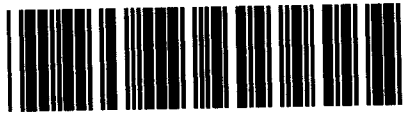


Control Number: 44001



Item Number: 14

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

44001

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PUBLIC UTILITY COMMISSION
FILING CLERK

WATER AND WASTEWATER UTILITIES

ANNUAL REPORT

of

Community Utility Company

Exact Legal Name of Utility/Respondent

10350

Certificate of Convenience and Necessity (CCN) No.

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Submitted to the

State of Texas



Texas Commission on Environmental Quality

for the

Calendar Year Ended December 31, 2010

Section 1: Utility Information

Utility Name Community Utility Company

Address P.O. Box 58

Spring, TX 77383-0058

Please check this box if your Official Address, which is noted on the enclosed letter, has changed.

Telephone Number (281) 444-7747 Fax Number (281) 292-4439

E-mail Address mitch@mbcws.com

Contact Person Mitchell M. Martin Title Director

Check the business ownership entity of the utility as filed with the Internal Revenue Service

Individual Partnership

Corporation

NonProfit Association

Section 2: Utility Background

Water CCN No. 10350

Number of PWSs 3

PWS ID No. 1010264, 1011302

PWS ID No. 1700113

(if the Utility has more PWS ID

Nos., please indicate in Section 10)

Sewer CCN No. N/A

Number of Wastewater Systems 0

Discharge Permit No. _____

Discharge Permit No. _____

(if the Utility has more Discharge Permit

Nos., please indicate in Section 10)

Section 3: Revenues

	Water	Wastewater	Total Water + Wastewater
OPERATING REVENUES:			
Utility Service/Sales	106,692	0	106,692
Fees (Tap, Reconnection, etc.)	5,351	0	5,351
OTHER REVENUES:			
Please Identify:			
TOTAL REVENUES	112,043	0	112,043

Section 4: Expenses

	Water	Wastewater	Total Water + Wastewater
Salaries & Wages	0	0	0
Contract Labor	46,740	0	46,740
Purchased Water	7,812	0	7,812
Chemicals for Treatment	1,291	0	1,291
Utilities (electricity)	4,707	0	4,707
Repairs/Maintenance/Supplies	12,349	0	12,349
Office Expenses	8,771	0	8,771
Professional Fees (Accounting, Legal)	0	0	0
Insurance	0	0	0
Depreciation & Amortization	3,192	0	3,192
Miscellaneous (describe in remarks below)	0	0	0
Subtotal	84,862	0	84,362
Taxes:			
Federal Income Taxes	1,827	0	1,827
Property and Other Taxes (Payroll, etc.)	229	0	229
Regulatory Expenses (Rate Case, Permits)	14,773	0	14,773
Other (describe in remarks below)	0	0	0
TOTAL EXPENSES	101,691	0	101,691

Remarks: N/A

Section 5: Operating Items

Debt Information:

Annual interest expense on long and/or short term debt?	\$ <u>0</u>
Annual principal payment on debt?	\$ <u>0</u>
Annual interest rate on debt?	<u>N/A</u> %
Annual debt principal and interest?	\$ <u>0</u>
Principal balance on outstanding debt at end of this reporting period?	\$ <u>0</u>

Regulatory Assessment Fee:

What was the Regulatory Assessment fee amount submitted to TCEQ for the Calendar Year 2010? \$ 1,079

Rate Change:

What was the effective date of the last Rate Change? January 21, 2009

Section 6: Customer Information

Connection Type Water	Number of Connections at	
	Beginning of Calendar Year 2010	End of Calendar Year 2010
Total	208	205

Connection Type Wastewater	Number of Connections at	
	Beginning of Calendar Year 2010	End of Calendar Year 2010
Total	N/A	N/A

Section 7: Water Production & Consumption

A	What is the total amount of water produced/pumped?	2,963,000	gallons
B	What is the total amount of water sold/billed?	2,258,000	gallons
C	How much water was lost?	705,000	gallons
	What is the total percent of water loss?	23.8	%

To calculate the above, please reference the attached document Water and Wastewater Utilities Annual Report Instructions.

Comments? _____

Total amounts pumped and sold do not reflect an entire year's total for the utility as not all connections were metered the entire year.

Section 8: Wastewater Treated

What is the total amount of wastewater treated? N/A gallons

Comments? _____

Section 9: Utility Management & Operations Assessment

Utility Policy and Procedures

Do you have an Application Form or Formal Process for New Customers? Yes No

Do you have a copy of your approved tariff and drought contingency plan for customers to review? Yes No

Do you have Written Operating Procedures for Routine Operations? Yes No

Do you have Written Emergency Actions Plan(s)? Yes No

Do you have Written Personnel Procedures? Yes No

Do you have Risk Management & Safety Policies? Yes No

Do you have Customer Service Policies (including billing & collection)? Yes No

Do you have a Written Budget (normally updated annually)? Yes No

Did you or any utility staff attend the annual Water Supply Division Conference/Trade Fair or any other utility/business related conferences this year? If so, please list them in Section 10.

Yes No

Do you record complaints or keep a complaint log?

Yes No

Is a customer service representative, water system employee, or answering service accessible by phone at all times to all customers?

Yes No

Rules and Regulations

If you own/operate a public water system, do you have a copy of or have access to 30 TAC Chapter 290?

Yes No

If you own/operate a sewer system, do you have a copy of or have access to 30 TAC 30 Subchapter J, 30 TAC 217, 30 TAC 308, and 30 TAC 309?

Yes No

Do you have a copy of or have access to the Utility Regulation TAC 30 Rule, Chapter 291?

Yes No

Do you have a copy of or have access to Texas Water Code Chapter 13?

Yes No

Administrative Information

Do you notify customers prior to shutting down the system for repairs?

Yes No Sometimes Only if greater than 2 hours

How do you keep your customers informed?

Billing Statements Newsletter Meetings

Other _____

Are water records kept separate from other business and personal records?

Yes No

Are records kept for additions to fixed assets?

Yes No

Is the financial position of the system reviewed at least quarterly?

Yes No

Are accounting records for water and wastewater kept separately?

Yes No

Utility Assistance

If your answer to any question above is "No", would you be receptive to financial, managerial or technical assistance at no cost to the utility?

Yes No

Section 10: Remarks (please feel free to attach additional pages if necessary)

N/A

Section 11: Sworn Statement

I HEREBY CERTIFY THAT THE INFORMATION PROVIDED IN THIS REPORT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

(This document MUST be signed by the President or Owner of the Utility)

This 10th Day of September, ~~2011~~ 2012

President or Owner: Mitchell M. Martin, Sr.
(Signature)

Mitchell M. MARTIN, SR.
(Printed Name)

President
(Title)

To: Administrative Reviewer

Date Complete: December 20, 2011

From: Cartographer-Utilities & Districts Section

Subject: Overlap & Notice Check for Administrative Review No. A-107-11/37160-11
Community Utility Company (10350) to amend and to also decertify in Harris and
Montgomery counties

1. No new overlap of service areas exists.
2. An overlap:
3. Dual certification:
4. An overlap exists with the city limits of:
5. If this is a Sale, Transfer, or Merger, is additional area being requested?

7. Map submitted is digital request digital data.

9. Utility notice was sufficient.
10. Utility notice was insufficient. In addition to those systems listed in the application, they will also need to notify:

TWO MILES:

All cities and etj's within 2 miles of proposed area

11. Notice: **DO NOT NOTICE**

- X 12. Other comments: **Maps do not meet requirements. Please submit the following. (application states amend and decertify, no maps labeled what to decertify. maps should be clearly labeled with intent (amend/decertify), maps should show only proposed CCN no existing unless decertifying, no facility maps)**
- A. A general location map delineating the proposed service area with enough detail to accurately locate the proposed area within the county.
 - B. A map showing only the proposed area by:
 - i. metes and bounds survey certified by a licensed state or register professional land surveyor; or
 - ii. projectable digital data with metadata (proposed areas should be in a single record and clearly labeled). Also, a data disk labeled with the applicant's name must be

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LES ROMO
Attorney at Law and Mediator**

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Georgetown, Texas 78628

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Fax: (512) 591-7815
lesomo.lawoffice@gmail.com

November 23, 2012

Ms. Tammy Benter, Manager
Texas Commission on Environmental Quality
Utilities & Districts Section
Water Supply Division
P.O. Box 13087, MC-153
Austin, Texas 78711-3087

*Re: Application from Mitchell M. Martini dba Community Utility Company, to Amend and Decertify
a portion of Its Certificate of Convenience and Necessity (CCN) No. 10350, In Harris and
Montgomery Counties, Texas; Application No. 37266-C*

CN: 603180696; RN: 101458933

Dear Ms. Benter:

I am in receipt of a copy of a letter dated November 12, 2012 you sent Bret Fenner, P.E. a consultant for my client Community Utility Company ("Community") regarding the above-referenced application to amend Community's Certificate of Convenience and Necessity ("CCN") and captioned "Final Notice of Deficiency." My client has requested that I respond to your letter. First, I would note that Community's representatives and I were both surprised by the information demands contained in your letter, and with your intention to disrupt our efforts to amend and decertify a portion of Community's CCN; both actions that have been required by your agency.

Please note that both the Forest Manor and Heathergate Estates water systems have been in operation for approximately forty (40) years. Both systems were inherited by my client's representatives when they took over these water systems. If nothing else, both water systems should be grand fathered into acceptance by your agency as they have been providing water service for this extended period of time without the Commission requiring that Community's CCN. Please also note that when my client's representatives inherited the Community systems the former owners did not have nor did they provide to my Client's representatives any engineering plans for the various water systems they inherited, including the water systems in Community's CCN. Please also note that the Commission rules do not require engineering plans to be submitted when a CCN is being amended, as is the case with the Forest Manor water system. For these reasons, I submit that my client cannot nor should it comply with the information demands set forth in your letter.

As you know, my client is seeking the amendment to its CCN regarding Forest Manor and Heathergate Estates because your agency's has demanded this action. My client has been dutifully working with your agency's staff for almost a year now trying to submit maps and other documents acceptable to the staff, but without success. At each turn, the Commission's staff has either rejected my client's proffered maps and documents, or the staff has asked for additional or different information and maps. This has proved quite costly to my client, and I submit, verges on

Ms. Tammy Benter, Manager
Texas Commission on Environmental Quality
Utilities & Districts Section
Water Supply Division
November 23, 2012
Page 2

possible harassment and disparate and discriminatory treatment of Community and my client's representatives by the Commission and its staff. Both my client's representatives and I have noted that ever since M.B.C. Water Systems, Inc. tried to obtain a loan from the Texas Water Development Board the Commission's staff has been treating my client's representatives and their various water utilities in a more severe manner than before this effort, and we are concerned that the Commission's staff is not treating my clients fairly. I submit that the fact that it has taken almost a year to get the otherwise simple CCN amendments involved in this matter accomplished is an example of overly harsh and discriminatory treatment. Both my client's representatives, its consultants and I want to have a good working relationship with you and other Commission staff. However, I can assure you that I will not sit idly by and let what my client's representatives and I perceive to be unduly harsh and discriminatory treatment to continue. We will make every reasonable effort to work with you and the Commission staff, however, we will not permit arbitrary and discriminatory treatment to derail my client's continued operation and compliance with the law.

Accordingly, based on the above, my client finds it impossible to provide you with the demanded engineering plans, particularly by the deadline set forth in your letter. Should this matter go to hearing, and it will if my client's application is rejected or dismissed due my client's inability to meet your demands and/or to meet these demands by the stated deadline, I will require that each member of the Commission's staff involved explain under oath why Community has been treated in what appears to be an arbitrary manner, and why your agency has demanded information not required by your rules, and/or which is impossible to obtain and be provided by my client.

My client's representatives and I remain ready and willing to work with you and with the Commission's staff regarding this matter, however, I must require that my client be treated fairly and not be required to provide information that is either not required by the Commission's rules and/or which is impossible for my client to provide.

Please let me know if you have any questions. I request that you respond to me in writing to let me know how the Commission wishes to proceed on this matter from here. Thank you.

Sincerely,



Les Romo

LDR/sler

cc: Mitchell M. Martin, Jr., Board President, Community Utility Company
Bret W. Fenner, P.E.
Elisabeth Flores, Texas Commission on Environmental Quality

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DATE: 11-23-12

NO. pages (including cover) 3

TO: Ms. Tammy Benter, Section Manager
Utilities & District Section, Water Supply Division, Texas Commission on
Environmental Quality

FAX: (512) 239-6972

FROM: Les Romo

MESSAGE: RE: Forest Manor & Heathergate Estates; Community Utility Company:
CCN Amendment Application
Application No. 37266-C
CN: 603180696; RN: 101458933

Reply to your letter to Bret Fenner, P.E. dated November 12, 2012

ORIGINAL **/COPY** **TO FOLLOW:** **YES** **NO**