



Control Number: 43368



Item Number: 1

Addendum StartPage: 0

House Bill (HB) 1600 and Senate Bill (SB) 567 83rd
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.



APPLICATION FOR SALE, TRANSFER,
OR MERGER OF A RETAIL PUBLIC UTILITY

43368

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JUN 23 2014
UTILITIES & DISTRICTS
SECTION

APPLICATION FOR SALE, TRANSFER, OR MERGER OF A RETAIL PUBLIC UTILITY

*RN#

*CN#

*If known (See instructions)

1. Proposed action of application (check all the boxes that apply):

<input checked="" type="checkbox"/>	Sale of	<input type="checkbox"/>	All	<input type="checkbox"/>	Portion of the	<input checked="" type="checkbox"/>	Water system(s) under CCN No.:	<input type="text" value="12254"/>
<input type="checkbox"/>	Acquisition	<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>	Sewer system(s) under CCN No.:	<input type="text" value="N/A"/>

<input checked="" type="checkbox"/>	Transfer of	<input checked="" type="checkbox"/>	All	<input type="checkbox"/>	Portion of the	<input type="checkbox"/>	Certificated water service area – CCN No.:	
<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>	Certificated sewer service area – CCN No.:	<input type="text" value="12254"/>

If only a portion of a system or certificated service area is affected by this transaction, please specify the areas or subdivision involved:

and to:

<input type="checkbox"/>	Obtain a CCN for the transferee (purchaser) – indicate if purchaser will take the seller’s CCN
<input type="checkbox"/>	Amend the transferee’s CCN No.:
<input checked="" type="checkbox"/>	Merge or consolidate public utilities
<input type="checkbox"/>	Cancel CCN of the transferor (seller)

Purchaser will take seller’s CCN

2. Proposed effective date of this transaction:

(Must be at least 120 days after proper notice is provided)

QUESTIONS 3 THROUGH 5 APPLY TO THE TRANSFEROR (CURRENT SERVICE PROVIDER OR SELLER)

3. For the current CCN holder or service provider please indicate:

A. Name: (Individual, Corporation or Other Legal Entity)

who is a(n):of Individual Corporation WSC HOA or POA Other

B. y Name (if different than above):

Address: Telephone: (AC)

C. Contact person. Please provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney or accountant.

Name:	<input style="width: 95%;" type="text" value="Curtis J. Shupak"/>	Title:	<input style="width: 95%;" type="text" value="Owner"/>
Address:	<input style="width: 95%;" type="text" value="7575 FM 60 West Somerville, Texas 77879"/>	Telephone: (AC)	<input style="width: 95%;" type="text" value="979/567/1178"/>
Fax:	<input style="width: 95%;" type="text"/>	Email:	<input style="width: 95%;" type="text" value="crshupak@aol.com"/>

No Rate increase while Mr.

4. About the last rate increase for the system or facilities being transferred: Shupak owned the system
 A. What was the effective date of the last rate increase? None since 2001

B. Was notice of this increase provided to the Texas Commission on Environmental Quality or its predecessors?
 No Yes- Application/Docket Number: Date

5. Please provide a list of all customers affected by this transaction who have deposits held by the transferor or seller utility, if any, and include the following information (attach additional sheets if necessary):

Name and Address of Utility Customer	Date of Deposit	Amount of Deposit	Amount of Unpaid Interest on Deposit
No deposits are held by the transferor or seller			

☛ Within 30 days of the actual transaction date, and prior to the transfer of the certificate by the TCEQ, the seller must provide proof to the Commission that these customer deposits were returned to the customers or transferred to the purchasing utility. Proof should include a sworn affidavit.

QUESTIONS 6 THROUGH 16 REFER TO THE TRANSFEREE OR PURCHASER

6. For the person or entity acquiring the facilities and/or CCN:
 Applicant: HDU Services, LLC

(Individual, Corporation, or Other Legal Entity)

Utility Name: Wilderness Sound dba Yegua Water System

(If different than above)

Utility Address: 13193 County Road 424 Somerville, Texas 77879

Fax: 979/596/2205 Email: dustinjlozano@hotmail.com Telephone (AC): 979/739/1706

CCN Numbers held prior to the filing of this application: 11699

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

- Individual
- Home or Property Owners Association
- Partnership; attach copy of partnership agreement
- Corporation; provide charter number as recorded with the Office of the Secretary of State for

for Texas: File # 0801022343

Non-profit, member-owned, member-controlled Cooperative Corporation (Article 1434(a) Water Supply or Sewer Service Corporation); provide charter number:

Municipally-owned utility

District (MUD, SUD, WCID, etc.) County

Other (please explain):

8. If the applicant is an *Individual* or sole proprietorship, provide the following information. If not, skip to the next question.

Name:	N/A	Email:	
Address:			
Telephone (AC):		Fax (AC):	

9.

the applicant is other than an *Individual* provide the following information regarding the officers or partners of the legal entity applying for the transfer. You must complete either question 8 or question 9, whichever applies to the transferee applicant.

•Name:	Dustin J. Lozano	Telephone (AC):	797/739/1706
Address:	13193 County Road 424, Somerville, Texas 77879		
Position:	Owner	Ownership % (if applicable):	100%

•Name:		Telephone (AC):	
Address:			
Position:		Ownership % (if applicable):	

•Name:		Telephone (AC):	
Address:			
Position:		Ownership % (if applicable):	

•Name:		Telephone (AC):	
Address:			
Position:		Ownership % (if applicable):	

•Name:		Telephone (AC):	
Address:			
Position:		Ownership % (if applicable):	

•Name:		Telephone (AC):	
Address:			
Position:		Ownership % (if applicable):	

Important:

• If

the applicant is a for-profit corporation, please provide a copy of the corporation's "Certification of Account Status" from the State Comptroller Office. This "Certification of Account Status" can be obtained from:

Texas Comptroller of Public Accounts

P. O. Box 13528, Capitol Station

Austin, Texas 78711

1-800-252-5555

- If the applicant is an Article 1434a water supply or sewer service corporation or other non-profit corporation, please provide a copy of the Articles of Incorporation and By-Laws.

10. Contact person. Please provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney or accountant.

Name:	Dustin Lozano	Title:	Purchaser/Owner
Address:	13193 County Road 424 Somerville, Tx. 77879	Telephone (AC):	979/739/1706
Fax #	979/596/2205	Email	dustinjlozano@hotmail.com
Relationship to the applicant:	Self		

IF THERE ARE MORE THAN TWO PARTIES INVOLVED IN THIS TRANSACTION, PLEASE ATTACH SHEETS PROVIDING THE INFORMATION REQUIRED IN QUESTION 6 THROUGH QUESTION 10 FOR EACH PARTY

11. Please respond to each of the following questions. Attach additional sheets if necessary.
 A. Describe the experience and qualifications of the applicant to provide adequate utility service to the requested area

Mr. Lozano has 20 years of experience operating public water systems. He currently holds a Class C operator license (WG0010595) as required by TCEQ..

B. Has the applicant acquiring the CCN or facilities or an affiliated interest of the applicant been under enforcement action by the TCEQ, Texas Department of Health (TDH), the Office of the Attorney General (OAG) or the Environmental Protection Agency (EPA) in the past for noncompliance with rules, orders or State Statutes? Yes No

If yes, please attach copies of any correspondence with these regulatory agencies concerning these enforcement actions and describe any actions and efforts to comply with those requirements. Attach additional sheets if needed.

N/A

C. Describe the source and availability of funds required to make the planned or required improvements, if any, to meet minimum requirements of the TCEQ and ensure continuous and adequate service.

A loan for water system improvements has been approved by the Citizen State Bank, Somerville, Texas.

D. Describe the anticipated impact of this transaction on the quality of utility service and explain any anticipated changes in the quality of service.

The impact of this transaction will allow the system to provide quality service providing a safe, continuous uninterrupted service to the customers.

E. How will the transaction serve the public interest?

The public will have a more reliable water system and service. The new owner will be able to address the concerns of the customers by responding to customer complaints and repairs in a timely manner.

12. Please describe the nature of the proposed transaction:

The nature of the proposed transaction is to transfer the ownership to Mr. Lozano, owner of HDU Services, LLC.

13. If the transferee applicant is an Investor Owned Utility (IOU) and will be under the rate jurisdiction of the TCEQ, please provide the following information. Water supply or sewer service corporations and political subdivisions of the state should mark this section N/A:

- A. • Total Purchase Price:
- Total Original Cost (as recorded on books of seller or merging entity):
- Accumulated Depreciation as of the proposed effective date of the transaction:

• Contributions in Aid of Construction:

- Specific surcharges approved by TCEQ: -

Revenues from explicit customer agreements:

- Developer Contributions (please explain):

N/A

- Other Contributions (please explain):

N/A

Total Contributions in Aid of Construction

• Net Book Value:

☞ If the Original Cost or any of the above items has been established in a rate case proceeding by the PUC, the TWC or the TCEQ, please provide the Application/Docket Number and date:

Application/Docket Number: Date:

If the applicant is not under the rate jurisdiction of the TCEQ, only the purchase price and information related to Contributions in Aid of Construction is required.

B. Please provide any other information concerning the nature of the transaction you believe should be given consideration if not explained elsewhere in the application.

[attach additional sheet(s) if necessary]:

The transfer of the system to Mr. Lozano will allow him to obtain the approved loan from the Citizen State Bank to upgrade the system to bring the system into compliance. The transfer will allow the system to provide a safe water with uninterrupted service to the customers.

C. Complete the following proposed entries listed below as shown in books of purchasing (or surviving) company. Additional entries may be made; the following are suggested only, and not intended to pose descriptive limitations.

	Utility	
Plant in Service:	Cash:	
Plant Acquisition	Notes Payable:	
Adjustment:	Mortgage Payable:	
Extraordinary Loss		
on Purchase:		
Accumulated		
Depreciation of		
Plant:		

Others (please list):

As the purchaser, I understand that it is **my responsibility** in any future rate proceeding to provide written evidence and support for the original cost and installation date of all facilities used and useful for providing utility service.

Purchaser's Initials: DJL *R* Date: ~~6/18/14~~ *R* 6/20/14

14. Please indicate the proposed effect of this transaction on the rates to be charged to the affected customers:

- All the customers will be charged the same rates as they were charged before the transaction.
- Some All customers will be charged different rates than they were charged before the transaction.

If rates are changing, please explain:

Birch Creek Village Water System and Yegua Water System are planned to be connected and consolidated into one water system. Therefore, the Birch Creek Village Water customer's rates will change to reflect the same rates that are currently in effect for Yegua

Applicant is an IOU and intends to file with the Commission or municipal regulatory authority an application to change rates of some/all of its customers as a result of this transaction. If so, please explain:

All customer rates of the Birch Creek Village Water System will change to reflect current rates of the Yegua Water System.

Other. Please explain:

N/A

15. List all neighboring water and /or sewer utilities, cities, and political subdivisions providing the same service within two (2) miles of area affected by this proposed transaction. This information should be available from the water utility database (WUD) or Applicant's licensed water operator.

Systems service the same service within 2 miles are as follows:

1. Birch Creek Recreation, Inc. WSC
2. Burleson Co. MUD 1
3. Post Oak Hill WSC
4. D & S Water Service
5. Woodlands West Water System
6. Yegua Water System

16. Financial, Managerial and Technical information for the acquiring entity.

HISTORICAL BALANCE SHEETS

	CURRENT YEAR (A)	A-1 YEAR	A-2 YEAR	A-3 YEAR	A-4 YEAR	A-5 YEAR
CURRENT ASSETS						
Cash	\$7,196	\$6,320	\$19,762	\$ 11,269	\$456	
Accounts Receivable						
Inventories						
Income Tax Receivable						
Other						
Total	\$7,196	\$6,320	\$19,762	\$11,269	\$456	
FIXED ASSETS						
Land						
Collection/Distribution System	\$71,544	\$71,544	\$79,298	\$90,944		
Buildings						
Equipment	\$211,147	\$80,346	\$38,710	\$8,571		

Other	\$4,956	\$4,956	\$3,659	\$4,277		
Less: Accum. Depreciation or Reserves	0	0	0	0		
Total	\$287,647	\$156,86	\$121,667	\$103,743		
TOTAL ASSETS	\$287,843	\$163,166	\$141,429	\$115,011	\$456	
CURRENT LIABILITIES						
Accounts Payable	\$4,611	\$1,332	\$2,047	\$1,508	\$3,426	
Notes Payable, Current	\$306,172	\$202,540	\$219,038	\$264,456	0	
Accrued Expenses	0	0	0	0	0	
Other	\$1,782	\$1,758	\$1,608	\$6,046	0	
TOTAL	\$312,565	\$205,630	\$222,693	\$272,010	\$3,426	
LONGTERM LIABILITIES						
Notes Payable, Long-term						
Other						
TOTAL LIABILITIES	\$312,565	\$205,630	\$222,693	\$272,010	\$3,426	
OWNER'S EQUITY						
Paid in Capital						
Retained Equity	(\$42,462)	(\$113,856)	(\$169,457)	(\$253,163)	\$1,175	
Other	(\$76,116)	0	0	0	0	
Current Period Profit or Loss	\$100,856	\$71,394	\$88,192	\$96,265	(\$4,145)	
TOTAL OWNER'S EQUITY	(\$17,723)	(\$42,463)	(\$81,266)	(\$156,898)	(\$2,969)	
TOTAL LIABILITIES AND EQUITY	\$294,843	\$163,167	\$141,428	\$115,012	\$456	
WORKING CAPITAL						
CURRENT RATIO						
DEBT TO EQUITY RATIO EQUITY TO TOTAL ASSETS						

HISTORICAL INCOME STATEMENT

	CURRENT YEAR (A)	A-1 YEAR	A-2 YEAR	A-3 YEAR	A-4 YEAR	A-5 YEAR
METER NUMBER						
Existing Number of Taps	148	146	141			
New Taps Per Year	0	2	5			
Total Meters at Year End	148	148	146			
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						

HISTORICAL EXPENSES STATEMENT

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

PROJECTED BALANCE SHEETS

	START UP	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
CURRENT ASSETS						
Cash						
Accounts Receivable						
Inventories						
Income Tax Receivable						

Other						
Total						
FIXED ASSETS						
Land						
Collection/Distribution System						
Buildings						
Equipment						
Other						
Less: Accum. Depreciation or Reserves						
Total						
TOTAL ASSETS						
CURRENT LIABILITIES						
Accounts Payable						
Notes Payable, Current						
Accrued Expenses						
Other						
Total						
LONGTERM LIABILITIES						
Notes Payable, Long-term						
Other						
TOTAL LIABILITIES						
OWNER'S EQUITY						
Paid in Capital						
Retained Equity						
Other						
Current Period Profit or Loss						
TOTAL OWNER'S EQUITY						
TOTAL LIABILITIES AND EQUITY						
WORKING CAPITAL						
CURRENT RATIO						
DEBT TO EQUITY RATIO						
EQUITY TO TOTAL ASSETS						

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 INCOME STATEMENT

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
GENERAL/ADMINISTRATIVE EXPENSES						
Salaries						
Office Expense						
Computer Expense						
Auto Expense						
Insurance Expense						
Telephone Expense						
Utilities Expense						
Depreciation Expense						
Property Taxes						
Professional Fees						
Other						
Total						
% Increase Per Year						
OPERATIONAL EXPENSES						
Salaries						
Auto Expense						
Utilities Expense						
Depreciation Expense						
Repair & Maintenance						
Supplies						
Other						
Total						
% Increase Per Year						
ASSUMPTIONS						
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
SOURCES OF CASH						
Net Income						
Depreciation (If Funded)						
Loan Proceeds						

Other							
Total Sources							
USES OF CASH							
Net Loss							
Principle Portion of Pmts.							
Fixed Asset Purchase							
Reserve							
Other							
Total Uses							
NET CASH FLOW							
DEBT SERVICE COVERAGE							
Cash Available for Debt							
SERVICE (CADS)							
Net Income (Loss)							
Depreciation, or Reserve Interest							
Total							
REQUIRED DEBT SERVICE (RDS)							
Principle Plus Interest							
DEBT SERVICE COVERAGE RATIO							
CADS Divided by RDS							

**PLEASE ANSWER QUESTIONS 17 THROUGH 22 ON A DIFFERENT SHEET
FOR EACH PHYSICALLY DISTINCT SYSTEM BEING
TRANSFERRED OR ACQUIRED**

17. A. For Water Systems. TCEQ Public Water System Identification Number:

0	2	6	0	0	3	9
---	---	---	---	---	---	---

Date of last inspection:

09/01/2011

B. For Wastewater Systems:

-TCEQ Discharge Permit Number:

W	Q								
---	---	--	--	--	--	--	--	--	--

 -

--	--	--	--

 -Name of Permittee:

N/A

 -Date of application for Discharge Permit approved by TCEQ:

--	--	--	--

 Permit submitted: -Date of application

18. A. Are any improvements required to meet TCEQ standards? Yes No. If yes, please explain:

B. Is there a moratorium on new connections? Yes No. If yes, please explain:

C. Provide details of each required major capital improvement to correct the deficiencies and meet the TCEQ standards (attach additional sheets if necessary):

Description of the Required Improvement	Schedule to Complete	Estimated Cost

19. Does the system being transferred operate within the city limits of a municipality or within district boundaries? Yes No

If yes, indicate the number of customers within the city limits or district boundaries:

Water Sewer

Attach copy of franchise agreement or consent letter from the city or district.

20. Do you currently purchase water or sewer treatment capacity from another source? Yes No
 Water Sewer Purchased on a Regular Seasonal Emergency Basis

• Source: % of total supply:

21. List the number of existing connections to be effected by this transaction.

Water			Sewer		
0	-Non Metered	0	-2"meter	-Residential Connection	0
58	-5/8" or 3/4" meter	0	-3" meter	-Commercial Connection	0
0	-1" meter	0	-4" meter	-Industrial Connection	0
0	-1 1/2" meter	0	-Other	-Other	0
Total Water Connections: 58			Total Sewer Connections 0		

20. Has the system reached 85% of its capacity based on TCEQ's minimum requirements X Yes

No If yes, please explain what steps are being taken to address the capacity issues:

Birch Creek Village Water System and Yegua Water System are planned to be consolidated into one system which will bring the system below the 85% capacity rule.

23. List the name, class, and license number of the operator(s) that will be responsible for the system:

Name	Class	License#
Dustin Lozano	C	WG001595

24. Attach the following maps with each copy of the application:

- a. One small scale map clearly showing affected service area with enough detail to accurately locate the area if the application is for the transfer of all or a portion of a CCN.
- b. One large scale map showing the proposed service area boundaries being sold, transferred, or merged and, if available, the existing and proposed facilities. Color coding should be used to differentiate existing from proposed facilities. Facilities and service area boundaries should be shown with such exactness that they can be located on the ground. If transferring area not currently in a CCN or a portion of an existing CCN area please attach the following hard copy maps with each copy of the application:
 - 1. A general location map delineating the proposed service area with enough detail to accurately locate the proposed area within the county.
 - 2. A map showing only the proposed area by:
 - i. metes and bounds survey certified by a licensed state or registered professional land surveyor; or
 - ii. projectable digital data with metadata (proposed areas should be in a single record and clearly labeled, data disk should be included); or
 - iii. following verifiable natural and man-made landmarks, or
 - iv. a copy of recorded plat map with metes and bounds.
 - 3. A written description of the proposed service area.

OATH FOR SELLER OR FORMER SERVICE PROVIDER

STATE OF

COUNTY OF

I, _____, being duly sworn, file this application for
sale, lease, rental or merger or consolidation
as _____

(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 documents filed with this application, and have complied with all the requirements contained in the application; and, that all such statements made and matters set forth therein with respect to applicant are true and correct. Statements about other parties are made on information and belief. I further state that the application is made in good faith and that this application does not duplicate any filing presently before the Commission.

I further state that I have provided to the purchaser or transferee a written disclosure statement about any contributed property as required under Section 13.301(j) and copies of any outstanding Orders of the Commission or Attorney General and have also complied with the notice requirements in Section 13.301(k) of the Water Code.

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, day
, _____ of _____

SEAL

NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS

PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES _____

One copy of this page must be submitted for each utility involved in this transaction.

OATH FOR PURCHASER OR ACQUIRING ENTITY

STATE OF TEXAS

COUNTY OF BRAZOS

Dustin LOZA, being duly sworn, file this application for I,

sale, lease, rental or merger or consolidation as [Signature]

(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 documents filed with this application, and have complied with all the requirements contained in the application; and, that all such statements made and matters set forth therein with respect to applicant are true and correct. Statements about other parties are made on information and belief. I further state that the application is made in good faith and that this application does not duplicate any filing presently before the Commission.

I am also authorized and do agree to be bound by and comply with any outstanding orders of the Commission or the Attorney General which have been issued to the system or facilities being acquired and recognize that I will be subject to administrative penalties or other enforcement actions if I do not comply.

[Signature]

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.

Applicant represents that all other parties to this transaction have been furnished copies of this completed application.

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public in and for the State of Texas, day

20th day of JUNE 2014

SEAL



[Signature]

NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS

PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES _____

One copy of this page must be submitted for each utility involved in this transaction.

Notice to Current Customers, Neighboring Systems and Cities

Curtis J. Shupak dba Shupak Utilities 'S
(Seller's or Transferor's Name)

NOTICE OF INTENT TO SELL FACILITIES AND TRANSFER CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) NO 12254 TO HDU Services, LLC
(Purchaser's or Transferee's Name)
IN Burleson COUNTY, TEXAS

To: Post Oak Hill WSC Date Notice Mailed _____, 20 ____
(Name of Customer, Neighboring System or City)

PO Box 372
(Address)

Lyons TX 77863
City State Zip

Curtis J. Shupak dba Shupak Utilities 7575 FM 60 West Somerville, Texas 77879
Sellers or Transferors' Name Address City/State/Zip Code

has submitted an application with the Texas Commission on Environmental Quality to sell facilities and transfer water or sewer (please select) CCN No. 12254 in Burleson [County Name

County to:

HDU Services, LLC / Dustin J. Lozano 13193 County Road 424 Somerville, Texas 77879
Purchasers or Transferee's Name Address City/State/Zip Code

The sale is scheduled to take place as approved by the Executive Director (V.T.C.A., Water Code §13.301). The transaction and the transfer of the CCN include the following subdivision(s) and zip codes:

Birch Creek Village

The area subject to this transaction is located approximately 6.75 miles SW [direction] of downtown Lyons, [City or Town] Texas, and is **generally** bounded on the north by Yegua Dr.

Wilderness Sound Subdivision
;on the south by Leaning Oaks Ln. on the State Park Road 57
east by _____
;and on the west by _____

The total area being requested includes approximately 350 acres and serves 58 current customers. This transaction will have the following effect on the current customer's rates and services:
Provide a more reliable source of safe drinking water.

Affected persons may file written protests and/or request a public hearing within 30 days of this notice.

Notice to Current Customers, Neighboring Systems and Cities

Curtis J. Shupak dba Shupak Utilities 'S
(Seller's or Transferor's Name)

NOTICE OF INTENT TO SELL FACILITIES AND TRANSFER CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) NO 12254 TO HDU Services, LLC
(Purchaser's or Transferee's Name)
IN Burleson COUNTY, TEXAS

To: Woodlands West Water System Date Notice Mailed _____, 20 ____
(Name of Customer, Neighboring System or City)

RR 1 Box 200C
(Address)

Somerville TX 77879
City State Zip

Curtis J. Shupak dba Shupak Utilities 7575 FM 60 West Somerville, Texas 77879
Sellers or Transferors' Name Address City/State/Zip Code

has submitted an application with the Texas Commission on Environmental Quality to sell facilities and transfer water or sewer (please select) CCN No. 12254 in Burleson [County Name]

County to:

HDU Services, LLC / Dustin J. Lozano 13193 County Road 424 Somerville, Texas 77879
Purchasers or Transferee's Name Address City/State/Zip Code

The sale is scheduled to take place as approved by the Executive Director (V.T.C.A., Water Code §13.301). The transaction and the transfer of the CCN include the following subdivision(s) and zip codes:

Birch Creek Village

The area subject to this transaction is located approximately 6.75 miles SW [direction] of downtown Lyons, [City or Town] Texas, and is **generally** bounded on the north

by Yegua Dr.
Wilderness Sound Subdivision State Park Road 57
;on the south by Leaning Oaks Ln. on the
east by
;and on the west by

The total area being requested includes approximately 350 acres and serves 58 current customers. This transaction will have the following effect on the current customer's rates and services:
Provide a more reliable source of safe drinking water.

Affected persons may file written protests and/or request a public hearing within 30 days of this notice.

Notice to Current Customers, Neighboring Systems and Cities

Curtis J. Shupak dba Shupak Utilities 'S
(Seller's or Transferor's Name)

NOTICE OF INTENT TO SELL FACILITIES AND TRANSFER CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) NO 12254 TO HDU Services, LLC
(Purchaser's or Transferee's Name)
IN Burleson COUNTY, TEXAS

To: Yegua Water System Date Notice Mailed _____, 20 ____
(Name of Customer, Neighboring System or City)

13193 County Road 424
(Address)

Somerville TX 77879
City State Zip

Curtis J. Shupak dba Shupak Utilities 7575 FM 60 West Somerville, Texas 77879
Sellers or Transferors' Name Address City/State/Zip Code

has submitted an application with the Texas Commission on Environmental Quality to sell facilities and transfer water or sewer (please select) CCN No. 12254 in Burleson [County Name] County to:

HDU Services, LLC / Dustin J. Lozano 13193 County Road 424 Somerville, Texas 77879
Purchasers or Transferee's Name Address City/State/Zip Code

The sale is scheduled to take place as approved by the Executive Director (V.T.C.A., Water Code §13.301). The transaction and the transfer of the CCN include the following subdivision(s) and zip codes:

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Wilderness Sound Subdivision
; on the south by Leaning Oaks Ln. on the State Park Road 57
east by .
; and on the west by

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Notice to Current Customers, Neighboring Systems and Cities

Curtis J. Shupak dba Shupak Utilities 'S
(Seller's or Transferor's Name)

NOTICE OF INTENT TO SELL FACILITIES AND TRANSFER CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) NO 12254 TO HDU Services, LLC
(Purchaser's or Transferee's Name)
IN Burleson COUNTY, TEXAS

To: Birch Creek Recreation, Inc. WSC Date Notice Mailed _____, 20 ____
(Name of Customer, Neighboring System or City)

107 Lake Dr
(Address)

Somerville TX 77879
City State Zip

Curtis J. Shupak dba Shupak Utilities 7575 FM 60 West Somerville, Texas 77879
Sellers or Transferors' Name Address City/State/Zip Code

has submitted an application with the Texas Commission on Environmental Quality to sell facilities and transfer water or sewer (please select) CCN No. 12254 in Burleson [County Name

County to:

HDU Services, LLC / Dustin J. Lozano 13193 County Road 424 Somerville, Texas 77879
Purchasers or Transferee's Name Address City/State/Zip Code

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Wilderness Sound Subdivision State Park Road 57
;on the south by Leaning Oaks Ln. on the east by _____
;and on the west by _____

The total area being requested includes approximately 350 acres and serves 58 current customers. This transaction will have the following effect on the current customer's rates and services:
Provide a more reliable source of safe drinking water.

Affected persons may file written protests and/or request a public hearing within 30 days of this notice.

Notice to Current Customers, Neighboring Systems and Cities

Curtis J. Shupak dba Shupak Utilities 'S
(Seller's or Transferor's Name)

NOTICE OF INTENT TO SELL FACILITIES AND TRANSFER CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) NO 12254 TO HDU Services, LLC
(Purchaser's or Transferee's Name)
IN Burleson COUNTY, TEXAS

To: Burleson County MUD No 1 Date Notice Mailed _____, 20____
(Name of Customer, Neighboring System or City)

200 Shadow Oak Lane
(Address)

Somerville TX 77879
City State Zip

Curtis J. Shupak dba Shupak Utilities 7575 FM 60 West Somerville, Texas 77879
Sellers or Transferors' Name Address City/State/Zip Code

has submitted an application with the Texas Commission on Environmental Quality to sell facilities and transfer water or sewer (please select) CCN No. 12254 in Burleson [County Name]

County to:

HDU Services, LLC / Dustin J. Lozano 13193 County Road 424 Somerville, Texas 77879
Purchasers or Transferee's Name Address City/State/Zip Code

The sale is scheduled to take place as approved by the Executive Director (V.T.C.A., Water Code §13.301). The transaction and the transfer of the CCN include the following subdivision(s) and zip codes:

Birch Creek Village

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Wilderness Sound Subdivision State Park Road 57
;on the south by Leaning Oaks Ln. on the _____
east by _____
;and on the west by _____

The total area being requested includes approximately 350 acres and serves 58 current customers. This transaction will have the following effect on the current customer's rates and services:
Provide a more reliable source of safe drinking water.

Affected persons may file written protests and/or request a public hearing within 30 days of this notice.

Notice to Current Customers, Neighboring Systems and Cities

Curtis J. Shupak dba Shupak Utilities 'S
(Seller's or Transferor's Name)

NOTICE OF INTENT TO SELL FACILITIES AND TRANSFER CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) NO 12254 TO HDU Services, LLC
(Purchaser's or Transferee's Name)

IN Burleson COUNTY, TEXAS

To: D&S Water Service Date Notice Mailed _____, 20 ____
(Name of Customer, Neighboring System or City)

PO Box 372
(Address)

Lyons TX 77863
City State Zip

Curtis J. Shupak dba Shupak Utilities 7575 FM 60 West Somerville, Texas 77879
Sellers or Transferors' Name Address City/State/Zip Code

has submitted an application with the Texas Commission on Environmental Quality to sell facilities and transfer water or sewer (please select) CCN No. 12254 in Burleson [County Name]

County to:

HDU Services, LLC / Dustin J. Lozano 13193 County Road 424 Somerville, Texas 77879
Purchasers or Transferee's Name Address City/State/Zip Code

The sale is scheduled to take place as approved by the Executive Director (V.T.C.A., Water Code §13.301). The transaction and the transfer of the CCN include the following subdivision(s) and zip codes:

Birch Creek Village

The area subject to this transaction is located approximately 6.75 miles SW [direction] of downtown Lyons, [City or Town] Texas, and is **generally** bounded on the north

by Wilderness Sound Subdivision Yegua Dr.
State Park Road 57
;on the south by Leaning Oaks Ln. on the
east by
;and on the west by

The total area being requested includes approximately 350 acres and serves 58 current customers. This transaction will have the following effect on the current customer's rates and services:
Provide a more reliable source of safe drinking water.

Affected persons may file written protests and/or request a public hearing within 30 days of this notice.

To request a hearing, you must:

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

Only those persons who submit a written request to be notified of a hearing will receive notice if a hearing is scheduled. The Executive Director will issue the CCN requested in the referenced application unless a hearing is scheduled to consider the transaction. If no protests or requests for hearing are filed during the comment period, the Executive Director may issue the CCN 30 days after publication of this notice.

Persons who wish to protest or request a hearing on this application 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

Se desea informacion on Espanol, puede llamar al 512-239-0200.

Utility Representative

Utility Name

FORM B

Application No. _____

Notice to Current Customers, Neighboring Systems, Landowner and Cities

'S NO

(Seller's or Transferor's Name)

(Purchaser's or Transferee's Name)

Purchaser's or Transferee's Name)

TO OBTAIN OR AMEND A CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) IN

COUNTY, TEXAS

To: _____ Date Notice Mailed _____, 20____
(Name of Customer, Neighboring System, Landowner or City)

(Address)

City State Zip

Sellers or Transferors' Name	Address	City/State/Zip Code
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has submitted an application with the Texas Commission on Environmental Quality to sell water or sewer (please select) Facilities in _____ [County Name] County to:

Purchasers or Transferee's Name	Address	City/State/Zip Code
---------------------------------	---------	---------------------

The transferee has also requested to obtain/amend a CCN in this application. The sale is scheduled to take place as approved by the Executive Director (V.T.C.A., Water Code §13.301). The transaction and the proposed service area include the following subdivision(s) and zip codes:

The area subject to this transaction is located approximately _____ miles _____ [direction] of downtown _____, [City or Town] Texas, and is **generally** bounded on the north by _____
_____ on the south by _____ on the east by _____

;and on the west by

The total area being requested includes approximately _____ acres and serves _____ current customers. This transaction will have the following effect on the current customer's rates and services:

Affected persons may file written protests and/or request a public hearing within 30 days of this notice.

To request a hearing, you must:

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

Only those persons who submit a written request to be notified of a hearing will receive notice if a hearing is scheduled. The Executive Director will issue the CCN requested in the referenced application unless a hearing is scheduled to consider the transaction. If no protests or requests for hearing are filed during the comment period, the Executive Director may issue the CCN 30 days after publication of this notice.

Persons who wish to protest or request a hearing on this application 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

Se desea informacion on Espanol, puede llamar al 512-239-0200.

Utility Representative

Utility Name

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
HDU SERVICES, L.L.C. DBA BIRCH
CREEK VILLAGE WATER;
RN101191708

§
§
§
§
§
§

BEFORE THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY

AGREED ORDER

DOCKET NO. 2013-1798-PWS-E

I. JURISDICTION AND STIPULATIONS

On 5.9.14, the Texas Commission on Environmental Quality ("Commission" or "TCEQ") considered this agreement of the parties (the "Agreed Order"), resolving an enforcement action regarding HDU Services, L.L.C. d/b/a Birch Creek Village Water ("Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 341. The Executive Director of the TCEQ, represented by the Litigation Division, and Respondent together stipulate that:

1. Respondent owns and operates a public water system located 3.2 Miles south of Farm-to-Market Road 60, east of Park Road 57 in Burleson County, Texas (Water System no. TX0260042) (the "Facility"). The Facility provides water for human consumption, has approximately 58 service connections, and serves at least 25 people per day for at least 60 days per year. As such, the Facility is a public water system as defined in 30 TEX. ADMIN. CODE § 290.38(66).
2. This Agreed Order is entered into pursuant to TEX. WATER CODE § 7.070 and TEX. HEALTH & SAFETY CODE § 341.049. The TCEQ has jurisdiction of this matter pursuant to TEX. WATER CODE § 5.013 and TEX. HEALTH & SAFETY CODE § 341.031 because it alleges violations of TEX. HEALTH & SAFETY CODE ch. 341 and TCEQ rules.
3. The Executive Director and Respondent agree that TCEQ has jurisdiction to enter this Agreed Order, and that Respondent is subject to TCEQ's jurisdiction.
4. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
5. An administrative penalty in the amount of four thousand seven hundred fifty-seven dollars (\$4,757.00) is assessed by the Commission in settlement of the violations alleged in Section II. Respondent paid one hundred thirty-seven dollars (\$137.00) of the administrative penalty. The remaining amount of four thousand six hundred twenty dollars (\$4,620.00) of the administrative penalty shall be payable in thirty-five (35) monthly payments of one hundred thirty-two dollars (\$132.00) each. The first monthly payment shall be paid within 30 days after the effective date of this Agreed Order. The subsequent payments shall be paid not later than 30 days following the due date of the previous payment. If Respondent fails to timely and satisfactorily comply with the payment requirements of this Agreed Order, including the payment schedule, the Executive Director may, at his option, accelerate the maturity of the remaining installments, in which event the unpaid balance shall become immediately due and payable without demand or notice. In addition, Respondent's failure to meet the payment schedule of this Agreed Order constitutes

- the failure by Respondent to timely and satisfactorily comply with all of the terms of this Agreed Order.
6. Any notice and procedures which might otherwise be authorized or required in this action are waived in the interest of a more timely resolution of the matter.
 7. The Executive Director and Respondent agree on a settlement of the matters addressed in this Agreed Order, subject to final approval in accordance with 30 Tex. ADMIN. CODE § 70.10(a).
 8. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that Respondent has not complied with one or more of the terms or conditions contained in this Agreed Order.
 9. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
 10. The provisions of this Agreed Order are deemed severable, and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.
 11. The Executive Director recognizes that Respondent:
 - a. Submitted two consecutive quarterly results of Stage 1 disinfection byproducts sampling to the Executive Director (Allegation No. 1.d.); and
 - b. Ceased using the Facility's well and began purchasing water from an alternate source (Allegation No. 1.a.).

II. ALLEGATIONS

1. During record review investigations conducted on October 3, 2011, (Inv. 1) and August 19, 2013, (Inv. 2) the TCEQ Public Drinking Water Section documented that Respondent:
 - a. Failed to collect one raw groundwater source *Escherichia coli* sample from all active sources within 24 hours of being notified of a distribution total coliform-positive result during the month of April 2011 (Inv. 1), in violation of 30 TEX. ADMIN. CODE § 290.109(c)(4)(B);
 - b. Failed to collect triennial metals, minerals and volatile organic chemical ("VOC") contaminants samples and provide the results to the Executive Director for the January 1, 2008 through December 31, 2010 monitoring period (Inv. 1), in violation of 30 TEX. ADMIN. CODE §§ 290.106(c) and (e) and 290.107(c) and (e);
 - c. Failed to collect annual nitrate samples and provide the results to the Executive Director for the 2010 (Inv. 1) and 2012 (Inv. 2) monitoring periods, in violation of 30 TEX. ADMIN. CODE § 290.106(c) and (e);
 - d. Failed to provide the results of quarterly Stage 1 disinfection byproducts sampling to the Executive Director for the fourth quarter of 2012 and the first quarter of 2013 (Inv. 2), in violation of 30 TEX. ADMIN. CODE § 290.113(e); and
 - e. Failed to collect lead and copper tap samples at the required ten sample sites and provide the results to the Executive Director for the July 1, 2011 through

December 31, 2011; July 1, 2012 through December 31, 2012; and January 1, 2013 through June 30, 2013 monitoring periods (Inv. 2), in violation of 30 TEX. ADMIN. CODE § 290.117(c)(2)(A) and (I)(1).

2. Respondent received notice of the Inv. 1 violations on or about October 12, 2011. Respondent received notice of the Inv. 2 violations on or about October 20, 2013.

III. DENIALS

Respondent generally denies each Allegation in Section II.

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that Respondent pay an administrative penalty as set forth in Section I, Paragraph 5, above. The payment of this administrative penalty and Respondent's compliance with all the terms and conditions set forth in this Agreed Order resolve only the Allegations in Section II. The Commission shall not be constrained in any manner from considering or requiring corrective actions or penalties for violations which are not raised here. Administrative penalty payments shall be made payable to "Texas Commission on Environmental Quality" and shall be sent with the notation "Re: HDU Services, L.L.C. d/b/a Birch Creek Village Water, Docket No. 2013-1798-PWS-E" to:

Financial Administration Division, Revenues Section
Texas Commission on Environmental Quality
Attention: Cashier's Office, MC 214
P.O. Box 13088
Austin, Texas 78711-3088

2. Respondent shall undertake the following technical requirements:
 - a. Within 30 days after the effective date of this Agreed Order, Respondent shall:
 - i. Implement improvements to the Facility's process, procedures, guidance, training, and/or oversight to ensure that future drinking water chemical sample results are released by the Facility's laboratories and reported to the Executive Director within ten days of Executive Director request or of their receipt by the Facility, whichever is later, in accordance with 30 TEX. ADMIN. CODE §§ 290.106 (Inorganic Contaminants), 290.107 (Organic Contaminants) and 290.113 (Disinfection Byproducts) (Allegation Nos. 1.b., 1.c., and 1.d.);
 - ii. Implement improvements to the Facility's process, procedures, guidance, training, and/or oversight to ensure that future drinking water chemical samples are collected, analyzed by an approved laboratory and the results reported to the Executive Director within ten days of Executive Director request or of their receipt by the Facility, whichever is later, in accordance with 30 TEX. ADMIN. CODE §§ 290.106 (Inorganic Contaminants) and 290.107 (Organic Contaminants) (Allegation Nos. 1.b. and 1.c.); and
 - iii. Implement improvements to the Facility's process, procedures, guidance, training, and/or oversight to ensure that all future lead and copper tap samples are collected, analyzed by an approved laboratory and the results reported to the Executive Director within ten days

following the end of each monitoring period, in accordance with 30 TEX. ADMIN. CODE § 290.117 (Allegation No. 1.e.).

- b. Within 45 days after the effective date of this Agreed Order, Respondent shall submit written certification, in accordance with Ordering Provision No. 2.e., below, to demonstrate compliance with Ordering Provisions Nos. 2.a.i. through 2.a.iii.
- c. Within 90 days after the effective date of this Agreed Order, Respondent shall begin complying with applicable lead and copper monitoring requirements by collecting the required number of lead and copper samples and reporting the results to the Executive Director within ten days of the month following the end of the monitoring period, in accordance with 30 TEX. ADMIN. CODE § 290.117. This provision will be satisfied upon two compliant monitoring periods (Allegation No. 1.e.).
- d. Within 465 days after the effective date of this Agreed Order, Respondent shall submit written certification, in accordance with Ordering Provision No. 2.e., below, to demonstrate compliance with Ordering Provision No. 2.c.
- e. The certifications required by these Ordering Provisions shall be accompanied by detailed supporting documentation, including photographs, receipts, and/or other records, shall be notarized by a State of Texas Notary Public, and shall include the following certification language:

"I certify under penalty of law that I have personally examined and am familiar with the information submitted and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations."

Respondent shall submit the written certifications and supporting documentation necessary to demonstrate compliance with these Ordering Provisions to:

Order Compliance Team
Texas Commission on Environmental Quality
Enforcement Division, MC 149A
P.O. Box 13087
Austin, Texas 78711-3087

and:

Richard Monreal, Water Section Manager
Waco Regional Office
Texas Commission on Environmental Quality
6801 Sanger Avenue, Suite 2500
Waco TX 76710-7826

and:

James Beauchamp, Section Manager
Public Drinking Water Section, MC 155
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

3. All relief not expressly granted in this Agreed Order is denied.
4. The duties and provisions imposed by this Agreed Order shall apply to and be binding upon Respondent. Respondent is ordered to give notice of this Agreed Order to personnel who maintain day-to-day control over the Facility operations referenced in this Agreed Order.
5. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by Respondent shall be made in writing to the Executive Director. Extensions are not effective until Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
6. This Agreed Order, issued by the Commission, shall not be admissible against Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within TCEQ's jurisdiction, or of a rule adopted or an order or permit issued by the TCEQ under such a statute.
7. This Agreed Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Agreed Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Agreed Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms "electronic transmission" "owner" "person" "writing" and "written" shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.
8. Pursuant to 30 TEX. ADMIN. CODE § 70.10(b) and TEX. GOV'T CODE § 2001.142, the effective date of this Agreed Order is the date of hand delivery of this Agreed Order to Respondent, or three days after the date on which the Commission mails a copy of the fully executed Agreed Order to Respondent, whichever is earlier.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

For the Executive Director

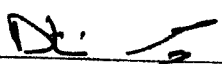
Date

I, the undersigned, have read and understand the attached Agreed Order. I represent that I am authorized to agree to the attached Agreed Order on behalf of HDU Services, L.L.C. d/b/a Birch Creek Village Water, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I also understand that failure to comply with the Ordering Provisions in this order and/or failure to timely pay the penalty amount may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications;
- Referral of this case to the Attorney General's office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

In addition, I understand that any falsification of any compliance documents may result in criminal prosecution.



Signature - Dustin Lozano, Manager
HDU Services, L.L.C.

5.9.14
Date



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

Central Records Personally Identifiable Information Audit

NOTICE OF REDACTION

Documents containing Personally Identifiable Information* have been redacted from electronic posting, in accordance with Texas privacy statutes.

*"Personally Identifiable Information" (PII) is defined to include information that alone or in conjunction with other information identifies an individual, including an individual's: Social security or employer taxpayer identification number, driver's license number, government-issued identification card number, or passport numbers, checking and savings account numbers, credit card numbers, debit card numbers, unique electronic identification number, address, or routing code, electronic mail names or addresses, internet account numbers, or internet identification names, digital signatures, unique biometric data, and mother's maiden name, marriage and any other numbers or information used to access an individual's financial account.

AUSTIN DALLAS
HOUSTON BRENHAM
SAN ANTONIO ROSENBERG
COLLEGE STATION THE WOODLANDS

Texas Board of Professional Engineers Registration No. F-439

June 17, 2010

Mr. Frank Burleson
Section Manager – Waste/Water
Texas Commission on Environmental Quality
Region 9
6801 Sanger Ave., Ste. 2500
Waco, Texas 76710-7826

Re: Birch Creek Village Water System
Burleson County, Texas
Emergency Interconnect
PWS No. 0260042
J&C No. B0069-002-00

Dear Mr. Burleson:

The Birch Creek Village Water System (BCV) consists of approximately 50 connections in Burleson County. H.D.U. Services, LLC has recently taken over operations of BCV. Recently, the pressure tank serving BCV developed a leak, and the well was malfunctioning. Neither was feasible to repair. In order to avoid an extended period without water, an emergency interconnect with Yegua Water System (YWS) (PWS No. 0260039) was constructed. H.D.U. Services, LLC also operates Yegua Water System, and the system was updated in 2009 with a new water plant and public water well. With the plant and well improvements, YWS can deliver water at 0.6 gallons per minute per connection to BCV.

The emergency interconnect consists of a two (2) inch PVC water line connecting the two (2) systems. Obviously, the two (2) inch line is undersized; however, there have been no issues with pressure maintenance at BCV. The ultimate goal is to combine the two (2) systems into one (1) PWS under the YWS name. Jones & Carter, Inc. is currently preparing plans, specifications and administrative documents for combining the two (2) systems for submittal to the TCEQ. Plans are expected to be complete around the end of July, 2010.

If you have any questions or require additional information, please feel free to contact me or Grant L. Lischka, E.I.T. at 979-836-6631.

Respectfully,



William R. Krueger, P.E.
Vice President
Brenham Operations Manager

GLL/ebr

P:\PROJECTS\B0069 HDU\002 Birch Creek\General\Letters\tceq.emergency.ltr.doc
cc/enc:/Mr. Dustin Lozano, President, H.D.U. Services, LLC, 13193 County Road 424, Somerville,
Texas 77879

Ms. Vera Poe, P.E., Team Leader, Utilities Technical Review Team, Water Supply Division
MC 153, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas
78711-3087

Bill of Sale

Date: September 11, 2009

Seller: Curtis J. Shupak d/b/a Shupak Utilities

Seller's Mailing Address: Route 1, Box 221, Somerville, Texas 77879

Buyer: HDU Services, L.L.C., a Texas limited liability company

Buyer's Mailing Address: 13193 CR 424, Somerville, Texas 77879

Consideration: Ten and No/100 Dollars (\$10.00) and other good and valuable consideration, the receipt of which is hereby acknowledged.

Transferred Properties:

All waterlines, meters, related equipment, and all rights in easements and right-of-ways in Birch Creek Village Subdivision in Burleson County, Texas, as described in Exhibit "A" attached herein.

All water accounts and related information for Birch Creek Village Subdivision in Burleson County, Texas.

The right to operate existing Birch Creek Village Water Well until Texas Commission on Environmental Quality releases well from the water system being conveyed herein.

Reservations from Transfer: None

Exceptions to Transfer and Warranty: None

Seller, for the Consideration and subject to the Reservations from Transfer and the Exceptions to Transfer and Warranty, sells, transfers, and delivers the Transferred Properties to Buyer, together with all and singular the rights and appurtenances thereto in any way belonging, to have and to hold it to Buyer and Buyer's heirs, successors, and assigns forever. Seller binds Seller and Seller's heirs and successors to warrant and forever defend all and singular the Transferred Properties to Buyer and Buyer's heirs, successors, and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof when the claim is by, through, or under Seller but not otherwise, except as to the Reservations from Transfer and the Exceptions to Transfer and Warranty.

WITH THE EXCEPTION OF THE WARRANTIES OF TITLE, INCLUDING THE WARRANTY THAT NO LIENS EXIST ON THE TRANSFERRED PROPERTIES EXCEPT AS RECITED, SELLER HAS MADE NO AFFIRMATION OF FACT OR PROMISE RELATING TO THE TRANSFERRED PROPERTIES THAT HAS BECOME ANY BASIS OF THIS BARGAIN, AND FURTHER, SELLER HAS MADE NO AFFIRMATION OF FACT OR PROMISE RELATING TO THE TRANSFERRED PROPERTIES THAT WOULD CONFORM TO ANY SUCH AFFIRMATION OR PROMISE. SELLER DISCLAIMS ANY WARRANTY OF FITNESS FOR ANY PARTICULAR PURPOSE WHATEVER WITH RESPECT TO THE TRANSFERRED PROPERTIES. THE TRANSFERRED PROPERTIES ARE SOLD ON AN "AS IS" BASIS.

When the context requires, singular nouns and pronouns include the plural.

SELLER:

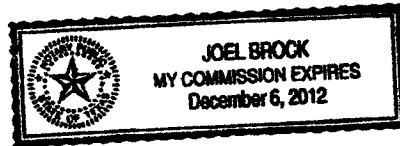
Curtis J. Shupak
Curtis J. Shupak d/b/a Shupak Utilities

The State of Texas §

County of Brewster §

This instrument was acknowledged before me on the 11th day of September, 2009, by Curtis J. Shupak d/b/a Shupak Utilities.

Joel Brock
Notary Public, State of Texas



Prepared in the Law Office of:	After Recording Return to:
West, Webb, Allbritton & Gentry, P.C.	West, Webb, Allbritton & Gentry, P.C.
1515 Emerald Plaza	
College Station, Texas 77845-1515	
(John C. Webb, Jr.)	