93,645.15	181,568.01
<b>Taxes:</b>			
Federal Income Taxes			
Property and Other Taxes (Payroll, etc.)	5,799.79	6,229.44	12,029.23
Regulatory Expenses (Rate Case, Permits)	503.10	0	503.10
Other (describe in remarks below)	1,987.38	1,987.38	3,974.76
<b>TOTAL EXPENSES</b>	96,213.13	101,861.97	198,075.10

Remarks: Other: Penalties  
Miscellaneous: Seminars, Engineering  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

## Section 5: Operating Items

### Debt Information:

Annual interest expense on long and/or short term debt?	\$ <u>46,384.48</u>
Annual principal payment on debt?	\$ <u>153,908.36</u>
Annual interest rate on debt?	<u>VARIOUS</u> %
Annual debt principal and interest?	\$ <u>200,292.84</u>
Principal balance on outstanding debt at end of this reporting period?	\$ <u>97,207.50</u>

### Regulatory Assessment Fee:

What was the Regulatory Assessment fee amount submitted to TCEQ for the Calendar Year 2009? \$ 2,737.13

### Rate Change:

What was the effective date of the last Rate Change? 10/01/08

## Section 6: Customer Information

Connection Type <b>Water</b>	Number of Connections at	
	Beginning of Calendar Year 2009	End of Calendar Year 2009
Total	246	247

Connection Type <b>Wastewater</b>	Number of Connections at	
	Beginning of Calendar Year 2009	End of Calendar Year 2009
Total	250	251

## Section 7: Water Production & Consumption

A What is the total amount of water produced/pumped?

18,390,000 gallons

B What is the total amount of water sold/billed?

15,635,000 gallons

C How much water was lost?

2,755,000 gallons

What is the total percent of water loss?

13 %

To calculate the above, please reference the attached document Water and Wastewater Utilities Annual Report Instructions.

Comments?

ESTIMATED 520,000 Gallons used in line  
FLUSHING.

## Section 8: Wastewater Treated

What is the total amount of wastewater treated?

15,635,000 gallons

Comments?

## Section 9: Utility Management & Operations Assessment

### Utility Policy and Procedures

Do you have an Application Form or Formal Process for New Customers?

☒ Yes

☐ No

Do you have a copy of your approved tariff and drought contingency plan for customers to review?

☒ Yes

☐ No

Do you have Written Operating Procedures for Routine Operations?

☒ Yes

☐ No

Do you have Written Emergency Actions Plan(s)?

☒ Yes

☐ No

Do you have Written Personnel Procedures?

☒ Yes

☐ No

Do you have Risk Management & Safety Policies?

☒ Yes

☐ No

Do you have Customer Service Policies? (including billing & collection)?

☒ Yes

☐ No

Do you have a Written Budget? (normally updated annually)?

☐ Yes

☒ No



Did you or any utility staff attend the annual Water Supply Division Conference/Trade Fair or any other utility/business related conferences this year? If so, please list them in Section 10.

☐ Yes

☒ No

Do you record complaints or keep a complaint log?

☒ Yes

☐ No

Is a customer service representative, water system employee, or answering service accessible by phone at all times to all customers?

☒ Yes

☐ No

### Rules and Regulations

If you own/operate a public water system, do you have a copy of 30 TAC Chapter 290?

☒ Yes

☐ No

If you own/operate a sewer system, do you have a copy of 30 TAC 314?

☒ Yes

☐ No

Do you have a copy of the Utility Regulation TAC 30 Rule, Chapter 291?

☒ Yes

☐ No

Do you have a copy of the Texas Water Code Chapter 13?

☒ Yes

☐ No

### Administrative Information

Do you notify customers prior to shutting down the system for repairs?

☐ Yes

☐ No

☒ Sometimes

☐ Only if greater than 2 hours

How do you keep your customers informed?

☒ Billing Statements

☐ Newsletter

☐ Meetings

☒ Other Flyers - Hand Delivered

Are water records kept separate from other business and personal records?

☒ Yes

☐ No

Are records kept for additions to fixed assets?

☒ Yes

☐ No

Is the financial position of the system reviewed at least quarterly?

☒ Yes

☐ No

Are accounting records for water and wastewater kept separately?

☒ Yes

☐ No

### Utility Assistance

If your answer to any question above is "No", would you be receptive to financial, managerial or technical assistance at no cost to the utility?

☒ Yes

☐ No

**Section 10: Remarks (please feel free to attach additional pages if necessary)**

--

**Section 11: Sworn Statement**

I HEREBY CERTIFY THAT THE INFORMATION PROVIDED IN THIS REPORT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

(This document MUST be signed by the President or Owner of the Utility)

This 8<sup>th</sup> Day of July, 2010

President or Owner:

\_\_\_\_\_  
(Signature)

BOBBY MANSHACK  
(Printed Name)

PRESIDENT  
(Title)

# WATER AND WASTEWATER UTILITIES

## ANNUAL REPORT

**RECEIVED**  
APR 15 2014

UTILITIES & DISTRICTS  
SECTION

*of*  
NORTH ORANGE Water + Sewer, LLC  
COUNTRY SOURCE Water + Sewer  
Exact Legal Name of Utility/Respondent

11642/20564  
Certificate of Convenience and Necessity (CCN) No.

*Submitted to the*

**State of Texas**



**Texas Commission on Environmental Quality**

*for the*

**Calendar Year Ended December 31, 2010**

## Section 1: Utility Information

Utility Name NORTH ORANGE WATER + SEWER, LLC - County, Sanjour

Address 10404 N. Hwy 87, Suite 102 Water + Sewer  
ORANGE, TX 77632

☐ Please check this box if your Official Address, which is noted on the enclosed letter, has changed.

Telephone Number 409-746-9640 Fax Number 409-746-9643

E-mail Address NOU@Hwy87@yahoo.com

Contact Person Carmie Vincent Title Sec./Treas.

Check the business ownership entity of the utility as filed with the Internal Revenue Service

☐ Individual ☐ Partnership ☒ Corporation ☐ NonProfit Association

## Section 2: Utility Background

Water CCN No. 11642

Number of PWSs 1

PWS ID No. 1810060

PWS ID No. \_\_\_\_\_

(if the Utility has more PWS ID

Nos., please indicate in Section 10)

Sewer CCN No. 20564

Number of Wastewater Systems 1

Discharge Permit No. 11589-001

Discharge Permit No. \_\_\_\_\_

(if the Utility has more Discharge Permit

Nos., please indicate in Section 10)

### Section 3: Revenues

	Water	Wastewater	Total Water + Wastewater
<b>OPERATING REVENUES:</b>			
Utility Service/Sales	105864.21	133847.48	239711.69
Fees (Tap, Reconnection, etc.)	2976.53	3576.53	6553.06
<b>OTHER REVENUES:</b>			
Please Identify:			
Interest Income	1859.23	1859.25	3718.48
	3533.85	3533.88	7067.73
<b>TOTAL REVENUES</b>	<b>114233.82</b>	<b>142817.14</b>	<b>257050.96</b>

### Section 4: Expenses

	Water	Wastewater	Total Water + Wastewater
Salaries & Wages	37111.87	37111.86	74223.73
Contract Labor	2868.46	4998.97	7867.43
Purchased Water	0	0	0
Chemicals for Treatment	3992.55	2435.68	6428.23
Utilities (electricity)	4827.45	6590.36	11417.81
Repairs/Maintenance/Supplies	14686.45	37870.05	52556.50
Office Expenses	8137.18	8129.66	16266.84
Professional Fees (Accounting, Legal)	1737.93	1737.96	3475.89
Insurance	9968.62	9968.62	19937.28
Depreciation & Amortization	9039.72	10839.11	19878.83
Miscellaneous (describe in remarks below)	943.54	175.25	1118.79
Subtotal	93313.77	119827.52	213141.33
<b>Taxes:</b>			
Federal Income Taxes			
Property and Other Taxes (Payroll, etc.)	12693.06	13152.91	25845.97
Regulatory Expenses (Rate Case, Permits)	563.10	1250.00	1753.10
Other (describe in remarks below)	2808.25	3077.03	5885.28
<b>TOTAL EXPENSES</b>	<b>109318.18</b>	<b>137307.46</b>	<b>246625.68</b>

**Remarks:** Miscellaneous: Advertising, Dues, License & Permits and Seminars  
Other: Interest Expense & Penalties

## Section 5: Operating Items

### Debt Information:

Annual interest expense on long and/or short term debt?	\$ 7183.88
Annual principal payment on debt?	\$ 12555.69
Annual interest rate on debt?	VARIOUS %
Annual debt principal and interest?	\$ 19739.57
Principal balance on outstanding debt at end of this reporting period?	\$ 84,651.81

### Regulatory Assessment Fee:

What was the Regulatory Assessment fee amount submitted to TCEQ for the Calendar Year 2010? \$ 2904.54

### Rate Change:

What was the effective date of the last Rate Change? 10/01/08

## Section 6: Customer Information

Connection Type <b>Water</b>	Number of Connections at	
	Beginning of Calendar Year 2010	End of Calendar Year 2010
Total	247	247

Connection Type <b>Wastewater</b>	Number of Connections at	
	Beginning of Calendar Year 2010	End of Calendar Year 2010
Total	251	251

## Section 7: Water Production & Consumption

A What is the total amount of water produced/pumped?

17,314,000 gallons

B What is the total amount of water sold/billed?

15,373,000 gallons

C How much water was lost?

1,421,000 gallons

What is the total percent of water loss?

9 %

To calculate the above, please reference the attached document Water and Wastewater Utilities Annual Report Instructions.

Comments? ESTIMATED 520,000 Gallons used in line  
flushing.

## Section 8: Wastewater Treated

What is the total amount of wastewater treated?

15,373,000 gallons

Comments? \_\_\_\_\_

## Section 9: Utility Management & Operations Assessment

### Utility Policy and Procedures

Do you have an Application Form or Formal Process for New Customers?

☒ Yes ☐ No

Do you have a copy of your approved tariff and drought contingency plan for customers to review?

☒ Yes ☐ No

Do you have Written Operating Procedures for Routine Operations?

☒ Yes ☐ No

Do you have Written Emergency Actions Plan(s)?

☒ Yes ☐ No

Do you have Written Personnel Procedures?

☒ Yes ☐ No

Do you have Risk Management & Safety Policies?

☒ Yes ☐ No

Do you have Customer Service Policies (including billing & collection)?

☒ Yes ☐ No

Do you have a Written Budget (normally updated annually)?

☐ Yes ☒ No

Did you or any utility staff attend the annual Water Supply Division Conference/Trade Fair or any other utility/business related conferences this year? If so, please list them in Section 10.

☐ Yes ☒ No

Do you record complaints or keep a complaint log?

☒ Yes ☐ No

Is a customer service representative, water system employee, or answering service accessible by phone at all times to all customers?

☒ Yes ☐ No

### Rules and Regulations

If you own/operate a public water system, do you have a copy of or have access to 30 TAC Chapter 290?

☒ Yes ☐ No

If you own/operate a sewer system, do you have a copy of or have access to 30 TAC 30 Subchapter J, 30 TAC 217, 30 TAC 308, and 30 TAC 309?

☒ Yes ☐ No

Do you have a copy of or have access to the Utility Regulation TAC 30 Rule, Chapter 291?

☒ Yes ☐ No

Do you have a copy of or have access to Texas Water Code Chapter 13?

☒ Yes ☐ No

### Administrative Information

Do you notify customers prior to shutting down the system for repairs?

☐ Yes ☐ No ☒ Sometimes ☐ Only if greater than 2 hours

How do you keep your customers informed?

☒ Billing Statements ☐ Newsletter ☐ Meetings

☒ Other Flyers - Hand Delivered

Are water records kept separate from other business and personal records?

☒ Yes ☐ No

Are records kept for additions to fixed assets?

☒ Yes ☐ No

Is the financial position of the system reviewed at least quarterly?

☒ Yes ☐ No

Are accounting records for water and wastewater kept separately?

☒ Yes ☐ No

### Utility Assistance

If your answer to any question above is "No", would you be receptive to financial, managerial or technical assistance at no cost to the utility?

☒ Yes ☐ No



**Section 10: Remarks (please feel free to attach additional pages if necessary)**

<hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>
---

**Section 11: Sworn Statement**

I HEREBY CERTIFY THAT THE INFORMATION PROVIDED IN THIS REPORT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

(This document MUST be signed by the President or Owner of the Utility)

This 12<sup>th</sup> Day of April, 2011.

President or Owner: \_\_\_\_\_

(Signature)

BOBBY MANSACK  
(Printed Name)

PRESIDENT  
(Title)

# WATER AND WASTEWATER UTILITIES

## ANNUAL REPORT

**RECEIVED**  
APR 15 2014

UTILITIES & DISTRICTS  
SECTION

*of*  
NORTH ORANGE WATER + SEWER, LLC  
COUNTRY SQUIRE WATER + SEWER  
Exact Legal Name of Utility/Respondent

11642/20564  
Certificate of Convenience and Necessity (CCN) No.

*Submitted to the*

**State of Texas**



**Texas Commission on Environmental Quality**

*for the*

**Calendar Year Ended December 31, 2011**

## Section 1: Utility Information

Utility Name NORTH CRANGE Water + Sewer, LLC - Country Squire  
Water + Sewer

Address 10404 N. Hwy 87, Suite 102  
CRANGE, TX 77632

☐ Please check this box if your Official Address, which is noted on the enclosed letter, has changed.

Telephone Number 409-746-9640 Fax Number 409-746-9643

E-mail Address NorthHwy87@yahoo.com

Contact Person Carmie VINCENT Title Sec./Tras.

Check the business ownership entity of the utility as filed with the Internal Revenue Service

☐ Individual ☐ Partnership ☒ Corporation ☐ NonProfit Association

## Section 2: Utility Background

Water CCN No. 11642

Number of PWSs 1

PWS ID No. 1810060

PWS ID No. \_\_\_\_\_

(if the Utility has more PWS ID

Nos., please indicate in Section 10)

Sewer CCN No. 20564

Number of Wastewater Systems 1

Discharge Permit No. 11589-001

Discharge Permit No. \_\_\_\_\_

(if the Utility has more Discharge Permit

Nos., please indicate in Section 10)

### Section 3: Revenues

	Water	Wastewater	Total Water + Wastewater
<b>OPERATING REVENUES:</b>			
Utility Service/Sales	105138.61	131797.68	236936.29
Fees (Tap, Reconnection, etc.)	2553.85	2553.89	5107.74
<b>OTHER REVENUES:</b>			
Please Identify: <u>Interest Income</u>	162.75	162.80	325.55
<b>TOTAL REVENUES</b>	107855.21	134514.37	242369.58

### Section 4: Expenses

	Water	Wastewater	Total Water + Wastewater
Salaries & Wages	70454.00	70454.00	140908.00
Contract Labor	2619.21	7819.23	10438.44
Purchased Water	0	0	0
Chemicals for Treatment	3900.60	1364.08	5264.68
Utilities (electricity)	5370.16	7318.68	12688.84
Repairs/Maintenance/Supplies	12435.67	19250.63	31686.30
Office Expenses	8452.87	9189.46	17642.33
Professional Fees (Accounting, Legal)	727.29	727.30	1454.59
Insurance	8162.77	8162.77	16325.54
Depreciation & Amortization	7149.80	7149.80	14299.60
Miscellaneous (describe in remarks below)	96.15	4887.95	4984.10
<b>Subtotal</b>	119368.52	136323.90	255692.42
<b>Taxes:</b>			
Federal Income Taxes			
Property and Other Taxes (Payroll, etc.)	10644.81	10329.46	20974.27
Regulatory Expenses (Rate Case, Permits)	1753.10	0	1753.10
Other (describe in remarks below)	4228.77	4296.16	8524.93
<b>TOTAL EXPENSES</b>	135995.20	150949.52	286944.72

<b>Remarks:</b> <u>Miscellaneous: Advertising, Engineering,</u> <u>License</u> <u>Other: Interest Expense, Penalties</u>
--

## Section 5: Operating Items

### Debt Information:

Annual interest expense on long and/or short term debt?	\$ <u>8268.71</u>
Annual principal payment on debt?	\$ <u>9997.64</u>
Annual interest rate on debt?	<u>VARIOUS</u> %
Annual debt principal and interest?	\$ <u>18266.35</u>
Principal balance on outstanding debt at end of this reporting period?	\$ <u>72585.36</u>

### Regulatory Assessment Fee:

What was the Regulatory Assessment fee amount submitted to TCEQ for the Calendar Year 2011? \$ 2933.00

### Rate Change:

What was the effective date of the last Rate Change? 10/01/08

## Section 6: Customer Information

Connection Type <b>Water</b>	Number of Connections at	
	Beginning of Calendar Year 2011	End of Calendar Year 2011
Total	<u>247</u>	<u>247</u>

Connection Type <b>Wastewater</b>	Number of Connections at	
	Beginning of Calendar Year 2011	End of Calendar Year 2011
Total	<u>251</u>	<u>251</u>

## Section 7: Water Production & Consumption

A What is the total amount of water produced/pumped?

16,617,000 gallons

B What is the total amount of water sold/billed?

15,168,000 gallons

C How much water was lost?

929,000 gallons

What is the total percent of water loss?

6 %

To calculate the above, please reference the attached document Water and Wastewater Utilities Annual Report Instructions.

Comments? ESTIMATED 520,000 Gallons used in line  
FLUSHING.

## Section 8: Wastewater Treated

What is the total amount of wastewater treated?

15,168,000 gallons

Comments? \_\_\_\_\_

## Section 9: Utility Management & Operations Assessment

### Utility Policy and Procedures

Do you have an Application Form or Formal Process for New Customers?

☒ Yes

☐ No

Do you have a copy of your approved tariff and drought contingency plan for customers to review?

☒ Yes

☐ No

Do you have Written Operating Procedures for Routine Operations?

☒ Yes

☐ No

Do you have Written Emergency Actions Plan(s)?

☒ Yes

☐ No

Do you have Written Personnel Procedures?

☒ Yes

☐ No

Do you have Risk Management & Safety Policies?

☒ Yes

☐ No

Do you have Customer Service Policies (including billing & collection)?

☒ Yes

☐ No

Do you have a Written Budget (normally updated annually)?

☐ Yes

☒ No

Did you or any utility staff attend the annual Water Supply Division Conference/Trade Fair or any other utility/business related conferences this year? If so, please list them in Section 10.

☐ Yes

☒ No

Do you record complaints or keep a complaint log?

☒ Yes

☐ No

Is a customer service representative, water system employee, or answering service accessible by phone at all times to all customers?

☒ Yes

☐ No

### **Rules and Regulations**

If you own/operate a public water system, do you have a copy of or have access to 30 TAC Chapter 290?

☒ Yes

☐ No

If you own/operate a sewer system, do you have a copy of or have access to 30 TAC 30 Subchapter J, 30 TAC 217, 30 TAC 308, and 30 TAC 309?

☒ Yes

☐ No

Do you have a copy of or have access to the Utility Regulation TAC 30 Rule, Chapter 291?

☒ Yes

☐ No

Do you have a copy of or have access to Texas Water Code Chapter 13?

☒ Yes

☐ No

### **Administrative Information**

Do you notify customers prior to shutting down the system for repairs?

☐ Yes

☐ No

☒ Sometimes

☐ Only if greater than 2 hours

How do you keep your customers informed?

☒ Billing Statements

☐ Newsletter

☐ Meetings

☒ Other Flyers - HAND Delivered

Are water records kept separate from other business and personal records?

☒ Yes

☐ No

Are records kept for additions to fixed assets?

☒ Yes

☐ No

Is the financial position of the system reviewed at least quarterly?

☒ Yes

☐ No

Are accounting records for water and wastewater kept separately?

☒ Yes

☐ No

### **Utility Assistance**

If your answer to any question above is "No", would you be receptive to financial, managerial or technical assistance at no cost to the utility?

☒ Yes

☐ No

**Section 10: Remarks (please feel free to attach additional pages if necessary)**

<hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>
---

**Section 11: Sworn Statement**

I HEREBY CERTIFY THAT THE INFORMATION PROVIDED IN THIS REPORT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

(This document MUST be signed by the President or Owner of the Utility)

This 6<sup>th</sup> Day of June, 2012.

President or Owner:

\_\_\_\_\_  
(Signature)

BOBBY MANSHACK

\_\_\_\_\_  
(Printed Name)

PRESIDENT

\_\_\_\_\_  
(Title)



# WATER AND WASTEWATER UTILITIES

## ANNUAL REPORT

**RECEIVED**  
APR 15 2014

UTILITIES & DISTRICTS  
SECTION

*NORTH ORANGE<sup>of</sup> WATER + SEWER, LLC*  
*COUNTRY SQUIRE WATER + SEWER*

Exact Legal Name of Utility/Respondent

*11642/20564*

Certificate of Convenience and Necessity (CCN) No.

*Submitted to the*

**State of Texas**



**Texas Commission on Environmental Quality**

*for the*

**Calendar Year Ended December 31, 2012**

## Section 1: Utility Information

Utility Name NORTH ORANGE WATER + SEWER, LLC - County Service

Address 10404 N. Hwy 87, Suite 102  
ORANGE, TX 77632

☐ Please check this box if your Official Address, which is noted on the enclosed letter, has changed.

Telephone Number 409-746-9640 Fax Number 409-746-9643

E-mail Address HOWSHWY87@YAHOO.COM

Contact Person CAMMIE VINCENT Title Sec./Treas.

Check the business ownership entity of the utility as filed with the Internal Revenue Service

☐ Individual ☐ Partnership ☒ Corporation ☐ NonProfit Association

## Section 2: Utility Background

Water CCN No. 11642

Number of PWSs 1

PWS ID No. 1810060

PWS ID No. \_\_\_\_\_

(if the Utility has more PWS ID

Nos., please indicate in Section 10)

Sewer CCN No. 20564

Number of Wastewater Systems 1

Discharge Permit No. 11589-001

Discharge Permit No. \_\_\_\_\_

(if the Utility has more Discharge Permit

Nos., please indicate in Section 10)

### Section 3: Revenues

	Water	Wastewater	Total Water + Wastewater
<b>OPERATING REVENUES:</b>			
Utility Service/Sales	108992.22	137709.05	246701.27
Fees (Tap, Reconnection, etc.)	2814.25	2814.27	5628.52
<b>OTHER REVENUES:</b>			
Please Identify:	.35	.36	.71
<b>TOTAL REVENUES</b>	111806.82	140523.68	252330.50

### Section 4: Expenses

	Water	Wastewater	Total Water + Wastewater
Salaries & Wages	44185.92	44185.92	88371.84
Contract Labor	7576.18	7576.19	15152.37
Purchased Water	0	0	0
Chemicals for Treatment	3881.72	993.12	4874.84
Utilities (electricity)	5440.02	10528.20	15968.22
Repairs/Maintenance/Supplies	16587.45	36568.39	53155.84
Office Expenses	7401.03	7435.14	14836.17
Professional Fees (Accounting, Legal)	5163.75	5163.75	10327.50
Insurance	2137.72	2137.72	4275.44
Depreciation & Amortization	5438.65	5438.65	10877.30
Miscellaneous (describe in remarks below)	73.50	73.50	147.00
<b>Subtotal</b>	97885.94	120100.58	217986.52
<b>Taxes:</b>			
Federal Income Taxes			
Property and Other Taxes (Payroll, etc.)	9371.21	9820.55	19191.76
Regulatory Expenses (Rate Case, Permits)	1753.10	0	1753.10
Other (describe in remarks below)	4340.90	4148.31	8489.21
<b>TOTAL EXPENSES</b>	113351.15	134069.44	247420.59

#### Remarks:

Miscellaneous: Licenses  
Other: Interest Expense, Penalties

## Section 5: Operating Items

### Debt Information:

Annual interest expense on long and/or short term debt?	\$ 8293.20
Annual principal payment on debt?	\$ 9008.00
Annual interest rate on debt?	VARIOUS %
Annual debt principal and interest?	\$ 17301.20
Principal balance on outstanding debt at end of this reporting period?	\$ 71551.17

### Regulatory Assessment Fee:

What was the Regulatory Assessment fee amount submitted to TCEQ for the Calendar Year 2012?

\$ 2809.<sup>00</sup>

### Rate Change:

What was the effective date of the last Rate Change?

10/01/08

## Section 6: Customer Information

Connection Type <b>Water</b>	Number of Connections at	
	Beginning of Calendar Year 2012	End of Calendar Year 2012
Total	247	247

Connection Type <b>Wastewater</b>	Number of Connections at	
	Beginning of Calendar Year 2012	End of Calendar Year 2012
Total	251	251

## Section 7: Water Production & Consumption

A What is the total amount of water produced/pumped?

15,781,000 gallons

B What is the total amount of water sold/billed?

14,105,000 gallons

C How much water was lost?

1,156,000 gallons

What is the total percent of water loss?

8 %

To calculate the above, please reference the attached document Water and Wastewater Utilities Annual Report Instructions. Comments?

Estimated 520,000 Gallons used in line flushing

## Section 8: Wastewater Treated

What is the total amount of wastewater treated?

14,105,000 gallons

Comments?

## Section 9: Utility Management & Operations Assessment

### Utility Policy and Procedures

Do you have an Application Form or Formal Process for New Customers?

☒ Yes

☐ No

Do you have a copy of your approved tariff and drought contingency plan for customers to review?

☒ Yes

☐ No

Do you have Written Operating Procedures for Routine Operations?

☒ Yes

☐ No

Do you have Written Emergency Actions Plan(s)?

☒ Yes

☐ No

Do you have Written Personnel Procedures?

☒ Yes

☐ No

Do you have Risk Management & Safety Policies?

☒ Yes

☐ No

Do you have Customer Service Policies (including billing & collection)?

☒ Yes

☐ No

Do you have a Written Budget (normally updated annually)?

☐ Yes

☒ No

Did you or any utility staff attend the annual Water Supply Division Conference/Trade Fair or any other utility/business related conferences this year? If so, please list them in Section 10.

☐ Yes ☒ No

Do you record complaints or keep a complaint log?

☒ Yes ☐ No

Is a customer service representative, water system employee, or answering service accessible by phone at all times to all customers?

☒ Yes ☐ No

### Rules and Regulations

If you own/operate a public water system, do you have a copy of or have access to 30 TAC Chapter 290?

☒ Yes ☐ No

If you own/operate a sewer system, do you have a copy of or have access to 30 TAC 30 Subchapter J, 30 TAC 217, 30 TAC 308, and 30 TAC 309?

☒ Yes ☐ No

Do you have a copy of or have access to the Utility Regulation TAC 30 Rule, Chapter 291?

☒ Yes ☐ No

Do you have a copy of or have access to Texas Water Code Chapter 13?

☒ Yes ☐ No

### Administrative Information

Do you notify customers prior to shutting down the system for repairs?

☐ Yes ☐ No ☒ Sometimes ☐ Only if greater than 2 hours

How do you keep your customers informed?

☒ Billing Statements ☐ Newsletter ☐ Meetings

☒ Other Flyers - HAND DELIVERED

Are water records kept separate from other business and personal records?

☒ Yes ☐ No

Are records kept for additions to fixed assets?

☒ Yes ☐ No

Is the financial position of the system reviewed at least quarterly?

☒ Yes ☐ No

Are accounting records for water and wastewater kept separately?

☒ Yes ☐ No

### Utility Assistance

If your answer to any question above is "No", would you be receptive to financial, managerial or technical assistance at no cost to the utility?

☒ Yes ☐ No

**Section 10: Remarks (please feel free to attach additional pages if necessary)**

**Section 11: Sworn Statement**

I HEREBY CERTIFY THAT THE INFORMATION PROVIDED IN THIS REPORT  
IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

(This document MUST be signed by the President or Owner of the Utility)

This 15<sup>th</sup> Day of May, 2013.

President or Owner: \_\_\_\_\_  
(Signature)

BOBBY MANSHACK  
(Printed Name)

PRESIDENT  
(Title)

Bryan W. Shaw, Ph.D., *Chairman*  
Carlos Rubinstein, *Commissioner*  
Toby Baker, *Commissioner*  
Zak Covar, *Executive Director*

## TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

*Protecting Texas by Reducing and Preventing Pollution*

October 31, 2013

**CERTIFIED MAIL {7013 1090 0000 2436 5652}  
RETURN RECEIPT REQUESTED**

Mr. Bobby Manshack  
Country Squire WSC  
10404 N. Hwy 87  
Orange, Texas 77632

**RECEIVED**  
APR 15 2014

**UTILITIES & DISTRICTS  
SECTION**

Re: Notice of Violation for Public Water Supply Investigation at:  
Country Squire, Orange (Orange County), Texas 77632  
PWS ID: 1810060; Investigation Number: 1086151

Dear Mr. Manshack:

On April 19, 2013, Ms. Ruth Potato, of the Texas Commission on Environmental Quality (TCEQ) Beaumont Region Office conducted an investigation of the above-referenced regulated entity to evaluate compliance with applicable requirements for public water supply. Enclosed is a summary which lists the investigation findings. During the investigation, certain outstanding alleged violation and additional issues were identified for which compliance documentation is required. Please submit to this office by **January 29, 2014** a written description of corrective action taken and the required documentation demonstrating that compliance has been achieved for each of the outstanding alleged violation.

In the listing of the alleged violation, we have cited applicable requirements, including TCEQ rules. Please note that both the rules themselves and the agency brochure entitled *Obtaining TCEQ Rules* (GI 032) are located on our agency website at <http://www.tceq.state.tx.us> for your reference. If you would like a hard copy of this brochure mailed to you, you may call and request one from either the Beaumont Region Office at 409-898-3838 or the Central Office Publications Ordering Team at 512-239-0028.

The TCEQ appreciates your assistance in this matter. Please note that the Legislature has granted TCEQ enforcement powers which we may exercise to ensure compliance with environmental regulatory requirements. We anticipate that you will resolve the alleged violations as required in order to protect the State's environment. If you have additional information that we are unaware of, you have the opportunity to contest the violations documented in this notice. Should you choose to do so, you must notify the Beaumont Region Office within 10 days from the date of this letter. At that time, Mr. Alex Crank will schedule a violation review meeting to be conducted within 21 days from the date of this letter or specified date at specific time.



Mr. Manshack  
Page 2  
October 31, 2013

However, please be advised that if you decide to participate in the violation review process, the TCEQ may still require you to adhere to the compliance schedule included in the attached Summary of Investigation Findings until an official decision is made regarding the status of any or all of the contested violations.

If you or members of your staff have any questions, please feel free to contact Ms. Ruth Potato in the Beaumont Region Office at 409-898-3838.

Sincerely,



Alex Crank  
Water Section Work Leader  
Beaumont Region Office

AC/RP/bd

Attachment: Summary of Investigation Findings

**RECEIVED**  
APR 15 2014  
UTILITIES & DISTRICTS  
SECTION

## Summary of Investigation Findings

**COUNTRY SQUIRE WATER & SEWER**

Investigation #

1086151  
Investigation Date: 04/19/2013

, ORANGE COUNTY,

Additional ID(s): 1810060

OUTSTANDING ALLEGED VIOLATION(S)  
ASSOCIATED TO A NOTICE OF VIOLATION

Track No: 385150 Compliance Due Date: 01/29/2014

30 TAC Chapter 290.46(f)(3)(E)(iv)

APR 15 2014

**Alleged Violation:**

Investigation: 767662

Comment Date: 01/14/2010

UTILITIES & DISTRICTS  
SECTION

Failure to have records available for review during the investigation.

During the investigation, it was noted that the water system could not locate the customer service inspection report for the residence at 1308 Tennison Lane.

The water system shall retain copies of the Customer Service Inspection reports.

Investigation: 849457

Comment Date: 08/17/2010

On July 13, 2010, the Beaumont Region office received documentation that the water system is attempting to obtain a customer service inspection report. The alleged violation remains unresolved.

Investigation: 1086151

Comment Date: 10/25/2013

Documentation regarding this violation were not evaluated.

**Recommended Corrective Action:** Please submit to the Beaumont Regional Office a copy of the customer service inspection report for the residence at 1308 Tennison Lane.

Track No: 518060 Compliance Due Date: 01/29/2014

30 TAC Chapter 290.116(c)(3)(C)

**Alleged Violation:**

Investigation: 1086151

Comment Date: 10/25/2013

Failure by Country Squire WSC to have an accurate manual chlorine residual analyzer.

During the investigation, it was noted that the water system did not have an accurate chlorine residual analyzer. The Hach Colorimeter II showed a reading of 1.09 mg/L and the operator reported a reading of 1.50 mg/L.

The free chlorine residual must be measured to a minimum accuracy of plus or minus 0.1 mg/L.

**Recommended Corrective Action:** Perform verification and maintain records of the accuracy checks conducted on the disinfection residual analyzer every 90 days. Submit two accuracy check results to the Beaumont Regional Office.

Track No: 518061 Compliance Due Date: 01/29/2014

30 TAC Chapter 290.46(m)

**Alleged Violation:**

Investigation: 1086151

Comment Date: 10/25/2013

Failure by Country Squire WSC to maintain the service pump located at the plant.