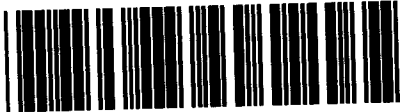


Control Number: 44001



Item Number: 46

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

RECEIVED

2014 DEC 22 AM 7:43

PUBLIC UTILITY COMMISSION
FILING CLERK

LIST OF NEIGHBORING UTILITIES

List of Neighboring Utilities

CCN NO. 12902 & 11157
AQUA TEXAS INC
1106 CLAYTON LN STE 400W
AUSTIN, TEXAS 78723-2476

CCN NO. 12831
EVERETT SQUARE INC
9132 WHITE OAK DR
CONROE, TEXAS 77384-4702

CCN NO. 12947
WOODLAND OAKS UTILITY COMPANY INC
PO BOX 592
CONROE, TEXAS 77305-0592

CCN NO. 11599
WESTWOOD NORTH WSC
6310 WEISINGER DR
MAGNOLIA, TEXAS 77354-0000

CCN NO. 11612
QUADVEST INC
PO BOX 409
TOMBALL, TEXAS 77377-0409

CCN NO. 12639
MONTGOMERY PLACE WATER SYSTEM INC
9132 WHITE OAK DR
CONROE, TEXAS 77384-4702

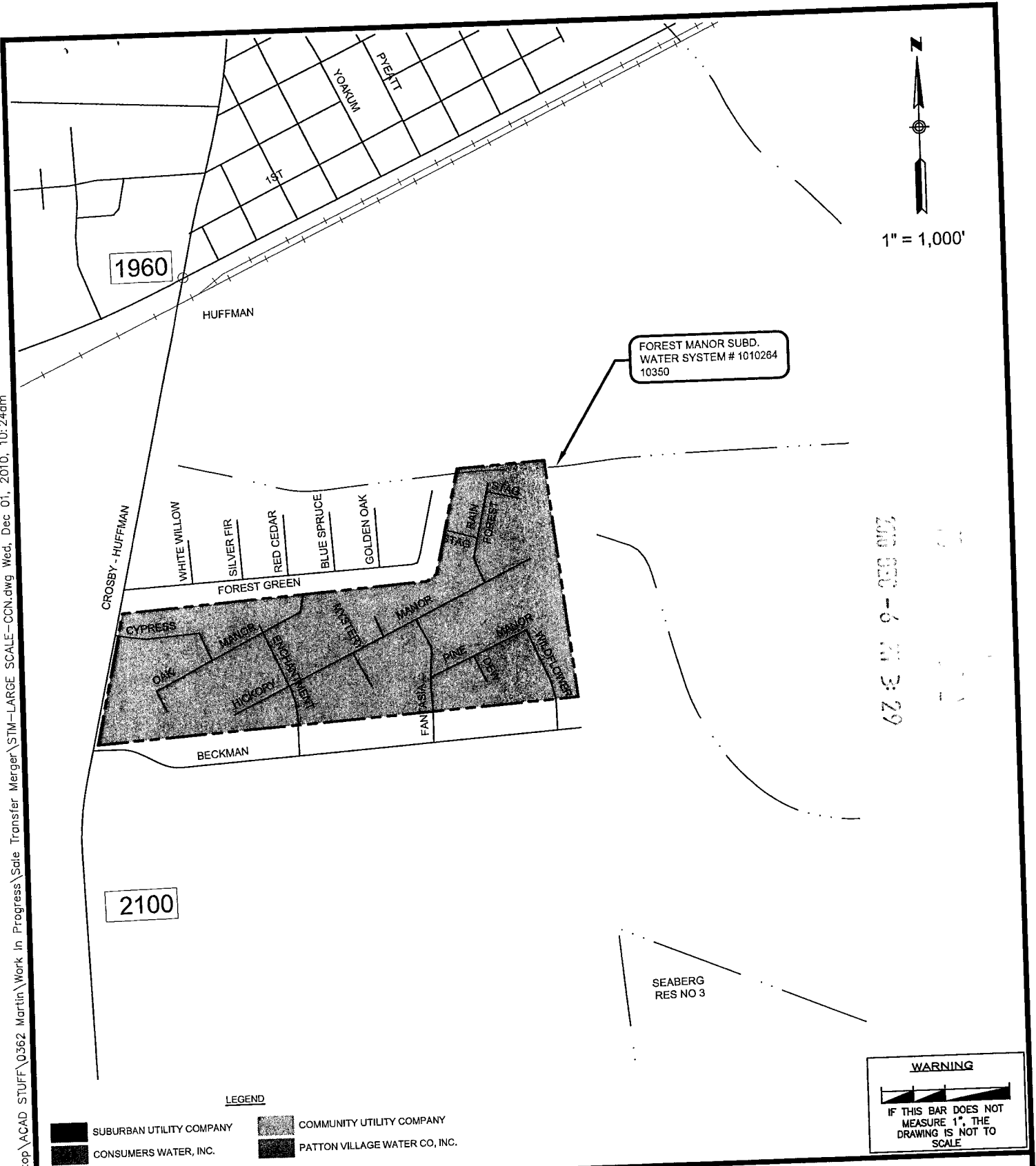
CCN NO. 10347
CONSUMERS WATER INC
PO BOX 1383
SPRING, TEXAS 77383-1383

CITY OF HOUSTON
PO BOX 1562
HOUSTON, TEXAS 77251-1562

2006 FEB -6 PM 3:29

MAPS

C:\Users\ThomasB SWE\Desktop\ACAD STUFF\0362 Martin\Work In Progress\Sale Transfer Merger\STM-LARGE SCALE-CON.dwg Wed, Dec 01, 2010, 10:24am



SALE, TRANSFER, MERGER APPLICATION
FOREST MANOR SUBDIVISION LARGE SCALE MAP

M.B.C. WATER SYSTEMS
HARRIS AND MONTGOMERY COUNTIES, TEXAS



Southwest Engineers, Inc.
Civil - Environmental - Planning
Gonzales Austin
www.swengineers.com
TBPE No. F-1909

Bryan W. Shaw, Ph.D., *Chairman*
Buddy Garcia, *Commissioner*
Carlos Rubinstein, *Commissioner*
Mark R. Vickery, P.G., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

March 1, 2011

Mr. Les Romo, Attorney
Law Office of Les Romo
307 Shannon Lane
Georgetown, Texas 78628

Re: Application from MBC Water Systems, Inc., A1945, to Purchase Facilities and to Transfer Certificate of Convenience and Necessity (CCN) No. 10350 from Mitchell Martin dba Community Utility Company, in Harris and Montgomery Counties; Application No. 36894-S

CN: pending; RN: pending (MBC Water Systems, Inc.)
CN: 603180696; RN: 101458933 (Mitchell Martin dba Community Utility Company)

Dear Mr. Romo:

Your application for MBC Water Systems, Inc., to purchase facilities from Mitchell Martin dba Community Utility Company was received on December 6, 2010, and has been accepted for filing. Thank you for providing the items we requested with your January 13, 2011, letter and the maps received on February 18, 2011. Ms. Heidi Graham has been assigned to perform the technical review.

It is the responsibility of the applicant to provide correct notice of the application to any utilities, cities, cities extraterritorial jurisdiction within two miles of your proposed service area, any city with an extraterritorial jurisdiction which overlaps the proposed service area, customers transferred, or other affected parties in your requested area.

A review of our files and maps indicates that additional utilities should be given notice of your application. **Therefore, in addition to the neighboring utilities noted on your application, please provide notice to the following utilities:**

Blue Bell Manor Utility Company, Inc. (CCN No. 10963)
SCF Water Company, LP (CCN No. 13074)
Orchard Crossing (CCN No. 12671)
Champs Water Company (CCN No. 10972)
J & S Water Company, LLC (CCN No. 12085)
Sunbelt FWSD (CCN No. 10833)
Southern Water Corporation (CCN No. 11389)
Crystal Springs Water Company, Inc. (CCN No. 11373)
KM 1488 Water, LLC (CCN No. 13089)
Coastal Water Authority

Mr. Les Romo
Page 2
March 1, 2011

East Montgomery County Improvement District
East Montgomery County MUD 3
Forest Hills MUD
Gulf Coast Waste Disposal Authority
Harris County Flood Control District
Harris County MUD 118
Harris County MUD 119
Harris County MUD 220
Harris County MUD 518
Harris County MUD 91
Montgomery County MUD 46
Montgomery County MUD 47
Montgomery County MUD 60
Montgomery County MUD 66
Montgomery County MUD 67
Montgomery County MUD 7
Montgomery County MUD 85
Montgomery County MUD 86
Mount Houston Road MUD
Near Northwest Management District
North Harris County Regional Water Authority
Port of Houston Authority
Robin PUD
San Jacinto River Authority
Spanish Cove PUD
Sunbelt FWSD
Woodlands Road UD 1
Harris County
Montgomery County
Lone Star Groundwater Conservation District
Harris-Galveston Subsidence District

The notice in your application is deficient. You must revise it to include the modifications indicated on the enclosed copy and re-notice all affected parties as described in the second paragraph of this letter.

Information related to utilities and districts including addresses can be obtained from the TCEQ web site located at www10.tceq.texas.gov/iwud/.

As proof that notice was given, you are required to return to this office a copy of the actual notice attached to a signed affidavit that the notice was given.

Affidavit forms are enclosed. Please complete the affidavits and submit an original and two copies (attached to the notice) to this office.


Additional financial or, technical information may also be requested through future correspondence.

Mr. Les Romo
Page 3
March 1, 2011

These items must be completed and returned to our office by **April 1, 2011**. Processing of this application cannot proceed until the close of the 30 day public comment period which begins after all the required notices have been given. If we do not receive the requested information by this date, your application will be returned for failure to prosecute.

If you have any questions, please contact Ms. Heidi Graham at 512/239-0844, or if by correspondence, include Mail Code 153 in the letterhead address.

Sincerely,

A handwritten signature in cursive script that reads "Tammy Benter".

Tammy Benter, Manager
Utilities & Districts Section
Water Supply Division
Texas Commission on Environmental Quality

TB/HG/db

Enclosures: as stated

Notice to Current Customers, Neighboring Systems and Cities

MITCHELL MARTIN DBA COMMUNITY UTILITY COMPANY'S NOTICE OF INTENT
TO SELL FACILITIES AND TRANSFER CERTIFICATE OF CONVENIENCE AND
NECESSITY (CCN) NO. 10350 TO MBC WATER SYSTEMS, INC., IN HARRIS AND
MONTGOMERY COUNTIES, TEXAS

Date Notice Mailed: _____, 2011

To: _____
(Name of Customer, Neighboring System or City)

Mitchell Martin, dba Community Utility Company, P.O. Box 455, Spring, Texas 77383
(Seller's or Transferor's Name) (Address) (City) (State) (Zip Code)

has submitted an application with the Texas Commission on Environmental Quality to
sell facilities and transfer water CCN No. 10350 in Harris and Montgomery Counties to:

MBC Water Systems, Inc. 27493 Hanna Road, No. 2, Conroe, Texas 77385
(Purchaser's or Transferee's Name) (Address) (City) (State) (Zip Code)

The sale is scheduled to take place as approved by the Executive Director (V.T.C.A.,
Water Code §13.301). The transaction and the transfer of the CCN include the following
subdivisions and zip codes: Forest Manor: 77336, Forest Trails: _____, Certificated
area in Harris County: _____ and Sweetgum Forest: 77354.

Forest Manor: PWS # 1010264

The area subject to this transaction is located approximately 26 miles northeast of
downtown Houston, Texas and is **generally** bounded on the north by Farm to Market
Road 1960; on the east by Rain Forest Drive; on the south by Beckman Road; and on the
west by Farm to Market Road 2100. The total area being requested includes
approximately 102 acres and serves 86 current customers.

Forest Trails:

The area subject to this transaction is located approximately 13.5 miles southeast of
downtown Conroe, Texas and is **generally** bounded on the north by Kalka Road; on the
east by Crystalwood Estates Drive; on the south by Pickering Road; and on the west by
Dry Creek. The total area being requested includes approximately 30 acres and serves
_____ current customers.

Certificated area in Harris County:

The area subject to this transaction is located approximately 10.5 miles northwest of
downtown Houston, Texas and is **generally** bounded on the north by West Gulf Bank
Road; on the east by W. Montgomery Road; on the south by Rigel Road; and on the west
by Scenic Green Drive. The total area being requested includes approximately 99 acres
and serves _____ current customers.

Sweetgum Forest: PWS # 1700113

The area subject to this transaction is located approximately 8 miles southwest of
downtown Conroe, Texas and is **generally** bounded on the north by Farm to Market
Road 1488; on the east by Lois Lane; on the south by Tory Ann Drive; and on the west

Texas Commission on Environmental Quality



AFFIDAVIT OF NOTICE TO NEIGHBORING UTILITIES AND AFFECTED PARTIES
APPLICATION NO. _____

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 for 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 _____, 20____,
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 _____

Texas Commission on Environmental Quality



AFFIDAVIT OF NOTICE TO CUSTOMERS AND OTHER AFFECTED PARTIES
APPLICATION NO. _____

STATE OF TEXAS
COUNTY OF _____

Before me, the undersigned authority, on this day personally appeared _____, who being by me
duly sworn, deposes and that (s)he is the _____ (TITLE)

of the _____;
(NAME OF UTILITY)

that the attached notice was provided to customers and other affected parties by
_____,
(METHOD USED TO PROVIDE NOTICE)

on or about the following date, to wit: _____ (DATE)

(SIGNATURE OF UTILITY OFFICIAL)

Subscribed and sworn to before me this _____ day of _____, 2011,
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 _____

Bryan W. Shaw, Ph.D., *Chairman*
 Buddy Garcia, *Commissioner*
 Carlos Rubinstein, *Commissioner*
 Mark R. Vickery, P.G., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution
 December 16, 2010

BY FAX TO 512/863-0452 AND
BY CERTIFIED MAIL

Mr. Les Romo, Attorney
 Law Office of Les Romo
 307 Shannon Lane
 Georgetown, Texas 78628

NOTICE OF DEFICIENCY

Re: Application from MBC Water Systems, Inc., A1945, to Purchase Facilities and to Transfer Certificate of Convenience and Necessity (CCN) No. 10350 from Mitchell Martin dba Community Utility Company, in Harris and Montgomery Counties; Application No. 36894-S

CN: pending; RN: pending (MBC Water Systems, Inc.)
 CN: 603180696; RN: 101458933 (Mitchell Martin dba Community Utility Company)

Dear Mr. Romo:

Your Sale, Transfer or Merger application for MBC Water Systems, Inc., received on December 6, 2010, has been assigned Application No. 36894-S, but has not been accepted for filing. Please refer to the application number in future correspondence.

The next step towards having your application accepted is to provide the following information:

1. The maps submitted do not meet the mapping requirements. The detailed maps do not show all of the certificated systems. The location map should show **only** the areas to be transferred. Digital data is available from the Utilities & Districts Section. Please submit four (4) copies of the following maps:
 - a. Detailed maps showing all the current CCN service area to be transferred with this application; and
 - b. Location maps showing **only** the proposed area to be transferred with this application.

Fee Enclosure

Date: December 13, 2010

Re: Application from MBC Water Systems, Inc., A1945, to Purchase Facilities and to Transfer Certificate of Convenience and Necessity (CCN) No. 10350 from Mitchell Martin dba Community Utility Company, in Harris and Montgomery Counties; Application No. 36894-S
CN: pending; RN: pending (MBC Water Systems, Inc.)
CN: 603180696; RN: 101458933 (Mitchell Martin dba Community Utility Company)

The staff of the Texas Commission on Environmental Quality (TCEQ) has determined that payment for the following item is required before the application can be declared administratively complete.

Fees

The fees owed are Regulatory Assessment fees for 2002 (a portion of the payment), 2003, 2004, 2005, 2006 and 2008 in the amount of approximately \$1693.94 in fees + approximately \$935.49 in late charges.

Please be advised: Failure to pay fees within 30 days will result in additional administrative actions affecting your fee accounts and your application with TCEQ. With respect to fees, these actions may include enforcement and collections efforts to recover the debt owed to the state. Regarding your application, additional administrative actions may include return of your application (forfeiting the application fee), or a contested case hearing that may result in the denial of your application.

If you believe that your liability for any portion of the delinquency noted above has been discharged in bankruptcy, or if you are presently a debtor in a pending bankruptcy proceeding, please immediately furnish the undersigned with file-stamped copies of the following pleadings from the bankruptcy court where your bankruptcy case was/is filed: (1) Bankruptcy Petition; (2) Schedules and Statement of Affairs; (3) Creditor Matrix/Matrices; and (4) Discharge Order or Confirmation Order. Please mail to the TCEQ at P.O. Box 13087, Mail Code 132, Austin, TX 78711-3087 and include any additional documents from the bankruptcy court that you believe are relevant to your responsibilities for the noted delinquency. We will immediately review these pleadings and take appropriate action regarding your application.

Payment may be made through the following methods: cash, check, ACH (electronic check), money order, or credit card through TCEQ's electronic payment portal (e-pay). Additional information regarding payment options is available at <http://www.tceq.state.tx.us/agency/delin/index.html>. Upon payment, please send documentation reflecting payment of all delinquent fees to the Utilities & Districts Section. If you have any questions regarding your application, you may contact Ms. Karen Blaschke at 512/239-6932. If you have any questions regarding the delinquencies, please use the enclosed list of fee coordinators for contact information. Please use Mail Code 153 when responding by mail.

To: Administrative Reviewer

Date Complete: February 23, 2011

From: Cartographer-Utilities & Districts Section

Subject: Overlap & Notice Check for Administrative Review No. A-142-10/36894-S
MBC Water Systems Inc to acquire all of Community Utility Co. (10350) in Harris and
Montgomery counties.

- X 1. No new overlap of service areas exists.
2. An overlap:
3. Dual certification:
4. An overlap exists with the city limits of:
- X 5. If this is a Sale, Transfer, or Merger, is additional area being requested? NO
7. Map submitted is digital request digital data.
9. Utility notice was sufficient.
- X 10. Utility notice was insufficient. In addition to those systems listed in the application, they will also need to notify:

TWO MILES:

Montgomery Place Water System (12639)

Everett Square Inc (12831)

Woodland Oaks Utility Co. Inc (12947)

Aqua Development (129002)

Blue Bell Manor Utility Co. Inc (10963)

SCF Water Company (13074)

Westwood North WSC (11599)

Orchard Crossing (12671)

Consumers Water Inc (10347)

Champs Water Company (10972)

Quadvest (11612)

J & S Water CO. LLC (12085)

Aqua Utilities (11157)

Sunbelt FWSD (10833)

Southern Water Corp (11389)

Crystal Springs Water Co. Inc (11373)

11. Notice:

remove Heathergate Estates and PWS 1011302 from notice area not certificated.

Forest Manor – OK

Sweetgum Forest – OK

Forest Trails-

Approximately 30 acres, 13.5 miles southeast of downtown Conroe

On the North by Kalka Rd.

On the East by Crystalwood Estates Dr

On the South by Pickering Rd

On the West by Dry Creek

Certificated area in Harris county

Approximately 99 acres, 10.5 miles northwest of downtown Houston


On the North by West Gulf Bank RD.

On the East by W. Montgomery Rd.

On the South by Rigel Rd.

On the West by Scenic Green Dr

12. Other comments:



Kent Steelman



DATE: 16 February 2011 FILE NO.: 02600610
ATTENTION: Ms. Karen Blarckke
RE:
MAP HARD COPIES
STM APPLICATIONS
M.B.C. Water Systems Inc., Garret, TX

TO: TCEQ UTILITIES & DISTRICTS SECT.
P.O. Box 13087, MC-153
Austin, TX 78711

WE ARE SENDING YOU THE FOLLOWING ITEMS...

☐ Shop Drawing(s)

☐ Letter(s)

 Print(s)

 Drawing(s)

ATTACHED

 Specification(s)

☐ Change Order(s)

UNDER SEPARATE COVER VIA

☐ Bid Invitation(s)☐ Quote Request(s)☐ Invoice(s)

☒ See Below

QNTY	DATE	c = COPY or o = ORIGINAL	DESCRIPTION of ITEM
4	.	o	Heathergate Large Scale Map

RECEIVED


FEB 18 2011

TEXAS COMMISSION
ON
ENVIRONMENTAL QUALITY

THESE ITEMS ARE BEING TRANSMITTED AS INDICATED BELOW...

☒ As Requested

 As Reference

 For Your Use

 For Review

☐ For Distribution

 For Processing

☐ For Execution

☐ For Approval

For Quotes Due

For Bids Due

☐ Approved As Submitted

☐ Approved As Noted☐ Approved For Construction

Returning After Loan

 See Below

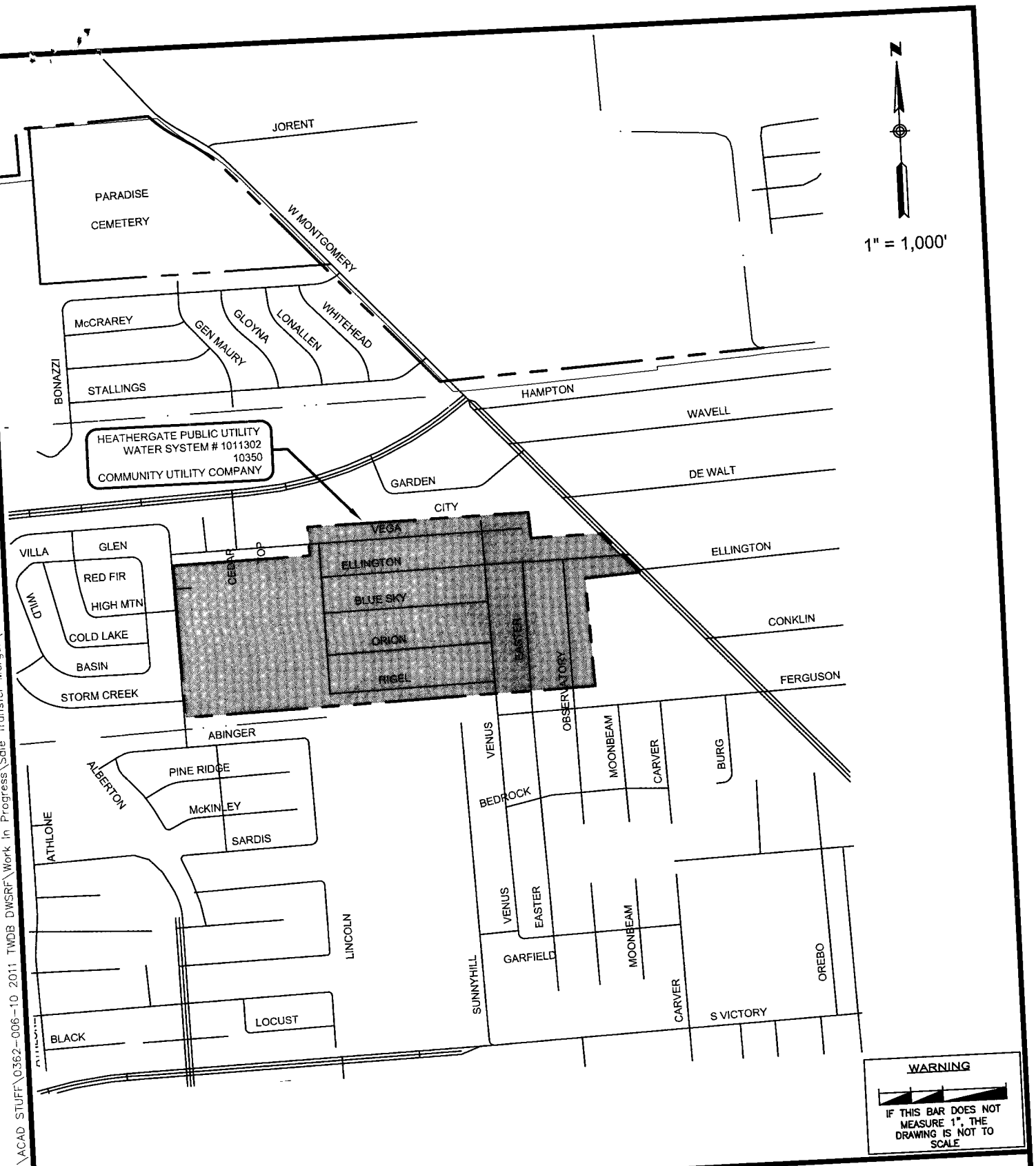
MESSAGE or COMMENT(S)

CC: MBC w/1 original map
Bret Fomer w/1 original map
Leskemo w/1 original map

SIGNED:

Jerry G. Shepherd, P.E.

C:\Users\ThomasB SWE\Desktop\ACAD STUFF\0362-006-10 2011 TWDB DWSRF\Work In Progress\Sale Transfer Merger\STM-LARGE SCALE-CON.dwg Thu Jan 06, 2011, 1:14pm



SALE, TRANSFER, MERGER APPLICATION
HEATHERGATE PUBLIC UTILITY COMPANY LARGE SCALE MAP

M.B.C. WATER SYSTEMS
HARRIS AND MONTGOMERY COUNTIES, TEXAS



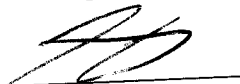
Southwest Engineers, Inc.
Civil - Environmental - Planning
Gonzales Austin
www.swengineers.com
TBPE No. F-1909

To: Administrative Reviewer Date: February 14, 2011
From: Cartographer-Utilities & Districts Section
Subject: Overlap & Notice Check for Administrative Review No. A-142-10/36894-S
MBC Water Systems Inc to acquire all of Community Utility Co. (10350) 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:

- X 11. Notice: **DO NOT NOTICE**
- X 12. Other comments: **Large map of "Heathergate Estates" shows the area in the wrong place. Need large map showing in correct place. This is another area the utility does not appear to be certificated to.**


Kent Steelman



Southwest Engineers
Civil · Environmental · Planning
307 Saint Lawrence Street Phone (830) 672-7546
Gonzales, Texas 78629 Fax (830) 672-2034
www.swengineers.com
TUBE No. F-1909

LETTER OF TRANSMITTAL

DATE: <u>31 January 2011</u>	FILE NO.: <u>036200610</u>
ATTENTION: <u>Ms. Karen Blaschke</u>	
RE: MAP HARD COPIES	
STM APPLICATIONS	
M.B.C. Water Systems, Inc., Conroe, TX	

TO: TCEQ UTILITIES & DISTRICTS SECT.
P.O. Box 13087, MC-153
AUSTIN, TX 78711

WE ARE SENDING YOU THE FOLLOWING ITEMS...

- | | | | |
|--|-------------------------------------|--|---|
| <input type="checkbox"/> Shop Drawing(s) | <input type="checkbox"/> Print(s) | <input checked="" type="checkbox"/> ATTACHED | <input type="checkbox"/> UNDER SEPARATE COVER VIA _____ |
| <input type="checkbox"/> Letter(s) | <input type="checkbox"/> Drawing(s) | <input type="checkbox"/> Specification(s) | <input type="checkbox"/> Bid Invitation(s) |
| | | <input type="checkbox"/> Change Order(s) | <input type="checkbox"/> Quote Request(s) |
| | | | <input checked="" type="checkbox"/> See Below |

QNTY	DATE	c = COPY or o = ORIGINAL	DESCRIPTION of ITEM
4	01.11	o	Overall Small Scale Map of Community Utility Company
4	01.11	o	Overall Small Scale Map of Consumers Water, Inc.
4	.	o	Forest Trails Large Scale Map

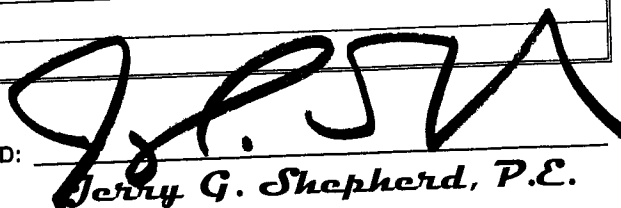
THESE ITEMS ARE BEING TRANSMITTED AS INDICATED BELOW...

- | | | |
|--|---|--|
| <input checked="" type="checkbox"/> As Requested | <input type="checkbox"/> For Processing | <input type="checkbox"/> Approved As Submitted |
| <input type="checkbox"/> As Reference | <input type="checkbox"/> For Execution | <input type="checkbox"/> Approved As Noted |
| <input type="checkbox"/> For Your Use | <input type="checkbox"/> For Approval | <input type="checkbox"/> Approved For Construction |
| <input type="checkbox"/> For Review | <input type="checkbox"/> For Quotes Due _____ | <input type="checkbox"/> Returning After Loan |
| <input type="checkbox"/> For Distribution | <input type="checkbox"/> For Bids Due _____ | <input type="checkbox"/> See Below |

RECEIVED FEB 02 2011 TEXAS COMMISSION ON ENVIRONMENTAL QUALITY	MESSAGE or COMMENT(S)

CC: MBC w/1 original of each map
LesRomo w/1 original of each map
Bret Ferner w/1 original of each map

SIGNED:


Jerry G. Shepherd, P.E.

To: Administrative Reviewer

Date: January 19, 2011

From: Cartographer-Utilities & Districts Section

Subject: Overlap & Notice Check for Administrative Review No. A-142-10/369-894-S
MBC Water Systems Inc to acquire all Of Community Utility Co. (10350) 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:

- X 11. Notice: **DO NOT NOTICE**
- X 12. Other comments: **Maps do not meet requirements. Please submit original and copies of the following. (applications stated intent is to transfer all of CCN maps do not show all certificated area, digital data is available)**
- 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:
 - (1) Metes and bounds survey certified by a licensed state or register professional land surveyor ; or
 - (2) Projectable digital data with metadata (proposed areas should be in a single record and clearly labeled for each utility) ; or
 - (3) Following verifiable natural and man-made landmarks; or
 - (4) Copy of recorded plat map with metes and bounds
 - C. A written description of the proposed service area.


Kent Steelman

**Law Office of
LES ROMO
Attorney at Law and Mediator**

**307 Shannon Lane
Georgetown, Texas 78628**

**(512) 868-5600
Fax: (512) 863-0452
lesomo.lawoffice@gmail.com**

January 13, 2011

Ms. Benter, Manager
Texas Commission on Environmental Quality
Utilities & Districts Section
Water Supply Division
P.O. Box 13087, MC0153
Austin, Texas 78711-3087

Re: Application from M.B.C. Water Systems, Inc., A1945, to Purchase Facilities and to Transfer Certificate of Convenience and Necessity (CCN) No. 10350 from Mitchell Martin dba Community Utility Company, in Harris and Montgomery Counties; Application No. 36894-S

*CN: pending; RN: pending (M.B.C. Water Systems, Inc.)
CN: 603180696; RN: 101458933 (Mitchell Martin dba Community Utility Company)*

Dear Ms. Benter:

I am writing to provide a response to the Notice of Deficiency that you sent me dated December 16, 2010 related to the above-referenced STM application by my client, M.B.C. Water Systems, Inc. ("M.B.C.") to purchase the assets of Mitchell Martin dba Community Utility ("Community") and to have its CCN transferred to my client. I will respond to the requests for information contained in your letter:

1. As your request, please find enclosed four (4) copies of revised maps showing all of the certificated systems, and showing only the areas to be transferred in the STM. My client's STM application is not intended to amend Community's Certificate of Convenience and Necessity ("CCN"), nor to decertify any areas in its CCN.

2. As to the deficiencies listed in the latest inspection reports for Forest Manor Subdivision and the Heathergate Public Utility Co water systems, I am enclosing four (4) copies of a response to your request as to what my client plans to do to address these deficiencies.

3. Please find enclosed four (4) copies of the Bill of Sale agreement between M.B.C. and Community for the sale of the water system between the companies.

4. My client has researched its records, and submits that it has paid all of the Regulatory Assessment fees for 2002, 2003, 2004, 2005, 2006 and 2008. Mitchell M. Martins, Jr., President of Community has been in contact with Karen Blaschke who works at the Commission and she concurs that all of the regulatory fees for these years have been paid by Community. The attached payment schedule reflects that Community owed the sum of \$1,815.62 in Regulatory Assessment fees for the above-stated years. I am enclosing a copy of the payment transaction report where my client paid the required \$1,815.62. So there are no further regulatory fees owed by Community at this time

Reply to Request for Information Number 2 in the December 16, 2010 Letter from Tammy Benter:

2. As to the designated deficiencies in the inspection reports for Forest Manor Subdivision and Heathergate Public Utility Co water systems, M.B.C. Water Systems, Inc. ("M.B.C.") has applied for a loan from the Drinking Water State Revolving Fund ("DWSRF") from the Texas Water Development Board (the "Board") . The Board has given notice it has tentatively accepted my client's loan application for the sum of thirteen million four hundred fifty-five thousand six hundred twenty-four and No/100 dollars (\$13,455,624.00) to purchase the Community Utility Company ("Community") water system, and to perform work on addressing any deficiencies in the water system. Community Utility Company has filed a surcharge applications as part of the process of getting the DWSRF loan funds. As we discussed, Consumer's officers and representatives and I believe that Community's customers will protest the surcharge application, and since the Board has placed a time-limit on Community getting approval for the surcharge by the Commission, it is requested that the Commission voluntarily protest the surcharge application so the hearing process can take place as soon as possible. Once the surcharge is approved, and the DWSRF loan funds are obtained by M.B.C., it will begin to make the necessary repairs and/or upgrades as may be needed to address the deficiencies noted in the inspection reports for Forest Manor Subdivision and Heathergate Public Utility Co water systems.

BILL OF SALE

STATE OF TEXAS)
)
COUNTY OF MONTGOMERY)

The undersigned, is COMMUNITY UTILITY COMPANY, a corporation formed and doing business in the State of Texas, that is located in Montgomery County, Texas; known herein as "Grantor," and for and in consideration of the sum of Ten and NO/100 DOLLARS (\$10.00) and other good and valuable consideration paid to it by M.B.C. WATER SYSTEMS, INC., of Montgomery County, Texas, referred to herein as "Grantee", the receipt of which is acknowledged in the manner and form stated as follows, has and hereby does BARGAIN, SALE and DELIVER, to Grantee the following described personal property in both Harris County, Texas and Montgomery County, Texas, to wit:

The complete water system owned by Grantor, including all wells, master water meters, chlorination and treatment systems, ground storage tanks, service pumps, pressure tanks, and the water distribution lines owned by the Grantor in Montgomery County, Texas, as well all other assets and real property owned by Grantor.

The above-referenced sale price also includes the sale of certain real property from Grantor to Grantee that is covered by a Deed Without Warranty of even date herewith.

Terms of Payment:

Payment for the above-referenced property has been received by the Grantor, and Grantor acknowledges receipt of the payment of the consideration for the sale of the above-referenced personal property, all other water system and other assets owned by Grantor.

Grantor warrants that it is the lawful owner of the subject personal property and assets, and that the sale and conveyance of the personal property and assets is free of all encumbrances and liens. Grantor covenants and warrants that it has the right to sell the subject personal property and assets and will warrant and defend that right against the lawful claims and demands of all persons, and Grantor hereby sells and conveys all of Grantor's right, title and interest in the above-stated personal property and assets owned by Grantor for the same to Grantee.

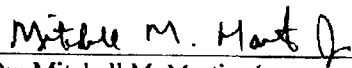
This Bill of Sale is effective as to the transfer of all personal property and assets listed above from Grantor to Grantee and becomes effective upon the date of the approval of the sale and transfer of Grantor's assets by the Texas Commission on Environmental Quality.

Dated this 1st day of NOVEMBER, 2010.

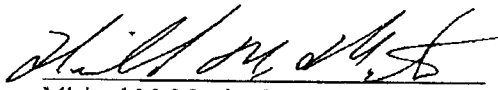
2010 NOV 15 11:28:30

GRANTOR:

COMMUNITY UTILITY COMPANY

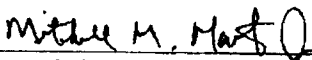

By: Mitchell M. Martin, Jr.
Its: Board President

ATTEST:

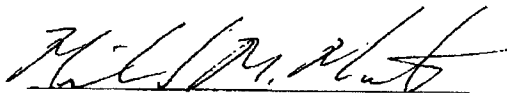

Michael M. Martin, Sr., Board Secretary

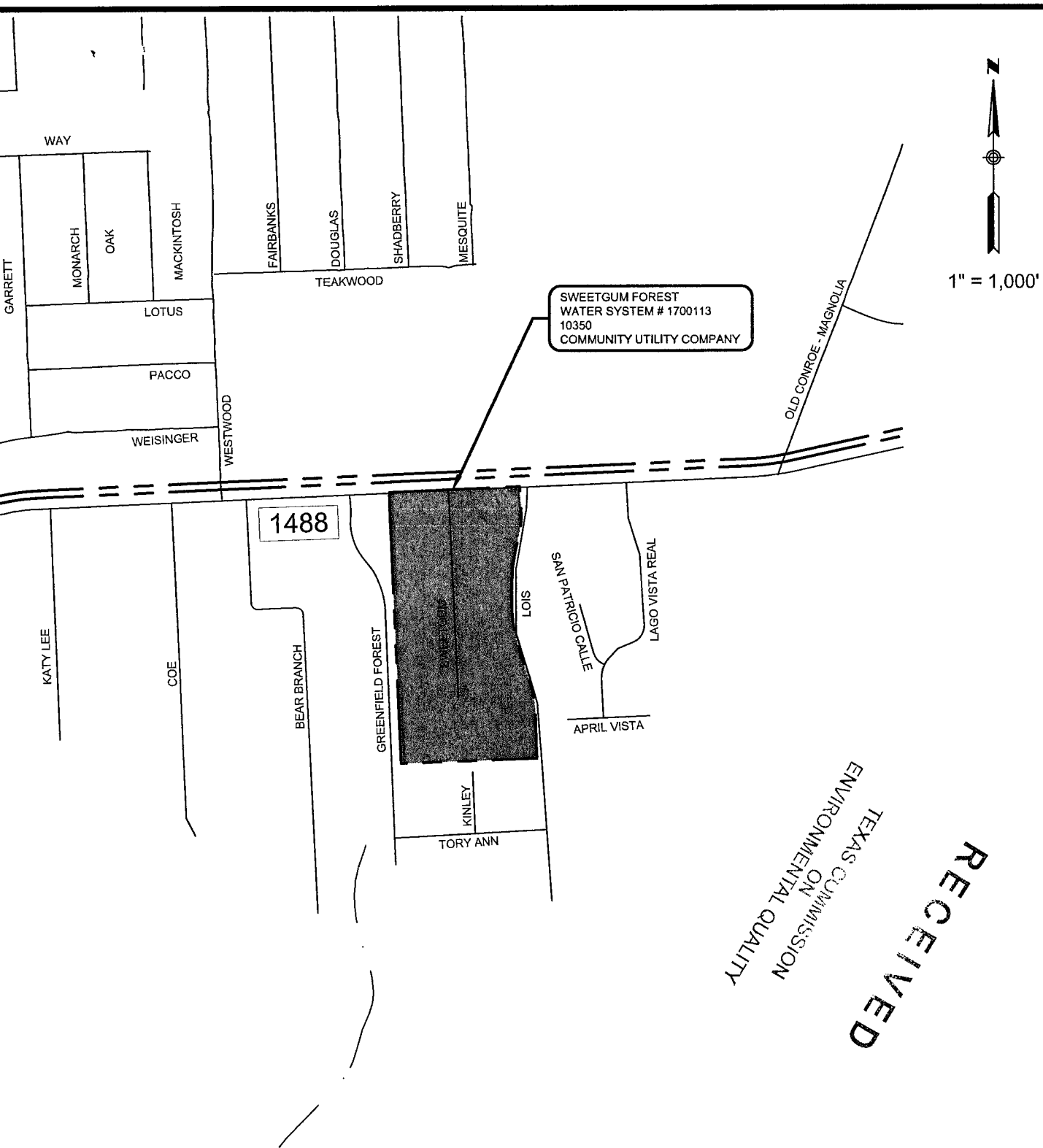
GRANTEE:

M.B.C. WATER SYSTEMS, INC.


By: Mitchell M. Martin, Jr.
Its: Board President

ATTEST:


Michael M. Martin, Sr., Board Secretary



RECEIVED
TEXAS COMMISSION
ON
ENVIRONMENTAL QUALITY

WARNING
IF THIS BAR DOES NOT
MEASURE 1", THE
DRAWING IS NOT TO
SCALE

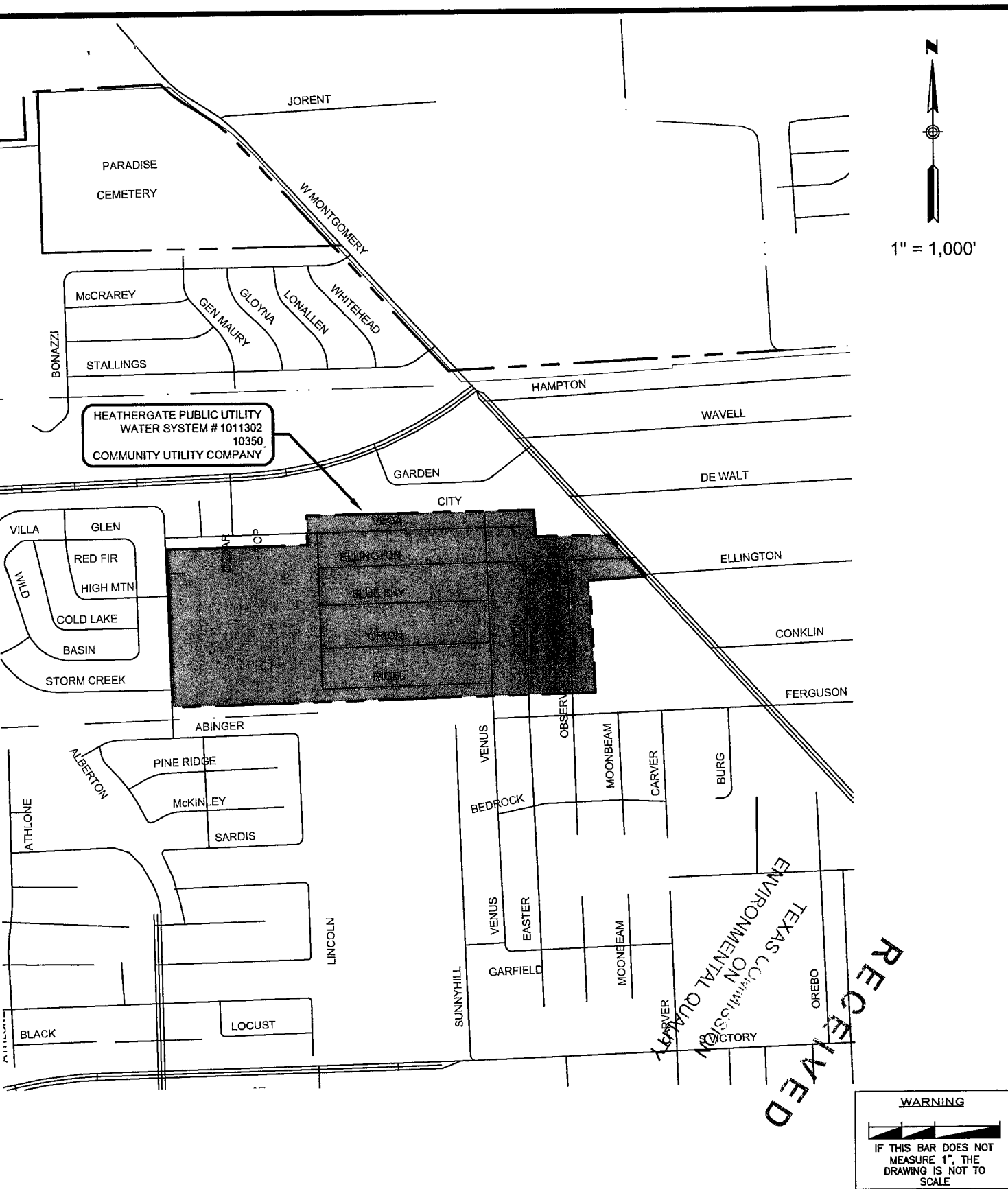
SALE, TRANSFER, MERGER APPLICATION
SWEETGUM FOREST LARGE SCALE MAP

M.B.C. WATER SYSTEMS
HARRIS AND MONTGOMERY COUNTIES, TEXAS



Southwest Engineers, Inc.

Civil - Environmental - Planning
Gonzales Austin
www.swengineers.com
TBPE No. F-1909



SALE, TRANSFER, MERGER APPLICATION

HEATHERGATE PUBLIC UTILITY COMPANY LARGE SCALE MAP

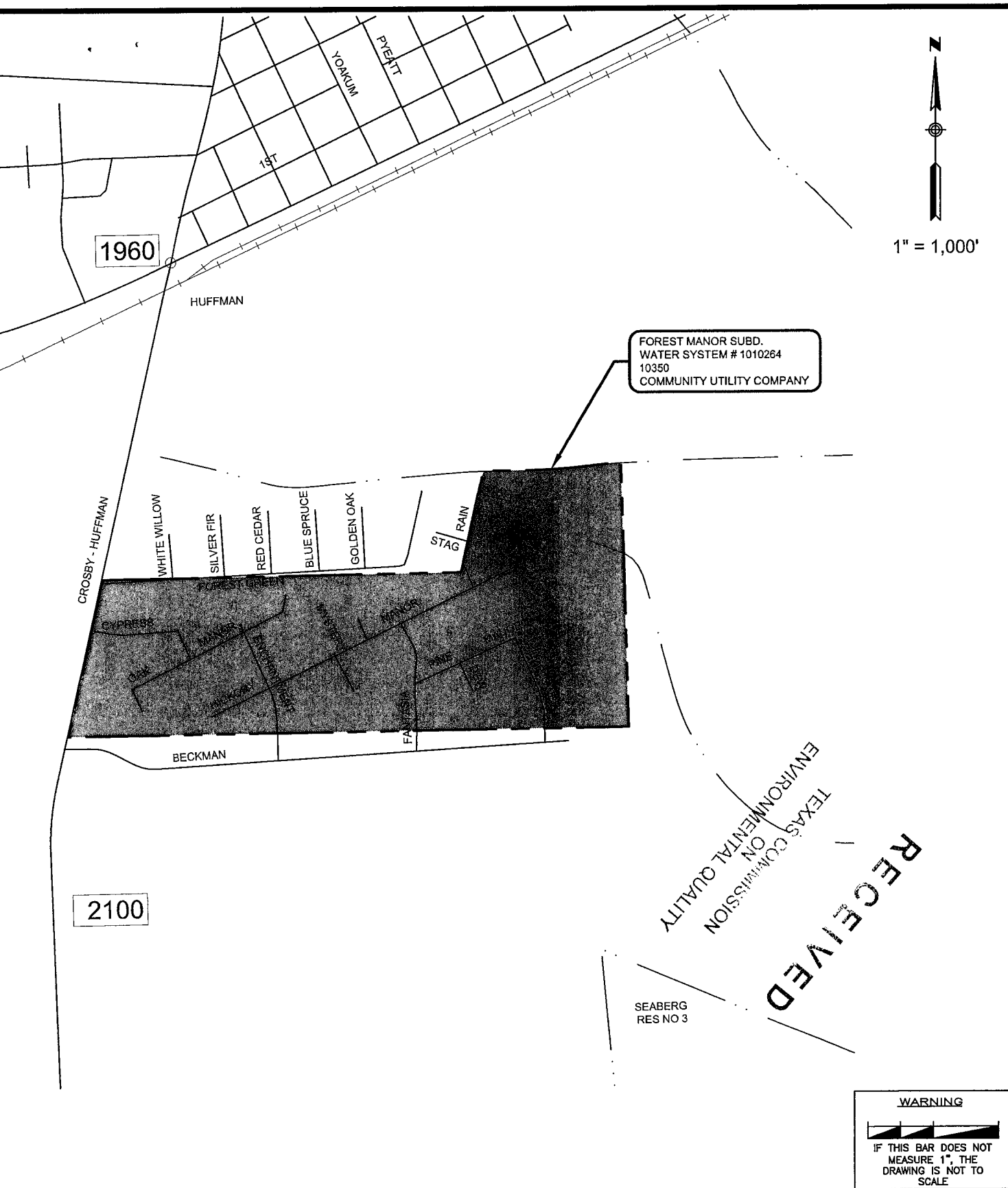
M.B.C. WATER SYSTEMS
HARRIS AND MONTGOMERY COUNTIES, TEXAS



Southwest Engineers, Inc.

Civil - Environmental - Planning
Gonzales Austin

www.swengineers.com
TBPE No. F-1909



SALE, TRANSFER, MERGER APPLICATION
FOREST MANOR SUBDIVISION LARGE SCALE MAP

M.B.C. WATER SYSTEMS
HARRIS AND MONTGOMERY COUNTIES, TEXAS



Southwest Engineers, Inc.

Civil - Environmental - Planning
Gonzales Austin
www.swengineers.com
TBPE No. F-1909

Bryan W. Shaw, Ph.D., Chairman
Buddy Garcia, Commissioner
Carlos Rubinstein, Commissioner
Mark R. Vickery, P.G., Executive Director



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution
September 10, 2009

CERTIFIED MAIL #7007 0710 0004 7392 5345
RETURN RECEIPT REQUESTED

Mr. Mitchell M. Martin Jr., President
Community Utility Company
P.O. Box 58
Spring, Texas 77383-0058


Re Additional Compliance Documentation Needed for:
Sweetgum Forest, Sweetgum and FM 1488, Montgomery County, Texas
Investigation # 761818 TCEQ ID No. 1700113

Dear Mr. Martin:

On November 12, 2008 and July 31, 2009 the Texas Commission on Environmental Quality (TCEQ) Houston Region Office received compliance documentation for the alleged violations noted during the investigation of the above-referenced facility conducted on July 17, 2008. The compliance documentation contained in your response appears to indicate that some of the problems documented during the investigation have been corrected. However, information is still needed for the outstanding alleged violations listed in the enclosed *Summary of Investigation Findings*. Please submit to our office by October 10, 2009, a written description of corrective actions taken and the required compliance documentation demonstrating that these remaining alleged violations have been resolved.

The Texas Commission on Environmental Quality appreciates your assistance in this matter and your compliance efforts to protect the State's environment. We look forward to receiving your response for the remaining alleged violations. Please note that the Legislature has granted TCEQ enforcement powers which we may exercise to ensure compliance with environmental regulatory requirements. If you or members of your staff have any questions, please feel free to contact Ms. LaTrichia Spikes in the Houston Region Office at (713)767-3650.

Sincerely,


Leticia De Leon, Team Leader
Public Water Supply
Houston Region Office

LD/L.S/ra

cc: Montgomery County Environmental Health Dept
Kelcy Wistan, Water Enforcement, TCEQ, Austin, MC-149

Enclosure: Summary of Investigation Findings

Reply To: REGION 12 • 5425 PULASKI ST. STE. H • HOUSTON, TEXAS 77023-1452 • 713-767-3500 • FAX 713-767-3520

P.O. Box 13087 • Austin, Texas 78711-3087 • 512-239-1000 • Internet address: www.tceq.state.tx.us

Summary of Investigation Findings



SWEETGUM FOREST

Investigation # 761818

Investigation Date 07/20/2009

MONTGOMERY COUNTY,

Additional ID(s): 1700113

OUTSTANDING ALLEGED VIOLATION(S) ASSOCIATED TO A NOTICE OF VIOLATION

Track No. 343509

Compliance Due Date: 10/01/2008

30 TAC Chapter 290.44(d)

30 TAC Chapter 290.46(r)

Alleged Violation

Investigation 689559

Comment Date 08/12/2008

Water Distribution

Failure to design and maintain a water distribution system to provide at all points within the distribution network a minimum pressure of 35 pounds per square inch (psi) at flow rates of at least 1.5 gallons per minute per connection at each service outlet or connection. When the regulated entity is intended to provide fire fighting capability, it must also be designed to maintain a minimum pressure of 20 psi under combined fire and drinking water flow conditions.

At the time of the investigation the pressure in distribution was 29 psi.
Investigation 761818

Comment Date 08/03/2009

Failure to design and maintain a water distribution system to provide at all points within the distribution network a minimum pressure of 35 pounds per square inch (psi).

Recommended Corrective Action: Submit documentation verifying the pressure of at least 35 psi has been obtained and maintained to verify compliance.

Track No. 343510

Compliance Due Date: 10/01/2008

30 TAC Chapter 290.121

Alleged Violation

Investigation 689559

Comment Date 08/12/2008

Monitoring Plans

Failure by the regulated entity to develop and maintain an up to date system monitoring plan. The plan shall identify all bacteriological and chemical sampling locations, describe the sampling frequency, and specify the analytical procedures and laboratories to be used to comply with monitoring requirements. The completed plan must be retained at each water plant, and made available to agency personnel for review during succeeding sanitary surveys.

At the time of the investigation no monitoring plan was made available.
Investigation 761818

Comment Date 08/03/2009

Failure by the regulated entity to develop and maintain an up to date system monitoring plan.

Recommended Corrective Action: Submit a copy of the monitoring plan to verify compliance.

Track No. 343511

Compliance Due Date 12/10/2008

30 TAC Chapter 290.46(n)(2)

**Alleged Violation**

Investigation: 689559

Comment Date: 08/12/2008

Operating Practices for Public Water Systems

Failure to prepare and maintain a map of the distribution system so that valves and mains may be easily located during emergencies

No distribution map was made available at the time of the investigation

Investigation: 761818

Comment Date: 08/03/2009

Failure to provide at the time of the investigation a distribution map

Recommended Corrective Action: Submit a copy of the accurate distribution map as to verify compliance

Track No: 343512**Compliance Due Date:** 03/10/2009**30 TAC Chapter 290.46(u)****Alleged Violation**

Investigation: 689559

Comment Date: 08/12/2008

Abandoned Wells

Failure to plug an abandoned public water supply well(s) owned by the system, with cement according to 16 TAC Chapter 76 (relating to Water Well Drillers and Water Well Pump Installers).

It is noted that the well has dried up. The entity receives purchased water and alleges no future plans to use well.

We have enclosed a copy of the plugging report which must be submitted when the operation has been completed.

Investigation: 761818

Comment Date: 08/03/2009

Failure to plug the well

Recommended Corrective Action: Submit a copy of the plugging report to verify compliance

**ALLEGED VIOLATION(S) NOTED AND RESOLVED
ASSOCIATED TO A NOTICE OF VIOLATION****Track No:** 343507**30 TAC Chapter 290.44(g)****30 TAC Chapter 290.46(k)****Alleged Violation**

Investigation: 689559

Comment Date: 08/12/2008

Interconnections

Failure to provide documents showing the approved proposal for a direct connection between public drinking water systems.

At the time of the investigation no documentation was provided to show the interconnect between Greenfield Forest (Wholesaler) and Sweetgum Forest (Purchaser) has been approved.

It is noted that at the time of the investigation the entity originally was provided an interconnect for emergency purposes. The entity is now provided water on a permanent basis.

Investigation: 761818

Comment Date: 08/03/2009



By: _____
Mr. _____

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas from Air and Water Pollution

September 25, 2008

CERTIFIED MAIL #7002 2030 0003 4747 9301
RETURN RECEIPT REQUESTED

Mr. Markell Martin, President
Community Utility Company
P.O. Box 58
Spring, Texas 77383-0058

Re: Notice of Violation for the Comprehensive Compliance Investigation at
Forest Manor Subdivision, 1618 Beckman Drive, Harris County, Texas
RN101198554, Investigation No. 681126, TCEQ Additional ID: 1010264

Dear Mr. Martin:

On July 22, 2008, Ms. Leticia De Leon 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 requirements for public water supply. Enclosed is a summary which lists the investigation findings. During the investigation, the investigator resolved some apparent instances of noncompliance noted during previous investigations. Information has been provided which appears to indicate that these problems have been corrected. In addition, certain outstanding alleged violations were identified for which compliance documentation is required. Please submit to this office by March 25, 2009 a written description of corrective action taken and the required documentation demonstrating that compliance has been achieved for each of the outstanding alleged violations.


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. We anticipate that you will resolve the alleged violations as required in order to protect the State's environment. If you have additional information that we are unaware of, you have the opportunity to contest the violations documented in this notice. Should you choose to do so, you must notify the Houston Region Office within 10 days from the date of this letter. At that time, David W. Livings, Team Leader, will schedule a violation review meeting to be conducted within 21 days from the date of this letter. However, please be advised that if you decide to participate in the violation review process, the TCEQ may still require you to adhere to the compliance schedule included in the attached Summary of Investigation Findings until an official decision is made regarding the status of any or all of the contested violations.



Mr. Michael Martin, President
September 12, 2008
Page

If you or members of your staff have any questions, please feel free to contact Ms. Leucia De Leon, Houston Region Office at 281-611-3651.

Since my


David W. Long, R.S., Sr.
PWS Team Leader
Houston Region Office

DW7:DD

cc: Harris Co. Public Health and Environmental Services

Enclosures: Summary of Investigation Findings

Summary of Investigation Findings



FOREST MAJOR SUBDIVISION

Investigation # 681126

Investigation Date 07/22/2008

HARRIS COUNTY

Additional (Dtg) 010204

OUTSTANDING ALLEGED VIOLATION(S) ASSOCIATED TO A NOTICE OF VIOLATION

Track No. 64434 Compliance Due Date 03/09/2009
30 TAC Chapter 290.45(b)(1)(C)(ii)

Alleged Violation

Investigation # 681126

Comment Date 08/28/2008

Capacity Requirements

Failure to meet this Agency's "Minimum Water System Capacity Requirement." This requirement includes a total storage capacity of 200 gallons per connection. Your water system must be modified to meet this requirement to assure an adequate supply of water at all times.

The facility is required to provide a minimum of 17,000 gallons of ground storage tank capacity. This is calculated in the following manner:

$$200 \text{ Gal/Conn} \times 85 \text{ Conn} = 17,000 \text{ Gallons}$$

At the time of this inspection the facility did not have a ground storage tank installed; the facility was forced to disconnect the existing ground storage tank due to poor structural integrity.

Please be advised that public water systems shall notify the executive director prior to making any significant change or addition to the system's production, treatment, storage, or distribution facilities. Public water systems shall submit plans and specifications for the proposed changes upon request.

The water system may request an exception to this requirement by writing to TCEQ, Water Supply Division, Public Drinking Water Section, Technical Review & Oversight, MC 155, P.O. Box 3157, Austin, TX 78711-0887, phone (512) 239-4799.

Recommended Corrective Action: Submit a compliance plan, engineering report or certification OF a copy of a letter requesting an exception in addition to a compliance plan for final compliance, OF a copy of a letter granting an exception to verify compliance.

Track No. 64434 Compliance Due Date 03/09/2009
30 TAC Chapter 290.39(j)

Alleged Violation

Investigation # 681126

Comment Date 08/26/2008

Examination of Plans and Specifications

Failure to notify the executive director in writing of any changes in existing system or supplies. Public water systems shall notify the executive director prior to making any significant change or addition to the system's production, treatment, storage, or distribution facilities. Public water systems shall submit plans and specifications for the proposed changes upon request.

At the time of the inspection the facility had installed an 80 gallon per minute service pump between the well and the pressure tank which was not approved. Furthermore, because the ground storage tank was in such poor condition it had to be removed and the service pumps for the ground storage tank have also been removed. This facility is required to have this

COPY

ALLEGED VIOLATION(S) NOTED AND RESOLVED
ASSOCIATED TO A NOTICE OF VIOLATION:

30-A-10-1-19040/m

Generated on: 07/28/2023

Comment Date 01/12/2008

Comment Date 08/20/2008

Resolution: facility is performing required maintenance as of the 11/22/2008 inspection

30 T.A., Chapter 290 46(m)(1)

Comment Date 07/28/2003

Comment Date 01/12/2008

Comment Date 08/20/2008

Resolution: The City provided an inspection report for both the pressure tank, and ground storage tank at the time of the 2008 inspection.

30 TAC 290.46

Comment Date 07/28/2003

Comment Date 01/2/2008

Completed Date 7/8/19/2008

Resolution: 6 was a single sample, 3rd generation type of the γ - δ 100% inspection

... every five years.



ADDITIONAL ISSUES

Description

Other violations noted during the investigation include non-compliance with the following code section:

Additional Comments

At the time of this inspection, this facility still has an outstanding violation for the following:

Track # 42899

30 Tex. Admin. Code §291.45(h)(1)(C)(ii)

Capacity Requirement

Failure to meet this Agency's "Minimum Water System Capacity Requirement." This requirement includes a service pump capacity such that each pump station or pressure zone must have two or more pumps with a total capacity of 2.0 gallons per minute per connection.

At the time of this inspection, this facility did not have any service pumps and is required to provide a minimum of 170 gallons per minute of service pump capacity. This is calculated in the following manner:

$$100 \text{ PWS Connections} \times 80 \text{ GPM} = 170 \text{ GPM}$$

This violation is part of your compliance agreement. Please continue working towards resolving this issue.

Other violations noted during the investigation include non-compliance with the following code section:

Please be aware that this facility still has an outstanding violation for the following:

Track # 14293F

30 Tex. Admin. Code §291.46(v); Operating Practices for Public Water Systems

Failure to install water system electrical wiring in a secure, mounted conduit in compliance with applicable electrical code.

This violation is part of your compliance agreement. Please continue working towards resolving this issue.

Kathleen Hartnett White, *Chairman*
Larry R. Soward, *Commissioner*
Glenn Shankle, *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

August 30, 2006

CERTIFIED MAIL #7002 2030 0003 4747 6683
RETURN RECEIPT REQUESTED

Mr. Michael Martin, Co-Owner
Community Utility Company
P.O. Box 58
Spring, Texas 77383-0058

Re: Notice of Violation for the Comprehensive Compliance Investigation at:
Heathergate Public Utility Co, 20703 ½ Berry Thicket, Harris County, Texas
TCEQ ID No: 1011302

Dear Mr. Martin:

On August 15, 2006, Ms. Melody Kirksey of the Texas Commission on Environmental Quality (TCEQ), Houston Region Office, conducted an investigation of the above-referenced facility to evaluate compliance with applicable requirements for public water supply systems. Enclosed is a summary which lists the investigation findings. During the investigation, certain outstanding alleged violations were identified for which compliance documentation is required. A due date for submitting compliance documentation for the outstanding alleged violations will be determined by the TCEQ Enforcement Division. Please take the necessary steps to start correcting the alleged violations.

The Texas Commission on Environmental Quality 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. We anticipate that you will resolve the alleged violations as required in order to protect the State's environment. If you have additional information that we are unaware of, you have the opportunity to contest the violation documented in this notice. Should you choose to do so, you must notify the Houston Region Office within 10 days from the date of this letter. At that time, Mr. David W. Livings, PWS Work Leader, will schedule a violation review meeting to be conducted within 21 days from the date of this letter. However, please be advised that if you decide to participate in the violation review process, the TCEQ may still require you to adhere to the compliance schedule included in the attached Summary of Investigation Findings until an official decision is made regarding the status of any or all of the contested violations.

REPLY TO: REGION 12 • 5425 POLK ST., STE. H • HOUSTON, TEXAS 77023-1452 • 713/767-3500 • FAX 713/767-3520

P.O. Box 13087 • Austin, Texas 78711-3087 • 512/239-1000 • Internet address: www.tceq.state.tx.us

printed on recycled paper using soy-based ink



Mr. Michael Martin, Co Owner
Page 2
August 30, 2006

If you or members of your staff have any questions, please feel free to contact Ms. Melody Kirksey in the Houston Region Office at 713/767-3650.

Sincerely,

David W. Livings, Work Leader
Public Water Supply
Houston Region Office

DWL/MK/ra

cc: Harris Co. Health Dept

Enclosures: Summary of Investigation Findings

Summary of Investigation Findings

HEATHERGATE PUBLIC UTILITY CO

Investigation # 510194

, HARRIS COUNTY,

Investigation Date: 08/15/2006

Additional ID(s): 1011302

COPY

No Violations Associated to this Investigation

ADDITIONAL ISSUES

Description

Other violations noted during the investigation? (If non-compliant then describe violation in the comment section.)

Other violations noted during the investigation? (If non-compliant then describe violation in the comment section.)

Other violations noted during the investigation? (If non-compliant then describe violation in the comment section.)

Other violations noted during the investigation? (If non-compliant then describe violation in the comment section.)

Additional Comments

Failure to provide at least two service pumps with at least 2 gallons per minute per connection of pumping capacity. With 128 connections, your system is required to have at least 256 gallons per minute of service pump capacity. Currently, your system has no service pumps. This violation has already been noted by the Commission's enforcement division and is part of an active enforcement case.

Failure to provide at least 200 gallons per connection of ground storage capacity. With 128 connections, your system is required to have at least 25,600 gallons of ground storage. Currently, your system has no ground storage. This violation has already been noted by the Commission's enforcement division and is part of an active enforcement case.

Failure to provide at least 0.6 gallons per minute per connection of well capacity. With 128 connections, your system is required to have at least 77 gallons per minute of well capacity. Currently, your system has 48 gallons per minute of well capacity. This violation has already been noted by the Commission's enforcement division and is part of an active enforcement case.

Track No: 119889

Compliance Due Date: No Date Entered
30 TAC Chapter 290.46(m)(1)(B)

Alleged Violation:

Comment Date: 08/28/2003

Investigation: 152121

Design and Construction of Pressure Tanks

Failure to inspect the pressure tank annually, to determine that the pressure release device and pressure gauge are working properly, the air-water ratio is being maintained at the proper level, the exterior coating systems are continuing to provide adequate protection to all metal surfaces, and that the tank remains in a watertight condition. Pressure tanks provided with an inspection port must have the interior surface inspected every five years.

The results of these inspections must be recorded and maintained for at least five years, per §290.46(f)(3)(D)(ii). The records must be available for review by Commission staff during annual sanitary surveys

To: Administrative Review Date: December 9, 2010
From: Cartographer-Utilities & Districts Section
Subject: Overlap & Notice Check for Administrative Review No. A-142-10/369-894-S
MBC Water Systems Inc to acquire all Of Community Utility Co. (10350) 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:

- X 11. Notice: **DO NOT NOTICE**
- X 12. Other comments: **Maps do not meet requirements. Please submit original and copies of the following. (detailed maps do not show all certificated systems, location maps should show areas to be transferred specific for the application and no other CCN's and show all certificated areas, digital data is available)**
- 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:
 - (1) Metes and bounds survey certified by a licensed state or register professional land surveyor ; or
 - (2) Projectable digital data with metadata (proposed areas should be in a single record and clearly labeled for each utility) ; or
 - (3) Following verifiable natural and man-made landmarks; or
 - (4) Copy of recorded plat map with metes and bounds
 - C. A written description of the proposed service area.



Kent Steelman

WATER UTILITY TARIFF
FOR

Community Utility Company
(Utility Name)

P.O. Box 58
(Business Address)

Spring, Texas 78383
(City, State, Zip Code)

(512) 264-9124
(Area Code/Telephone)

This tariff is effective for utility operations under the following Certificate of Convenience and Necessity:
10350

This tariff is effective in the following counties:
Harris and Montgomery

This tariff is effective in the following cities or unincorporated towns (if any):
None.

RECEIVED

JUL 25 2011

TCEQ
CENTRAL FILE ROOM

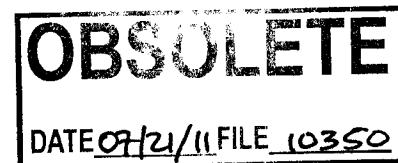
This tariff is effective in the following subdivisions and public water systems:
Adams Oaks Section 1 & 2, Pinecrest, Sweetgum Forest: PWS 1700113
Forest Manor Subdivision, Montgomery Terrace: PWS 1010264,
Heathergate Estates, Heathergate Public Utility Company, Holiday: PWS 1011302

TABLE OF CONTENTS

The above utility lists the following sections of its tariff (if additional pages are needed for a section, all pages should be numbered consecutively):

SECTION 1.0 -- RATE SCHEDULE.....	2
SECTION 2.0 -- SERVICE RULES AND POLICIES	3
SECTION 3.0 -- EXTENSION POLICY	8
SECTION 4.0 -- DROUGHT CONTINGENCY PLAN	

APPENDIX A -- SAMPLE SERVICE AGREEMENT
APPENDIX B -- APPLICATION FOR SERVICE



SECTION 1.0 -- RATE SCHEDULE

Section 1.01 – Rates

A flat rate of **\$42.50** will be in effect until the first billing month in which all meters have been installed and are being read.

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallonge Charge</u>
5/8" or 3/4"	<u>\$29.57</u> (Includes 0 gallons)	<u>\$2.40</u> per 1000 gallons thereafter
1"	<u>\$73.93</u>	
1½"	<u>\$147.85</u>	
2"	<u>\$236.56</u>	
3"	<u>\$443.55</u>	
4"	<u>\$650.54</u>	

FORM OF PAYMENT: The utility will accept the following forms of payment:

Cash X, Check X, Money Order X

THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH PAYMENTS.

REGULATORY ASSESSMENT 1.0%
TCEQ RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL.

Section 1.02 - Miscellaneous Fees

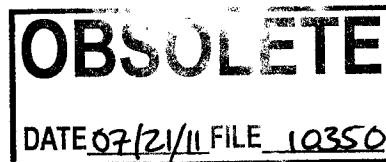
TAP FEE \$600.00
TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL 5/8" or 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

TAP FEE (Unique costs) Actual Cost
FOR EXAMPLE, A ROAD BORE FOR CUSTOMERS OUTSIDE OF SUBDIVISIONS OR RESIDENTIAL AREAS.

TAP FEE (Large meter) Actual Cost
TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METER SIZE INSTALLED.

METER RELOCATION FEE Actual Relocation Cost, Not to Exceed Tap Fee
THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS THAT AN EXISTING METER BE RELOCATED.

RATES LISTED ARE EFFECTIVE ONLY
IF THIS PAGE HAS TCEQ APPROVAL STAMP



SECTION 1.0 – RATE SCHEDULE (Continued)

METER TEST FEE\$25.00

THIS FEE WHICH SHOULD REFLECT THE UTILITY'S COST MAY BE CHARGED IF A CUSTOMER REQUESTS A SECOND METER TEST WITHIN A TWO-YEAR PERIOD AND THE TEST INDICATES THAT THE METER IS RECORDING ACCURATELY. THE FEE MAY NOT EXCEED \$25.

RECONNECTION FEE

THE RECONNECT FEE MUST BE PAID BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS (OR OTHER REASONS LISTED UNDER SECTION 2.0 OF THIS TARIFF):

- a) Non-payment of bill (Maximum \$25.00).....\$25.00
- b) Customer's request that service be disconnected\$50.00

TRANSFER FEE\$35.00

THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED

LATE CHARGE (EITHER \$5.00 OR 10% OF THE BILL) 10%

TCEQ RULES ALLOW A ONE-TIME PENALTY TO BE CHARGED ON DELINQUENT BILLS. A LATE CHARGE MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

RETURNED CHECK CHARGE\$25.00

RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50).....\$50.00

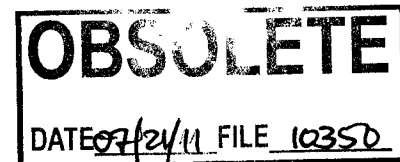
COMMERCIAL & NON-RESIDENTIAL DEPOSIT 1/6TH OF ESTIMATED ANNUAL BILL

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE

WHEN AUTHORIZED IN WRITING BY TCEQ AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [30 TAC 291.21(K)(2)]

LINE EXTENSION AND CONSTRUCTION CHARGES:

REFER TO SECTION 3.0--EXTENSION POLICY FOR TERMS, CONDITIONS, AND CHARGES WHEN NEW CONSTRUCTION IS NECESSARY TO PROVIDE SERVICE.



RATES LISTED ARE EFFECTIVE ONLY
IF THIS PAGE HAS TCEQ APPROVAL STAMP

SECTION 1.0 – RATE SCHEDULE (Continued)

PASS-THROUGH ADJUSTMENT CLAUSE:

THE UTILITY MAY PASS ON ONLY TO THOSE CUSTOMERS SERVED BY A SYSTEM SUBJECT TO THE JURISDICTION OF ANY REGIONAL WATER AUTHORITY AND/OR ANY GROUNDWATER REDUCTION PLAN, ANY INCREASE OR DECREASE IN ITS UNDERGROUND WATER DISTRICT PUMPAGE FEE OR PURCHASED WATER FEE, THIRTY DAYS AFTER NOTICING OF ANY CHANGE TO ALL EFFECTED CUSTOMERS AND FILING NOTICE WITH THE TCEQ AS REQUIRED BY 30 TAC 291.21(L). THE CHANGE PER CUSTOMER SHALL BE CALCULATED AS FOLLOWS:

$$(A \times B) / C + L [(A \times B) / C] = \text{INCREASE OR DECREASE TO EXISTING GALLONAGE RATE}$$

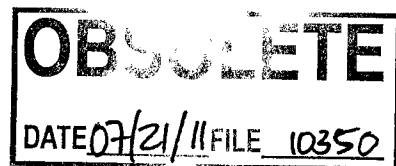
WHERE:

A = UTILITY'S ANNUALIZED CHANGE IN COST OF WATER SUBJECTED TO DISTRICT'S FEE

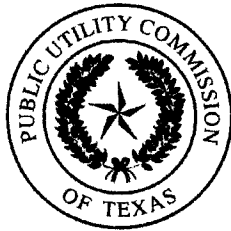
B = AVERAGE NUMBER OF GALLONS

C = 1000 GALLONS

L = PERCENTAGE SYSTEM WIDE LINE LOSS FOR THE PROCEEDING 12 MONTHS, NOT TO EXCEED 15%



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

Central Records Personally Identifiable Information Audit

NOTICE OF REDACTION

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

Check

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

TCEQ Interoffice Memorandum

To: Melissa Morton
Business Support Services
Kent Steelman
Utilities Financial Review Team

From: *[Signature]* Karen Blaschke
Utilities Financial Review Team

Thru: *[Signature]* Lisa Fuentes, Team Leader
Utilities Financial Review Team

Date: August 10, 2011

Subject: Return of Application
Name of Utility: Mitchell M. Martin dba Community Utility Company
Application Number: 36985-C
Application Received: February 28, 2011

RECEIVED

AUG 26 2011

TCEQ
CENTRAL FILE ROOM

Reason Application Returned: This application was **not** accepted for filing. A NOD was sent however the requested information to continue processing the application was not received.

To complete the closure of this application, please:

- Update the database to reflect the closure of this application as of the date of this memo.
- Forward the attached letter and enclosure to the applicant

Status: D

Bryan W. Shaw, Ph.D., *Chairman*
Buddy Garcia, *Commissioner*
Carlos Rubinstein, *Commissioner*
Mark R. Vickery, P.G., *Executive Director*

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

August 10, 2011

CERTIFIED MAIL

Mr. Les Romo, Attorney
Law Office of Les Romo
307 Shannon Lane
Georgetown, Texas 78628

Re: Application from Mitchell M. Martin dba Community Utility Company, to Decertify a Portion of Certificate of Convenience and Necessity (CCN) No. 10350, in Harris and Montgomery Counties; Application No. 36985-C

CN: 603180696; RN: 101458933

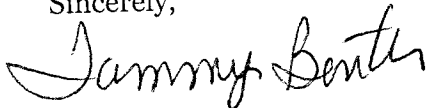
Dear Mr. Romo:

The Texas Commission on Environmental Quality (Commission) received the above referenced application on February 28, 2011. A notice of deficiency letter was issued on March 15, 2011, requesting additional information that was needed to continue processing your application. However, the requested information was not received. Therefore, as discussed in a telephone conversation with you on June 15, 2011 and in a voice message on June 28, 2011, the Commission is returning your application during the administrative review period for failure to prosecute.

We have enclosed your copies of the application. The original application will be retained in the Commission's official file under CCN No. 10350 for reference purposes only.

If you have any questions, please contact Ms. Karen Blaschke at 512/239-6932, by email at karen.blaschke@tceq.texas.gov, or by mail using MC 153 in the address.

Sincerely,



Tammy Benter, Manager
Utilities & Districts Section
Water Supply Division

TB/KLB/mm

Enclosure: applications

P.O. Box 13087 • Austin, Texas 78711-3087 • 512-239-1000 • www.tceq.texas.gov

How is our customer service? www.tceq.texas.gov/goto/customersurvey

Bryan W. Shaw, Ph.D., Chairman
Buddy Garcia, Commissioner
Carlos Rubinstein, Commissioner
Mark R. Vickery, P.G., Executive Director



91 108 2133 3935 2172 1534

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

March 15, 2011

BY FAX TO 512/863-0452 AND
BY CERTIFIED MAIL

Mr. Les Romo, Attorney
Law Office of Les Romo
307 Shannon Lane
Georgetown, Texas 78628

NOTICE OF DEFICIENCY

Re: Application from Mitchell M. Martin dba Community Utility Company, to Decertify a Portion of Certificate of Convenience and Necessity (CCN) No. 10350, in Harris and Montgomery Counties; Application No. 36985-C

CN: 603180696; RN: 101458933

Dear Mr. Romo:

The above referenced application, received on February 28, 2011, has been assigned Application No. 36985-C, but has not been accepted for filing. Please refer to the application number in future correspondence.

Processing of the above referenced application cannot proceed and notices cannot be published or mailed until we receive the following information.

Please submit four (4) copies of the following maps.

1. Maps showing **only** the proposed service area by:
 - a. metes and bounds survey certified by a licensed state land surveyor or a registered professional land surveyor; or
 - b. projectable digital data with metadata (proposed areas should be in a single record and clearly labeled for each utility), or
 - c. following verifiable natural and man-made landmarks; or
 - d. copies of recorded plat map with metes and bounds.
2. It appears the 2010 Regulatory Assessment fees have not been submitted of approximately \$1,210.00. Please submit this fee. See the fee enclosure.

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Mr. Les Romo, Attorney

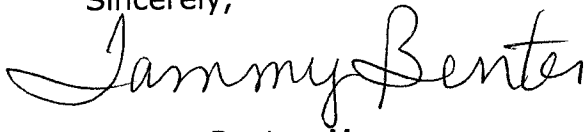
Page 2

March 15, 2011

These items must be completed and returned to our office by **April 15, 2011**. If we do not receive the requested information by this date, your application will be returned for failure to prosecute.

If you have any questions, please contact Ms. Karen Blaschke at 512/239-6932, or if by correspondence, include Mail Code 153 in the letterhead address.

Sincerely,

A handwritten signature in cursive script that reads "Tammy Benter". The signature is fluid and extends across the width of the text area.

Tammy Benter, Manager
Utilities & Districts Section
Water Supply Division
Texas Commission on Environmental Quality

TB/KLB/cp

Enclosure: Fee Enclosures

BY FAX TO 512/863-0452
BY CERTIFIED MAIL

Mr. Les Romo, Attorney
Law Office of Les Romo
307 Shannon Lane
Georgetown, Texas 78628

NOTICE OF DEFICIENCY

Re: Application from Mitchell M. Martin dba Community Utility Company, to Decertify a Portion of Certificate of Convenience and Necessity (CCN) No. 10350, in Harris and Montgomery Counties; Application No. 36985-C

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** Transmit Conf. Report **