

Control Number: 43403



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.

43403

WATERENGINEERS, INC.

WATER & WASTEWATER TREATMENT CONSULTANTS

17230 HUFFMEISTER ROAD, SUITE A~CYPRESS, TEXAS 77429-1643

TEL: 281-373-0500 FAX: 281-373-1113

RECEIVED

2014 OCT -1 PM 3: 19

PUBLIC UTILITY COMMISSION FILING CLERK

August 18, 2014

Ms. Cari-Michel La Caille TCEQ Water Utilities Division Plans Review & Rate Design Team (MC 153) Building F, 3rd Floor 12100 Park 35 Circle Austin, Texas 78753

Re:

August Lakes Water Supply Corporation

Application For a new Water Certificate of Convenience and Necessity (CCN)

August Lakes Subdivision in Waller County

Dear Ms. La Caille:

Please find enclosed an original and three copies of an Application for a new Water Certificate of Convenience and Necessity (CCN) for August Lakes Water Supply Corporation.

We appreciate your earliest review and issuance of a letter indicating administrative completeness. Please feel free to email me at syoung@waterengineers.com or call at 281-373-0500 if you have any questions regarding the information contained in this submittal.

Thank you for your assistance in this review process.

Sincerely,

WATERENGINEERS, INC.

Shelley Young, P.E.

Project Engineer

Encl: Original & 3 Copies of Water CCN Application Package

cc: August Lakes Water Supply Corporation

CO FLI OTE INTE





WATER & WASTEWATER TREATMENT CONSULTANTS17230 HUFFMEISTER ROAD, SUITE A~CYPRESS, TEXAS 77429-1643 TEL. 281-373-0500 FÁX: 281-373-1113

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WATERENGINEERS, INC.

Milly Joung Shelley Young, P.E.

Project Engineer

Encl: Original & 3 Copies of Water CCN Application Package

cc: August Lakes Water Supply Corporation

219 FT 2 20

1 1 m + mag

APPLICATION FOR A NEW WATER CERTIFICATE OF CONVENIENCE AND NECESSITY

FOR

AUGUST LAKES WATER SUPPLY CORPORATION 3310 LAKES OF KATY LANE KATY, TX 77493

PREPARED BY:

WATERENGINEERS, INC.

WATER & WASTEWATER TREATMENT CONSULTANTS 17230 HUFFMEISTER ROAD CYPRESS, TEXAS 77429 TEL: 281-373-0500 FAX: 281-373-1113

AUGUST 2014 3 23 27 0.8 662

APPLICATION FOR A NEW WATER CERTIFICATE OF CONVENIENCE AND NECESSITY

AUGUST LAKES WATER SUPPLY CORPORATION

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Attachment "C"- General Location Map	1
Attachment "D"- Proposed Service Area Map	1
Attachment "D-2"- Proposed Facilities Map	1
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APPLICATION TO OBTAIN OR AMEND A WATER/SEWER CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN)

	*CN# *RN#	
TCEQ	*If known (See Instructions)	
PURPOSE	OF THIS APPLICATION	
	New Water CCN New Sewer CCN	
	Water CCN# (s)	
		<u> </u>
AMEND	Sewer CCN#(s)	
1. APPL	ICANT INFORMATION	
	Utility Name August Lakes Water Supply Corporation	
Utility Address	(City/ST/ZIP/Code) 3310 Lakes of Katy Lane, Katy, TX 77493	******
Utility Pho	one Number and Fax 281-850-3067 no fax number available	<u></u>
accountant m	n. Indicate if this person is the owner, operator, engineer, attorney, anager, or other title related to the applicant. Name Shelley Young, P.E. Title Engineer	
Street Addi	ress (City/ST/ZIP/Code) 17230 Huffmeister Road, Suite A	
	Telephone and Fax 281-373-0500 (phone) 281-373-1113 (fax) E-Mail Address syoung@waterengineers.com	
County (ies) in whi	ich service is proposed: Please list below:	
Waller		

Check the appro applicant:	priate box and provide inform	ation regarding the legal status of the	
Inv	estor owned utility In	dividual Partnership	
Hor	ne or Property Owners Associ	ation For-profit corporation	
		nber-controlled cooperative corporation Supply or Sewer Service Corporation)	
Mur	icipality District O	ther Please Explain:	
	A	* \$	
* * *		*	
, ,	\$\$	* * * * * * * * * * * * * * * * * * * *	i
*	* *		
* *	₩		4
	*	A B	*
<u> </u>		* * * * * * * * * * * * * * * * * * *	1
iniormation: N/A i. ii. iii. iv. v.	Provide a copy of the corpor from the Texas State Comp Provide the corporation's ch the Texas Secretary Of Stat Provide a listing of all stockl ownership. Provide a copy of the compa Provide a list of all directors	arter number as recorded with the Offi e	ce of es of
		er supply or sewer service corporation	:
i. ii. III.	the Texas Secretary of State	s of Incorporation and By-Laws. arter number as recorded with the Office.	
111.	number.	ng name, address, title, and telephone	
iv.	Provide a copy of the corporathe Texas Comptroller of Pub	ation's Certificate of Account Status fro blic Accounts.	m

See Attachment A

2.	LO	CATI	ON INFORMATION
	Α.		there people already living in the proposed area? Yes V No
		It AF	ES, are any currently receiving utility service? Yes No If YES, from Whom:
			3
			A separate distance of the separate of the sep
		<u> </u>	
	_	Dem	nonstrate the Need for Service by providing the following:
	В.	паче	Yes No If YES, provide the following: See Attachment B
		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.
		•••	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
		iv.	wells, etc.); <u>and/or</u> Provide copies of any written applications or requests for service in the
		٧.	requested area; <u>and/or</u>
		••	Provide copies of any reports and/or market studies demonstrating existing or anticipated growth in the requested area. If no, please
		vi.	If none of these items exist or are available, please justify the need for
			service in the proposed area in writing.
Note : may r	: Failui esult i	re to den	emonstrate a need for additional service in the proposed service area delay and /or possible denial of the application.
	C.	Is any distric	y portion of the proposed service area inside an incorporated city or
			I CS V INO
	1	F YES,	within the corporate limits of:
_		distric	de a copy of any franchise, permit, or consent granted by the city or ct. If not available please explain:
Ţ.			a noc dyanasic picase explain.
L.			

D.	Is any portion of the proposed service area inside another utility's CCN are Yes ✓ No	ea?
	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.	/
***		Y.

3. MAP REQUIREMENTS:

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

- A. A general location map delineating the proposed service area with enough detail to accurately locate the proposed area within the county.

 See Attachment C
- B. A map showing only the proposed area by: See Attachment D
 - 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. See Attachment ${\bf E}$
- D. Provide separate and additional maps of the proposed area(s) to show the following: See Attachment D-2
 - all facilities, illustrating separately facilities for production, transmission, and distribution of the applicant's service(s); and
 - 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.

NEW SYSTEM INFORMATION OR UTILITIES REQUESTING A **CCN FOR THE FIRST TIME**

- Α. Please provide the following information:
 - a list of public drinking water supply system(s) or sewer system(s) i. within a 2 mile radius of the proposed system; See Attachment F
 - copies of written requests seeking to obtain service from each of the ii. 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; See Attachment F
 - copies of written responses from each system or evidence that they iii. did not reply; and
 - for sewer utilities, documentation showing that you have obtained or iv. applied for a wastewater discharge permit.
- В. Were your requests for service denied?

Approved by: Not yet submitted

- If yes, please provide documentation of the denial of service and go to 4.C. See Attachment F
- If no, please provide a detailed analysis which justifies your reasons ii. 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:
TOI DI	er Plant and Distribution System: The water system will include two 5" wells capable oducing 65 gpm each, a 2,957 gallon hydropneumatic tank, 3 - 170 gpm booster os, and 83,000 gallon ground storage tank and 4" looped distribution system.
D.	Date of plat approval, if required:

E. Date Plans & Specifications submitted for approval: 07/02/2014

F. Date construction is scheduled to commence: 03/01/2015

G. Date service is scheduled to commence: 09/01/2015

Log # P-07022014-011 Attach copy of approval letter if available.

TCEQ-10362 (REV 7/2012)

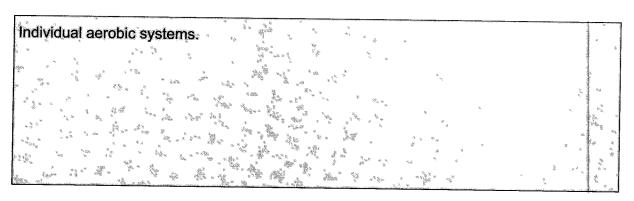
5. **EXISTING SYSTEM INFORMATION** N/A

۱. ittac	Please provide the following information for each water and/or sewer system,	,
	additional sheets if necessary.	
	i. Water system's TCEQ Public Water System identification number	(~).
	The state of the s	(S):
		- T
	ii. Sewer system's TCEQ Discharge Permit number(s)	L
	w Q - ; w Q	
	w Q	
	W Q	L
	w Q	T
	utility to correct the listed deficiencies, including the proposed completion dates.	
	Provide the following information about the utility's certified operators	
	Name Classes License Number	
	Flowatch, Inc Gilberto Amezaga C WG0013674	
		-
-		
}		
Ī		-
) 1	- Attach additional sheet(s) if necessary – 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 N/A	y?
į	Attach an explanation listing the actions to be taken to make system improvement including proposed completion dates (See 291.93(3)(A) of TCEQ Rules).	ents
	362 (REV 7/2012)	
	Page 13 of 31	

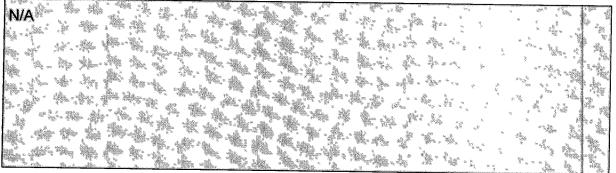
D. In the table below, the number of existing and/or proposed metered and non-metered connections (by size). The proposed number should reflect the information presented in the business plan or financial documentation and reflect the number of service requests identified in Question 2.b in the application.

Water System			Sew	er Systen	n
Connection	Existing	Proposed	Connection	Existing	Proposed
5/8" or 3/4" meter		58	Residential		N/A
1" meter or larger		*	Commercial		
Non-Metered	× .		Industrial		
Other:			Other:	<u> </u>	**************************************
Total Water		. 58	Total Sewer		N/A

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. See Attachment G
 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.

,,,	from another source? i No, (skip the rest of this questi		apacity
	Purchased on a Regular Seasonal	Emergency basis?	
	Source	% of Total Treatment	
	iii Sewer treatment capacity, iv Yes		ook
	Purchased on a Regular Seasonal	Emergency basis?	
	Source	% of Total Treatment	
			<u> </u>
			1 .
	vi Provide a signed and dated copy of	of the most current water or	
	Describe the ability of the applicant to promeeting the standards of the commission into consideration: i. the current and projected density, ii. the land use of the requested area.	n, taking both of the following and	g items
J.	wEffect on the Land. Explain the effect on the land to be included in	the certificated area.	
	There will be no known adverse affect on the land.		

6. FINANCIAL INFORMATION

- A. For new systems and for applicants with existing CCNs who are constructing a new stand alone system:
 - 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. See Attachment I Source of Capital will be cash Attach projected profit and loss statements, cash flow worksheets, and
 - 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. See Attachment J
- B. For existing systems:
 - 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.

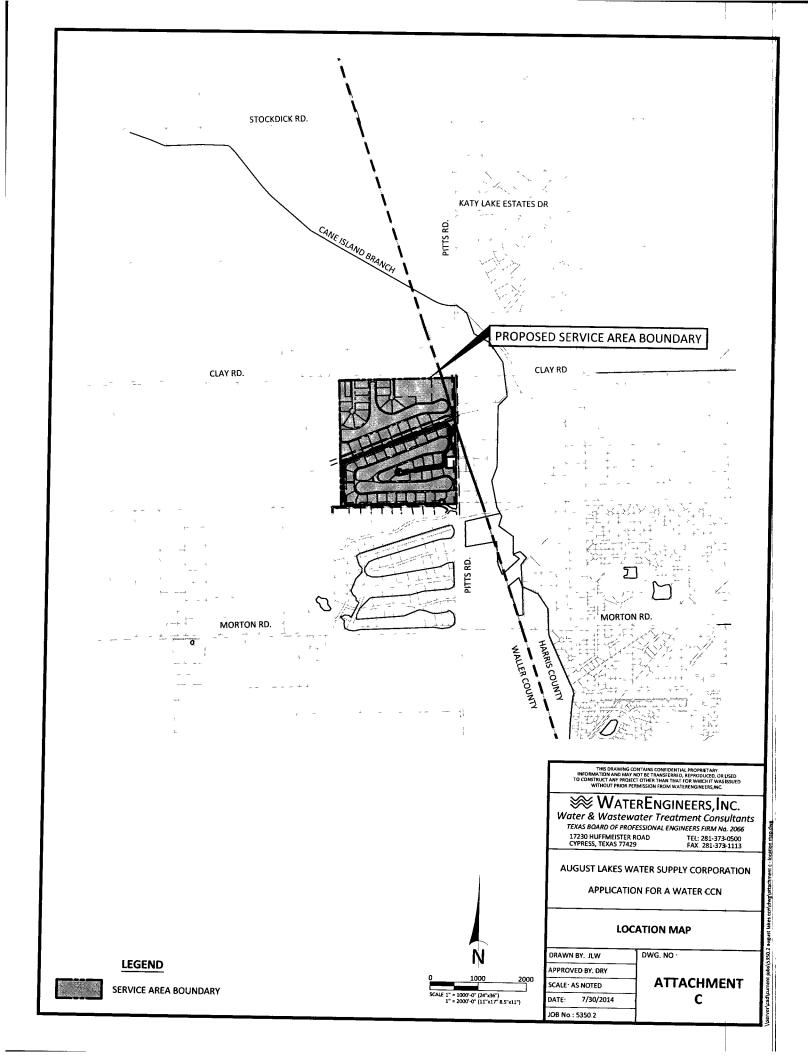
7. NOTICE REQUIREMENTS

- 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. <u>It is the applicant's responsibility to ensure that proper notice is given to all entities that are required to receive notice.</u>
- 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: See Attachment J
 - 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 N/A
 - 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.

ATTACHMENT "C" GENERAL LOCATION MAP

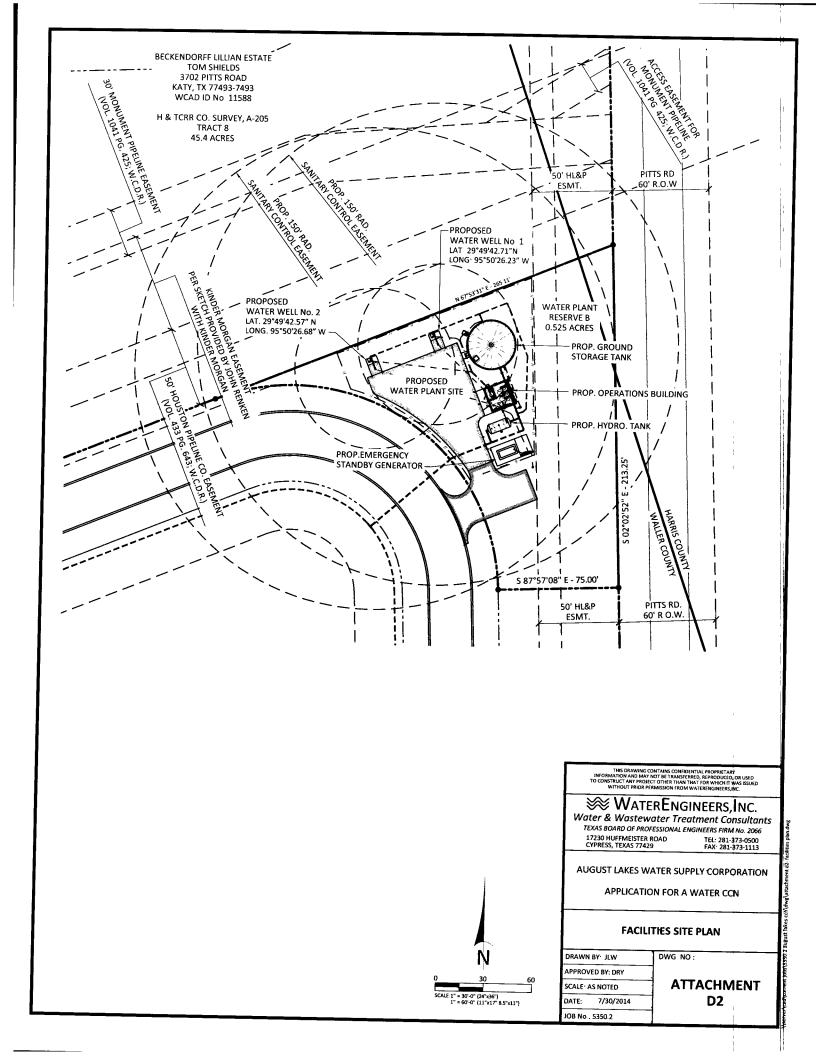


ATTACHMENT "D" PROPOSED SERVICE AREA MAP

NON – SCANABLE
PAGE
ONE MAP IN FILE

FOR ANY QUESTIONS
PLEASE CALL CENTRAL RECORDS
MAIN LINE (512) 936-7180

ATTACHMENT "D-2" PROPOSED FACILITIES MAP



ATTACHMENT "E" WRITTEN DESCRIPTION OF SERVICE AREA

ATTACHMENT E

WRITTEN DESCRIPTION OF SERVICE AREA

The proposed utility service area is located approximately 3 miles northwest of downtown Katy, Texas and is generally bounded on the north by Clay Road, on the east by Pitts Road, on the south by a line approximately 2,650 feet south of and parallel to Clay Road and on the west by a line one mile west of and parallel to Pitts Road.

ATTACHMENT "F"

NEIGHBORING PUBLIC UTILITIES WITHIN 2 MILES AND SERVICE REQUEST LETTERS

ATTACHMENT F

NEIGHBORING UTILITIES WITHIN TWO MILES AND SERVICE REQUEST LETTERS

Harris Waller Counties MUD 2 c/o Schwartz, Page & Harding LLP 1300 Post Oak Blvd., Suite 1400 Houston, TX 77056

Westside Water LLC

CCN No. 12942

1704 Avenue D Katy, TX 77493

City of Katy

CCN No. 11219

P.O. Box 617 Katy, TX 77449



WATER & WASTEWATER TREATMENT CONSULTANTS 17230 HUFFMEISTER ROAD, SUITE A~CYPRESS, TEXAS 77429-1643 TEL: 281-373-0500 FAX: 281-373-1113

July 2, 2014

Harris-Waller Counties MUD 2 c/o Schwartz, Page & Harding LLP 1300 Post Oak Blvd., Suite 1400 Houston, TX 77056

Dear Sir/Ms.:

We are in the process of obtaining approval from the TCEQ for a proposed community public water system and submitting an application for a new Water Certificate of Convenience and Necessity (CCN) for August Lakes Water Supply Corporation. The proposed new water system will serve the proposed August Lakes Subdivision in Waller County, Texas, as shown on the attached map.

TCEQ rules require that we contact all existing CCN holders and Utility Districts within a two mile radius to determine if an existing utility is willing to provide retail water service to the proposed facility in a manner that is competitive with what can be provided by the new system.

In accordance with TCEQ requirements, we are hereby requesting retail water service from your utility. If your utility is willing to provide water service to the proposed 58 lot subdivision, please return a copy of this letter indicating your proposal, provide an estimate of capital costs as well as a copy of your Rate Order, a service request form, and specific requirements affecting scheduling and costs.

You may fax your response to 281-373-1113 or email it to syoung@waterengineers.com. Please feel free to call me at 281-373-0500 if you have any questions. Thank you for your assistance.

Sincerely, WATERENGINEERS, INC.	* HWCMUD No. 2 OBTAINS IT'S WATER & WASTEWATER
Shelley Young, P.E. cc: August Lakes WSC	CAPACITY FROM THE CITY OF KATY.
Date of Reply: 7 7 2014 Name of Utility: HWCMUD No. 2	REPLY Signature:
Will you provide retail water service? (Yes/No) No * SEE ARDONE If Yes, please provide a copy of your Rate Order Terms: NA	Address: 10777 WESTHEIMER, SUITE 400 HOUSTON, TX 77042
	Telephone: 281.558.8700 Email: jsafe @ browngay.com



WATER & WASTEWATER TREATMENT CONSULTANTS

17230 HUFFMEISTER ROAD, SUITE A~CYPRESS, TEXAS 77429-1643 Tel: 281-373-0500 Fax: 281-373-1113

July 2, 2014

City of Katy CCN 11219 P.O. Box 617 Katy, TX 77449

Dear Sir/Ms.:

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You may fax your response to 281-373-1113 or email it to syoung@waterengineers.com. Please feel free to call me at 281-373-0500 if you have any questions. Thank you for your assistance.

Sincerely,
WATERENGINEERS, INC.
Shelley Young, P.E.

cc: August Lakes WSC

REPI	LY
Date of Reply:	Signature:
37	
	CEIVED
Will you provide retail water service?	SECEL.
(Yes/No)	
Will you provide retail water service? (Yes/No) NO REPLY I If Yes, please provide a cop Terms:	
Terms:	
	Telephone:
	Email:

ATTACHMENT "G"

EFFECT OF GRANTING A CERTIFICATE

ATTACHMENT G

EFFECT OF GRANTING A CERTIFICATE

The effect of granting a new certificate to August Lakes Water Supply Corporation would be to allow the development of a residential area in southeast Waller County. There are no other retail utilities in the proximate area that can supply water to the proposed development.

ATTACHMENT "H" ABILITY TO PROVIDE ADEQUATE SERVICE

ATTACHMENT H

ABILITY TO PROVIDE SERVICE

Although August Lakes Water Supply Corporation is new to the water supply business, it is the intent of the Board of Directors to hire experienced operations and management companies to assist them in operating and maintaining the system according to Texas Commission on Environmental Quality rules and standards.

ATTACHMENT "I" PRO FORMA



INVESTMENT SFRVICES GROUP PO BOX 15203 ALBANY, NY 12212 5203

TO WAR TO AND THE THE TEST A TEST

The information contained in this correspondence cannot be used, and it is not intended by Ayco to be used, for the purpose of avoiding any penalty that the Internal Revenue Service might assess upon challenging any tax treatment discussed in this correspondence and attachments, if any.

August 12, 2014

Mr. William B. Berry P.O. Box L Katy, TX 77492

Re:

B4 DIV HOLDINGS LLC - BRKG (XXX-XXX36-9) & BERRY TEN COM - COP/PSX/SEC16 (XXX-XXX50-9)

To whom it may concern:

We are providing this letter to you at the request of our client, William B. Berry, to confirm certain information regarding assets and/or funds held in the above-referenced account (the "Account") maintained with Goldman, Sachs & Co.

As of the close of business on August 11, 2014, the approximate market value of the Account was in excess of \$700,000.

This letter is provided for your information only and should be handled in a confidential manner. The content of this letter is based on information we believe to be reliable, but we do not represent that such information is accurate or complete, and it should not be relied on as such. Market values are current as of the date set forth above and are subject to change for various reasons, including market fluctuation, client trading and withdrawals.

Please contact us if we can be of further assistance.

Very truly yours,

Timothy Smith

Vice President, Private Wealth Management

OATH

STATE OF	TEXAS	
COUNTY OF	WALLER	**************************************
I,	Todd Fogelsong	hair a dulu
file this appli		,being duly sworn,
• •		(indicate relationship to Applicant, itle as officer of corporation, or other authorized
representativ	e of Applicant): that in suc	h capacity, I am qualified and authorized to file
and verify su	ch application, am personal	ly familiar with the maps and financial information
filed with this	application, and have com	plied with all the requirements contained in this
application; a	ing, that all such statement	S Made and matters set forth therein are true and
correct. Trur	ther state that the applicati	On is made in good faith and that this application
does not dup	licate any filing presently be	efore the Texas Commission on Environmental
Quality.		
I further repr	esent that the application fo	orm has not been changed, altered or amended
from its origin	nal form available only from	the Commission.
I further rep	resent that the Annlican	t will provide continuous and adequate
service to ai	i customers and qualified	applicants for service within its certificated
service area	•	
		AFFIANT
		(Utility's Aythorized Representative)
If the Aftinut	an Aleks Co	
In the Amant t	to attornous a present of	ther than the sole owner, partner, officer of the
Applicant, of 1	is attorney, a properly verif	ied Power of Attorney must be enclosed.
SUBSCRIBED	AND SWORN TO BEFORE M	E, a Notary Public in and for the State of Texas,
This day 👱	12th of	August 20 14
OF 4.		Shellen Jours
SEAL		NOTARY PUBLIC IN AND FOR THE
Miller		STATE OF TEXAS
	SHELLEY YOUNG Notary Public, State of Texas	
	My Commission Expires March 19, 2015	Sheller Vorme
		PRINT OR TYPE NAME OF MOTARY

MY COMMISSION EXPIRES Warch 19, 2014

Notice for Publication

NOTICE OF APPLICATION FOR CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) TO PROVIDE WATER UTILITY SERVICE IN WALLER COUNTY, TEXAS

August Lakes Water Supply Corporation has filed an application for a new water Certificate of Convenience and Necessity with the Texas Commission on Environmental Quality to provide water utility service in Waller County.

The proposed utility service area is located approximately 3 miles northwest of downtown Katy, Texas and is **generally** bounded on the north by Clay Road, on the east by Pitts Road, on the south by a line approximately 2,650 feet south of and parallel to Clay Road and on the west by a line one mile west of and parallel to Pitts Road.

The total area being requested includes approximately 146 acres and 0 current customers.

The proposed amendment affects areas located in the following zip code: 77493

A copy of the proposed service area map is available at WaterEngineers, Inc., 17230 Huffmeister Road, Suite A, Cypress, Texas 77429; telephone number 281-373-0500.

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 thirty (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 UTILITY SERVICE IN WALLER COUNTY, TEXAS

To:

Date Notice Mailed:

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The proposed utility service area is located approximately 3 miles northwest of downtown Katy, Texas and is **generally** bounded on the north by Clay Road, on the east by Pitts Road, on the south by a line approximately 2,650 feet south of and parallel to Clay Road and on the west by a line one mile west of and parallel to Pitts Road.

See enclosed map of the proposed service area.

The total area being requested includes approximately 146 acres and 0 current customers. The proposed amendment affects areas located in the following zip code: 77493

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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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 amendment area, you may request to be excluded from the proposed area (or "opt out") by providing written notice to the Commission within thirty (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.

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

ATTACHMENT "A" CERTIFICATE OF ACCOUNT STATUS ARTICLES OF INCORPORATION AND BY-LAWS

AUGUST LAKES WATER SUPPLY CORPORATION



Franchise Tax Account Status

As of: 07/29/2014 05:22:16 PM

This Page is Not Sufficient for Filings with the Secretary of State

AUGUST LAKES WATER SUPPLY CORPORATION

Texas Taxpayer Number 32054628253

Mailing Address 3310 LAKES OF KATY LN

KATY, TX 77493-2493

Right to Transact ACTIVE

Business in Texas

State of Formation TX

Effective SOS 07/11/2014

Registration Date

Texas SOS File Number 0802028534

Registered Agent Name TODD FOGELSONG

Registered Office Street 3310 LAKES OF KATY LANE

Address KATY, TX 77493

Corporations Section P O Box 13697 Austin, Texas 78711-3637



Office of the Secretary of State

July 17, 2014

Attn: Shelley Young
WaterFingineers, Inc.
17230 Huffmeister Road, Suite A
Cypress, TX 77429 USA

RI: August Lakes Water Supply Corporation

File Number: 802028534

It has been our pleasure to file the articles of incorporation and issue the enclosed certificate of incorporation evidencing the existence of the newly created water supply corporation.

As a water supply corporation, the corporation may be exempted from state franchise taxes under the provisions of Sec. 171.065 of the Texas Tax Code. To claim this exemption, contact the Comptroller by calling (800) 252-1381, by e-mail to tax.help a cpa.state.tx.us or by writing P. O. Box 13528, Austin, TX 78711-3528. Telephone questions regarding other business taxes, including sales taxes, should be directed to (800) 252-5555. Information on exemption from federal taxes is available from the Internal Revenue Service.

Non-profit corporations do not file annual reports with the Secretary of State, but do file a report not more often than once every four years as requested by the Secretary. It is important for the corporation to continuously maintain a registered agent and office in Texas as this is the address to which the Secretary of State will send a request to file a periodic report. Failure to maintain a registered agent or office in Texas, failure to file a change to the agent or office information, or failure to file a report when requested may result in involuntary dissolution of the corporation. Additionally, a non-profit corporation will file documents with the Secretary of State if the corporation needs to amend one of the provisions in its articles of incorporation.

If we can be of further service at any time, please let us know. Sincerely,

Corporations Section Statutory Filings Division (512) 463-5555

Enclosure

TID: 10048

Dial: 7-1-1 for Relay Services Document: 553037640002



Office of the Secretary of State

CERTIFICATE OF INCORPORATION OF

August Lakes Water Supply Corporation File Number: 802028534

The undersigned, as Secretary of State of Texas, hereby certifies that Articles of Incorporation for the above corporation duly signed pursuant to the provisions of Chapter 67 of the Texas Water Code have been received in this office and have been found to conform to law.

ACCORDINGLY, the undersigned, as such Secretary of State, and by virtue of the authority vested in the Secretary by law, hereby issues this Certificate of Incorporation.

Dated: 07/11/2014

Effective: 07/11/2014



NANDITA BERRY

Nandita Berry Secretary of State

CERTIFICATE OF FORMATION OF



AUGUST LAKES WATER SUPPLY CORPORATION

We, the undersigned natural persons of the age of twenty-one (21) years or more, all of whom are citizens of the State of Texas, acting as incorporators of a Corporation, do hereby adopt the following Certificate of Formation for such Corporation:

ARTICLE I.

The name of the Corporation is August Lakes Water Supply Corporation.

ARTICLE II.

The corporation is a non-profit "Water Supply Corporation" organized under Chapter 67 of Texas Water Code, as amended, and as supplemented by the Texas non-profit corporation provisions of Sec. 22.001, et seq., of the Texas Business Organizations Code and is authorized to exercise all the powers and rights incidental in carrying out the purposes for which the Corporation is formed, except such as are inconsistent with the express provisions of these Acts.

ARTICLE III.

The period of its duration is perpetual.

ARTICLE IV.

The Corporation is formed for the purpose of engaging in all business enterprises in which a water supply corporation may engage pursuant to Texas Water Code Chapter 67, as amended from time to time. Corporation may provide a water supply to a governmental entity or volunteer fire department for use in fire suppression.

Any services supplied by the Corporation shall be furnished substantially at cost.

ARTICLE V.

The street address of the initial registered office of the Corporation is 3310 Lakes of Katy Lane, Katy, Waller County, Texas 77493, and the name of its initial registered agent at such address is Todd Fogelsong.

ARTICLE VI

The number of directors constituting the initial Board of Directors of the Corporation is five (5 and the name and address of the persons who are to serve as the initial directors are:

NAME

ADDRESS

Todd Fogelsong	3310 Lakes of Katy Lane, Katy, TX 77493
Gretchen Fogelsong	3310 Lakes of Katy Lane, Katy, TX 77493
Bill Berry	27211 Skiers Crossing, Katy, TX 77493
Shelton Craig	27002 Skiers Crossing, Katy, TX 77493
David Welch	27110 Skiers Crossing, Katy, TX 77493

ARTICLE VII

No director shall be liable to the Corporation or to the Corporation's membership for monetary damages for any act or omission in the director's capacity as a director of the Corporation, except and unless the director shall be found liable for a breach of the director's duty of loyalty to the Corporation or the Corporation's membership; an act or omission not in good faith that constitutes a breach of the director's duty to the Corporation or an act or omission that involves intentional misconduct of a knowing violation of the law on the part of the director; a transaction from which the director receives an improper benefit, whether or not the benefit results from action taken within the scope of the director's office; or an act or omission for which the liability of the director is expressly provided by Texas law.

ARTICLE VIII

The Corporation shall be member-owned and member-controlled. This Article shall not otherwise limit or restrict the Corporation's rights and abilities to use or dispose of its assets in any manner permitted by law. The members shall have the exclusive power to adopt, amend or repeal the Corporation's By-Laws.

A "member" shall be a person who holds a membership in the Corporation and who is a record owner of a fee simple title to property in an area served by the Corporation. Every Member shall pay a "membership fee" to the Corporation that entitles the applicant to one (1) connection to the water or sewer main of the corporation. The amount of the fee shall be defined in the Corporation's By-Laws and payment of the fee provides for issuance of one membership certificate in the name of the applicant, for which certain rights, privileges, and obligations are allowed under said By-Laws. There shall be a single class of membership.

The Corporation shall not provide retail water service to a person who is not a member, except that the Corporation may provide retail water service to a person who is not a member if the person only builds on or develops property to sell to another and the service is provided on an interim basis before the property is sold. Wholesale water service may be provided to another retail public utility if approved by a majority of the members, but that entity must hold a membership in the Corporation and be entitled to all rights, duties and privileges of membership.

ARTICLE IX

The name and street address of each Organizer, each of whom is an individual and a resident of Texas, is:

NAME

ADDRESS

Todd Fogelsong	3310 Lakes of Katy Lane, Katy, TX 77493
Gretchen Fogelsong	3310 Lakes of Katy Lane, Katy, TX 77493
Bill Berry	27211 Skiers Crossing, Katy, TX 77493

Each incorporator shall be a member of the Board of Directors who is to serve as directors until the first annual meeting of the members, or until their successors are elected and qualified.

ARTICLE X.

The Corporation is and shall continue to be a Corporation without capital stock, and membership in the Corporation shall be deemed personal estate and shall be transferable only on the books of the corporation in such manner as the By-Laws may prescribe.

A dividend will not be paid. The Corporation may allocate to a sinking fund an amount of the annual profits as determined necessary by the board for maintenance, operation, debt service, acquisition of future service capacities and replacements. The corporation shall distribute any profits, after the payment of debt service, taxes, expenses and the funding of necessary reserves, in direct proportion to the amount of business the corporation transacts with each member during that year.

Upon discontinuance of the Corporation by dissolution or otherwise, all assets of the Corporation remaining after payment of the lawful indebtedness of the Corporation shall be distributed among the members and former members in direct proportion to the amount of their patronage with the Corporation insofar as practical. Any indebtedness due the Corporation by a member for water service or otherwise shall be deducted from such member's share before final distribution. By application for and acceptance of membership in the Corporation, each member agrees that, upon discontinuance of the Corporation by dissolution or otherwise, all assets of the Corporation transferred to that member shall be in turn immediately transferred by that individual member to an entity that provides a water supply service, that is exempt from income and ad valorem taxation. By application for and acceptance of membership in the Corporation, each member grants the Corporation's Board of Directors that member's irrevocable power of attorney to execute all instruments and documents necessary to effectuate such transfers in order to preserve the Corporation's statutory rights to exemption from income and ad valorem taxation.

IN WITNESS WHEREOF, we. the Corporation's organizers, have hereunto set our hands, this the Zna day of Journey, 2014.

BY-LAWS

OF

AUGUST LAKES WATER SUPPLY CORPORATION

ARTICLE 1 - NAME

The name of the Corporation is August Lakes Water Supply Corporation.

ARTICLE 2 - NONPROFIT CORPORATION

The Corporation is a non-profit, member-owned, member-controlled water supply corporation incorporated under the provisions and definitions of Texas Water Code, Chapter 67 and the Texas Non-Profit Business Corporation Act.

ARTICLE 3 - PURPOSES

The purpose of the Corporation is to furnish a water supply to all areas of its lawfully certificated service area in Texas. It is the purpose of the Corporation to be a "member-owned, member-controlled" water supply corporation, owned by its member-customers and managed by a Board of Directors which shall have the sole original power to establish the rates, terms and conditions under which the Corporation will provide public utility service to a state-certificated service area. The Corporation shall have the further purpose of engaging in all those lawful activities in which a water supply corporation may engage under Texas Water Code Chapter 67. It is the further purpose of the Corporation to be a cooperative public utility association exempt from federal income taxes under Internal Revenue Code, Section 501(c)(12)(A). It is the further purpose of the Corporation to be a Texas Water Code, Chapter 67 water supply corporation exempt from state ad valorem taxes under Texas Tax Code, Section 11.30.

ARTICLE 4 - POWERS

Except as otherwise provided in these by-laws, the Corporation's Articles of Incorporation or the laws of this state, the Corporation shall have all powers invested in a water supply corporation by Texas Water Code, Chapter 67, the Texas Non-Profit Corporation Act and the administrative rules of the Texas Commission on Environmental Quality and its successor agency(ies), not inconsistent with Internal Revenue Code Section 501(c)(12)(A) and related federal regulations, rulings and procedures.

<u>ARTICLE 5 - RESTRICTIONS AND REQUIREMENTS</u>

DIVIDENDS

No dividends shall ever be paid upon the memberships of the Corporation. No income of the Corporation may be distributed to Members, Directors, or Officers in these roles. All profits arising from the operations of the business of the Corporation shall be annually paid out to cities, towns, counties, other political subdivisions, private corporations, individuals and others who have during the past year transacted business with the Corporation, in direct proportion to the amount of business so transacted; provided that no such dividends shall ever be paid while any indebtedness of the Corporation remains unpaid and, provided also, that the Directors of the Corporation may allocate to such sinking fund(s) and reserve accounts such amount of profits as they deem necessary for maintenance, upkeep, operation and replacements.

2. TRANSFER OF ASSETS UPON DISSOLUTION

Upon discontinuance of the Corporation by dissolution or otherwise, all residual assets of the Corporation remaining after payment of the lawful indebtedness of the Corporation or return of excess profits to members shall be distributed among the Members and former Members in direct proportion to the amount of their patronage with the Corporation insofar as practical. Any indebtedness due the Corporation by a Member for water service or otherwise shall be deducted from such Member's share before final distribution. By application for and acceptance of membership in the Corporation, each Member agrees that, upon discontinuance of the Corporation by dissolution or otherwise, all assets of the Corporation transferred to that Member shall be in turn immediately transferred by that individual Member to an entity that provides a water supply service, that is exempt from ad valorem taxation. By application for and acceptance of membership in the Corporation, each Member grants the Corporation's Board of Directors that Member's irrevocable power of attorney to execute all instruments and documents necessary to effectuate such transfers in order to preserve the Corporation's statutory rights to exemption from income and ad valorem taxation.

3. LIMITATION ON ACTIVITIES

The Corporation shall have no power to engage in activities or use its assets in a manner that are not in furtherance of the legitimate business of a water supply service cooperative as recognized by Texas Water Code, Chapter 67 and Internal Revenue Code 501(c)(12)(A).

ARTICLE 6 - OFFICES

REGISTERED OFFICE AND AGENT

The registered office of the Corporation shall be maintained at 3310 Lakes of Katy Lane, Katy, TX 77493. The registered agent is Todd Fogelsong. The registered office or the registered agent, or both, may be changed by resolution of the Board of Directors, upon filing the statement required by law.

2. PRINCIPAL OFFICE

The principal office of the Corporation shall be at 3310 Lakes of Katy Lane, Katy, TX 77493 provided that the Board of Directors shall have the power to change the location of the principal office in its discretion.

OTHER OFFICES

The Corporation may also maintain other offices at such places within the State of Texas as the Board of Directors may from time to time appoint or as the business of the Corporation may require.

ARTICLE 7 - MEMBERS

PLACE OF MEETING

All meetings of Members shall be held either at a suitably sized venue in the vicinity of the utility service area or at such other places within the State of Texas as shall be designated in the notice of the meeting.

2. ANNUAL MEETING

The annual meeting of Members for the election of Directors and for the transaction of all other business which may come before the meeting shall be held on the third Thursday of January of each year (if not a legal holiday and, if a legal holiday, then on the next business day following) at the hour specified in the notice of meeting. In no event, shall the annual meeting be before January 1 or later than April 30 of any year.

The annual meeting of Members may be held for any other purpose in addition to the election of Directors that may be specified in a notice of such meeting.