



Control Number: 43353



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.

43353

Founders Reserve  
Proposed CCN Application

RECEIVED

2014 SEP 25 AM 11:14

PUBLIC UTILITY COMMISSION  
FILING CLERK

Submitted to:

Texas Commission on Environmental Quality  
Registration, Review & Reporting Division  
Permits Administrative Review Section  
Water Quality Team  
MC-156  
P.O. Box 13087  
Austin, Texas 78711-3087

2014 APR 9 PM 2 21

RECEIVED  
T.O.E.O.  
WATER SUPPLY DIV.



# APPLICATION TO OBTAIN OR AMEND A WATER/SEWER CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN)

\*CN# \_\_\_\_\_ \*RN# \_\_\_\_\_  
\*If known (See Instructions)

## PURPOSE OF THIS APPLICATION

OBTAIN  New Water CCN  New Sewer CCN

AMEND  Water CCN# (s) \_\_\_\_\_

AMEND  Sewer CCN#(s) \_\_\_\_\_

## 1. APPLICANT INFORMATION

Utility Name Founder's Reserve Community Association, Inc

Utility Address (City/ST/ZIP/Code) 7170 Cherry Park Drive Houston, Texas 77095

Utility Phone Number and Fax \_\_\_\_\_

Contact Person: Please provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney, accountant manager, or other title related to the applicant.

Name Jeff Goebel

Title Consultant

Street Address (City/ST/ZIP/Code) PO Box 570177 Houston, Texas 77257

Telephone and Fax 713-724-9321

E-Mail Address texaswater@sbcglobal.com

County (ies) in which service is proposed: Please list below:

Montgomery

A. Check the appropriate box and provide information regarding the legal status of the applicant:

Investor owned utility       Individual       Partnership

Home or Property Owners Association       For-profit corporation

Non-profit, member-owned, member-controlled cooperative corporation  
(Water Code Chapter 67, Water Supply or Sewer Service Corporation)

Municipality       District       Other Please Explain:

B. If the applicant is a For-Profit business or corporation, please include the following information: *APPLICANT is a Community Association*

- i. Provide a copy of the corporation's "Certification of Account Status" from the Texas State Comptroller of Public Accounts.
- ii. Provide the corporation's charter number as recorded with the Office of the Texas Secretary Of State \_\_\_\_\_
- iii. Provide a listing of all stockholders and their respective percentages of ownership.
- iv. Provide a copy of the company's organizational chart, if available.
- v. Provide a list of all directors and disclose the tile of each individual.
- vi. Provide a list of all affiliated organizations (if any) and explain the relationship with the applicant.

C. If the applicant is a Water Code Chapter 67 water supply or sewer service corporation: *APPLICANT is a Community Association*

- i. Provide a copy of the Articles of Incorporation and By-Laws.
- ii. Provide the corporation's charter number as recorded with the Office of the Texas Secretary of State.
- iii. Identify all board members including name, address, title, and telephone number.
- iv. Provide a copy of the corporation's Certificate of Account Status from the Texas Comptroller of Public Accounts.

## 2. LOCATION INFORMATION

A. Are there people already living in the proposed area?  Yes  No

If YES, are any currently receiving utility service?

Yes  No If YES, from Whom? \_\_\_\_\_

Demonstrate the Need for Service by providing the following:

B. Have you received any requests for service in the requested service area?

Yes  No If YES, provide the following:

- i. Describe the service area and circumstances driving the need for service in the requested area. Indicate the name(s) and address(es) of landowner(s), prospective landowner(s), tenant(s), or resident(s) that have requested service; and/or
- ii. Describe the economic need(s) for service in the requested area (i.e. plat approvals, recent annexation(s) or annexation request(s), building permits, septic tank permits, hospitals, etc.); and/or
- iii. Discuss in detail the environmental need(s) for service in the requested area (i.e. failing septic tanks in the requested area, fueling wells, etc.); and/or
- iv. Provide copies of any written applications or requests for service in the requested area; and/or
- v. Provide copies of any reports and/or market studies demonstrating existing or anticipated growth in the requested area. If no, please justify the need for service in the proposed area.
- vi. If none of these items exist or are available, please justify the need for service in the proposed area in writing.

**Note:** Failure to demonstrate a need for additional service in the proposed service area may result in the delay and /or possible denial of the application.

C. Is any portion of the proposed service area inside an incorporated city or district?  Yes  No

If YES, within the corporate limits of: \_\_\_\_\_

Provide a copy of any franchise, permit, or consent granted by the city or district. If not available please explain:

D. Is any portion of the proposed service area inside another utility's CCN area?

Yes  No

If YES, has the current CCN holder agreed to decertify the proposed area?

Yes  No

If **NO**, are you seeking dual or single certification of the area? Explain why decertification of the area is in the public interest.

**3. MAP REQUIREMENTS:** ATTACHMENT 'A'

**Attach the following hard copy maps with each copy of the application:**

Recorded  
Plat Map

- A. A general location map delineating the proposed service area with enough detail to accurately locate the proposed area within the county.
- B. A map showing only the proposed area by:
  - i. metes and bounds survey certified by a licensed state or register professional land surveyor; or
  - ii. projectable digital data with metadata (proposed areas should be in a single record and clearly labeled). Also, a data disk labeled with the applicant's name must be provided; or
  - iii. following verifiable natural and man-made landmarks; or
  - iv. a copy of recorded plat map with metes and bounds.
- C. A written description of the proposed service area.
- D. Provide separate and additional maps of the proposed area(s) to show the following:
  - i. all facilities, illustrating separately facilities for production, — *No Production* transmission, and distribution of the applicant's service(s); and *Facilities*
  - ii. any facilities, customers or area currently being served outside the applicant's certificated area(s).

**Note:** Failure to provide adequate mapping information may result in the delay or possible denial of your application. Digital data submitted in a format other than ESRI ArcGIS may result in the delay or inability to review applicant's mapping information.

**4. NEW SYSTEM INFORMATION OR UTILITIES REQUESTING A CCN FOR THE FIRST TIME** ATTACHMENT 'B'

- A. Please provide the following information:
  - i. a list of public drinking water supply system(s) or sewer system(s) within a 2 mile radius of the proposed system;

- ii. copies of written requests seeking to obtain service from each of the public drinking water systems or sewer systems listed in #4.A.i above or documentation that it is not economically feasible to obtain service from each entity; *SERVICE IS FROM A SURROUNDING FACILITY / Utility*
  - iii. copies of written responses from each system or evidence that they did not reply; and
  - iv. for sewer utilities, documentation showing that you have obtained or applied for a wastewater discharge permit.
- B. Were your requests for service denied?
- i. If yes, please provide documentation of the denial of service and go to 4.C.
  - ii. If no, please provide a detailed analysis which justifies your reasons for not accepting service. A separate analysis must be prepared and submitted for each utility that granted your request for service.
- C. Please summarize how the proposed utility system will be constructed and describe each projected construction phase, if any:

- D. Date of plat approval, if required: \_\_\_\_\_  
 Approved by: N/A
- E. Date Plans & Specifications submitted for approval: NOT KNOWN  
 Log # \_\_\_\_\_ Attach copy of approval letter if available.
- F. Date construction is scheduled to commence: Constructed
- G. Date service is scheduled to commence: Service has commenced

**5. EXISTING SYSTEM INFORMATION**

A. Please provide the following information for **each** water and/or sewer system, attach additional sheets if necessary. *Purchased water & sewer*

i. Water system's TCEQ Public Water System identification number(s):


ii. Sewer system's TCEQ Discharge Permit number(s)

W	Q							-												
W	Q							-												
W	Q							-												

- iii Date of last inspection: 06/11/2012
- iv Attach a copy of the most recent inspection report letter. *ATTACHMENT C'*
- v For each system deficiency listed in the inspection report letter; attach a brief explanation listing the actions taken or being taken by the utility to correct the listed deficiencies, including the proposed completion dates.

B. Provide the following information about the utility's certified operators

Name	Classes	License Number
<i>The Woodlands Joint Power Agency</i>		

- Attach additional sheet(s) if necessary -

C. Using the current number of customers, is any facility component in systems named in #5A above operating at 85% or greater of minimum standard capacity?

Yes  No

Attach an explanation listing the actions to be taken to make system improvements including proposed completion dates (See 291.93(3)(A) of TCEQ Rules).



- D. In the table below, the number of existing and/or proposed metered and non-metered connections (by size). The proposed number should reflect the information presented in the business plan or financial documentation and reflect the number of service requests identified in Question 2.b in the application.

Water System			Sewer System		
Connection	Existing	Proposed	Connection	Existing	Proposed
5/8" or 3/4" meter	63	0	Residential	63	0
1" meter or larger			Commercial		
Non-Metered			Industrial		
Other:			Other:		
Total Water	63	0	Total Sewer	63	0

- E. If this application is for a water CCN only, please explain how sewer service is or will be provided:

- F. If this application is for a sewer CCN only, please explain how water service is or will be provided:

- G. Effect of Granting a Certificate Amendment. NONE  
 Explain in detail the effect of granting of a certificate or an amendment, including, but not limited to regionalization, compliance and economic effects on the following:
- i the applicant,
  - ii any retail public utility of the same kind already serving the proximate area; and
  - iii any landowner(s) in the requested area.

H. Do you currently purchase or plan to purchase water or sewer treatment capacity from another source?

- i  No, (skip the rest of this question and go to #6)
- ii  Yes, Water

Purchased on a  Regular  Seasonal  Emergency basis?

Source	% of Total Treatment
<del>WJPA</del> WJPA	100

iii Sewer treatment capacity,

- iv  Yes

Purchased on a  Regular  Seasonal  Emergency basis?

Source	% of Total Treatment
WJPA	100

vi Provide a signed and dated copy of the most current water or sewer treatment capacity purchase agreement or contract.

I. Ability to Provide Adequate Service.

Describe the ability of the applicant to provide adequate service, including meeting the standards of the commission, taking both of the following items into consideration:

- i. the current and projected density, and
- ii. the land use of the requested area.

J. Effect on the Land. *None*

Explain the effect on the land to be included in the certificated area.

## 6. FINANCIAL INFORMATION

- A. For new systems and for applicants with existing CCNs who are constructing a new stand alone system:
- i. the applicant must provide an analysis of all necessary costs for constructing, operating, and maintaining the system, and the source of that capital (such as a financial statement for the developing entity) for which the CCN is requested for at least the first five years. In addition, if service has been offered by an existing water service provider as stated in #4.A., but the applicant has determined that the cost of service as finally offered renders the project not economically feasible, the applicant must provide a comparison analysis of all necessary costs for acquiring and continuing to receive service from the existing system for the same period.
  - ii. Attach projected profit and loss statements, cash flow worksheets, and balance sheets (projected five year financial plan worksheet is attached) for each of the first five years of operation. Income from rates should correlate to the projected growth in connections, shown on the projected profit and loss statement.
  - iii. Attach a proposed rate schedule or tariff. Describe the procedure for determining the rates and fees and indicate the date of last change, if applicable. Attach copies of any cost of service studies or rate analysis worksheets.
- B. For existing systems:
- i. Attach a profit and loss statement and current balance sheet for existing businesses (end of last fiscal year is acceptable). Describe sources and terms for borrowed capital such as loans, bonds, or notes (profit and loss and balance sheet worksheets are attached, if needed).
  - ii. Attach a proposed rate schedule or tariff.

★**NOTE:** An existing system may be required to provide the information in 6.A.i. above during the technical review phase if necessary for staff to completely evaluate the application.

- C. Identify any funds you are required to accumulate and restrict by lenders or capital providers.
- D. In lieu of the information in #6.A. thru #6.C., you may provide information concerning loan approvals within the last three (3) years from lending institutions or agencies including the most recent financial audit of the applicant.

**Note:** Failure to provide adequate financial information may result in the delay or possible denial of your application.

## 7. NOTICE REQUIREMENTS

- A. All proposed notice forms must be completed and submitted with the application. However, do not mail or publish them until you receive written approval from the Commission to do so.
- B. The Commission cannot grant a CCN until proper notice of the application has been given. **Commission rules do not allow a waiver of these notice requirements for CCN applicants.**

- C. **It is the applicant's responsibility to ensure that proper notice is given to all entities that are required to receive notice.**
- D. Recommended notice forms for publication, neighboring cities and systems, landowners with 25 acres or more, and customers are included with this application to use in preparing your proposed notices. (These notice forms are also available in Spanish upon request.)
- E. After reviewing and, if necessary, modifying the proposed notice, the Commission will send the notice to the applicant after the application is accepted for filing along with instructions for publication and/or mailing. Please review the notice carefully and note any additional neighboring utilities which may be included in the acceptance letter.
- F. Notice For Publication:  
The applicant shall publish the notice in a newspaper having general circulation in the county or counties where a CCN is being requested, once each week for two consecutive weeks beginning with the week after the notice is received from the Commission. Proof of publication in the form of a publisher's affidavit shall be submitted to the Commission within 30 days of the last publication date. The affidavit shall state with specificity each county in which the newspaper is of general circulation.
- G. Notice To Neighboring Utilities:  
i. List all neighboring retail public utilities and cities providing the same utility service within the following vicinities of the applicant's proposed certificate area.  
ii. For applications for the issuance of a **NEW** CCN, the applicant must mail the notice with a copy of the proposed CCN map to all cities and neighboring retail public utilities providing the same utility service within **five (5) miles** of the requested service area.  
iii. For applications for the **AMENDMENT** of a CCN, the applicant must mail the notice with a copy of the proposed CCN map to all cities and neighboring retail public utilities providing the same utility service within **two (2) miles** of the requested service area.
- H. Notice to Customers  
Investor Owned Utilities (IOUs) that are currently providing service without a CCN must provide individual mailed notice to all current customers. The notice must contain the current rates, the date those rates were instituted and any other information required in the application. The notice must also list all zip codes affected by the application.
- I. The Commission may require the applicant to deliver notice to other affected persons or agencies.

**Do not publish or send copies of the proposed notices to anyone at the time you submit the application to the Commission. Wait until you receive written authorization to do so. This will occur after the Commission has reviewed the notices for completeness, and your application has been accepted for filing. Once the application is accepted for filing, you will receive written authorization to provide notice. Please check the notices for accuracy before providing them to the public. It is the applicant's burden to ensure that correct and accurate notice is provided.**


# OATH

STATE OF Texas  
COUNTY OF Montgomery

I, JEFF GOEBEL, being duly sworn, file this application as Authorized Rep (indicate relationship to Applicant, that is, owner, member of partnership, title as officer of corporation, or other authorized representative of Applicant); that, in such capacity, I am qualified and authorized to file and verify such application, am personally familiar with the maps and financial information filed with this application, and have complied with all the requirements contained in this application; and, that all such statements made and matters set forth therein are true and correct. I further state that the application is made in good faith and that this application does not duplicate any filing presently before the Texas Commission on Environmental Quality.

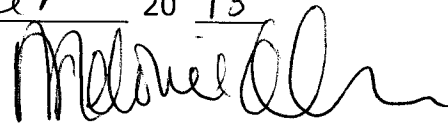
I further represent that the application form has not been changed, altered or amended from its original form available only from the Commission.

**I further represent that the Applicant will provide continuous and adequate service to all customers and qualified applicants for service within its certificated service area.**

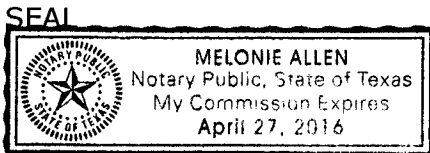
  
\_\_\_\_\_  
AFFIANT  
(Utility's Authorized Representative)

If the Affiant to this form is any person other than the sole owner, partner, officer of the Applicant, or its attorney, a properly verified Power of Attorney must be enclosed.

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public in and for the State of Texas,  
This day 4th of November 20 13



\_\_\_\_\_  
NOTARY PUBLIC IN AND FOR THE  
STATE OF TEXAS



Melonie allen

\_\_\_\_\_  
PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES April 27, 2016

## Notice for Publication

### NOTICE OF APPLICATION FOR CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) TO PROVIDE WATER/SEWER UTILITY SERVICE IN

Montgomery \_\_\_\_\_ COUNTY(IES), TEXAS

Name of Applicant Founder's Reserve Community Association, Inc. has filed an application for a CCN to obtain or amend CCN No. (s) \_\_\_\_\_ and to decertify a portion(s) of \_\_\_\_\_ with the \_\_\_\_\_  
(Name of Decertificated Utility)

Texas Commission on Environmental Quality to provide Water and Sewer  
(specify 1) water or 2) sewer or 3) water & sewer)

utility service in Montgomery County \_\_\_\_\_ County(ies).

The proposed utility service area is located approximately 7 miles South  
[direction] of downtown Conroe \_\_\_\_\_, [City or Town] Texas, and is generally bounded on the north by Rabinow \_\_\_\_\_; on the east by Research Park dr \_\_\_\_\_; on the south by Research Forest Dr \_\_\_\_\_; and on the west by Van Allen Dr \_\_\_\_\_

#### ***See enclosed map of the proposed service area.***

The total area being requested includes approximately 13.1 acres and 63 current customers.

The proposed amendment affects customers and/or areas located in the following zip code(s):

77381;77380

#### *(List All Affected Zip Codes)*

A copy of the proposed service area map is available at (Utility Address and Phone Number): 5818 Beverly Hill, Houston, Texas 77057

A request for a public hearing must be in writing. You must state (1) your name, mailing address, and daytime telephone number; (2) the applicant's name, application number or another recognizable reference to this application; (3) the statement, "I/we request a public hearing"; (4) a brief description of how you or the persons you represent, would be adversely affected by the granting of the application for a CCN; and (5) your proposed adjustment to the application or CCN which would satisfy your concerns and cause you to withdraw your request for a hearing.

**Persons who wish to intervene or comment should write the:**

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

within thirty (30) days from the date of this publication or notice. A public hearing will be held only if a legally sufficient hearing request is received or if the Commission on its own motion requests a hearing. Only those individuals who submit a written hearing request or a written request to be notified if a hearing is set will receive notice if a hearing is scheduled.

If a public hearing is requested, the Executive Director will not issue the CCN and will forward the application to the State Office of Administrative Hearings (SOAH) for a hearing. If no settlement is reached and an evidentiary hearing is held, the SOAH will submit a recommendation to the Commission for final decision. If an evidentiary hearing is held, it will be a legal proceeding similar to a civil trial in state district court.

If you are a landowner with a tract of land at least 25 acres or more, that is partially or wholly located within the proposed area, you may request to be excluded from the proposed area (or "opt out") by providing written notice to the Commission within (30) days from the date that notice was provided by the applicant. All requests to opt out of the requested service area must include a scaled, general location map and a metes and bounds description of the tract of land.

Persons who meet the requirements to opt out, and wish to request this option should file the required documents with the:

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

A copy of the request to opt out of the proposed area must also be sent to the applicant. Staff may request additional information regarding your request.

***Si desea informacion en Espanol, puede llamar al 1-512-239-0200.***

# Notice to Neighboring Systems, Landowners and Cities

NOTICE OF APPLICATION FOR CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) TO PROVIDE WATER/SEWER UTILITY SERVICE IN

Montgomery COUNTY(IES), TEXAS

To: \_\_\_\_\_ Date Notice Mailed \_\_\_\_\_ 20 \_\_\_\_  
(Neighboring System, Landowner or City)

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
City State Zip

Name of Applicant Founder's Reserve Community Association, Inc. has filed an application for a CCN to obtain or amend CCN No. (s) \_\_\_\_\_ and to decertify a portion(s) of \_\_\_\_\_ with the  
(Name of Decertificated Utility)

Texas Commission on Environmental Quality to provide 1) Water and 2) Sewer  
(specify 1) water or 2) sewer or 3) water & sewer)  
utility service in Montgomery County(ies).

The proposed utility service area is located approximately 7 miles South  
[direction] of downtown Conroe, [City or Town] Texas, and is generally bounded on the north by Rabinow; on the east by Research Park Dr; on the south by Research Forest Dr; and on the west by Van Allen Dr

**See enclosed map of the proposed service area.**

The total area being requested includes approximately 13.1 acres and 63 current customers.

The proposed amendment affects customers and/or areas located in the following zip code(s):  
77381;77380

\_\_\_\_\_  
(List All Affected Zip Codes)

A request for a public hearing must be in writing. You must state (1) your name, mailing address, and daytime telephone number; (2) the applicant's name, application number or another recognizable reference to this application; (3) the statement, "I/we request a public hearing"; (4) a brief description of how you or the persons you represent, would be adversely affected by the granting of the application for a CCN; and (5) your proposed adjustment to the application or CCN which would satisfy your concerns and cause you to withdraw your request for a hearing.



**Persons who wish to intervene or comment should write the:**

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If a public hearing is requested, the Executive Director will not issue the CCN and will forward the application to the State Office of Administrative Hearings (SOAH) for a hearing. If no settlement is reached and an evidentiary hearing is held, the SOAH will submit a recommendation to the Commission for final decision. If an evidentiary hearing is held, it will be a legal proceeding similar to a civil trial in state district court.

If you are a landowner with a tract of land at least 25 acres or more, that is partially or wholly located within the proposed area, you may request to be excluded from the proposed area (or "opt out") by providing written notice to the Commission within (30) days from the date that notice was provided by the applicant. All requests to opt out of the requested service area must include a scaled, general location map and a metes and bounds description of the tract of land.

Persons who meet the requirements to opt out, and wish to request this option should file the required documents with the:

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A copy of the request to opt out of the proposed area must also be sent to the applicant. Staff may request additional information regarding your request.

**Si desea informacion en Espanol, puede llamar al 1-512-239-0200.**

## Notice to Customers of IOUs in Proposed Area

NOTICE OF APPLICATION FOR CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) TO PROVIDE WATER/SEWER UTILITY SERVICE IN

Montgomery \_\_\_\_\_ COUNTY(IES), TEXAS

Dear Customer: \_\_\_\_\_ Date Notice Mailed \_\_\_\_\_ 20 \_\_\_\_\_

Name of Applicant Founder's Reserve Community Association, Inc has filed an application for a CCN to obtain or amend CCN No. (s) \_\_\_\_\_ and to decertify a portion(s) of \_\_\_\_\_ with the  
(Name of Decertificated Utility)

Texas Commission on Environmental Quality to provide \_\_\_\_\_ utility service in \_\_\_\_\_  
(specify 1) water or 2) sewer or 3) water & sewer) \_\_\_\_\_ County(ies).

The proposed utility service area is located approximately \_\_\_\_\_ miles \_\_\_\_\_ [direction] of downtown \_\_\_\_\_, [City or Town] Texas.

A copy of the proposed service area map is available at (Utility Address and Phone Number): \_\_\_\_\_

The proposed amendment affects customers and/or areas located in the following zip code(s): \_\_\_\_\_

(List All Affected Zip Codes)

The current utility rates which were first effective on \_\_\_\_\_ 20 \_\_\_\_\_

Monthly Flat Rate of \$ \_\_\_\_\_ Per connection

-OR-

Monthly Base Rate Including per \_\_\_\_\_ gallons connection for:

5/8" meter	\$ _____
1" meter	\$ _____
1 1/2" meter	\$ _____
2" meter	\$ _____

Other\$ \_\_\_\_\_

Gallonage charge of \$ \_\_\_\_\_ Per 1,000 Gallons above minimum (same for all meters sizes)

**Miscellaneous Fees**

**Regulatory Assessment**

**Tap Fee** (Average Actual Cost)

**Reconnecting fee:**

- Non Payment (\$25.00 max)
- Transfer
- Customer's request

**Late fee**

**Returned Check charge**

**Customer Deposit** (\$50.00 max)

**Meter test fee**

(Actual Cost not Exceed \$25.00)

**Other Fees**

	1%
Tap Fee	\$
Reconnecting fee	\$
- Non Payment (\$25.00 max)	\$
- Transfer	\$
- Customer's request	\$
Late fee	\$5.00 or 10%
Returned Check charge	\$
Customer Deposit (\$50.00 max)	\$
Meter test fee	\$
Other Fees	\$

**Your utility service rates and fees cannot be changed by this application. If you are currently paying rates, those rates must remain in effect unchanged. Rates may only be increased if the utility files and gives notice of a separate rate change application.**

**A request for a public hearing must be in writing.** You must state (1) your name, mailing address, and daytime telephone number; (2) the applicant's name, application number or another recognizable reference to this application; (3) the statement, "I/we request a public hearing"; (4) a brief description of how you or the persons you represent, would be adversely affected by the granting of the application for a CCN; and (5) your proposed adjustment to the application or CCN which would satisfy your concerns and cause you to withdraw your request for a hearing.

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within thirty (30) days from the date of this publication or notice. A public hearing will be held only if a legally sufficient hearing request is received or if the Commission on its own motion requests a hearing. Only those individuals who submit a written hearing request or a written request to be notified if a hearing is set will receive notice if a hearing is scheduled.

If a public hearing is requested, the Executive Director will not issue the CCN and will forward the application to the State Office of Administrative Hearings (SOAH) for a hearing. If no settlement is reached and an evidentiary hearing is held, the SOAH will submit a recommendation to the Commission for final decision. If an evidentiary hearing is held, it will be a legal proceeding similar to a civil trial in state district court.

**IF A HEARING IS HELD**, it is important that you or your representative attend to present your concerns. Your request serves only to cause a hearing to be held and is not used during the hearing.

If you are a landowner with a tract of land at least 25 acres or more, and is partially or wholly located within the proposed area, you may request to be excluded from the proposed area (or "opt out") by providing written notice to the Commission within (30) days from the date that notice was provided by the applicant. All requests to opt out of the requested service area must include a scaled, general location map and a metes and bounds description of the tract of land.

Persons who meet the requirements to opt out, and wish to request this option should file the required documents with the:

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**Si desea informacion en Espanol, puede llamar al 1-512-239-0200.**

## HISTORICAL BALANCE SHEETS

	CURRENT YEAR (A)	A-1 YEAR	A-2 YEAR	A-3 YEAR	A-4 YEAR	A-5 YEAR
<b>CURRENT ASSETS</b>						
Cash						
Accounts Receivable						
Inventories						
Income Tax Receivable						
Other						
Total						
<b>FIXED ASSETS</b>						
Land						
Collection/Distribution System						
Buildings						
Equipment						
Other						
Less: Accum. Depreciation or Reserves						
Total						
<b>TOTAL ASSETS</b>						
<b>CURRENT LIABILITIES</b>						
Accounts Payable						
Notes Payable, Current						
Accrued Expenses						
Other						
Total						
<b>LONGTERM LIABILITIES</b>						
Notes Payable, Long-term						
Other						
<b>TOTAL LIABILITIES</b>						
<b>OWNER'S EQUITY</b>						
Paid in Capital						
Retained Equity						
Other						
Current Period Profit or Loss						
<b>TOTAL OWNER'S EQUITY</b>						
<b>TOTAL LIABILITIES AND EQUITY</b>						
<b>WORKING CAPITAL</b>						
<b>CURRENT RATIO</b>						
<b>DEBT TO EQUITY RATIO</b>						
<b>EQUITY TO TOTAL ASSETS</b>						

## HISTORICAL INCOME STATEMENT

	CURRENT YEAR (A)	A-1 YEAR	A-2 YEAR	A-3 YEAR	A-4 YEAR	A-5 YEAR
<b>METER NUMBER</b>						
Existing Number of Taps						
New Taps per Year						
Total Meters at Year End						
<b>METER REVENUE</b>						
Fees Per Meter						
Cost Per Meter						
Operating Revenue Per Meter						
<b>GROSS WATER REVENUE</b>						
Fees						
Other						
Gross Income						
<b>OPERATING EXPENSES</b>						
General & Administrative						
Interest						
Other						
<b>NET INCOME</b>						

## HISTORICAL EXPENSES STATEMENT

	CURRENT YEAR (A)	A-1 YEAR	A-2 YEAR	A-3 YEAR	A-4 YEAR	A-5 YEAR
<b>GENERAL/ADMINISTRATIVE EXPENSES</b>						
Salaries						
Office Expense						
Computer Expense						
Auto Expense						
Insurance Expense						
Telephone Expense						
Utilities Expense						
Depreciation Expense						
Property Taxes						
Professional Fees						
Other						
Total						
% Increase Per Year						
<b>OPERATIONAL EXPENSES</b>						
Salaries						
Auto Expense						
Utilities Expense						
Depreciation Expense						
Repair & Maintenance						
Supplies						
Other						
Total						
% Increase Per Year						
<b>ASSUMPTIONS</b>						
Interest Rate/Terms						
Utility Cost/gal.						
Depreciation Schedule						
Other						

## PROJECTED BALANCE SHEETS

	START UP	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
<b>CURRENT ASSETS</b>						
Cash						
Accounts Receivable						
Inventories						
Income Tax Receivable						
Other						
Total						
<b>FIXED ASSETS</b>						
Land						
Collection/Distribution System						
Buildings						
Equipment						
Other						
Less: Accum. Depreciation or Reserves						
Total						
<b>TOTAL ASSETS</b>						
<b>CURRENT LIABILITIES</b>						
Accounts Payable						
Notes Payable, Current						
Accrued Expenses						
Other						
Total						
<b>LONGTERM LIABILITIES</b>						
Notes Payable, Long-term						
Other						
<b>TOTAL LIABILITIES</b>						
<b>OWNER'S EQUITY</b>						
Paid in Capital						
Retained Equity						
Other						
Current Period Profit or Loss						
<b>TOTAL OWNER'S EQUITY</b>						
<b>TOTAL LIABILITIES AND EQUITY</b>						
<b>WORKING CAPITAL</b>						
<b>CURRENT RATIO</b>						
<b>DEBT TO EQUITY RATIO</b>						
<b>EQUITY TO TOTAL ASSETS</b>						

## PROJECTED INCOME STATEMENT

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
METER NUMBER						
Existing Number of Taps						
New Taps per Year						
Total Meters at Year End						
METER REVENUE						
Fees Per Meter						
Cost Per Meter						
Operating Revenue Per Meter						
GROSS WATER REVENUE						
Fees						
Other						
Gross Income						
OPERATING EXPENSES						
General & Administrative						
Interest						
Other						
NET INCOME						



## PROJECTED EXPENSES STATEMENT

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
<b>GENERAL/ADMINISTRATIVE EXPENSES</b>						
Salaries						
Office Expense						
Computer Expense						
Auto Expense						
Insurance Expense						
Telephone Expense						
Utilities Expense						
Depreciation Expense						
Property Taxes						
Professional Fees						
Other						
Total						
% Increase Per Year						
<b>OPERATIONAL EXPENSES</b>						
Salaries						
Auto Expense						
Utilities Expense						
Depreciation Expense						
Repair & Maintenance						
Supplies						
Other						
Total						
% Increase Per Year						
<b>ASSUMPTIONS</b>						
Interest Rate/Terms						
Utility Cost/gal.						
Depreciation Schedule						
Other						

## PROJECTED SOURCES AND USES OF CASH STATEMENTS

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
<b>SOURCES OF CASH</b>						
Net Income						
Depreciation (if Funded)						
Loan Proceeds						
Other						
Total Sources						
<b>USES OF CASH</b>						
Net Loss						
Principle Portion of Pmts.						
Fixed Asset Purchase						
Reserve						
Other						
TOTAL USES						
<b>NET CASH FLOW</b>						
<b>DEBT SERVICE COVERAGE</b>						
Cash Available for Debt						
Service (CADS)						
Net Income (Loss)						
Depreciation , or Reserve Interest						
TOTAL						
<b>REQUIRED DEBT SERVICE (RDS)</b>						
Principle Plus Interest						
<b>DEBT SERVICE COVERAGE RATIO</b>						
CADS Divided by RDS						

## Attachment 'A'

# **OVERSIZED MAP(S)**

TO VIEW OVERSIZED MAP(S)  
PLEASE GO TO  
**CENTRAL RECORDS**

FOR ANY QUESTIONS  
PLEASE CALL **CR** MAIN LINE  
**(512) 936-7180**

GENERAL LOCATION MAP



- WEST
- CENTER LINE
- SOUTH LINE
- EAST
- HEADLINE
- PRENTISS
- BILL SMITH

SCALE 1" = 200'

# CCN Location Description

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The proposed utility service area is located approximately 7 miles south of downtown Conroe, Texas, and is generally bounded on the north Rabinow Rd; on the east by Research Park Dr; on the south by Research Forest Dr; on the west by Van Allen.

## Attachment 'B'

## Attachment 'C'



# **OVERSIZED MAP(S)**

TO VIEW OVERSIZED MAP(S)  
PLEASE GO TO  
**CENTRAL RECORDS**

FOR ANY QUESTIONS  
PLEASE CALL **CR** MAIN LINE  
**(512) 936-7180**

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*

June 11, 2012

### **BY REGULAR & CERTIFIED MAIL**

Mr. Don Hickey, Director  
Founder's Reserve Community Association, Inc.  
4576 Research Forest Dr.  
The Woodlands, Texas 77381

### **NOTICE OF VIOLATION**

Re: Founder's Reserve Community Association, Inc., A2013; Water Utility Service, in Harris County

CN: 604076042; RN: 106400369

Dear Mr. Hickey:

The Utilities and Districts Section of the Texas Commission on Environmental Quality (Commission) has been advised that Founder's Reserve Community Association, Inc. may be providing water service for compensation and therefore, operating as a retail public utility. Pursuant to Texas Water Code Subchapter G, Section 13.242, retail public utilities are required to have a Certificate of Convenience and Necessity (CCN) and an approved water utility tariff on file with the Commission. Commission staff has reviewed Commission records and did not find a certificate or a tariff on file under the name "Founder's Reserve Community Association, Inc".

A public water utility is any person, partnership, corporation or cooperative cooperation that owns or operates facilities for compensation for sale or resale of potable water to the public, regardless of the number of connections served. Public water utilities are under the Commission's original service rule and rate setting jurisdiction and must have a CCN and tariff. Public water utilities must also provide continuous and adequate service.

Commission rules define exempt public utilities, which are not required to possess a CCN and which are subject to limited retail rate jurisdiction by this Commission. However, in order to be considered an exempt public utility, you must:

- (a) have fewer than 15 **potential** service connections;
- (b) not be owned by or affiliated with a retail public utility or any other provider of potable water service;
- (c) not be within the certificated area of another retail public utility; and,
- (d) not be within the corporate boundaries of a district or municipality unless it receives written authorization from the district or municipality.

In addition, exempted utilities must comply with the Commission's Exempt Utility Tariff Form.

P.O. Box 13087 • Austin, Texas 78711 3087 • 512-239-1000 • [tceq.texas.gov](http://tceq.texas.gov)

How is our customer service? [tceq.texas.gov/customerurvey](http://tceq.texas.gov/customerurvey)

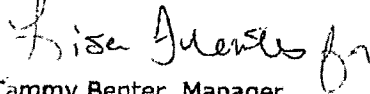
Mr. Don Hickey, Director  
Page 2  
June 11, 2012

Please respond to this letter in writing by **July 9, 2012**, by submitting a completed CCN application and water tariff form or explaining how your water system is not operating as a public water utility, or explaining how your water system meets **all** the above listed criteria to be considered an exempt utility.

If you are considered an exempt utility, an exempt utility tariff form will be made available to you. For your convenience, I have enclosed a CCN application and water utility tariff form with this letter. Failure to comply with the Texas Water Code and Commission rules may result in enforcement action against your utility.

Please contact Ms. Lisa Fuentes at 512/239-6117 if you have any questions in this matter, or if by correspondence include Mail Code-153 in the letterhead address.

Sincerely,



Tammy Benter, Manager  
Utilities & Districts Section  
Water Supply Division  
Texas Commission on Environmental Quality

TB/KLB/mm

Enclosures: CCN application and water tariff

Sewer CCN

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**SOUTHERN MONTGOMERY COUNTY MUD** 20486  
Address: 25212 INTERSTATE 45 N  
SPRING , TX 77386-1432  
512-723-7475

**EASTWOOD HILLS MOBILE HOME PARK LIMITED PARTNERSHIP** 20823  
Address: 11315 HILLRIDGE DR  
CONROE , TEXAS 77385-7329  
(281) 447-0486

**CHATEAU WOODS MUD** 20937  
Address: 10224 FAIRVIEW DR  
CONROE , TX 77385  
281-298-6501

Water CCN

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**LAKELAND SECTION FOUR CIVIC CLUB** 12270  
Address: PO BOX 9975  
THE WOODLANDS , TX 77385-8969  
281-367-9419

**OLD TAMINA WSC** 12289  
Address: PO BOX 7402  
THE WOODLANDS , TX 77387-7402  
281-367-5304

MUD Districts

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**MONTGOMERY COUNTY MUD 6**  
Address: PO BOX 7580  
THE WOODLANDS , TX 77387-7580  
281-367-1271

**MONTGOMERY COUNTY MUD 7**  
Address: PO BOX 7580  
THE WOODLANDS , TX 77387-7580  
281-367-1271

**MONTGOMERY COUNTY MUD 67**  
Address: 1300 POST OAK BLVD STE 1400  
HOUSTON , TX 77056-3078  
713-623-4531

**MONTGOMERY COUNTY MUD 60**

Address: PO BOX 7580  
SPRING , TX 77387-7580  
281-367-1271

**THE WOODLANDS METRO CENTER MUD**

Address: PO BOX 7580  
THE WOODLANDS , TX 77387-7580  
281-367-1271

**MONTGOMERY COUNTY MUD 45**

Address: 1400 POST OAK SUITE 550  
HOUSTON , TX 77056  
713-622-1175

**MONTGOMERY COUNTY MUD 40**

Address: PO BOX 7580  
THE WOODLANDS , TX 77387-7580  
281-367-1271

**MONTGOMERY COUNTY MUD 47**

Address: PO BOX 7580  
THE WOODLANDS , TX 77387-7580  
281-367-1271

**MONTGOMERY COUNTY MUD 36**

Address: PO BOX 7580  
SPRING , TX 77387-7580  
281-367-1271

Attachment 'D'

**SEWER UTILITY TARIFF**

For

**Founder's Reserve Community Association, Inc.**

7170 Cherry Park Drive, Houston, Texas 77095

This tariff is effective for utility operations under the following Certificate(s) of Convenience and Necessity:

Pending

This tariff is effective in the following county(ies):

Montgomery

This tariff is effective in the following cities or unincorporated towns (if any):

None

This tariff is effective in the following subdivisions or systems:

Founders Reserve Community Association, Inc

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SECTION  
PAGE

1.0 RATE SCHEDULE  
2.0 SERVICE RULES  
3.0 EXTENSION POLICY

APPENDIX A

SERVICE AGREEMENTS

STANDARD

## SECTION 1.0 - RATE SCHEDULE

### Section 1.01 – Rates (based on metered water consumption)

<u>Meter Size</u>	<u>Monthly Minimum Rate</u> (Includes -0- Gallons)	<u>Gallonage Charge</u>
5/8" X 3/4"	\$ 11.94	\$3.10 per 1000 gallons

### REGULATORY ASSESSMENT 1.0%

A REGULATORY ASSESSMENT, EQUAL TO ONE PERCENT OF THE CHARGE FOR RETAIL SEWER SERVICE ONLY, SHALL BE COLLECTED FROM EACH RETAIL CUSTOMER

### FORM OF PAYMENT: THE UTILITY WILL ACCEPT THE FOLLOWING FORM(S) OF PAYMENT :

Cash x, Check x, Money Order x, Discovery\_\_\_, MasterCard\_\_\_, Visa\_\_\_

(THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH PAYMENTS.)

### TAP FEE (5/8 X 3/4-inch water meter) \$550.00

Where a new connection is required at a lot which has not previously had service and the connection not otherwise paid for by the developer.

### TAP FEE (larger water meter) Actual cost of that tap

Where a new connection is required at a lot which has not previously had service and the connection not otherwise paid for by the developer.

### RECONNECTION FEE

THE RECONNECT FEE WILL BE CHARGED BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS:

- |                        |         |
|------------------------|---------|
| a) Non payment of bill | \$25.00 |
| b) Customer's request  | \$45.00 |

OR OTHER REASONS LISTED UNDER SECTION 2.0 OF THIS TARIFF

### TRANSFER FEE \$45.00

THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED

### LATE CHARGE 10%

A ONE-TIME PENALTY MAY BE MADE ON DELINQUENT BILLS BUT MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

### RETURNED CHECK CHARGE \$25.00

### CUSTOMER DEPOSIT RESIDENTIAL \$50.00

## SECTION 1.0 - RATE SCHEDULE



**COMMERCIAL AND NON-RESIDENTIAL DEPOSIT**

1/6th est. annual bill

**SERVICE RELOCATION FEE**

Actual cost to relocate that service connection

THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS RELOCATION OF AN EXISTING SERVICE CONNECTION

**SEASONAL RECONNECTION FEE**

Base rate times number of months off the system not to exceed six months when leave and return within a twelve month period.

**LINE EXTENSION AND CONSTRUCTION CHARGES:**

Refer to Section 2.20 Specific Utility Service Rules and Section 3.20 Utility Specific Extension Policy for terms, conditions, and charges.

**GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE CLAUSE:**

Increases in inspection fees and water testing costs imposed by state or federal law may be passed through as an adjustment to the monthly base rate charge under the terms and conditions of 30 T.A.C. 291.21(k)(2) after notice to customers and upon written approval by the TCEQ.

## SECTION 2.0--SERVICE RULES AND REGULATIONS

### Section 2.01--Texas Commission on Environmental Quality Rules

The utility will have the most current Texas Commission on Environmental Quality Rules, Chapter 291, Water Rates, available at its office for reference purposes. The Rules and this tariff shall be available for public inspection and reproduction at a reasonable cost. The latest Rules or Commission approved changes to the Rules supersede any rules or requirements in this tariff.

### Section 2.02--Application for and Provision of Sewer Service

All applications for service will be made on the utility's standard application or contract form (attached in the Appendix to this tariff) and will be signed by the applicant before sewer service is provided by the utility. A separate application or contract will be made for each service at each separate location.

After the applicant has met all the requirements, conditions and regulations for service, the utility will install service connections, which may include a utility cut-off valve and/or take all necessary actions to initiate service. The utility will serve each qualified applicant for service within 5 working days unless line extensions or new facilities are required. If construction is required to fill the order and if it cannot be completed within 30 days, the utility will provide the applicant with a written explanation of the construction required and an expected date of service.

Where service has previously been provided, the utility will reconnect the service within one working day after the applicant has met the requirements for reconnection.

The customer will be responsible for furnishing and laying the necessary customer service pipe from the connection location to the place of use.

### Section 2.03--Refusal of Service

The utility may decline to serve an applicant until the applicant has complied with the regulations of the regulatory agencies (state and municipal regulations) and for the reasons outlined in the TCEQ Rules. In the event that the utility refuses to serve an applicant, the utility will inform the applicant in writing of the basis of its refusal. The utility is also required to inform the applicant that a complaint may be filed with the Commission.

### Section 2.04--Customer Deposits

If a residential applicant cannot establish credit to the satisfaction of the utility, the applicant will be required to pay a deposit as provided for in Section 1.02 of this tariff. The utility will keep records of the deposit and credit interest in accordance with TCEQ Rules.

## SECTION 2.0--SERVICE RULES AND REGULATIONS (CONT.)

Residential applicants 65 years of age or older may not be required to pay deposits unless the applicant has an outstanding account balance with the utility or another water or sewer utility which accrued within the last two years.

Nonresidential applicants who cannot establish credit to the satisfaction of the utility may be required to make a deposit that does not exceed an amount equivalent to one-sixth of the estimated annual billings.

Refund of deposit - If service is not connected, or after disconnection of service, the utility will promptly refund the customer's deposit plus accrued interest or the balance, if any, in excess of the unpaid bills for service furnished. The utility may refund the deposit at any time prior to termination of utility service but must refund the deposit plus interest for any customer who has paid 18 consecutive billings without being delinquent.

### Section 2.05--Meter Requirements, Readings, and Testing

It is not a requirement that the utility use meters to measure the quantity of sewage disposed of by individual customers. One connection is required for each residential, commercial or industrial facility in accordance with the TCEQ Rules.

### Section 2.06--Billing

Bills from the utility will be mailed monthly unless otherwise authorized by the Commission. The due date of the bills for utility service will be at least twenty (20) days from the date of issuance. The postmark on the bill or, if there is no postmark on the bill, the recorded date of mailing by the utility will constitute proof of the date of issuance. If the due date falls on a holiday or weekend, the due date for payment purposes will be the next work day after the due date.

A late penalty of \$5.00 will be charged on bills received after the due date. The penalty on delinquent bills will not be applied to any balance to which the penalty was applied in a previous billing. The utility must maintain a record of the date of mailing to charge the late penalty.

Each bill will provide all information required by the TCEQ Rules. For each of the systems it operates, the utility will maintain and note on the monthly billing a telephone number (or numbers) which may be reached by a local call by customers. At the utility's option, a toll-free telephone number or the equivalent may be provided.

## SECTION 2.0--SERVICE RULES AND REGULATIONS (CONT.)

In the event of a dispute between a customer and a utility regarding any bill for utility service, the utility will conduct an investigation and report the results to the customer. If the dispute is not resolved, the utility will inform the customer that a complaint may be filed with the Commission.

### Section 2.07--Service Disconnection

Utility service may be disconnected if the bill has not been paid in full by the date listed on the termination notice. The termination date must be at least 10 days after the notice is mailed or hand delivered.

The utility is encouraged to offer a deferred payment plan to a customer who cannot pay an outstanding bill in full and is willing to pay the balance in reasonable installments. However, a customer's utility service may be disconnected if a bill has not been paid or a deferred payment agreement entered into within 30 days from the date of issuance of a bill and if proper notice of termination has been given.

Notice of termination must be a separate mailing or hand delivery in accordance with the TCEQ Rules.

Utility service may also be disconnected without notice for reasons as described in the TCEQ Rules.

Utility personnel must be available to collect payments and to reconnect service on the day of and the day after any disconnection of service unless service was disconnected at the customer's request or due to a hazardous condition.

### Section 2.08--Reconnection of Service

Service will be reconnected within 24 hours after the past due bill and any other outstanding charges are paid or correction of the conditions which caused service to be disconnected.

### Section 2.09--Service Interruptions

The utility will make all reasonable efforts to prevent interruptions of service. If interruptions occur, the utility will re-establish service within the shortest possible time. Except for momentary interruptions due to automatic equipment operations, the utility will keep a complete record of all interruptions, both emergency and scheduled and will notify the Commission in writing of any service interruptions affecting the entire system or any major division of the system lasting more than four hours. The notice will explain the cause of the interruptions.

## SECTION 2.0--SERVICE RULES AND REGULATIONS (CONT.)

Prorated Bills - If service is interrupted or seriously impaired for 24 consecutive hours or more, the utility will prorate the monthly base bill in proportion to the time service was not available to reflect this loss of service.

### Section 2.10--Quality of Service

The utility will plan, furnish, and maintain and operate a treatment and collection facility of sufficient size and capacity to provide a continuous and adequate service for all reasonable consumer uses and to treat sewage and discharge the effluent at the quality required by its discharge permit issued by the Commission. Unless otherwise authorized by the Commission, the utility will maintain facilities as described in the TCEQ Rules.

### Section 2.11--Customer Complaints and Disputes

If a customer or applicant for service lodges a complaint, the utility will promptly make a suitable investigation and advise the complainant of the results. Service will not be disconnected pending completion of the investigation. If the complainant is dissatisfied with the utility's response, the utility must advise the complainant that he has recourse through the Texas Commission on Environmental Quality complaint process. Pending resolution of a complaint, the commission may require continuation or restoration of service.

The utility will maintain a record of all complaints which shows the name and address of the complainant, the date and nature of the complaint and the adjustment or disposition thereof, for a period of two years after the final settlement of the complaint.

## SECTION 2.20 SPECIFIC UTILITY SERVICE RULES AND REGULATIONS

This section contains specific utility service rules in addition to the rules previously listed under Section 2.0. It must be reviewed and approved by the Commission and in compliance with the TCEQ Rules to be effective.

The utility adopts the administrative rules of the Texas Commission on Environmental Quality, as the same may be amended from time to time, as its company specific service rules and regulations. These rules will be kept on file at the company's offices for customer inspection during regular business hours. In the event of a conflict between the TCEQ's amended rules and the provisions of this tariff, the amended rules shall prevail. Where necessary, any conflicting provision of this tariff shall be deemed to have been superseded by the TCEQ rule in question to the degree that the Utility may conduct its lawful business in conformance with all requirements of said rule.

All payments for utility service shall be delivered or mailed to the utility's business office. If the business office fails to receive payment prior to the time of noticed disconnection for non-payment of a delinquent account, service will be terminated as scheduled. Utility service crews shall not be allowed to collect payments on customer accounts in the field.

Payment of an account by any means that has been dishonored and returned by the payor or payee's bank, shall be deemed to be delinquent. All returned payments must be redeemed with cash or valid money order. If a customer has two returned payments within a twelve month period, the customer shall be required to pay a deposit if one has not already been paid.

Customer shall be liable for any damage or injury to utility-owned property or personnel shown to be caused by the customer, his invitees, his agents, his employees, or others directly under his control.

**Limitation on Product/Service Liability - The utility will not accept liability for any injury or damage to individuals or their property occurring on the customer's premises. The utility makes no representations or warranties (expressed or implied) that customer's appliances will not be damaged by disruptions of or fluctuations in sewer service whatever the cause. The utility will not accept liability for injuries or damages to persons or property due to disruption of sewer service caused by: (1) acts of God, (2) acts of third parties not subject to the control of the utility if the utility has undertaken such preventive measures as are required by TCEQ rules, (3) electrical power failures in sewer systems not required by TCEQ rule to have auxiliary power supplies, or (4) termination of sewer service pursuant to the utility's tariff and the TCEQ's rules.**

## SECTION 2.20 SPECIFIC UTILITY SERVICE RULES AND REGULATIONS

If the services of a registered professional engineer are required as a result of an application for service received by the Utility for service to that applicant's service extension only, such engineer will be selected by the Utility and the applicant, and the applicant shall bear all expenses incurred therein.

If an applicant requires service other than the standard service provided by the utility, such applicant will be required to pay all expenses incurred by the utility in excess of the expenses that would be incurred in providing the standard service and connection. Any applicant who places unique or non-standard service demands on the system may be required to provide contributions in aid of construction (as may be allowed by TCEQ rule) for the actual costs of any additional facilities required to maintain compliance with the Texas Commission on Environmental Quality minimum design criteria for sewer collection, treatment, pumping and discharge.

Any applicant or existing customer required to pay for any costs not specifically set forth in the rate schedule pages of this tariff shall be entitled to a written explanation of such costs prior to payment and/or commencement of construction. If the applicant or existing customer does not believe that these costs are reasonable or necessary, the applicant or existing customer shall have the right to appeal such costs to the TCEQ or such other regulatory authority having jurisdiction over the utility's rates in that portion of the utility's service area in which the applicant's or existing customer's property(ies) is located.

Tap fees may be increased by unique costs not normally incurred as may be permitted by 30 T. A. C. 291.86(b)(1)(C).

The Utility adopts the Uniform Plumbing Code pursuant to TCEQ Rule 290.46(i). The piping and other equipment on the premises furnished by the customer will be maintained by the customer at all times in conformity with the requirements of the TCEQ, the Uniform Plumbing Code and with the service rules and regulations of the Utility. The customer will bring out his service line to his property line at the point on the customer's property mutually acceptable to the customer and the Utility subject to such requirements as may exist by TCEQ rule.

The utility will have the right of access to the customer's premises at all times reasonable for the purpose of installing, testing, inspecting or repairing sewer mains or other equipment used in connection with its provision of sewer service, or for the purpose of removing its property and disconnecting lines, and for all other purposes necessary to the operation of the utility system including inspecting the customer's plumbing for code, plumbing or tariff violations. The customer shall allow the utility and its personnel access to the customer's property to conduct any tests or inspections required by law. Unless necessary to respond to equipment failure, leak or other condition creating an immediate threat to public health and safety or the continued provision of adequate utility service to others, such entry upon the customer's property shall be during normal

## SECTION 2.20 SPECIFIC UTILITY SERVICE RULES AND REGULATIONS

business hours. The customer may require any utility representative, employee, contractor, or agent seeking to make such entry identify themselves, their affiliation with the utility, and the purpose of their entry.

Threats to or assaults upon utility personnel shall result in criminal prosecution.

Except in cases where the customer has a contract with the utility for reserve or auxiliary service, no other sewer service will be used by the customer on the same installation in conjunction with the utility's service, either by means of a cross-over valve or any other connection. Customer shall not connect, or allow any other person or party to connect, onto any sewer lines on his premises. Two places shall not be permitted to be supplied with one service pipe where there is a sewer main abutting the premises.

No application, agreement or contract for service may be assigned or transferred without the written consent of the utility.

It is agreed and understood that any and all sewer lines and other equipment furnished by the utility (excepting the customer's individual service lines from the point of connection to customer's structures on customer's premises) are and shall remain the sole property of the utility, and nothing contained herein or in a contract/application for service shall be construed to reflect a sale or transfer of any such lines or equipment to any customer. All tap and extension charges shall be for the privilege of connecting to said sewer lines and for installation, not purchase, of said lines.

Service applicants may be required to comply with any pre-condition to receiving service not printed herein as may exist under TCEQ rule (customer service, health and safety or environmental), USEPA rule, TWDB rule, local regulatory district rule or health department rule. Existing customer shall be required to comply with such rules, including modification of their plumbing and/or consumption patterns, after notice.

The disposal into the utility's sewer collection system of bulk quantities of food or food scraps not previously processed by a grinder or similar garbage disposal unit and grease and oils, except as incidental waste in process or wash water, used in or resulting from food preparation by sewer utility customers engaged in the preparation and/or processing of food for other than domestic consumption for sale to the public shall be prohibited. Specifically included in this prohibition are grease and oils from grease traps to other grease and/or oil storage containers. These substances are defined as "garbage" under Section 361.003 (12) of the Solid Waste Disposal Act, Texas Health and Safety Code, and are not "sewage" as defined by Section 26.001 (7) of the Texas Water Code. The utility only provides "sewage" collection and disposal service to the public. This service is limited to the collection, treatment and disposal of waterborne human waste and waste from domestic activities such as washing, bathing, and food preparation. This service does not include the collection, treatment or disposal of waste of such high BOD or TSS characteristics that it cannot reasonably be processed by the utility's state-approved waste water treatment plant within the



## SECTION 2.20 SPECIFIC UTILITY SERVICE RULES AND REGULATIONS

parameters of the utility's state and federal waste water discharge permits. **THIS SERVICE DOES NOT INCLUDE THE COLLECTION AND DISPOSAL OF STORM WATERS OR RUN OFF WATERS, WHICH MAY NOT BE DIVERTED INTO OR DRAINED INTO THE UTILITY'S COLLECTION SYSTEM.**

Pursuant to Texas Commission on Environmental Quality Rule 291.87(n), the utility may charge for all labor, material, equipment, and other costs necessary to repair to replace all equipment damaged due to service diversion or the discharge of wastes which the system cannot properly treat. This shall include all repair and clean up costs associated with discharges of grease and oils, except as incidental waste in process or wash water, used in or resulting from food preparation by sewer utility customers engaged in the preparation and/or processing of food for other than domestic consumption or for sale to the public discharged from grease traps or other grease and/or oil storage containers. The utility may charge for all costs necessary to correct service diversion or unauthorized taps where there is no equipment damage, including incidents where service is reconnected without authority. The utility may not charge any additional penalty or charge other than actual costs unless such penalty has been expressly approved by the regulatory authority having rate/tariff jurisdiction and filed in the utility's tariff.

Pursuant to Texas Commission on Environmental Quality Rule 291.86(b)(3)(A) and (B), the customer's service line and appurtenances shall be construed in accordance with the laws and regulations of the State of Texas, local plumbing codes, or, in the absence of such local codes, the Uniform Plumbing Code. It shall be the customer's responsibility to maintain the service line and appurtenances in good operating condition, i.e., clear of obstruction, defects, or blockage. If the utility can provide evidence of excessive infiltration or inflow or failure to provide proper pretreatment, the utility may, with the written approval of the TCEQ's executive director, require the customer to repair the line or eliminate the infiltration or inflow or take such actions necessary to correct the problem. If the customer fails to correct the problem within a reasonable time, the utility may disconnect service after proper notice.

In accordance with the requirements of Utility's Wastewater discharge Permit, any and all repairs and maintenance of Utility's lines, tanks, pumps and equipment located on Customer's premises shall be performed exclusively by the Utility.

Copies of the utility's state and federal waste water discharge permits shall be available for public inspection and copying in the utility's business office during normal business hours.

Non-residential customers electing the pretreatment option for sewage with non-standard characteristics may be charged those costs set forth in the utility's extension policy if such pretreatment fails or otherwise causes the utility's facilities to violate their waste-water discharge permits.

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### RESIDENTIAL SINGLE FAMILY GRINDER / SEWAGE STATIONS

Prior to the installation of a grinder / sewage station, the utility must be given a complete listing of all materials and equipment that will be used.

In order to prevent inflow and infiltration, the materials must comply with standard specifications, approved by the TCEQ.

After the utility has approved the proposed grinder / sewage station, the construction may begin. Once the work has been completed, the utility will do an inspection of the grinder / sewage station to ensure the complete installation was as specified.

The customer will retain ownership of receiving tanks or lift stations on the customer's property, and all maintenance, repairs and replacement are the customer's responsibility. The repairs may be performed by anyone selected by the customer, who is competent to perform such repairs. The utility requires that parts and equipment meet the minimum standards approved by the TCEQ, to insure proper and efficient operation of the sewer system.

### MULTI-FAMILY AND COMMERCIAL RECEIVING TANK / LIFT STATIONS

Prior to the installation of a grinder / sewage station, the utility must be given a complete listing of all materials and equipment that will be used, along with the storage for that development.

In order to minimize inflow and infiltration into the collection system, the installation and materials must comply with standard specifications approved by the TCEQ.

After the utility has approved the proposed grinder / sewage station, the construction may begin. Once the work has been completed, the utility will do an inspection of the grinder / sewage station to ensure the complete installation was as specified.

Prior to acceptance of an existing receiving tank or lift station that is being used as an interceptor tank for primary treatment, waste water storage or pump tanks prior to discharge into an alternative or conventional sewage system must be cleaned, inspected, repaired, modified, or replaced if necessary to minimize inflow and infiltration into the collection system.

Existing pumps and tanks must be of adequate size to insure proper pumpage in the event of high flow or if one pump is out of service. If the existing pumps and receiving tanks or lift stations are of inadequate size the utility will not accept liability for backups due to: high flows, one pump out of service, rainfall causing inflow or infiltration, power outages, lack of proper storage capacity, etc.