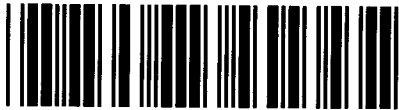


Control Number: 43817



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

43817

**APPLICATION FOR AN AMENDMENT TO SEWER
CERTIFICATE OF CONVENIENCE AND NECESSITY NO. 20782**

FOR

**CRYSTAL SPRINGS WATER CO., INC.
P.O. BOX 603
PORTER, TX 77365**

RECEIVED
2014 NOV 19 AM 10:42
PUBLIC UTILITY REGISTRATION
FILING CLERK

PREPARED BY:

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

NOVEMBER 2014

APPLICATION FOR AN AMENDMENT TO SEWER
CERTIFICATE OF CONVENIENCE AND NECESSITY
NO. 20782

WILLIS WAUKEGAN SUBDIVISION

CRYSTAL SPRINGS WATER CO., INC.

TABLE OF CONTENTS

<u>DESCRIPTION</u>	<u>NUMBER OF PAGES</u>
Application for An Amendment to Sewer CCN No. 20782 (Pages 1 – 16 of 25)	16
Attachment “A”- Certificate of Account Status	1
Attachment “B”- Need For Service	1
Attachment “C”- General Location Map	1
Attachment “D”- Proposed Service Area Map	2
Attachment “E”- Written Description of Service Area	1
Attachment “F”- Neighboring Public Utilities within 2 Miles And Service Request Letters & Map	3
- Neighboring Public Utilities and Affected Parties Within 5 miles	1
Attachment “G”- Proof of TPDES Application	4
Attachment “H”- Other System Most Recent Inspection Reports	4
Attachment “I”- Effect of Granting a Certificate	1
Attachment “J”- Ability to Provide Adequate Service	1
Attachment “K”- Pro Forma and Profit/Loss Statement	16
Attachment “L” –Sewer Tariff	14



PURSUANT TO PUC CHAPTER 24, SUBSTANTIVE RULES APPLICABLE TO WATER AND SEWER SERVICE PROVIDERS, SUBCHAPTER G: CERTIFICATES OF CONVENIENCE AND NECESSITY

Application to Obtain or Amend a Water or Sewer Certificate of Convenience and Necessity (CCN)

Docket Number: _____

(this number will be assigned by the Public Utility Commission after your application is filed)

7 copies of the application, including the original, shall be filed with

Public Utility Commission of Texas
Attention: Filing Clerk
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

If submitting digital map data, two copies of the portable electronic storage medium (such as CD or DVD) are required.

Table of Contents

Purpose of Application	2
1. Applicant Information.....	2
2. Location Information.....	3
3. Map Requirements.....	5
4. New System Information or Utilities Requesting a CCN for the First Time	5
5. Existing System Information	6
6. Financial Information	9
7. Notice Requirements.....	10
OATH.....	12
Notice for Publication.....	13
Notice to Neighboring Systems, Landowners and Cities.....	15
Notice to Customers of IOUs in Proposed Area	17

Historical Balance Sheets	19
Historical Income Statement.....	20
Historical Expenses Statement	21
Projected Balance Sheets	22
Projected Income Statement	23
Projected Expenses Statement.....	24
Projected Sources And Uses Of Cash Statements	25

Application to Obtain or Amend a Water or Sewer Certificate of Convenience and Necessity (CCN)

Purpose of Application

<input type="checkbox"/> Obtain	<input type="checkbox"/> New Water CCN	<input type="checkbox"/> New Sewer CCN
<input type="checkbox"/> Amend	<input type="checkbox"/> Water CCN# (s) _____	
<input checked="" type="checkbox"/> Amend	<input checked="" type="checkbox"/> Sewer CCN#(s) <u>20782</u>	

1. Applicant Information

Applicant

Utility name: Crystal Springs Water Co., Inc.

Certificate number: Sewer CCN 20782

Street address (City/ST/ZIP/Code): 23449 Hwy. 59 North, Porter, TX 77365

Mailing address(City/ST/ZIP/Code): P.O. Box 603, Porter, TX 77365-0603

Utility Phone Number and Fax: (281) 354-5736

Contact information

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

Name: Shelley Young, P.E.

Title: Engineer

Mailing address: 17230 Huffmeister Road, Suite A, Cypress, TX 77429

Email: syoung@waterengineers.com

Phone and Fax: (281) 373-0500

List all counties in which service is proposed:

Montgomery

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

- ☒ Investor Owned Utility ☐ Individual ☐ Partnership
- ☐ Home or Property Owners Association ☒ For-profit Corporation
- ☐ Non-profit, member-owned, member-controlled cooperative corporation
(Water Code Chapter 67, Water Supply or Sewer Service Corporation)
- ☐ Municipality ☐ District ☐ Other - Please explain:

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

- i. A copy of the corporation's "Certification of Account Status" from the Texas State Comptroller of Public Accounts. See Attachment A
- ii. The corporation's charter number as recorded with the Office of the Texas Secretary of State: 17420905428
- iii. A listing of all stockholders and their respective percentages of ownership.
- iv. A copy of the company's organizational chart, if available.
- v. A list of all directors and disclose the title of each individual.
- vi. A list of all affiliated organizations (if any) and explain the affiliate's business relationship with the applicant.

C. If the applicant is a Texas Water Code (TWC) Chapter 67 water supply or sewer service corporation please provide:

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

2. Location Information

- A. Are there people already living in the proposed area? ☐ Yes ☒ No
- If YES, are any currently receiving utility service? ☐ Yes ☐ No
- If YES, from WHOM? _____

B. Demonstrate the Need for Service by providing the following:

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

☒ Yes ☐ No

If YES, provide the following:

- i. Describe the service area and circumstances driving the need for service in the requested area. Indicate the name(s) and address(es) of landowner(s), prospective landowner(s), tenant(s), or resident(s) that have requested service; and/or See Attachment B
- ii. Describe the economic need(s) for service in the requested area (i.e. plat approvals, recent annexation(s) or annexation request(s), building permits, septic tank permits, hospitals, etc.); and/or
- iii. Discuss in detail the environmental need(s) for service in the requested area (i.e. failing septic tanks in the requested area, fueling wells, etc.); and/or
- iv. Provide copies of any written application(s) or request(s) for service in the requested area; and/or
- v. Provide copies of any reports and/or market studies demonstrating existing or anticipated growth in the requested area.
- vi. If none of these items exist or are available, please justify the need for service in the proposed area in writing.

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

C. Is any portion of the proposed service area inside an incorporated city or district?

☐ Yes ☒ No

If YES, within the corporate limits of: _____

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

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

☐ Yes ☒ No

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

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

3. Map Requirements

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

- A. A 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
 - i. metes and bounds survey certified by a licensed state or register professional land surveyor; or
 - ii. projectable digital data with metadata (proposed areas should be in a single record and clearly labeled). Also, a data disk labeled with the applicant's name must be provided; or
 - iii. following verifiable natural and man-made landmarks; or
 - iv. a copy of recorded plat map with metes and bounds.
- C. A written description of the proposed service area. See Attachment E
- D. Provide separate and additional maps of the proposed area(s) to show the following:
 - i. 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).
N/A

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 ArcView shape file or Arc/Info E00 file may result in the delay or inability to review applicant's mapping information.

For information on obtaining a CCN base map or questions about sending digital map data, please visit the Water Utilities section of the PUC website for assistance.

4. New System Information or Utilities Requesting a CCN for the First Time

- A. Please provide the following information:
 - i. a list of public drinking water supply system(s) or sewer system(s) within a 2 mile radius of the proposed system; See Attachment F
 - ii. copies of written requests seeking to obtain service from each of the public drinking water systems or sewer systems listed in a. 1 above or documentation that it is not economically feasible to obtain service from each entity; See Attachment F
 - iii. copies of written responses from each system or evidence that they did not reply; and
 - iv. for sewer utilities, documentation showing that you have obtained or applied for a wastewater discharge permit. See Attachment G
- B. Were your requests for service denied? ☒ Yes ☐ No

- i. If yes, please provide documentation of the denial of service and go to c. See Attachment F
 - ii. If no, please provide a detailed analysis which justifies your reasons for not accepting service. A separate analysis must be prepared and submitted for each utility that granted your request for service.
- C. Please summarize how the proposed utility system will be constructed and describe each projected construction phase, if any:

Phase I - additional 275 connections. A 100,000 gpd wastewater treatment plant with an on-site lift station will be constructed.

Phase II - additional 275 connections. An identical 100,000 gpd wastewater treatment plant will be built next to the original one.

D. Date of plat approval, if required: _____
 Approved by: _____

E. Date Plans & Specifications submitted to the TCEQ for approval: _____
 Attach copy of approval letter, if available. If the letter is not available by the time your CCN application is submitted, please supplement your application with a copy of the letter once you receive it from the TCEQ.

F. Date construction is scheduled to commence: 9/1/2015

G. Date service is scheduled to commence: 6/1/2016

5. Existing System Information

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

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

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

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

W Q 1 4 0 8 1 - 0 0 1 ;

W Q 1 2 6 2 1 - 0 0 1

W Q -

W Q -

W Q -

W Q -

- iii. Date of last TCEQ water and/or sewer system inspection(s): 10/3/2014
- iv. Attach a copy of the most recent TCEQ water and/or sewer inspection report letter(s). See Attachment H
- v. For each system deficiency listed in the TCEQ inspection report letter; attach a brief explanation listing the actions taken or being taken by the utility to correct the listed deficiencies, including the proposed completion dates.

B. Provide the following information about the utility's certified water and/or sewer operators

Name	Classes	License Number
Larry Purcell	C	WW0013058

- Attach additional sheet(s) if necessary -

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

☐ Yes

☒ No

Attach a copy of the 85% rule compliance document filed with the TCEQ if the system is operating at 85% or greater of the TCEQ's minimum standard capacity requirements.

- 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.

TCEQ Water System			TCEQ Sewer System		
Connection	Existing	Proposed	Connection	Existing	Proposed
5/8" or 3/4" meter			Residential	0	550
1" meter or larger			Commercial		
Non-Metered			Industrial		

TCEQ Water System			TCEQ Sewer System		
Other:			Other:		
Total Water			Total Sewer	0	550

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

N/A

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

A water CCN application was previously submitted and will be supplied by Crystal Springs Water Co., Inc.

G. Effect of Granting a Certificate Amendment. See Attachment I

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:

- the applicant,
- any retail public utility of the same kind already serving the proximate area; and
- any landowner(s) in the requested area.

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

i. ☒ No, (skip the rest of this question and go to #6)

ii. ☐ Yes, Water

Purchased on a ☐ Regular ☐ Seasonal ☐ Emergency basis?

Water Source	% of Total Treatment
	0.00%

Water Source	% of Total Treatment
	0.00%
	0.00%

iii. ☐ Yes, Sewer treatment capacity

Purchased on a ☐ Regular ☐ Seasonal ☐ Emergency basis?

Sewer Source	% of Total Treatment
	0.00%
	0.00%
	0.00%

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

I. Ability to Provide Adequate Service. See Attachment J

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

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

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

The land is currently wooded and unoccupied and is in the land planning stage of being developed into a residential neighborhood.

6. Financial Information

A. For new water and/or sewer systems and for applicants with existing CCNs who are constructing a new stand-alone water and/or sewer system: See Attachment K

- i. the applicant must provide an analysis of all necessary costs for constructing, operating, and maintaining the system, and the source of that capital (such as a financial statement for the developing entity) for which the CCN is requested for at least the first five years. In addition, if service has been offered by an existing retail water service provider as stated in #4.A., but the applicant has determined that the cost of service as finally offered renders the project not economically feasible, the applicant must provide a comparison analysis of all necessary costs for acquiring and continuing to receive service from the existing system for the same period.
- ii. Attach projected profit and loss statements, cash flow worksheets, and balance sheets (projected five year financial plan worksheet is attached) for each of the first five years of operation. Income from rates

should correlate to the projected growth in connections, shown on the projected profit and loss statement.

- iii. Attach a proposed rate schedule or tariff. Describe the procedure for determining the rates and fees and indicate the date of last change, if applicable. Attach copies of any cost of service studies or rate analysis worksheets. See Attachment L

B. For existing water and/or sewer systems:

- i. Attach a profit and loss statement and current balance sheet for existing businesses (end of last fiscal year is acceptable). Describe sources and terms for borrowed capital such as loans, bonds, or notes (profit and loss and balance sheet worksheets are attached, if needed).
- ii. Attach a proposed rate schedule or tariff.

❖ **Note: An existing water and/or sewer 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. Do not mail or publish the notices 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 notice requirements for CCN applicants.
- C. It is the applicant's responsibility to ensure that proper notice is given to all entities that are required to receive notice.
- D. Recommended notice forms for publication, neighboring cities and systems, landowners with 25 acres or more, and customers are included with this application for use in preparing proposed notices. (Notice forms are 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 before providing the notice.
- F. **Notice For Publication:**
The applicant shall publish the notice in a newspaper with general circulation in the county(ies) where a CCN is being requested. The notice must be published once each week for two consecutive weeks beginning with the week after the notice is received from the commission. Proof of publication in the form of a publisher's affidavit shall be submitted to the commission within 30 days of the last publication date. The affidavit shall state with specificity each county in which the newspaper is of general circulation.
- G. **Notice To Neighboring Utilities:**
 - i. List all neighboring retail public utilities and cities providing the same utility service within the following vicinities of the applicant's proposed certificate area.
 - ii. For applications for the issuance of a NEW CCN, the applicant must mail the notice with a copy of the proposed CCN map to all cities and neighboring retail public utilities providing the same utility service within five (5) miles of the requested service area. See Attachment F

- iii. For applications for the AMENDMENT of a CCN, the applicant must mail the notice with a copy of the proposed CCN map to all cities and neighboring retail public utilities providing the same utility service within two (2) miles of the requested service area.

H. Notice to Customers:

Investor Owned Utilities (IOUs) that are currently providing service without a CCN must provide individual mailed notice to all current customers. The notice must contain the current rates, the date those rates were instituted and any other information required in the application.

- 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. Authorization occurs after the commission has reviewed the notices for completeness, and your application has been accepted for filing. Once the application is accepted for filing, you will receive written authorization to provide notice. Please check the notices for accuracy before providing them to the public. It is the applicant's burden to ensure that correct and accurate notice is provided.

OATH

STATE OF TEXAS
COUNTY OF MONTGOMERY

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

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

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



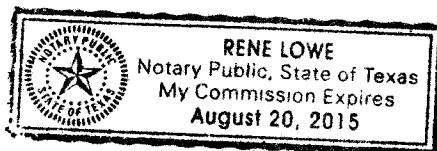
AFFIANT

(Utility's Authorized Representative)

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

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public in and for the State of Texas,
This day September of 29 20 14

SEAL



NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS

Rene Lowe

PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES August 20, 2015

Notice for Publication

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

Crystal Springs Water Company, Inc. has filed an application to obtain a CCN with the Public Utility Commission of Texas to provide sewer utility service in Montgomery County.

The proposed utility service area is located approximately 7 miles east of downtown Conroe, Texas, and is **generally** bounded on the north by a line approximately 1700 feet north of and parallel to Schank Road; on the east by Caney Creek and Jernigan Road; on the south by the Burlington Northern Santa Fe Railroad track; and on the west by Willis Waukegan Road.

The total area being requested includes approximately 316.288 acres and 0 current customers.

A copy of the proposed service area map is available at: WaterEngineers, Inc., 17230 Huffmeister Road, Suite A, Cypress, Texas 77429 (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 file with the PUC at the following address:

Filing Clerk
Public Utility Commission of Texas
1701 North Congress Avenue
P.O. Box 13326
Austin, TX 78711-3326

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

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

If you are a landowner with a tract of land at least 25 acres or more, that is partially or wholly located within the proposed area, you may request to be excluded from the proposed area (or "opt out") by providing written notice to the Commission within (30) days from the date that notice was provided by the applicant. All request 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:

Filing Clerk
Public Utility Commission of Texas
1701 North Congress Avenue
P.O. Box 13326
Austin, TX 78711-3326

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 1-888-782-8477.

Notice to Neighboring Systems, Landowners and Cities

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

To: _____
(Neighboring System, Landowner or City)

(Address)

(City State Zip)

Date Notice Mailed: _____, 2014

Crystal Springs Water Company, Inc. has filed an application to obtain a CCN with the Public Utility Commission of Texas to provide sewer utility service in Montgomery County.

The proposed utility service area is located approximately 7 miles east of downtown Conroe, Texas, and is **generally** bounded on the north by a line approximately 1700 feet north of and parallel to Schank Road; on the east by Caney Creek and Jernigan Road; on the south by the Burlington Northern Santa Fe Railroad track; and on the west by Willis Waukegan Road.

See enclosed map of the proposed service area.

The total area being requested includes approximately 316.288 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:

Filing Clerk
Public Utility Commission of Texas
1701 North Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

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 exclude the tract from the proposed area (or "opt out") by providing written notice to the Commission within (30) days from the date that notice was provided by the applicant. All request 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:

Filing Clerk
Public Utility Commission of Texas
1701 North Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

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 1-888-782-8477.

ATTACHMENT "A"
CERTIFICATE OF ACCOUNT STATUS
CRYSTAL SPRINGS WATER CO., INC.



Franchise Tax Account Status

As of: 10/24/2014 09:40:52 AM

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

CRYSTAL SPRINGS WATER CO., INC.

Texas Taxpayer Number 17420905428

Mailing Address PO BOX 603
PORTER, TX 77365-0603

Right to Transact Business in Texas ACTIVE

State of Formation TX

Effective SOS 02/09/1979

Registration Date

Texas SOS File Number 0046316600

Registered Agent Name TOM A MARTIN

Registered Office Street P O BOX 603
Address PORTER, TX 77365

ATTACHMENT "B"
NEED FOR SERVICE

CRYSTAL SPRINGS WATER CO., INC.

ATTACHMENT B

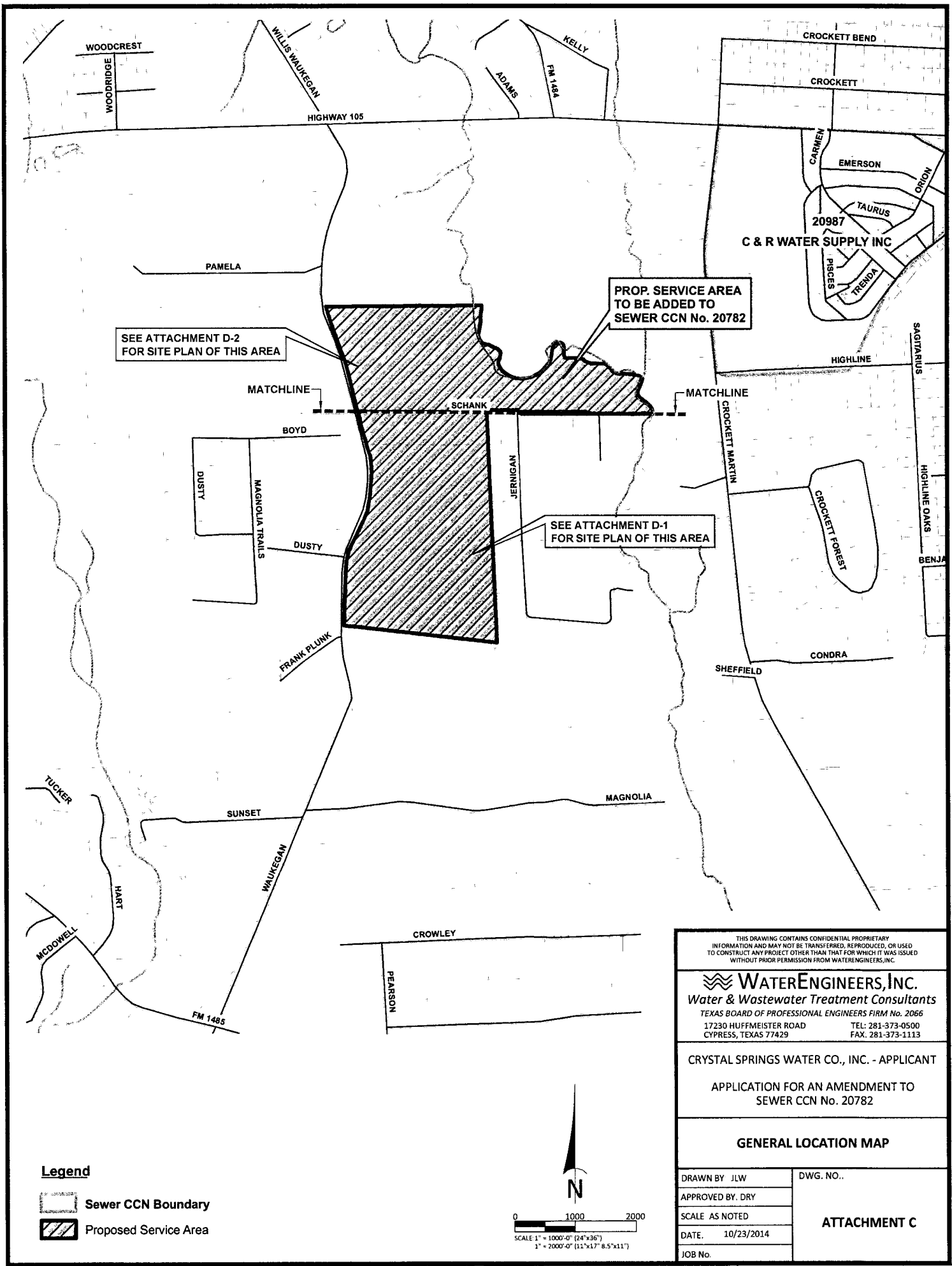
NEED FOR SERVICE

Martin Realty & Land, Inc. (DEVELOPER) plans to develop two adjacent tracts of land in Montgomery County totaling 316.288 acres into residential lots, and has partnered with Crystal Springs Water Co., Inc. to provide sewer service. Neither tract is in any other CCN, city limits, or city extra territorial jurisdiction.

Martin Realty & Land, Inc. and Crystal Springs Water Co., Inc. are under common ownership.

ATTACHMENT "C"
GENERAL LOCATION MAP

CRYSTAL SPRINGS WATER CO., INC.



THIS DRAWING CONTAINS CONFIDENTIAL PROPRIETARY INFORMATION AND MAY NOT BE TRANSFERRED, REPRODUCED, OR USED TO CONSTRUCT ANY PROJECT OTHER THAN THAT FOR WHICH IT WAS ISSUED WITHOUT PRIOR PERMISSION FROM WATERENGINEERS, INC.

WaterENGINEERS, INC.
Water & Wastewater Treatment Consultants
TEXAS BOARD OF PROFESSIONAL ENGINEERS FIRM No. 2066
17230 HUFFMEISTER ROAD CYPRESS, TEXAS 77429
TEL: 281-373-0500 FAX: 281-373-1113

CRYSTAL SPRINGS WATER CO., INC. - APPLICANT

APPLICATION FOR AN AMENDMENT TO SEWER CCN No. 20782

GENERAL LOCATION MAP

DRAWN BY JLW	DWG. NO.
APPROVED BY. DRY	ATTACHMENT C
SCALE AS NOTED	
DATE. 10/23/2014	
JOB No.	

ATTACHMENT "D"

PROPOSED SERVICE AREA MAP

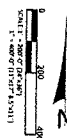
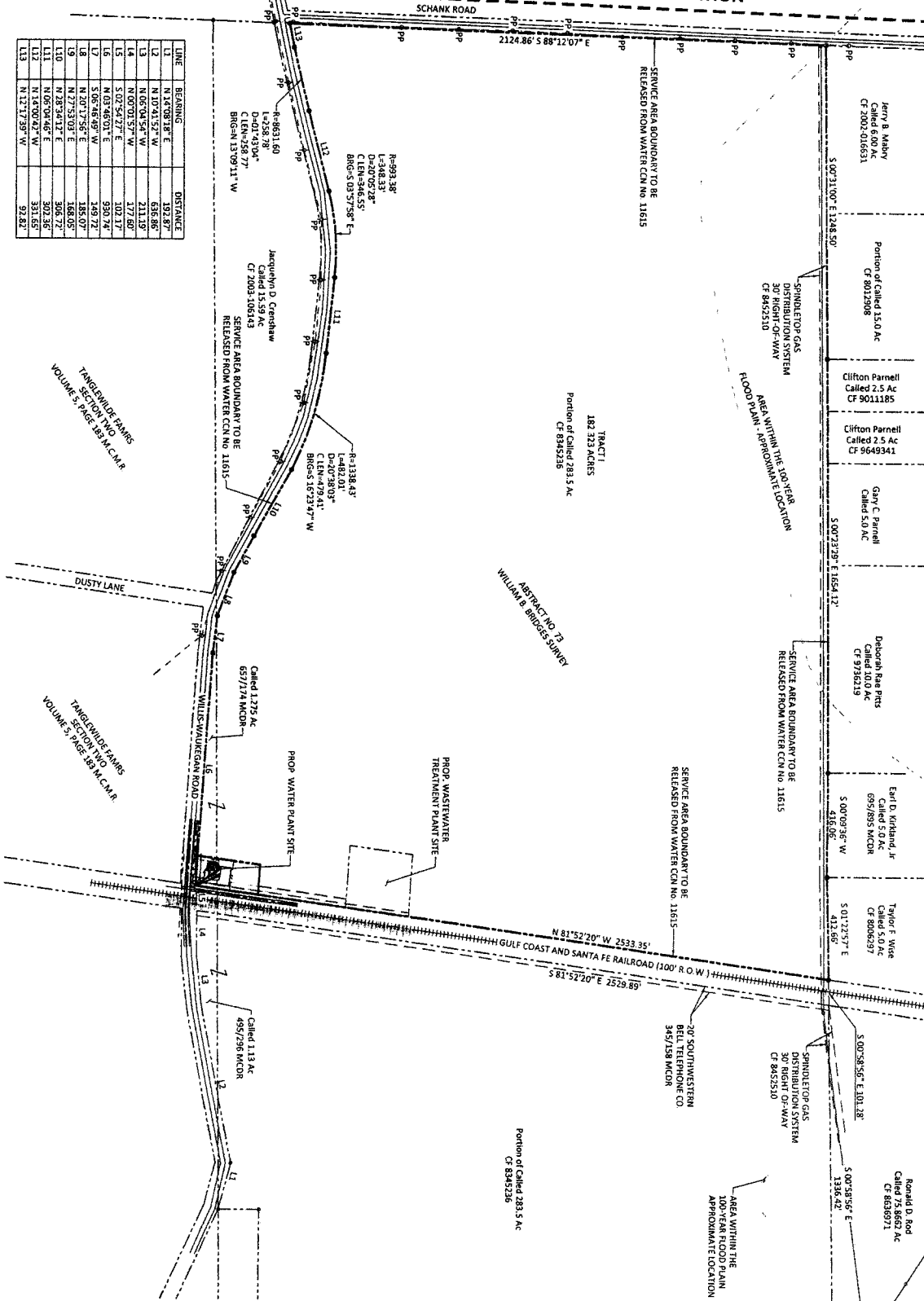
CRYSTAL SPRINGS WATER CO., INC.

MATCH LINE - SEE ATTACHMENT D - 2 FOR CONTINUATION

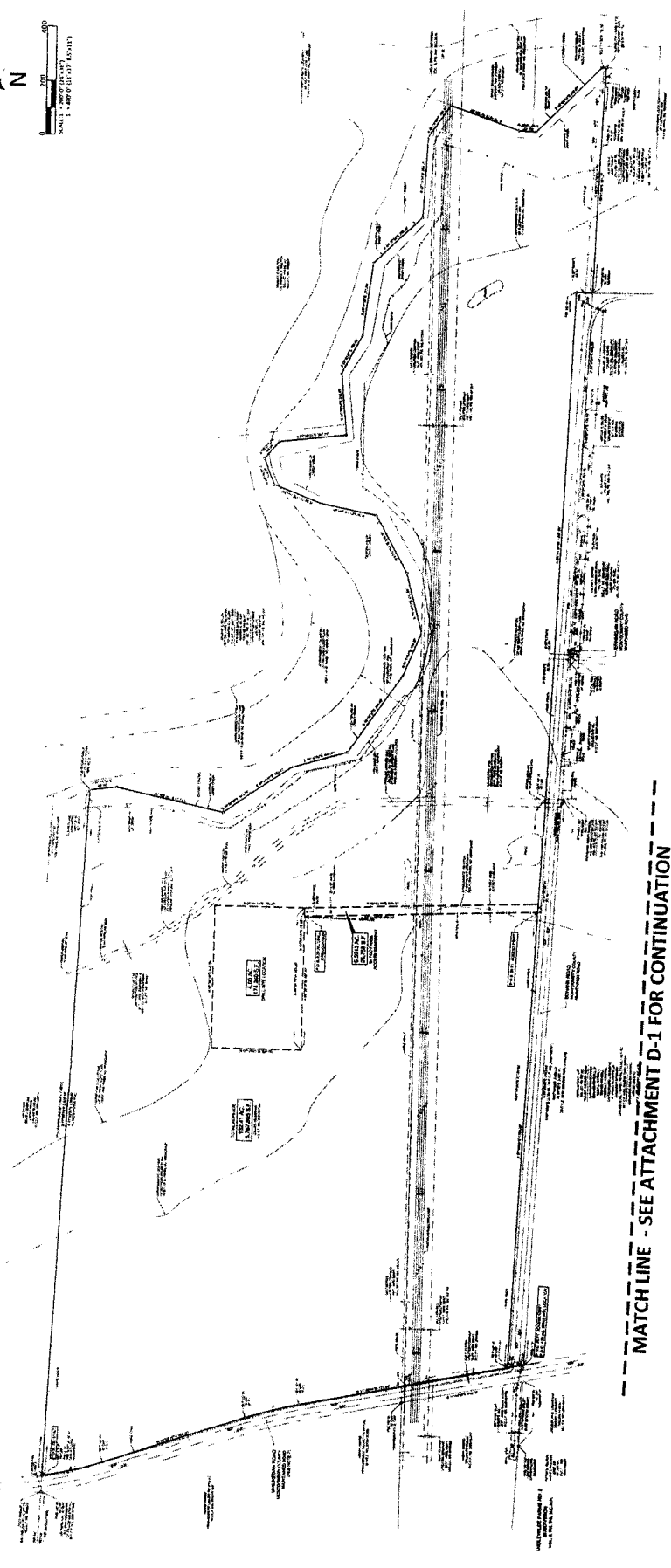
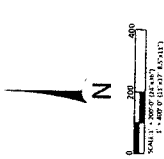
LINE	BEARING	DISTANCE
1	N 12°09'18" E	192.87
2	N 10°41'52" W	636.86
3	N 06°04'54" W	211.19
4	N 00°01'57" W	177.60
5	S 02°54'27" E	102.17
6	N 02°48'03" E	930.74
7	N 02°17'56" E	148.72
8	N 27°31'09" E	168.05
9	N 28°34'12" E	306.77
10	N 06°04'46" E	302.36
11	N 14°00'42" W	331.65
12	N 12°17'39" W	92.82

TANGLED RIDE FARMS
SECTION TWO
VOLUME 5, PAGE 183 M.C.A.R.

TANGLED RIDE FARMS
SECTION TWO
VOLUME 5, PAGE 183 M.C.A.R.



WATERENGINEERS, INC. 17280 HUNTER CREEK ROAD CRYSTAL SPRINGS, TEXAS 77629 TEL: 281-373-0000 FAX: 281-373-1113	
WATER & WASTEWATER TREATMENT CONSULTANTS APPLICATION FOR AN AMENDMENT TO SEWER CEN NO. 20782	
DRAWN BY: JAW APPROVED BY: DMV SCALE: AS NOTED DATE: 10/22/2014 JOB NO.	DWG. NO. ATTACHMENT D - 1



--- MATCH LINE - SEE ATTACHMENT D-1 FOR CONTINUATION ---

<small>THIS DRAWING IS THE PROPERTY OF WATER ENGINEERS, INC. AND IS NOT TO BE REPRODUCED OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, WITHOUT THE WRITTEN PERMISSION OF WATER ENGINEERS, INC.</small>	
WATER ENGINEERS, INC. <i>Water & Wastewater Treatment Consultants</i> TEXAS BOARD OF PROFESSIONAL ENGINEERS FIRM NO. 2066 1000 WEST 10TH STREET, SUITE 200 HOUSTON, TEXAS 77008 TEL: 281.372.1111 FAX: 281.372.1113	
CRYSTAL SPRINGS WATER CO., INC. - APPLICANT APPLICATION FOR AN AMENDMENT TO SEWER CON. NO. 20782	
SERVICE AREA	
DRAWN BY: R.W.	DWG. NO.
APPROVED BY: DW	
SCALE: AS NOTED	
DATE: 03/27/2014	
FOR FILE	

ATTACHMENT D - 2

ATTACHMENT "E"

WRITTEN DESCRIPTION OF SERVICE AREA

CRYSTAL SPRINGS WATER CO., INC.

ATTACHMENT E

WRITTEN DESCRIPTION OF SERVICE AREA

The proposed utility service area is located approximately 7 miles east of downtown Conroe, Texas, and is generally bounded on the north by a line approximately 1700 feet north of and parallel to Schank Road; on the east by Caney Creek and Jernigan Road; on the south by the Burlington Northern Santa Fe Railroad track; and on the west by Willis Waukegan Road.

ATTACHMENT "F"

**NEIGHBORING PUBLIC UTILITIES
WITHIN 2 MILES AND SERVICE
REQUEST LETTERS**

AND

**NEIGHBORING PUBLIC UTILITIES
WITHIN 5 MILES**

CRYSTAL SPRINGS WATER CO., INC.

ATTACHMENT F

TWO MILE RADIUS
DISTRICTS, CCN HOLDERS AND OTHER ENTITIES

C & R Water Supply, Inc.
P.O. Box 187
Willis, TX 77378-0187

CCN No. 20987

WATERENGINEERS, INC.

WATER & WASTEWATER TREATMENT CONSULTANTS

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

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

September 30, 2014

C & R Water Supply, Inc. CCN No. 20987
P.O. Box 187
Willis, TX 77378-0187

Dear Sir/Ms.:

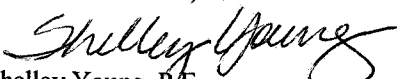
We are in the process of obtaining approval from the TCEQ for a proposed wastewater system and submitting an application for a new Sewer Certificate of Convenience and Necessity (CCN) to the PUC for Crystal Springs Water Company, Inc. The proposed new wastewater system will serve the proposed new residential development off of Willis Waukegan Road in Montgomery County, Texas, as shown on the attached map.

PUC 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 wastewater service to the proposed development in a manner that is competitive with what can be provided by the new system.

In accordance with PUC requirements, we are hereby requesting retail wastewater service from your utility. If your utility is willing to provide wastewater service to the proposed 501 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.


Shelley Young, P.E.

cc: Crystal Springs Water Company, Inc.

REPLY

Date of Reply: 10-2-2014

Name of Utility: C+R Water

Will you provide Retail Water Service? (Yes/No) (Yes)

(If Yes, please provide a copy of your Rate Order)

Terms: could do about
200 lots

Signature: 

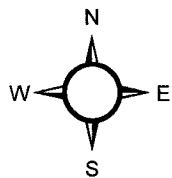
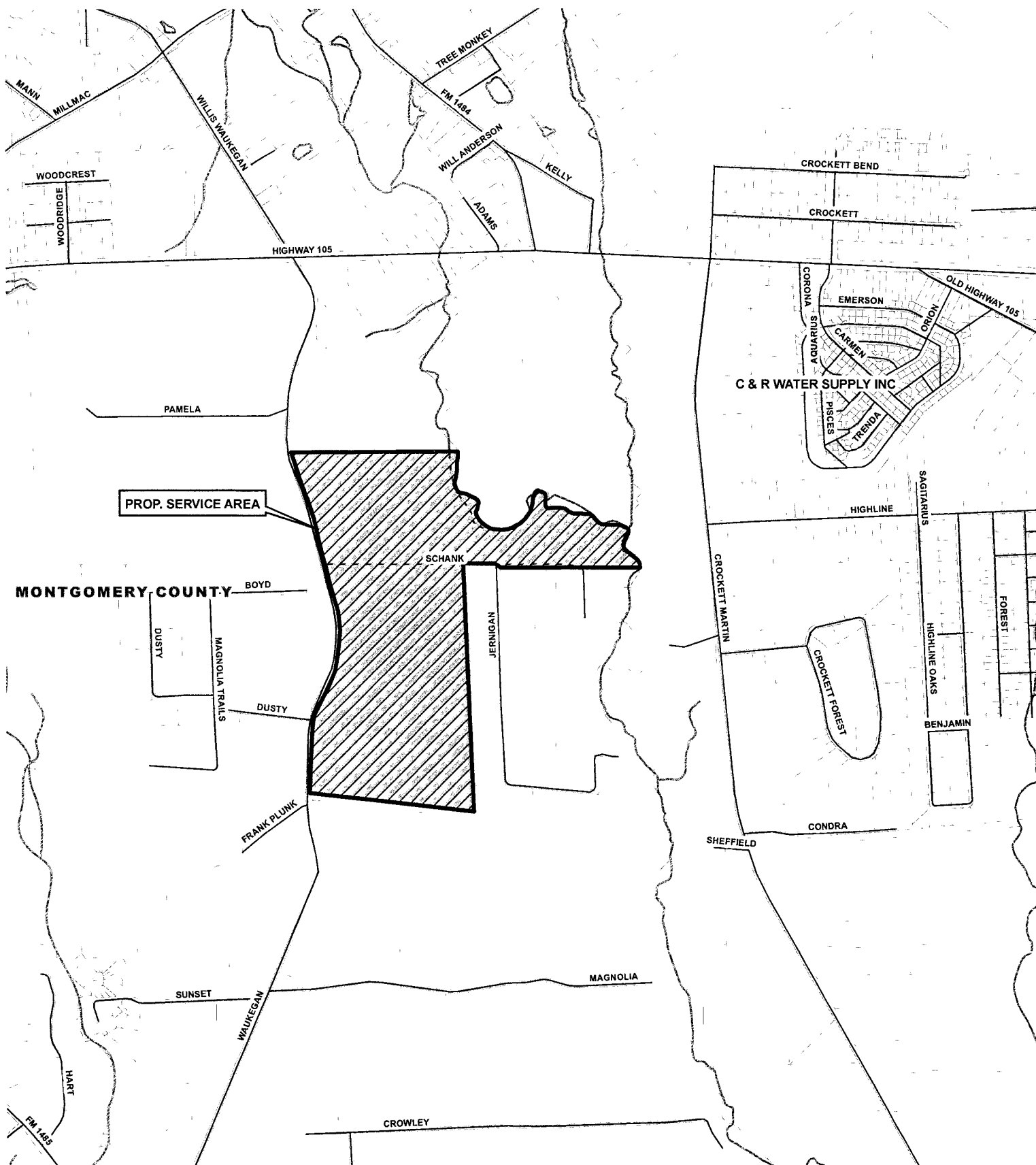
Printed Name: Richard L. Wagner

Title: CFO

Address: P.O. Box 187
Willis TX 77378

Telephone: 936-828-7222

Email: Rick@WagnerServices.WS




0 1,000 2,000
Feet

WATERENGINEERS, INC.
Water & Wastewater Treatment Consultants
 Texas Board of Professional Engineers Firm No. 2066
 17230 HUFFMEISTER RD., SUITE A
 CYPRESS, TEXAS 77429

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

Legend

 Proposed Service Area

ATTACHMENT F
FIVE MILE RADIUS
DISTRICTS, CCN HOLDERS AND OTHER ENTITIES

C & R Water Supply, Inc. P.O. Box 187 Willis, TX 77378-0187	CCN No. 20987
---	---------------

Stone Hedge Utility Co., Inc. P.O. Box 426 Spring, TX 77383-0426	CCN No. 20754
--	---------------

Conroe MUD No. 1
c/o Allen, Boone, Humphries, Robinson
3200 Southwest Freeway, Suite 2600
Houston, TX 77027

City of Conroe 300 W. Davis Conroe, TX 77301	CCN No. 20135
--	---------------

Montgomery County
501 North Thompson, Suite 401
Conroe, TX 77301

San Jacinto River Authority
1577 Dam Site road
Conroe, TX 77304

Lone Star Groundwater Conservation District
665 Conroe Park North Drive
Conroe, TX 77303

ATTACHMENT "G"

PROOF OF TPDES APPLICATION

CRYSTAL SPRINGS WATER CO., INC.

Bryan W. Shaw, Ph.D., P.E., *Chairman*
Toby Baker, *Commissioner*
Zak Covar, *Commissioner*
Richard A. Hyde, P.E., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

June 3, 2014

Ms. Shelley Young, P.E.
WaterEngineers, Inc.
17230 Huffmeister Road, Suite A
Cypress, Texas 77429

RECEIVED
JUN 10 2014

BY:

RE: Declaration of Administrative Completeness
Name: Crystal Springs Water Co. Inc.
Permit Number: WQ0015261001 (EPA I.D. Number: TX0135453)
CN600633655; RN107284978
Type of Authorization: Proposed

Dear Ms. Young:

The executive director has declared the above referenced application, received on May 22, 2014, administratively complete on June 3, 2014.

You are now required to publish notice of your proposed activity and make a copy of the application available for public review. The following items are included to help you meet the regulatory requirements associated with this notice:

- Instructions for Public Notice
- Notice for Newspaper Publication
- Public Notice Verification Form
- Publisher's Affidavits

You must follow all the directions in the enclosed instructions. The most common mistakes are the unauthorized changing of notice, wording, or font. If you fail to follow these instructions, you may be required to republish the notices.

The following requirements are also described in the enclosed instructions. However, due to their importance, they are highlighted here as well.

1. Publish the enclosed notice within **30 calendar days** after your application is declared administratively complete. (See this letter's first paragraph for the declaration date.) **You may be required to publish the notice in more than one newspaper, including a newspaper published in an alternative language, to satisfy all of the notice requirements.**
2. On or before the date you publish notice, place a copy of your permit application in a public place in the county where the facility is or will be located. This copy must be accessible to the public for review and copying, must be updated to reflect changes to the application, and must remain in place throughout the comment period.
3. For each publication, submit proof of publication of the notice that shows the publication date and newspaper name to the Office of the Chief Clerk within **10 business days** after notice is published in the newspaper.
4. Return the original enclosed Public Notice Verification and the Publisher's Affidavits to the Office of the Chief Clerk within **30 calendar days** after the notice is published in the newspaper.

If you do not comply with all the requirements described in the instructions, further processing of your application may be suspended or the agency may take other actions.

If you have any questions regarding publication requirements, please contact the Office of the Chief Clerk at 512-239-3300. If you have any questions regarding the content of the notice, please contact Jaycelyn Montalvo at 512-239-2019.

Sincerely,



Deirdre A. Sheppard, Team Leader
Applications Review and Processing Team (MC-148)
Water Quality Division
Texas Commission on Environmental Quality

DAS/jm

Enclosures

cc: TCEQ Region 12, Water Program Manager

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



NOTICE OF RECEIPT OF APPLICATION AND INTENT TO OBTAIN WATER QUALITY PERMIT

PROPOSED PERMIT NO. WQ0015261001

APPLICATION. Crystal Springs Water Co. Inc., P.O. Box 603, Porter, Texas 77365, has applied to the Texas Commission on Environmental Quality (TCEQ) for proposed Texas Pollutant Discharge Elimination System (TPDES) Permit No. WQ0015261001 (EPA I.D. No. TX0135453) to authorize the discharge of treated wastewater at a volume not to exceed a daily average flow of 200,000 gallons per day. The domestic wastewater treatment facility is located approximately 3,665 feet south of Schank Road and 2,420 feet east of Willis Waukegan Road in Montgomery County, Texas 77306. The discharge route is from the plant site to an unnamed tributary of Caney Creek; thence to Caney Creek; thence to East Fork of the San Jacinto River. TCEQ received this application on May 22, 2014. The permit application is available for viewing and copying at Montgomery County Central Library, 104 Interstate 45 North, Conroe, Texas. This link to an electronic map of the site or facility's general location is provided as a public courtesy and not part of the application or notice. For exact location, refer to application. <http://www.tceq.texas.gov/assets/public/hb610/index.html?lat=30.309722&lng=-95.3325&zoom=13&type=r>

ADDITIONAL NOTICE. TCEQ's Executive Director has determined the application is administratively complete and will conduct a technical review of the application. After technical review of the application is complete, the Executive Director may prepare a draft permit and will issue a preliminary decision on the application. **Notice of the Application and Preliminary Decision will be published and mailed to those who are on the county-wide mailing list and to those who are on the mailing list for this application. That notice will contain the deadline for submitting public comments.**

PUBLIC COMMENT / PUBLIC MEETING. You may submit public comments or request a public meeting on this application. The purpose of a public meeting is to provide the opportunity to submit comments or to ask questions about the application. TCEQ will hold a public meeting if the Executive Director determines that there is a significant degree of public interest in the application or if requested by a local legislator. A public meeting is not a contested case hearing.

OPPORTUNITY FOR A CONTESTED CASE HEARING. After the deadline for submitting public comments, the Executive Director will consider all timely comments and prepare a response to all relevant and material or significant public comments. **Unless the application is directly referred for a contested case hearing, the response to comments, and the Executive Director's decision on the application, will be mailed to everyone who submitted public comments and to those persons who are on the mailing list for this application. If comments are received, the mailing will also provide instructions for requesting reconsideration of the Executive Director's decision**

and for requesting a contested case hearing. A contested case hearing is a legal proceeding similar to a civil trial in state district court.

TO REQUEST A CONTESTED CASE HEARING, YOU MUST INCLUDE THE FOLLOWING ITEMS IN YOUR REQUEST: your name, address, phone number; applicant's name and proposed permit number; the location and distance of your property/activities relative to the proposed facility; a specific description of how you would be adversely affected by the facility in a way not common to the general public; and, the statement "[I/we] request a contested case hearing." If the request for contested case hearing is filed on behalf of a group or association, the request must designate the group's representative for receiving future correspondence; identify an individual member of the group who would be adversely affected by the proposed facility or activity; provide the information discussed above regarding the affected member's location and distance from the facility or activity; explain how and why the member would be affected; and explain how the interests the group seeks to protect are relevant to the group's purpose.

Following the close of all applicable comment and request periods, the Executive Director will forward the application and any requests for reconsideration or for a contested case hearing to the TCEQ Commissioners for their consideration at a scheduled Commission meeting.

The Commission will only grant a contested case hearing on disputed issues of fact that are relevant and material to the Commission's decision on the application. Further, the Commission will only grant a hearing on issues that were raised in timely filed comments that were not subsequently withdrawn.

MAILING LIST. If you submit public comments, a request for a contested case hearing or a reconsideration of the Executive Director's decision, you will be added to the mailing list for this specific application to receive future public notices mailed by the Office of the Chief Clerk. In addition, you may request to be placed on: (1) the permanent mailing list for a specific applicant name and permit number; and/or (2) the mailing list for a specific county. If you wish to be placed on the permanent and/or the county mailing list, clearly specify which list(s) and send your request to TCEQ Office of the Chief Clerk at the address below.

AGENCY CONTACTS AND INFORMATION. All written public comments and requests must be submitted to the Office of the Chief Clerk, MC 105, TCEQ, P.O. Box 13087, Austin, TX 78711-3087 or electronically at www.tceq.state.tx.us/about/comments.html. If you need more information about this permit application or the permitting process, please call TCEQ the Public Education Program, Toll Free, at 1-800-687-4040. Si desea información en Español, puede llamar al 1-800-687-4040. General information about TCEQ can be found at our web site at www.tceq.texas.gov.

Further information may also be obtained from Crystal Springs Water Co. Inc. at the address stated above or by calling Ms. Shelley Young, P.E., WaterEngineers, Inc., at (281) 373-0500.

Issuance Date: June 3, 2014

ATTACHMENT "H"

**OTHER SYSTEM MOST RECENT
INSPECTION REPORTS**

CRYSTAL SPRINGS WATER CO., INC.

Bryan W. Shaw, Ph.D., P.E., Chairman
Tol Baker, Commissioner
Zak ar, Commissioner
Richard Hyde, P.E., Executive Director



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

October 3, 2014

Tom Martin, President
Martin Realty & Land, Inc.
P.O. Box 603
Porter, Texas 77365

Re: Compliance Evaluation Investigation at:
Timberland Wastewater Treatment Plant
19348 Amy Lane, Porter (Montgomery County), Texas
TCEQ ID No.: WQ0014081001, EPA ID No.: TX0118311

Dear Mr. Martin:

On August 13, 2014, Ms. Joanna Wilson of the Texas Commission on Environmental Quality (TCEQ) Houston Region Office conducted an investigation of the above-referenced regulated entity to evaluate compliance with applicable water quality requirements. Enclosed is a summary which lists the investigation findings. During the investigation, a concern was noted as an alleged noncompliance. Through subsequent corrective action, the alleged noncompliance has been addressed as an Area of Concern. Therefore, no violations are being alleged as a result of the investigation.

The TCEQ appreciates your assistance in this matter and your compliance efforts to ensure protection of the State's environment. If you or members of your staff have any questions regarding these matters, please feel free to contact Ms. Joanna Wilson in the Houston Region Office at 713-767-3716.

Sincerely,

A handwritten signature in black ink, appearing to read "E. L." or similar.

Elizabeth Sears
Team Leader
Water Quality Management
Region 12 Houston

EWS/JKW/ci

cc: Larry Purcell, Martin Realty & Land, Inc., P.O. Box 603, Porter, Texas 77365

Enclosures: Summary of Investigation Findings

Summary of Investigation Findings

TIMBERLAND WASTEWATER TREATMENT FACILITY

19348 AMY LN

PORTER, MONTGOMERY COUNTY, TX 77365

Investigation #

1193106

Investigation Date: 08/13/2014

Additional ID(s): TX0118311

WQ0014081001

AREA OF CONCERN

Track No: 549190

30 TAC Chapter 217.327

Alleged Violation:

Investigation: 1193106

Comment Date: 09/26/2014

Failed to mark hydrants and outlets as "non-potable water" or "unsafe water". Specifically, the spigots and hoses utilizing effluent were not labeled.

Recommended Corrective Action: Each hydrant and outlet for non-potable water must be clearly marked as "NON-POTABLE WATER" or "UNSAFE WATER". Submit documentation indicating that the proper signage has been posted.

Resolution: Documentation was received by the Houston Region Office on August 18, 2014, to resolve this violation.

Bryan W. Shaw, Ph.D., P.E., *Chairman*
Toby Baker, *Commissioner*
Zak Covar, *Commissioner*
Richard A. Hyde, P.E., *Executive Director*



A handwritten signature in black ink, likely belonging to a TCEQ official, is written in the top right corner of the page.

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

September 3, 2014

CERTIFIED MAIL 7012 1640 0001 7339 1175
RETURN RECEIPT REQUESTED

Tom Martin, President
Martin Realty & Land, Inc.
P.O. Box 603
Porter, Texas, 77365-0603

Re: Notice of Violation for the Compliance Evaluation Investigation at:
Country West Wastewater Treatment Plant, 18165 William Lane, Conroe, (Montgomery County),
Texas
TCEQ ID No.: WQ0012621001, EPA ID No.: TX0091677

Dear Mr. Martin:

On July 10, 2014, Mr. Dustin Roberts of the Texas Commission on Environmental Quality (TCEQ) Houston Region Office conducted an investigation of the above-referenced regulated entity to evaluate compliance with applicable water quality requirements. During the investigation, one concern was noted which was an alleged noncompliance. Through subsequent corrective action, and written documentation, the noncompliance has been resolved as a Resolved Violation. No further action is required.

The TCEQ appreciates your assistance in this matter. Please note that the Legislature has granted TCEQ enforcement powers which we may exercise to ensure compliance with environmental regulatory requirements. Self-reported violations may be subject to enforcement, including penalties, upon review by the Enforcement Division.

If you or members of your staff have any questions, please feel free to contact Mr. Dustin Roberts in the Houston Region Office at (713) 767-3631.

Sincerely,

A handwritten signature in black ink, likely belonging to Elizabeth Sears, is written above her name and title.

Elizabeth Sears
Team Leader
Water Quality Management
Region 12 Houston

EWS/DAR/ci

Enclosure: Summary of Investigation Findings

Summary of Investigation Findings

COUNTRY WEST PLANT

18165 WILLIAM LN
CONROE, MONTGOMERY COUNTY, TX 77302

Investigation #

1191822

Investigation Date: 07/10/2014

Additional ID(s): TX0091677
WQ0012621001

ALLEGED VIOLATION(S) NOTED AND RESOLVED

Track No: 546518

30 TAC Chapter 305.125(1)

PERMIT WQ0012621001, ELMR No. 1

Effluent Limitations & Monitoring Requirements, No. 1

Alleged Violation:

Investigation: 1191822

Comment Date: 08/25/2014

Failed to maintain compliance with the permitted effluent limits. Specifically, the grab sample collected during the investigation was not compliant with the single grab maximum limit of 4.0 mg/L for total chlorine residual. The result of the total chlorine residual analysis was 5.9 mg/L.

Recommended Corrective Action: Compliance with the permitted effluent limits must be maintained. Submit documentation describing the action taken to prevent the recurrence of total chlorine residual violations.

Resolution: Documentation was received on July 21, 2014, indicating that actions have been taken to prevent the recurrence of total chlorine residual violations.

ATTACHMENT "I"

EFFECT OF GRANTING A CERTIFICATE

CRYSTAL SPRINGS WATER CO., INC.

ATTACHMENT I

EFFECT OF GRANTING A CERTIFICATE

The effect of granting a new sewer certificate to Crystal Springs Water Co., Inc. would be to allow the development of a residential area in Montgomery County. There are no other retail utilities in the proximate area that can supply the sewer requirements of the proposed development.

ATTACHMENT "J"

ABILITY TO PROVIDE ADEQUATE SERVICE

CRYSTAL SPRINGS WATER CO., INC.

ATTACHMENT J

ABILITY TO PROVIDE SERVICE

Crystal Springs Water Co., Inc. has been in the utility business since 1977, successfully providing high quality water and sewer service to over 3200 current customers in 23 different neighborhoods in Montgomery and Walker Counties. Crystal Springs Water Co., Inc. proposes to build and grow the proposed Willis Waukegan subdivision system in the same way that it has built and grown its other water and sewer systems. Crystal Springs Water Co., has a good operations, maintenance and performance record with TCEQ and plans to operate this new system in the same manner.

ATTACHMENT "K"

**PRO FORMA
PROFIT/LOSS STATEMENT
FINANCIAL STATEMENT
BANK LETTER**

CRYSTAL SPRINGS WATER CO., INC.