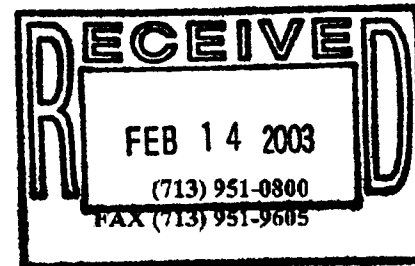


YOUNG & BROOKS
ATTORNEYS AT LAW
1415 LOUISIANA, FIFTH FLOOR
HOUSTON, TEXAS 77002-7349

J. RON YOUNG
MARK W. BROOKS

MARGARET R. MADDOX



FAX TRANSMITTAL

PAGE 1 OF 6 (INCLUDES THIS SHEET)

DATE: February 14, 2003

TO: Greg A. Parker, P.E., Consulting Engineer

COMPANY: PORTER MUD

FAX: 713/939-9907

FROM: YOUNG & BROOKS

RE: Texas Commission on Environmental Quality (TCEQ)
Application to Amend Certificate of Convenience and Necessity (CCN) No. 20573
PORTER MUD

PLEASE CALL Joyce AT 713/951-0800 IF THE COPIES OF THIS TRANSMITTAL ARE NOT LEGIBLE, OR IF YOU HAVE DIFFICULTY WITH THIS TRANSMISSION. WE WILL NOT CONFIRM THIS TRANSMISSION WITH A FOLLOW-UP TELEPHONE CALL. OUR FAX MACHINE IS 713/951-9605.

THE INFORMATION CONTAINED IN THIS FAX MESSAGE IS INTENDED ONLY FOR THE CONFIDENTIAL USE OF THE DESIGNATED RECIPIENTS NAMED ABOVE. THIS MESSAGE MAY BE AN ATTORNEY-CLIENT COMMUNICATION, AND AS SUCH IS PRIVILEGED AND CONFIDENTIAL. IF THE READER OF THIS MESSAGE IS NOT THE INTENDED RECIPIENT OR AN AGENT RESPONSIBLE FOR DELIVERING IT TO THE INTENDED RECIPIENT, ANY REVIEW, DISSEMINATION, DISTRIBUTION, OR COPYING OF THIS MESSAGE IS **STRICTLY PROHIBITED**. IF YOU HAVE RECEIVED THIS COMMUNICATION IN ERROR, PLEASE NOTIFY US IMMEDIATELY BY TELEPHONE AND RETURN THE ORIGINAL TRANSMITTAL TO US BY MAIL. THANK YOU.

99012-20800

Robert J. Huston, *Chairman*
R. B. "Ralph" Marquez, *Commissioner*
Kathleen Hartnett White, *Commissioner*
Margaret Ioffman, *Executive Director*



FAK TO GAFB
Parker

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

February 7, 2003

Margaret Maddox, Attorney at Law
Young & Brooks
1415 Louisiana, Fifth Floor
Houston, Texas 77002

Re: TCEQ Docket No. 2002-0311-UCR; Application of Porter Municipal Utility District to Amend Certificate of Convenience and Necessity ("CCN") No. 20573 in Montgomery County, Texas; Application No. 33613-C

Dear Ms. Maddox:

The mailed notice sent by Porter Municipal Utility District ("Applicant") to Crystal Springs Water Company ("Crystal Springs") on November 19, 2001, notifying that entity of the above-referenced CCN amendment application, contained an incorrect address for Crystal Springs. Crystal Springs has represented to me that it never received mailed notice of this application.

To complete my review, please send a mailed notice of your CCN amendment application to Crystal Springs at its correct address in accordance with 30 Texas Administrative Code ("TAC") § 291.106. Please ensure that the map of the proposed area sent with this mailed notice reflects your current revised proposed service area (and not the service area originally proposed).

30 TAC § 291.106(b)(5) requires that you submit an affidavit to the commission within 30 days of the date of the mailed notice specifying the person to whom notice was provided and the date of that notice. After you have properly mailed notice to Crystal Springs, please file a new "Affidavit of Notice to Neighboring Utilities and Affected Parties" with the commission specifying Crystal Springs as the person who received notice and the date mailed notice was given.

I will continue processing your application as an uncontested application if no hearing on the application is requested within 30 days after the required mailed notice is issued by the Applicant. However, if a hearing is requested by an affected person within 30 days after issuance of the mailed notice, I will refer the application back to the State Office of Administrative Hearings ("SOAH") for a hearing.

Please feel free to contact me at (512) 239-1108 if you have further questions regarding this matter.

Sincerely,

A handwritten signature in cursive script that reads "Mike Howell".

Mike Howell
Utilities & District Section
Water Supply Division

MH/ac

cc: Mailing List

MAILING LIST
Porter Municipal Utility District
TCEQ Docket No. 2002-0311-UCR

Margaret Maddox, Attorney at Law
Young & Brooks
1415 Louisiana, Fifth Floor
Houston, Texas 77002
Tel: (713) 951-0800
Fax: (713) 951-9605
Representing: Porter Municipal Utility District

Wendall C. Braniff
816 Congress Ave., Suite 1100
Austin, Texas 78701
Tel: (512) 480-2216
Fax: (512) 291-1006
Representing: Crystal Springs Water Company

Blas Coy
TCEQ Office of Public Interest Counsel
MC-103, P.O. Box 13087
Austin, Texas 78711-3087
Tel: (512) 239-6363
Fax: (512) 239-6377
Representing the TCEQ Office of Public Interest Counsel

Geoffrey P. Kirshbaum, Staff Attorney
TCEQ Environmental Law Division
M.C. 173, P.O. Box 13087
Austin, Texas 78711-3087
Tel: (512) 239-6257
Fax: (512) 239-0606
Representing the TCEQ Executive Director

Doug Holcomb, Section Manager
Utilities and Districts Section
TCEQ Water Supply Division
MC-153, P.O. Box 13087
Austin, Texas 78711-3087
Tel: (512) 239-6947
Fax: (512) 239-6972

Mike Howell, Staff Engineer
Utilities and Districts Section
TCEQ Water Supply Division
MC-153, P.O. Box 13087
Austin, Texas 78711-3087
Tel: (512) 239-1108
Fax: (512) 239-6972

Notice to Neighboring Systems and Cities

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

To: Crystal Springs Water Company
Attn: Mr. Tom Martin
P.O. Box 603
Porter, Texas 77365

Date Notice Mailed:
March 5, 2003

Porter Municipal Utility District has filed an application to amend CCN No. 20573 with the Texas Commission On Environmental Quality to provide sewer utility service in Montgomery County.

The proposed utility service area is located approximately 7 miles north of downtown Humble, Texas and is generally bounded on the north by White Oak Creek; on the east by White Oak Creek and the Montgomery-Harris County Lines; on the south by North Park Drive; and on the west by the San Jacinto River. The total area being requested includes approximately 19,600 acres and 0 current customers.

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.

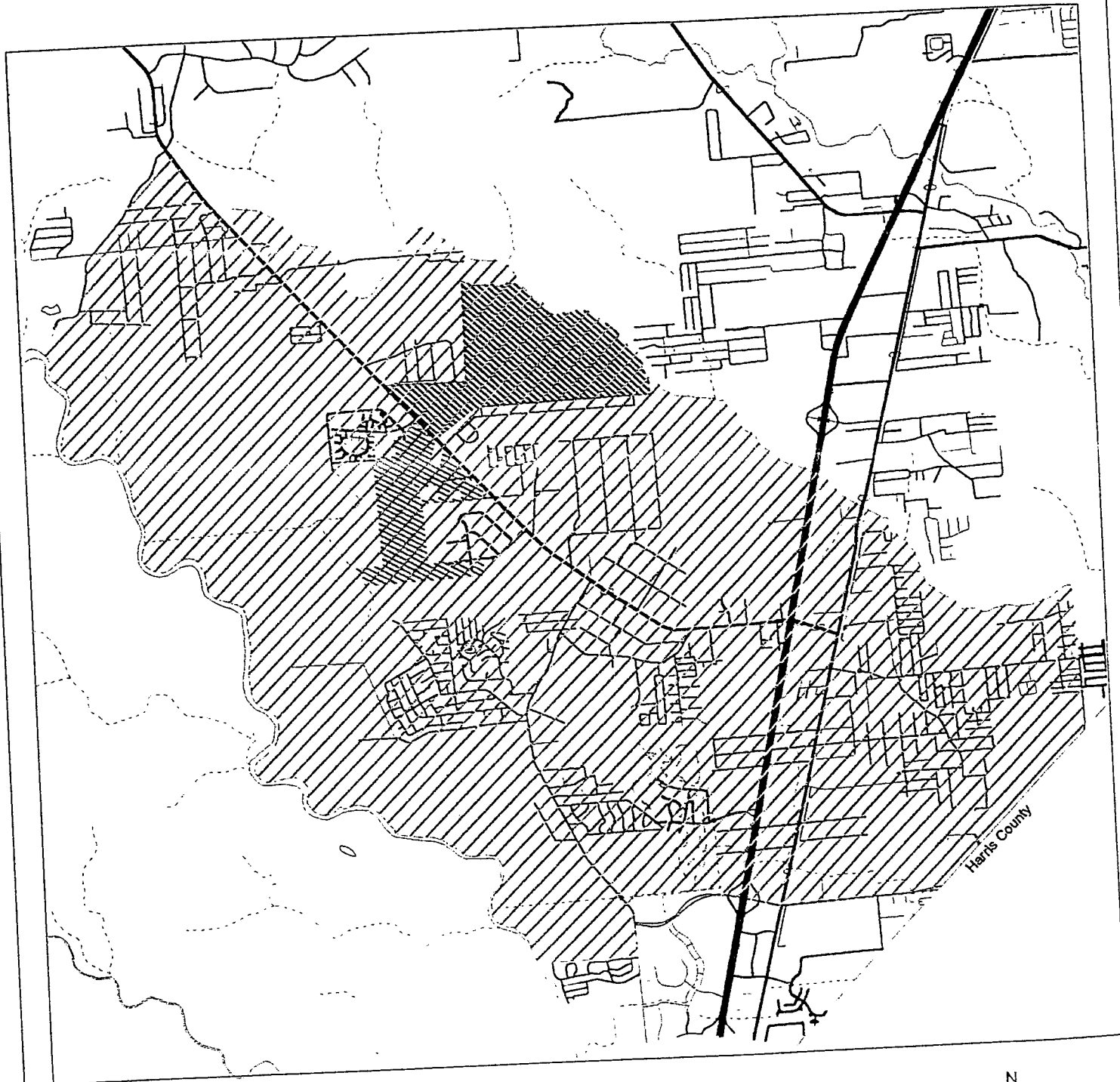
Persons who wish to intervene or comment should write the:

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 hearing is requested, the Executive Director will not issue the CCN and will forward the application to the State Office 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 civil trial in state district court.

Porter MUD to amend Sewer CCN 0573
Administrative Review No. A-170-1
Montgomery County



TNRCC

Porter MUD- Proposed Sewer CCN
Overlapping CCN and District Boundaries
Crystal Springs Water Co Inc- Proposed Sewer CCN
Montgomery Co MUD 56



0.5 0 0.5 Miles



Texas Natural Resource Conservation Commission

APPLICATION NO. _____

AFFIDAVIT OF NOTICE TO NEIGHBORING UTILITIES AND AFFECTED PARTIES STATE OF TEXAS

COUNTY OF _____

_____ has provided individual notice to
the following entities:

DATE

OATH

I, _____, being duly sworn, file this form as
_____ (indicate relationship to applicant, that is, owner,
member of partnership, title of officer of corporation, or other authorized representative of applicant); that
in such capacity, I am qualified and authorized to file and verify such form, am personally familiar with the
notices given with this application, and have complied with all notice requirements in the application and
application acceptance letter; and that all such statements made and matters set forth therein are true and
correct.

Applicant's Authorized Representative

If the applicant 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.

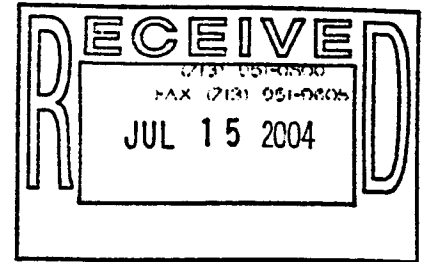
Subscribed and sworn to before me this _____ day of _____, 2000, to certify
which witness my hand and seal of office.

Notary Public in and for the
State of Texas

Print or Type Name of Notary Public
Commission Expires _____

J. RON YOUNG
MARK W. BROOKS
MARGARET R. MADDOX

YOUNG & BROOKS
ATTORNEYS AT LAW
1415 LOUISIANA, FIFTH FLOOR
HOUSTON, TEXAS 77002-7340



July 9, 2004

Cathy Bate
Office Manager
Porter Municipal Utility District
P.O. Box 1030
Porter, Texas 77365

Re: Agreement of Porter MUD not to seek a CCN over Central Tree Development ("Central Tree") and Starwood Development, LLC ("Starwood").

Dear Cathy:

Enclosed please find the following agreements:

- (1) Two original agreements from Central Tree Development, ("Central Tree") dated June 21, 2004 and
- (2) Two original agreements from Starwood Development, LLC ("Starwood") dated June 24, 2004.

Please have both items be placed on the July 20, 2004 Agenda for consideration and action.

Once these items has been given considered for approval, please have an authorized representative from Porter Municipal Utility District (MUD) sign the agreements and promptly return to this office. Such signature will affirm of Porter MUD's agreement to the terms.

Please do not hesitate to call if you any questions. Thank you for your prompt attention.

Sincerely,

Ben Araiza
Legal Assistant to J. Ron Young

Enclosures

9901200803

LLOYD, GOSSELINK, BLEVINS, ROCHELLE,
BALDWIN & TOWNSEND, P. C.
ATTORNEYS AT LAW

111 BOWEN DRIVE
SUITE 1800
AUSTIN, TEXAS 78701

Mr. Rochelle's Direct Line
(512) 322-5810

TELEPHONE (512) 322-5800
TELECOPIER (512) 472-0534
www.lglawfirm.com

mrochelle@lglawfirm.com

June 21, 2004

Mr. Ron Young
Young & Brooks
1415 Louisiana, Fifth Floor
Houston, Texas 77002

VIA FIRST-CLASS MAIL

Re: Consent to refrain from seeking a CCN over Central Tree's property
located in Montgomery County (2042-01)

Dear Ron:

As you are aware, I represent the interests of Central Tree Development ("Central Tree") in the State Office of Administrative Hearings ("SOAH") matter regarding Porter Municipal Utility District's ("Porter MUD") application to expand CCN No. 20573. Central Tree currently owns approximately 1,200 acres of property located north of Rolling Hills Drive and near the northern boundary of Porter MUD's proposed CCN. Pursuant to Greg Parker's testimony given at the jurisdictional hearing on March 25, 2004 and Greg Parker's April 28, 2004 map identifying Porter MUD's revised proposed CCN boundaries, it is my understanding that Porter MUD intends to exclude all of Central Tree's property from its expanded CCN No. 20573.

To the extent that Porter MUD intends to exclude Central Tree's property from its proposed CCN No. 20573, Central Tree is preparing to file a pleading withdrawing as a party to the SOAH proceedings on this matter. However, prior to doing so, Central Tree would like to be assured that, in addition to its intent to exclude Central Tree's property from its current CCN application, Porter MUD also has no intent to seek certification over this property in the future. Thus, this letter should serve as Central Tree's formal request that Porter MUD's Board of Directors take formal action to memorialize its intent to refrain, now and in the future, from seeking a CCN or an expanded CCN over the 1,200 acres owned by Central Tree, unless with Central Tree's consent.

If the Porter MUD Board of Directors takes formal action to refrain from seeking certification over the Central Tree property, without the consent of Central Tree, I ask that an authorized representative of Porter MUD please sign the duplicate original of this letter, provided herein, and return it to me for my records. Such signature will affirm that Porter MUD does not intend, now or in the future, to seek a CCN over any portion of Central Tree's property without Central Tree's consent (to the extent that Central

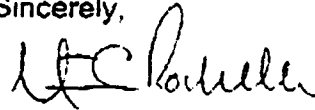
Letter to Mr. Ron Young
June 21, 2004
Page 2

Tree continues to own the property). Additionally, such signature further affirms that the representative has been granted full authority to act on behalf of Porter MUD.

In consideration for Porter MUD's agreement to refrain from seeking a CCN over the Central Tree Property, Central Tree agrees to withdraw its protest to Porter MUD's application and to withdraw as a party to the SOAH hearing on this matter by use of the attached draft pleading. An authorized representative of Central Tree will sign this agreement as affirmation of its intent to abide by the conditions contained herein. Upon formal confirmation from Porter MUD that it has agreed to the terms of this letter, Central Tree will formally execute a motion to withdraw both its protest and its status as a party to the SOAH hearing.

Please do not hesitate to contact me at the number above if you have any questions. Thank you for your prompt attention to this important matter.

Sincerely,



Martin C. Rochelle

MCR\ldp
204201Vb040615mmx
ENCLOSURE

PORTER MUD APPROVAL:

Authorized Representative Signature

Title

Printed Name

Date

Letter to Mr. Ron Young
June 17, 2004
Page 3

CENTRAL TREE APPROVAL:

John W. Dalton
Authorized Representative Signature

Manager
Title

John W. Dalton
Printed Name

6/18/04
Date

cc: Mr. Greg Parker
Mr. John Dalton
Ms. Michelle Maddox Smith

DRAFT
FOR REVIEW ONLY
June 21, 2004
3:28 PM

SOAH DOCKET NO. 582-04-2838
TCEQ DOCKET NO. 2003-1519-UCR

APPLICATION OF CRYSTAL SPRINGS	§	BEFORE THE STATE OFFICE
WATER COMPANY TO AMEND	§	
SEWER CERTIFICATE OF	§	OF
CONVENIENCE AND NECESSITY	§	
NO. 20906 IN MONTGOMERY COUNTY	§	ADMINISTRATIVE HEARINGS
(APPLICATION NO. 34352-C)	§	

SOAH DOCKET NO. 582-03-3043
TCEQ DOCKET NO. 2002-0311-UCR

APPLICATION OF PORTER	§	BEFORE THE STATE OFFICE
MUNICIPAL UTILITY DISTRICT	§	
TO AMEND SEWER CERTIFICATE OF	§	OF
CONVENIENCE AND NECESSITY	§	
NO. 20573 IN MONTGOMERY COUNTY	§	ADMINISTRATIVE HEARINGS
(APPLICATION NO. 33613-C)	§	

MOTION TO WITHDRAW OF CENTRAL TREE DEVELOPMENT

TO THE HONORABLE ADMINISTRATIVE LAW JUDGE:

COMES NOW, Central Tree Development ("Central Tree"), a party in the above-referenced proceeding, and files this Motion to Withdraw pursuant to 30 Tex. Admin. Code § 80.115(b), and for cause would show the following:

I. PROCEDURAL BACKGROUND

Porter Municipal Utility District ("Porter MUD") and Crystal Springs Water Company ("Crystal Springs") each filed applications to amend their sewer certificates of convenience and necessity ("CCN") with the Texas Commission on Environmental

Quality (the "Commission"). Hearing requests were received by the Commission regarding each of these applications and a preliminary hearing was held on June 3, 2003 regarding Porter MUD's application (SOAH Docket No. 582-03-3043). The procedural schedule was abated on September 19, 2003, pending consolidation with the SOAH case regarding the application of Crystal Springs.

At the jurisdictional hearing held March 25, 2004 regarding the applications of both Porter MUD and Crystal Springs, and as memorialized in Order No. 1, issued March 29, 2004, Central Tree was granted party status.

II. REQUEST TO WITHDRAW AS A PARTY

At the jurisdictional hearing held March 25, 2004, and as recorded in the written transcript of that proceeding, Greg Parker, the District Engineer and authorized representative of Porter MUD, testified under oath that property being developed by Central Tree ("Central Tree Tract") would be excluded from, and would no longer be included within, the proposed CCN boundaries of Porter MUD. Mr. Parker stated that "it is [Porter MUD's] intent to exclude the properties identified [as the Central Tree Tract]" from Porter MUD's proposed CCN. See Transcript of Proceedings at 46. See also Exhibit No. Porter-1. Additionally, on April 28, 2004 Mr. Parker sent to the party representatives involved in this matter an updated map identifying Porter MUD's revised proposed CCN boundaries. This map depicted and therefore represented the Central Tree Tract as excluded from Porter MUD's proposed CCN boundaries. Finally, through a letter agreement between Porter MUD and Central Tree dated _____, Porter MUD agreed that it would not be seeking to certificate the Central Tree Tract at any time in the future.

Furthermore, at the jurisdictional hearing held March 25, 2004, and as recorded in the written transcript of that proceeding, Tom Martin, the President and authorized representative of Crystal Springs, testified under oath that the Central Tree Tract would be excluded from, and would no longer be included within, the proposed CCN boundaries of Crystal Spring. Mr. Martin affirmed that it is intention of Crystal Spring's Board of Directors "to exclude all of [the Central Tree Tract] from any proposed CCN boundary that Crystal Springs will seek pursuant to the proceeding." See Transcript of Proceedings at 51. Additionally, on February 18, 2004 Crystal Springs' attorney, Wendall Corrigan Braniff, sent a letter to Central Tree confirming in writing Crystal Springs' agreement to remove the Central Tree Tract from Crystal Springs' proposed CCN area. Likewise, during a pre-hearing telephone conference on May 27, 2004, Ms. Braniff certified on the record that when Crystal Springs submits revised mapping depicting the location of its proposed CCN, that the Central Tree Tract will be excluded from such proposed boundaries. Lastly, by letter agreement between Crystal Springs and Central Tree dated _____, Crystal Springs agreed that it would not be seeking to certificate the Central Tree Tract at any time in the future.

In accordance with the purpose and principal behind the requirements for notice and an opportunity for a hearing, neither Porter MUD nor Crystal Springs should be able to amend their pending CCN applications to include the Central Tree Tract, at least without reissuing notice to Central Tree as an affected party.¹ To this extent, and

¹ 30 Tex. Admin. Code § 291.106 requires notice to be issued for an amendment of a certificate of public convenience and necessity. The issuance of notice to interested persons on an administrative matter and affording such persons an opportunity to be heard are requisites of due process of law. See *State v Crank*, 666 S.W.2d 91, 94 (Tex 1984), *Texas Employment Commission v Cady*, 563 S.W.2d 387, 388 (Tex. Civ. App.—Dallas 1978), and *Thompson v. Texas State Bd. Of Medical Examiners*, 570 S.W.2d 123, 130 (Tex. Civ. App.—Tyler 1978, writ refused n.r.e.).

because both Porter MUD and Crystal Springs have agreed to restrict their proposed CCNs so as to exclude the Central Tree Tract, Central Tree's interest in this contested case hearing has been satisfied. Accordingly, Central Tree withdraws as a party to this proceeding. This withdrawal is based on the sworn testimony of Porter MUD's representative and all supporting documentation provided by Porter MUD indicating that it agreed to limit its CCN application so as to exclude all of the Central Tree Tract from such application. Likewise, this withdrawal is also based on the sworn testimony of Crystal Springs' representative and all supporting documentation provided by Crystal Springs indicating that it agreed to limit its CCN application so as to exclude all of the Central Tree Tract from such application.

PRAYER

WHEREFORE, PREMISES CONSIDERED, Central Tree Development respectfully requests that the Administrative Law Judge grant this motion and any such and further relief as Central Tree may be entitled and as may be appropriate.

Respectfully submitted,

**LLOYD, GOSSELINK, BLEVINS, ROCHELLE,
BALDWIN & TOWNSEND, P.C.**
111 Congress Avenue, Suite 1800
Austin, Texas 78701
(512) 322-5810
(512) 472-0532 (fax)

By: _____

Martin C. Rochelle
State Bar No. 17126500

Michelle Maddox Smith
State Bar No. 24043929

**ATTORNEYS FOR CENTRAL TREE
DEVELOPMENT**

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been delivered via facsimile and/or first class mail, in accordance with 30 Tex. Admin. Code §1.11, on this _____ day of June, 2004, to the following:

The Honorable Sharon Cloninger
Administrative Law Judge
State Office of Administrative Hearings
300 W. 15th Street, Suite 502
Austin, Texas 78701
(512) 475-4994 (fax)

Wendall Braniff
Attorney
Crystal Springs
816 Congress Ave, Suite 1100
Austin, Texas 78701
(512) 291-1006 (fax)

LaDonna Castañuela, Chief Clerk
Office of the Chief Clerk (MC 105)
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087
(512) 239-3311 (fax)

Steven Charnquist
Attorney
Crystal Springs
8980 Lakes at 610 Drive
Houston, Texas 77054
(713) 524-3350 (fax)

Geoffrey P. Kirshbaum
Texas Commission on Environmental Quality
(MC 175)
P.O. Box 13087
Austin, Texas 78711-3087
(512) 239-3434 (fax)

Pat Hubbard
Attorney
New Caney MUD
1306 Kingwood Dr.
Kingwood, Texas 77339
(281) 358-7008 (fax)

Blas Coy
Office of the Public Interest Counsel
Texas Commission on Environmental Quality
(MC 103)
P.O. Box 13087
Austin, TX 78711-3087
(512) 239-6377 (fax)

Skip Newsom
Attorney
Grand Parkway 1207 Partnership
3724 Jefferson St. #210
Austin, Texas 78731
(512) 477-2860 (fax)

Ron Young
Attorney
Porter MUD
1415 Louisiana, 5th Floor
Houston, Texas 77002
(713) 951-9605 (fax)

Arva Howard
Attorney
City of Houston
900 Bagby, 3rd Floor
Houston, Texas 77004
(713) 247-1017 (fax)

Martin C. Rochelle

LLOYD, GOSSELINK, BLEVINS, ROCHELLE,
BALDWIN & TOWNSEND, P. C.
ATTORNEYS AT LAW

RECEIVED JUL 15 2004

111 CONGRESS AVENUE
SUITE 1800
AUSTIN, TEXAS 78701

Mr. Rochelle's Direct Line:
(512) 322-5810

mrochelle@lglawfirm.com

TELEPHONE (512) 322-5800
TELECOPIER (512) 472-0530
www.lglawfirm.com

June 24, 2004

Mr. Ron Young
Young & Brooks
1415 Louisiana, Fifth Floor
Houston, Texas 77002

VIA FIRST-CLASS MAIL

Re: Consent to refrain from seeking a CCN over Sam Yager's property
located in Montgomery County (2039-01)

Dear Ron:

As you are aware, I represent the interests of Starwood Development, LLC ("Starwood") in the State Office of Administrative Hearings ("SOAH") matter regarding Porter Municipal Utility District's ("Porter MUD") application to expand CCN No. 20573. Starwood currently owns a tract of property located south of North Park Drive and near the southern boundary of Porter MUD's proposed CCN. Pursuant to Greg Parker's testimony given at the jurisdictional hearing on March 25, 2004 and Greg Parker's April 28, 2004 map identifying Porter MUD's revised proposed CCN boundaries, it is my understanding that Porter MUD intends to exclude all of Starwood's property south of North Park Drive from its expanded CCN No. 20573.

To the extent that Porter MUD intends to exclude Starwood's property from its proposed CCN No. 20573, Starwood is preparing to file a pleading withdrawing as a party to the SOAH proceedings on this matter. However, prior to doing so, Starwood would like to be assured that, in addition to its intent to exclude Starwood's property from its current CCN application, Porter MUD also has no intent to seek certification over this property in the future. Thus, this letter should serve as Starwood's formal request that Porter MUD's Board of Directors take formal action to memorialize its intent to refrain, now and in the future, from seeking a CCN or an expanded CCN over the property south of North Park Drive owned by Starwood, unless with Starwood's consent.

If the Porter MUD Board of Directors takes formal action to refrain from seeking certification over Starwood's property, without the consent of Starwood, I ask that an authorized representative of Porter MUD please sign the duplicate original of this letter, provided herein, and return it to me for my records. Such signature will affirm that Porter MUD does not intend, now or in the future, to seek a CCN over any portion of

Letter to Mr. Ron Young
June 24, 2004
Page 2

Starwood's property without Starwood's consent (to the extent that Starwood continues to own the property). Additionally, such signature further affirms that the representative has been granted full authority to act on behalf of Porter MUD.

In consideration for Porter MUD's agreement to refrain from seeking a CCN over Starwood's property, Starwood agrees to withdraw its protest to Porter MUD's application and to withdraw as a party to the SOAH hearing on this matter by use of the attached draft pleading. An authorized representative of Starwood will sign this agreement as affirmation of its intent to abide by the conditions contained herein. Upon formal confirmation from Porter MUD that it has agreed to the terms of this letter, Starwood will formally execute a motion to withdraw both its protest and its status as a party to the SOAH hearing.

Please do not hesitate to contact me at the number above if you have any questions. Thank you for your prompt attention to this important matter.

Sincerely,



Martin C. Rochelle

ENCLOSURE

PORTER MUD APPROVAL:

Authorized Representative Signature

Title

Printed Name

Date

Letter to Mr. Ron Young
June 17, 2004
Page 3

STARWOOD DEVELOPMENT APPROVAL:



Authorized Representative Signature

Vice President
Title

Samuel H. Yager, III
Printed Name

June 22, 2004
Date

cc. Mr. Greg Parker
Mr. Gary Hannon
Mr. Sam Yager, III
Ms. Michelle Maddox Smith

DRAFT

**SOAH DOCKET NO. 582-04-2838
TCEQ DOCKET NO. 2003-1519-UCR**

APPLICATION OF CRYSTAL SPRINGS	§	BEFORE THE STATE OFFICE
WATER COMPANY TO AMEND	§	
SEWER CERTIFICATE OF	§	OF
CONVENIENCE AND NECESSITY	§	
NO. 20906 IN MONTGOMERY COUNTY	§	ADMINISTRATIVE HEARINGS
(APPLICATION NO. 34352-C)	§	

**SOAH DOCKET NO. 582-03-3043
TCEQ DOCKET NO. 2002-0311-UCR**

APPLICATION OF PORTER	§	BEFORE THE STATE OFFICE
MUNICIPAL UTILITY DISTRICT	§	
TO AMEND SEWER CERTIFICATE OF	§	OF
CONVENIENCE AND NECESSITY	§	
NO. 20573 IN MONTGOMERY COUNTY	§	ADMINISTRATIVE HEARINGS
(APPLICATION NO. 33613-C)	§	

**MOTION TO WITHDRAW OF SAM H. YAGER, III AND
STARWOOD DEVELOPMENT, LLC**

TO THE HONORABLE ADMINISTRATIVE LAW JUDGE:

COMES NOW, Sam H. Yager, III and Starwood Development, LLC ("Starwood Development"), a party in the above-referenced proceeding, and files this Motion to Withdraw pursuant to 30 Tex. Admin. Code § 80.115(b), and for cause would show the following:

I. PROCEDURAL BACKGROUND

Porter Municipal Utility District ("Porter MUD") and Crystal Springs Water Company ("Crystal Springs") each filed applications to amend their sewer certificates of convenience and necessity ("CCN") with the Texas Commission on Environmental Quality (the "Commission"). Hearing requests were received by the Commission regarding each of these applications and a preliminary hearing was held on June 3,

2003 regarding Porter MUD's application (SOAH Docket No. 582-03-3043). The procedural schedule was abated on September 19, 2003, pending consolidation with the SOAH case regarding the application of Crystal Springs.

At the jurisdictional hearing held March 25, 2004 regarding the applications of both Porter MUD and Crystal Springs, and as memorialized in Order No. 1, issued March 29, 2004, Starwood Development was granted party status.

II. REQUEST TO WITHDRAW AS A PARTY

At the jurisdictional hearing held March 25, 2004, and as recorded in the written transcript of that proceeding, Greg Parker, the District Engineer and authorized representative of Porter MUD, testified under oath that property being developed by Starwood Development south of North Park Drive ("Starwood Development Property") would be excluded from, and would no longer be included within, the proposed CCN boundaries of Porter MUD. Mr. Parker affirmed that "any property [to] the south of North Park Drive is not intended to be certificated to Porter MUD." See Transcript of Proceedings at 47-48. See also Exhibit No. Porter-1. Additionally, on April 28, 2004 Mr. Parker sent to the party representatives involved in this matter an updated map identifying Porter MUD's revised proposed CCN boundaries. This map depicted and therefore represented the Starwood Development Property south of North Park Drive as excluded from Porter MUD's proposed CCN boundaries. Likewise, through a letter agreement between Porter MUD and Starwood Development dated _____, Porter MUD agreed that it would not be seeking certificate the Starwood Development Property at any time in the future. Finally, none of the Starwood Development Property south of North Park Drive is located within the proposed CCN boundaries of Crystal

Springs. See Crystal Springs Water Co., Inc. Application to Amend Sewer CCN No. 20906.

In accordance with the purpose and principal behind the requirements for notice and an opportunity for a hearing, neither Porter MUD nor Crystal Springs should be able to amend their pending CCN applications to include the Starwood Development Property, at least without reissuing notice to Starwood Development as an affected party.¹ To this extent, and because Porter MUD has agreed to restrict its proposed CCN so as to exclude the Starwood Development Property, and because Crystal Springs' application does not include the Starwood Development Property, Starwood Development's interest in this contested case hearing has been satisfied. Accordingly, Starwood Development withdraws as a party to this proceeding. This withdrawal is based on the sworn testimony of Porter MUD's representative and all supporting documentation provided by Porter MUD indicating that it agreed to limit its CCN application so as to exclude all of the Starwood Development Property from such application. Likewise, this withdrawal is also based on the limited scope of Crystal Springs' application, which does not include any portion of the Starwood Development Property.

¹ 30 Tex. Admin. Code § 291.106 requires notice to be issued for an amendment of a certificate of public convenience and necessity. The issuance of notice to interested persons on an administrative matter and affording such persons an opportunity to be heard are requisites of due process of law. See *State v. Crank*, 666 S.W.2d 91, 94 (Tex. 1984), *Texas Employment Commission v. Cady*, 563 S.W.2d 387, 388 (Tex. Civ. App.—Dallas 1978), and *Thompson v. Texas State Bd. Of Medical Examiners*, 570 S.W.2d 123, 130 (Tex. Civ. App.—Tyler 1978, writ refused n.r.e.).

PRAYER

WHEREFORE, PREMISES CONSIDERED, Sam H. Yager, III and Starwood Development, LLC respectfully requests that the Administrative Law Judge grant this motion and any such and further relief as Starwood Development may be entitled and as may be appropriate.

Respectfully submitted,

**LLOYD, GOSSELINK, BLEVINS, ROCHELLE,
BALDWIN & TOWNSEND, P.C.**
111 Congress Avenue, Suite 1800
Austin, Texas 78701
(512) 322-5810
(512) 472-0532 (fax)

By: _____

Martin C. Rochelle
State Bar No. 17126500

Michelle Maddox Smith
State Bar No. 24043929

**ATTORNEYS FOR SAM H. YAGER, III AND
STARWOOD DEVELOPMENT, LLC**

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been delivered via facsimile and/or first class mail, in accordance with 30 Tex. Admin. Code §1.11, on this _____ day of June, 2004, to the following:

The Honorable Sharon Cloninger
Administrative Law Judge
State Office of Administrative Hearings
300 W. 15th Street, Suite 502
Austin, Texas 78701
(512) 475-4994 (fax)

LaDonna Castañuela, Chief Clerk
Office of the Chief Clerk (MC 105)
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087
(512) 239-3311 (fax)

Geoffrey P. Kirshbaum
Texas Commission on Environmental Quality
(MC 175)
P.O. Box 13087
Austin, Texas 78711-3087
(512) 239-3434 (fax)

Blas Coy
Office of the Public Interest Counsel
Texas Commission on Environmental Quality
(MC 103)
P.O. Box 13087
Austin, TX 78711-3087
(512) 239-6377 (fax)

Ron Young
Attorney
Porter MUD
1415 Louisiana, 5th Floor
Houston, Texas 77002
(713) 951-9605 (fax)

Wendall Braniff
Attorney
Crystal Springs
816 Congress Ave, Suite 1100
Austin, Texas 78701
(512) 291-1006 (fax)

Steven Charnquist
Attorney
Crystal Springs
8980 Lakes at 610 Drive
Houston, Texas 77054
(713) 524-3350 (fax)

Pat Hubbard
Attorney
New Caney MUD
1306 Kingwood Dr.
Kingwood, Texas 77339
(281) 358-7008 (fax)

Skip Newsom
Attorney
Grand Parkway 1207 Partnership
3724 Jefferson St. #210
Austin, Texas 78731
(512) 477-2860 (fax)

Arva Howard
Attorney
City of Houston
900 Bagby, 3rd Floor
Houston, Texas 77004
(713) 247-1017 (fax)

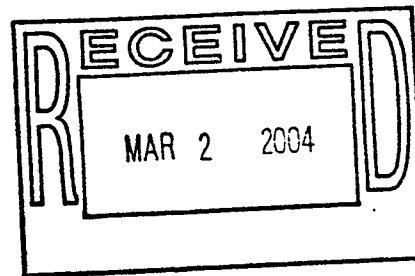
Martin C. Rochelle

J. RON YOUNG
MARK W. BROOKS
MARGARET R. MADDOX

YOUNG & BROOKS
ATTORNEYS AT LAW
1415 LOUISIANA, FIFTH FLOOR
HOUSTON, TEXAS 77002-7349

(713) 951-0800
FAX (713) 951-9605

February 26, 2004



Bill Sparks
25117 Virginia Lane
Porter, Texas 77365

RE: Porter MUD Application to Amend Sewer CCN

Dear Bill:

Enclosed please find a copy of the letter from Martin's attorney which indicated their requirements for them to not protest our CCN application. It was my understanding Greg Parker had already looked at this and the offer was rejected. However, please review this letter and let me know in order I can formally tell Wendall Braniff of our decision on this matter.

Sincerely,

J. Ron Young

JRY/jc
Enclosures

cce: Greg A. Parker, P.E.
Consulting Engineer
P. O. Box 91036-310
Houston, Texas 77291-1036

99012-00803

WENDALL CORRIGAN BRANIFF

Attorney at Law

816 Congress Avenue
Suite 1100
Austin, Texas 78701-2443

Phone: (512) 480-2216
Fax: (512) 291-1006
e-mail: wbraniff@io.com
web: www.wbraniff.com

February 19, 2004

Mr. Ron Young, Attorney at Law
Young & Brooks
1415 Louisiana, Fifth Floor
Houston, Texas 77002

RECEIVED FEB 26 2004

Re: Porter MUD Application to Amend Sewer CCN No. 20573; SOAH Docket No. 582-03-3034; TCEQ Docket No. 2003-0311-UCR

Dear Mr. Young:

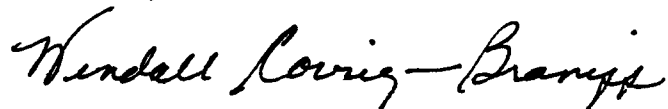
Enclosed herewith is a copy of the letter of compromise that was sent to your associate Margaret Maddox on June 12, 2003. It has come to our attention that this offer may not have been communicated to the board of directors of Porter MUD prior to Ms. Maddox's leaving your firm, and we have not received any response directly addressing this offer.

The "proposed boundary line" marked by my client, Tom Martin, indicating our recommendation for the proposed northern boundary of Porter MUD's sewer CCN amendment application is Slaughters Road.

Again, we make the offer that if Porter MUD will withdraw its application for a sewer CCN for any areas north of this boundary line, then Mr. Martin and the other property owners we represent will withdraw their protest of Porter MUD's application.

Please review the enclosed and present this proposal to Porter MUD's board of directors for consideration. I would appreciate being informed of the date that this proposal will be considered by the Porter MUD board of directors at your earliest convenience. For your convenience, I am sending a copy of this letter to the Porter MUD board members so that if the next meeting happens to be this week, it can be included on the agenda. Please feel free to call me at (512) 480-2216.

Yours truly,



Wendall Corrigan Braniff

Enclosure

cc: Tom Martin
Bill Sparks Wayne Curry
Les Adams Jacques Verron
Ursel Mikel

c:\w\case\crystal\040219 Ron Young.doc

WENDALL CORRIGAN BRANIFF

Attorney at Law

816 Congress Avenue
Suite 1100
Austin, Texas 78701-2443

Phone: (512) 480-2216
Fax: (512) 291-1006
e-mail: wbraniff@io.com
web: www.wbraniff.com

June 12, 2003

Ms. Margaret Maddox, Attorney at Law
Young & Brooks
1415 Louisiana, Fifth Floor
Houston, Texas 77002

Re: Porter MUD Application to Amend Sewer CCN No. 20573; SOAH Docket No. 582-03-3034; TCEQ Docket No. 2003-0311-UCR

Dear Ms. Maddox:

Enclosed herewith is a map which has been marked with a "proposed boundary line" by my client, Tom Martin, indicating our recommendation for the proposed northern boundary of Porter MUD's sewer CCN amendment application.

If Porter MUD will withdraw its application for a sewer CCN for any areas north of this boundary line, then Mr. Martin and the other property owners we represent will withdraw their protest of Porter MUD's application.

Please review the enclosed and present this proposal to Porter MUD's board of directors for consideration. If an agreement can be reached prior to the scheduled mediation hearing on July 7, 2003, we will withdraw our protest and provide notice to Judge Sullivan and the mediation staff of the Texas Commission on Environmental Quality.

I would appreciate being informed of the date that this proposal will be considered by the Porter MUD board of directors at your earliest convenience so that I can plan accordingly. Please feel free to call me at (512) 480-2216.

Yours truly,



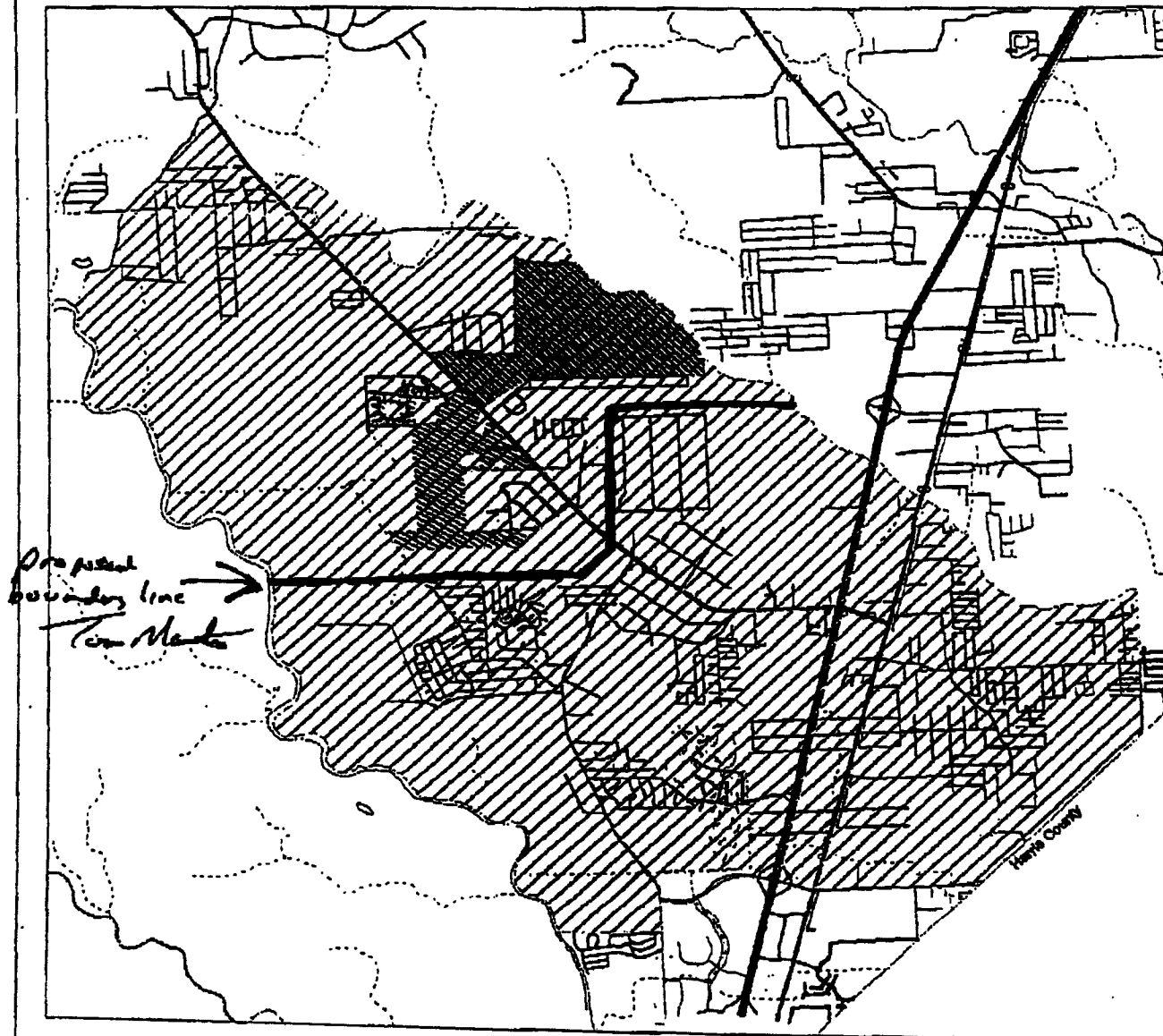
Wendall Corrigan Braniff

Enclosure

cc: Tom Martin

c:\wc\case\crystal\030612 Maddox, Margaret.doc

Porter MUD to amend Sewer CCN 20573
Administrative Review No. A-170-1
Montgomery County



TNRCC

FRIENDSWOOD

DEVELOPMENT COMPANY



December 9, 2003

Mr. Greg A. Parker
District Engineer
Porter Municipal Utility District
P.O. Box 91036-310
Houston, Texas 77297

Re: Request to be placed on the Agenda for the December 16, 2003 Porter Municipal Utility District Board Meeting to obtain a Board Resolution to exclude approximately 80 acres from the Porter Municipal Utility District's CCN boundary.

Dear Mr. Parker:

On behalf of Friendswood Development Company ("Friendswood"), I am writing to request that an item be placed on the December 16, 2003 agenda for the Porter Municipal Utility District ("Porter MUD") Board of Directors meeting. The purpose of this request is to obtain a Porter MUD Board resolution for the exclusion of approximately 80 acres of property from the proposed Porter MUD sewer CCN boundaries. Approximately 15 acres of this property is located east of Montgomery County Municipal Utility District No. 84 ("MUD 84"), while approximately 65 acres are located west of MUD 84. It is my understanding that currently none of this property is located within Porter MUD's sewer CCN or is otherwise served by Porter MUD.

As you may be aware, Friendswood has been developing properties located within MUD 83 and MUD 84, properties which you have indicated will be outside of Porter MUD's CCN boundary. Friendswood currently plans to acquire and annex into MUD 84 the 80 acres of property in question. Eventually, this property will be developed as a single-family residential area. As I am sure you and the Board can appreciate, necessity dictates that Friendswood develop all of its land in a similar manner and thus have consistent water and sewer service providers. Therefore, in order for Friendswood to continue with its plans, this area will need to be removed from Porter MUD's sewer CCN.

Based on the foregoing, I formally requests that the Porter MUD's Board of Directors consider at its December 16, 2003 meeting the exclusion of the above referenced 80 acres from the current boundaries of Porter MUD's sewer CCN. Friendswood has retained attorney Martin Rochelle to represent its interest in this matter. Please feel free to contact me (281-875-1552) or Mr. Rochelle (512-322-5810) if you have any questions concerning this matter.

Sincerely,

Brian Gibson
Project Engineer

ENCLOSURE

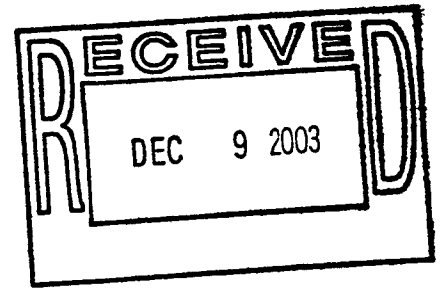
CC: Keith Schoonover (281-872-4207)
Ron Young (713-951-9605)
Martin Rochelle (512-472-0532)
Joseph Schwartz (713-623-6143)

G:\FDC\Kathleen\Brian\B008.doc

550 GREENS PARKWAY, SUITE 100 • HOUSTON, TX 77067-4526
(281) 875-1552 • FAX (281) 872-4207

99012-00803

John W Dalton
9258 Elizabeth
Houston, TX 77055
713-464-6057
Fax # 713-623-9206
Cell- 713-906-2328



TO: Greg Parker
Fax # (713) 939 9907

Pages 3
Including cover

Notes: _____

If you received this fax in error, please call 713-906-2328

99012-00803

December 9, 2003

Greg A. Parker
District Engineer
Porter Municipal Utility District
P.O. Box 91036-310
Houston, Texas 77297

Re: Request to be placed on the Agenda for the December 16, 2003 Porter Municipal Utility District Board Meeting to obtain a Board Resolution to exclude approximately 70 acres from the Porter Municipal Utility District's CCN boundary.


Dear Mr. Parker:

I am writing to request that an item be placed on the December 16, 2003 agenda for the Porter Municipal Utility District ("Porter MUD") Board of Directors meeting. The purpose of this request is to obtain a Porter MUD Board resolution for the exclusion of approximately 70 acres of property owned by Central Tree Development ("Central Tree") from the proposed Porter MUD sewer CCN boundaries. This property is located near the northern boundary of Porter MUD's proposed CCN and is north of Rolling Hills Drive and south of a bend in White Oak Creek. Additionally, this area is part of a larger tract of property that Porter MUD has already agreed to remove from its proposed CCN boundary. It is my understanding that currently, none of this property is located within Porter MUD's sewer CCN.

As you may be aware, Central Tree has been developing the area located near FM 1314, Gene Campbell Road and Rolling Hills Road, most of which you have indicated will be outside of Porter MUD's CCN boundary. East Montgomery County Municipal Utility District No. 3 will serve this area's sewer needs. As I am sure you and the Board can appreciate, necessity dictates that Central Tree develop all of its land in similar manner and thus will need consistent water and sewer service providers. In order for Central Tree to maintain its consistency in development, this area will need to be removed from Porter MUD's sewer CCN.

Thus, based on the foregoing, I formally request that the Porter WSC's Board of Directors consider, on December 16, 2003, the exclusion of the above referenced 70 acres from the current boundaries of Porter WSC's water CCN. I have retained attorney Martin Rochelle to represent my potential interest in this matter. Please feel free to contact me (713-623-9216) or Mr. Rochelle (512-322-5810) if you have any questions concerning this matter. I look forward to attending the Board meeting on December 16, 2003.

Sincerely,

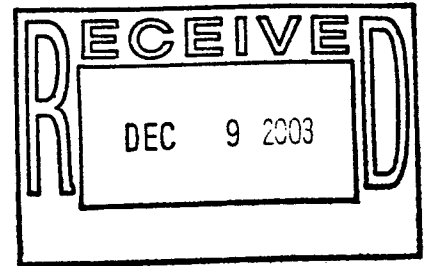


John Dalton

ENCLOSURE

CC: Ron Young (713-951-9605)
Martin Rochelle (512-472-0532)
David Marks (713-942-8411)

John W Dalton
9258 Elizabeth
Houston, TX 77055
713-464-6057
Fax # 713-623-9206
Cell- 713-906-2328

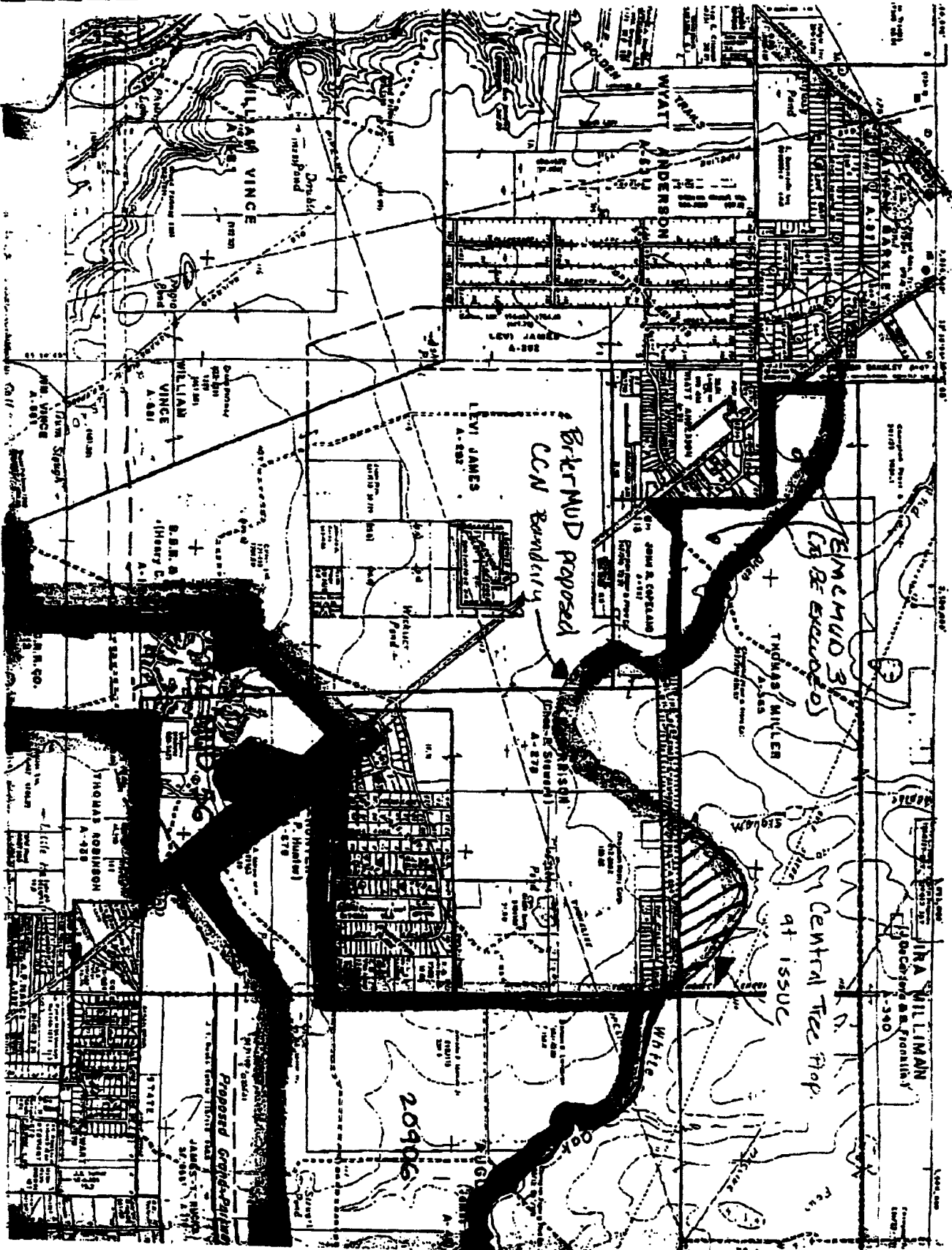


TO: Greg Parker
Fax # (713) 939 9907 Pages 3
Including cover

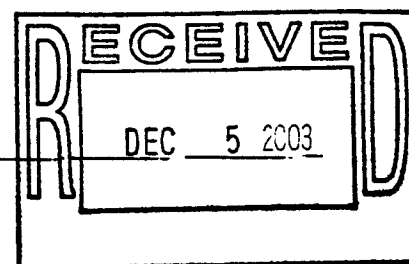
Notes: Greg - I forgot to include
this map along with my letter,
John

If you received this fax in error, please call 713-906-2328

99012-00803



facsimile
TRANSMITTAL



to: Mr. Greg Parker - District Engineer
Porter MUD
fax #: 713/939-9907
date: December 5, 2003
pages: 3, including this cover sheet.

Original to follow via U.S. Mail

From the desk of...

Sherrece Anderson
Administrative Assistant

Arrvest
7676 Woodway, Suite 238
Houston, Texas 77063

713/784-6102 Ext. 20
Fax: 713/784-0137

99012-00803



December 4, 2003

Mr. Greg A. Parker
District Engineer
Porter M.U.D.
P.O. Box 91036-310
Houston, Texas 77297

RE: Request to be placed on the Agenda for the December 16, 2003 Porter M.U.D. Board Meeting to obtain a Porter M.U.D. Board Resolution for Approval of the Exclusion of Approximately 470 Acres from the CCN Application Amendment 33613-C

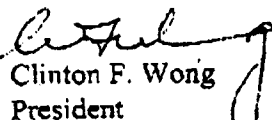
Dear Mr. Parker:

Please accept this letter as my formal request to be placed on the Porter M.U.D. Board agenda for December 16, 2003. The purpose of this request is to obtain a Porter M.U.D. Board resolution for the approval of the exclusion of 470 acres of land (432.2440 acres known as the Cleveland Tracts, James T. Cox, Trustee and 37.876 acres adjoining to the south known as the Wright Family Limited Partnership Tract). The Cleveland Tracts are divided by Sorters Road south of Ravenwood Subdivision and the Wright Family Tract lies on the west side of Sorters Road. (See attached Exhibit "A").

I intend to create a single family residential development and begin construction in the year 2004 with sewer and water services provided by the City of Houston. The City-owned water plant (formerly Kingwood's) abuts the property southeast corner. Sewer services will be gravity fed along Sorters Road to the south into the City of Houston permanent sewer plant. However, at a recent meeting with the City Public Works and Engineering Department, City officials made it clear that sewer and water cannot be provided to property lying within any CCN boundary.

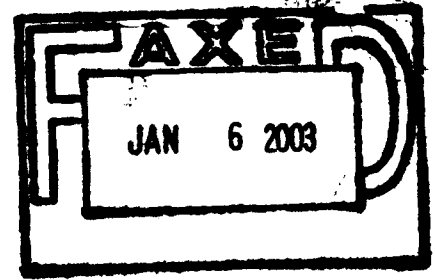
I sincerely hope Porter MUD will consider our request to decertificate the above property from Porter M.U.D. proposed CCN application to the TCEQ so that I can proceed with our development plans.

Sincerely,


Clinton F. Wong
President

CFW:ssa

GREG A. PARKER, P.E.
Consulting Engineer, Inc



TELECOPY TRANSMITTAL

ATTENTION: Margaret
COMPANY: Young & Brooks, LLP
FAX NO.: 713-951-9605
FROM: Greg A. Parker, P.E.
DATE: 12-23-2002 NO. OF PAGES: 4
(Including this cover sheet)

PROJECT DESCRIPTION Porter MUD – CCN Expansion

PROJECT NUMBER 99012-00800

MESSAGE:

Attached is a copy of the Notice sent to Crystal Springs. The address used is that provided by the TCEQ as the official contact address. As we discussed, subsequent to this notification, we were contacted by Mr. Tom Martin and we filed an amendment to our application excluding property within a pending sewer CCN application he had on file with the TCEQ.

Please call with any questions.

NOTE: IF YOU DO NOT RECEIVE ALL OF THE PAGES, OR IF ANY PAGES ARE NOT LEGIBLE PLEASE CALL SENDER AT (713) 939-9916. REPLY BY FAX TO (713) 939-9907.

Notice to Neighboring Systems and Cities

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

To: Crystal Springs Water Company
Attn: Mr. Tom Martin
P.O. Box 603
Houston, Texas 77036

Date Notice Mailed:
November 19, 2001

Porter Municipal Utility District has filed an application to amend CCN No. 20573 with the Texas Natural Resource Conservation Commission to provide sewer utility service in Montgomery County.

The proposed utility service area is located approximately 7 miles north of downtown Humble, Texas and is generally bounded on the north by White Oak Creek; on the east by White Oak Creek and the Montgomery-Harris County Lines; on the south by North Park Drive; and on the west by the San Jacinto River. The total area being requested includes approximately 19,600 acres and 0 current customers.

The Executive Director will issue this CCN unless one or more persons file written protests and/or a request for a hearing within 30 days after this notice is provided. To request a hearing 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 request a hearing or comment should write the:

Texas Natural Resource Conservation Commission
Water Permits and Resource Management 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. No public hearing will be held unless a request for a hearing is received. Only those individuals who submit a written request to be notified of a hearing schedule will receive notice if a hearing is scheduled.

If one or more requests for a hearing are filed, the Executive Director will not issue the CCN and will forward the application to the State Office Administrative Hearings (SOAH) where a hearing may be held. In the event an evidentiary hearing is held, the SOAH will submit a recommendation to the Commission for final decision. If a hearing is held it will be a legal proceeding similar to civil trials in State District Court.

4/5/01

NEW CANEY

PORTER

Lakewood Colony

Freeway Oaks Estates

CH Rouse Estates

Timber Lake Acres

River Club

River Ridge

Creek Monton

proposed community project

3000'

Hwy 59

Hwy 494

San Jacinto River

Porter Heights

Porter

Freeway Oaks Estates

CH Rouse Estates

Timber Lake Acres

River Club

River Ridge

Creek Monton

4/5/01

Porter MUD to amend Sewer CCN 20573
Administrative Review No. A-170-1
Montgomery County



TNRCC

--- Porter MUD- Proposed Sewer CCN
Overlapping CCN and District Boundaries
--- Crystal Springs Water Co Inc- Proposed Sewer CCN
... Montgomery Co MUD 56



0.5 0 0.5 Miles

Crystal Springs Water Co., Inc.

P.O. BOX 603 PORTER, TEXAS 77365 281-354-5136

RECEIVED

DEC 24 2002

December 10, 2002

Texas Commission on Environmental Quality
Karen Blascke

✓ Lisa Meja
Victoria Harkins
Utilities & Districts Section
Water Supply division

RE Protest/Legal Action against Porter MUD
Application 33613-C
Expansion of Boundaries

To All Concerned,

I was just made aware of this pending application by Porter M.U.D. to annex thousands of acres into its existing Sewer CCN area. Porter MUD shows it notified us on November 19, 2001

Crystal Springs Water Co., Inc. was never notified of this ridiculous request. Crystal Springs Water Co., Inc.'s Sewer division has an existing CCN right in the middle of this area, CCN 20906, that was requested in 2000, approved in March 2002 and is currently operating with an approved discharge permit capable of servicing up to 2000 customers

Crystal Springs Water Co., Inc., its parent corporation, Martin Realty & Land Inc., and developer partners own over 1500 acres in this area. We also are affiliated with landowners that own more than 2000 additional acres in this area. None of us have ever requested services by Porter MUD and were not contacted by them at any time

Crystal Springs Water Co., Inc. has the Sewer CCN, 20906, plus the water CCN for 4 water systems in this Porter MUD requested area. We do not agree to let Porter MUD have a CCN over our areas and will use legal methods to stop it

Please let me know immediately why this application is pending without proper notification to existing utility companies in this area plus why Porter MUD would attempt to monopolize most of Southeast Montgomery County, preventing other utility companies from serving their own customers, land owners, etc

99012-0080

Crystal Springs Water Co Inc.

P.O. BOX 603 PORTER, TEXAS 77365 281-354-5136

Porter MUD does not provide service to hundreds (possible thousands) of acres and customers in its current existing CCN area. Now it wants the right to take over the entire area and charge millions of dollars in taxes, payable by property owners that have

not requested services. Porter Mud states in this request (that I never received) that it had 4 requests representing 144 acres of landowners. That is not a request from hundreds of landowners representing thousands of acres.

Crystal Springs Water Co, Inc demands this request be denied immediately. It is attempting to overlap our existing Sewer CCN 20906 (already approved and in operation) plus thousands more acres that our company and its partners own, control, and plan on expanding into when real adjacent property owners request service.

I am notifying my lawyers in Conroe and Austin to prepare for legal action seeking millions of dollars in damages if Porter MUD is granted this request. Many of my utility company owner associates and landowners are now aware of this subterfuge attempt by Porter MUD and will join me in our efforts to stop this action.

Again, no proper notification was sent to us even though we are listed in a sworn affidavit by the president of Porter MUD. We have not received any notification from your agency that this was going on and only found out about it through our engineers when we were protesting Porter Water Supply Corp. recent attempt to do the same thing. At least, we received copies of Porter Water's application affidavit.

Please contact me immediately. Attached is my CCN #20906, and its mapped area.

Sincerely,

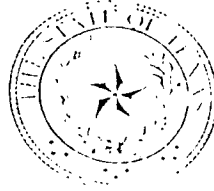


Tom A. Martin

President

Crystal Springs Water Co, Inc

CC Wendall Braniff, attorney, Austin
Mark Zeppa, attorney, Austin
William Fowler, attorney, Conroe
William Dark, White Oak Developers
Bleyl & Associates, Conroe, TX
Porter MUD, Porter, TX
Greg Parker, P.E., Houston, TX



Texas Natural Resource Conservation Commission

By These Presents Be It Known To All That

Crystal Springs Water Company, Inc.

having duly applied for certification to provide sewer utility service for the convenience and necessity of the public, and it having been determined by this commission that the public convenience and necessity would in fact be advanced by the provision of such service by this Applicant, is entitled to and is hereby granted this

Certificate of Convenience and Necessity No. 20906

to provide continuous and adequate sewer utility service to that service area or those service areas in Montgomery County as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Application No. 33293-C are on file at the Commission offices in Austin, Texas; and are matters of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty of Crystal Springs Water Company, Inc. to provide such utility service in accordance with the laws of this State and Rules of this Commission, subject only to any power and responsibility of this Commission to revoke or amend this Certificate in whole or in part upon a subsequent showing that the public convenience and necessity would be better served thereby.

Issued at Austin, Texas, this

MAR 14 2002


For the Commission

TEXAS NATURAL RESOURCE CONSERVATION COMMISSION



COUNTY OF TRAVIS

I hereby certify that this is a true and correct copy of a Texas Natural Resource Conservation Commission document which is filed in the permanent records of the Commission
 given under my hand and the seal of office on

[Signature]
 L. J. [Name], Chief Clerk
 Texas Natural Resource
 Conservation Commission

MAR 20 2002

APPLICATION NO. 33293 C

IN THE MATTER OF THE	§	BEFORE THE
APPLICATION OF CRYSTAL SPRINGS	§	
WATER COMPANY, INC., TO OBTAIN	§	TEXAS NATURAL RESOURCE
CERTIFICATE OF CONVENIENCE	§	
AND NECESSITY (CCN) NO. 20906 IN	§	CONSERVATION COMMISSION
MONTGOMERY COUNTY, TEXAS	§	

On MAR 14 2002, the Executive Director of the Texas Natural Resource Conservation Commission pursuant to Chapters 5 and 13 of the Texas Water Code considered the application of Crystal Springs Water Company, Inc., to obtain Certificate of Convenience and Necessity No. 20906 in Montgomery County, Texas.

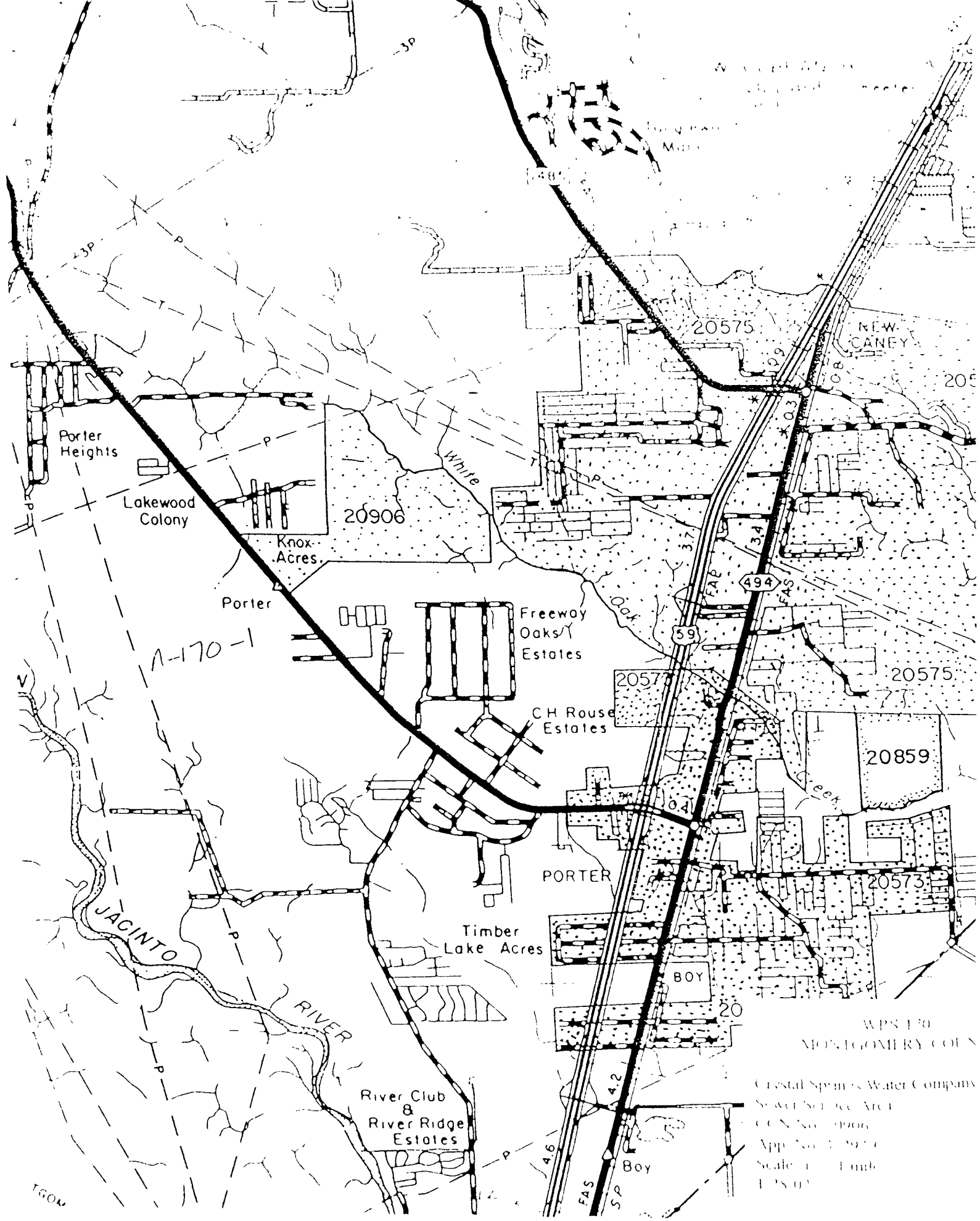
No person has requested a public hearing on the application;

Notice of the application was given to all affected and interested parties;

The criteria set forth in *Texas Water Code* Sections 13.246(c), has been considered; and

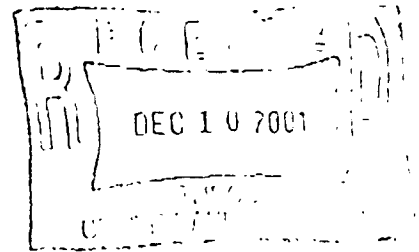
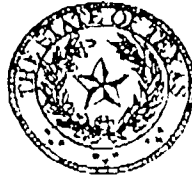
The certificate issuance requested in this application is necessary for the service, accommodation, convenience, and safety of the public.

Now, therefore, be it ordered by the TEXAS NATURAL RESOURCE CONSERVATION COMMISSION that the application is granted and Certificate of Convenience and Necessity No. 20906 be issued in accordance with the terms and conditions set forth herein and in the certificate.



WPS 170
MONTGOMERY CO TEX

Crystal Springs Water Company
Sewer Service Area
CCN No. 19906
App No. 19906
Scale: 1" = 1 mile
1980



Texas Natural Resource Conservation Commission

APPLICATION NO. 33613-C

AFFIDAVIT OF NOTICE TO NEIGHBORING UTILITIES AND AFFECTED PARTIES

STATE OF TEXAS

COUNTY OF MONTGOMERY

PORTER MUNICIPAL UTILITY DISTRICT has provided individual notice to
the following entities:

Lone Star Groundwater Conservation District
City of Houston
Crystal Springs Water Company
Kings Manor MUD
Montgomery County MUD No. 24
Montgomery County MUD No. 56

DATE
November 19, 2001
November 19, 2001
November 19, 2001
November 19, 2001
November 19, 2001
November 19, 2001

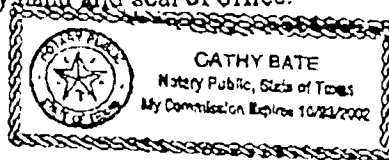
OATH

I, W. M. Sparks, being duly sworn, file this form as
President of the Board of Directors (indicate relationship to applicant, that is, owner,
member of partnership, title of officer of corporation, or other authorized representative of applicant); that
in such capacity, I am qualified and authorized to file and verify such form, am personally familiar with the
notices given with this application, and have complied with all notice requirements in the application and
application acceptance letter, and that all such statements made and matters set forth therein are true and
correct.

W. M. Sparks
Applicant's Authorized Representative

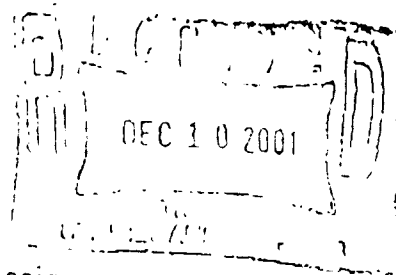
If the applicant to this form is any person other than the sole owner, partner, officer of the applicant, or its
attorney, a properly verified Power of Attorney must be enclosed.

Subscribed and sworn to before me this 4th day of DECEMBER, 2001, to certify
which witness my hand and seal of office.



Cathy Bate
Notary Public in and for the
State of Texas

CATHY BATE
Print or Type Name of Notary Public
Commission Expires 10-23-2002



Texas Natural Resource Conservation Commission

APPLICATION NO. 33613-C

AFFIDAVIT OF NOTICE TO NEIGHBORING UTILITIES AND AFFECTED PARTIES
STATE OF TEXAS

COUNTY OF MONTGOMERY

PORTER MUNICIPAL UTILITY DISTRICT has provided individual notice to the following entities:

New Caney MUD
White Oak Developers, Inc.
City of Conroe

DATE
November 19, 2001
November 19, 2001
November 19, 2001

OATH

I, M. W. Sparks, being duly sworn, file this form as President of the Board of Directors (indicate relationship to applicant, that is, owner, member of partnership, title of officer of corporation, or other authorized representative of applicant); that in such capacity, I am qualified and authorized to file and verify such form, am personally familiar with the notices given with this application, and have complied with all notice requirements in the application and application acceptance letter; and that all such statements made and matters set for therein are true and correct.

M. W. Sparks
Applicant's Authorized Representative

If the applicant 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 this 4th day of DECEMBER, 2001, to certify which witness my hand and seal of office



Cathy Bate
Notary Public in and for the
State of Texas

CATHY BATE
Print or Type Name of Notary Public
Commission Expires 10-23-2002

PORTER MUNICIPAL UTILITY DISTRICT
APPLICATION TO EXPAND BOUNDARIES FOR
CCN 20573
SUPPLEMENTARY INFORMATION
ITEM 2b

Over the last several years, Porter Municipal Utility District (the "District") has received inquiries from various property owners and residents outside its current service area boundaries regarding sanitary sewer services. Some of these requests have been written and others have been verbal.

The District has received four (4) requests for annexation into its boundaries for the purpose of sewer service. These requests total approximately 144 acres and will provide services to approximately 500 single-family equivalent connections.

Additionally, there have been more than 25 verbal inquiries from property owners outside the current service boundaries. Several of these inquiries were made by individuals representing existing subdivisions with more than 100 properties in each.

There are an estimated 2000 properties within the proposed service area with private on-site sewer service systems. Montgomery County no longer permits the installation of conventional septic systems and now requires the installation of aerobic spray irrigation systems. The proposed service area continues to grow but is restricted by the lack of public sewer services. Consequently, the general need for service throughout the proposed service area continues to increase.

The District has procedures to provide services to in-district and out-of-district customers. These procedures have been in effect for many years and are included as part of the District's Rate Order and Rules and Regulations.

To finance improvements to service the additional areas, the District will need to obtain voter authorization to sell general revenue and tax bonds of approximately \$350,000,000. The District is planning to hold town hall type meetings and conduct a bond authorization election early next year pending approval of this CCN expansion.

