

Bryan W. Shaw, Ph.D., *Chairman*
Carlos Rubinstein, *Commissioner*
Toby Baker, *Commissioner*
Zak Covar, *Executive Director*



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AUG 26 2013

TXU - AP

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

August 13, 2013

CERTIFIED MAIL NO: 91 7199 9991 7032 8262 3096
RETURN RECEIPT REQUESTED

Mr. Tim Williford, Environmental, Health and Safety Manager
SouthWest Water Company
1620 Grand Avenue Parkway, Ste 140
Pflugerville, Texas 78660

Re: Notice of Violation for the Comprehensive Compliance Investigation at:
Oaks North Mobile Home Estates, 1.5 miles West of Hwy 281 on Borgfield Rd., Bexar
County, Texas
RN101248953, TCEQ ID No.: 0150135, Investigation No. 1101166

Dear Mr. Williford:

On June 18, 2013, Mr. Don White of the Texas Commission on Environmental Quality (TCEQ) San Antonio 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 one outstanding alleged violation was identified for which compliance documentation is required. Please submit to this office by November 16, 2013 a written description of corrective action taken and the required documentation demonstrating that compliance has been achieved for each of the outstanding alleged violations

In the listing of the alleged violation, we have cited applicable requirements, including TCEQ rules. Please note that both the rules themselves and the agency brochure entitled *Obtaining TCEQ Rules* (GI 032) are located on our agency website at <http://www.tceq.state.tx.us> for your reference. If you would like a hard copy of this brochure mailed to you, you may call and request one from either the San Antonio Region Office at 210-490-3096 or the Central Office Publications Ordering Team at 512-239-0028.

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 requirement. We anticipate that you will resolve the alleged violation 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 San Antonio Region Office within 10 days from the date of this letter. At that time, Water Section Manager, Ms. Lynn Bumgardner will schedule a violation review meeting to be conducted within 21 days of the date of this letter.

TCEQ Region 13 • 14250 Judson Rd. • San Antonio, Texas 78233-4480 • 210-490-3096 • Fax 210-545-4329

Austin Headquarters: 512-239-1000 • tceq.texas.gov • How is our customer service? tceq.texas.gov/customersurvey

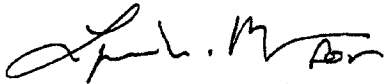
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Mr. Tim Williford
August 13, 2013
Page 2

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 enclosed Summary of Investigation Findings until an official decision is made regarding the status of any or all of the contested violations.

If you or members of your staff have any questions, please feel free to contact Mr. Don White in the San Antonio Region Office at 210-403-4054.

Sincerely,



Joy Thurston-Cook
Water Section Team Leader
San Antonio Region Office

JTC/DCW/eg

Enclosures: Summary of Investigation Findings

Summary of Investigation Findings

OAKS NORTH MOBILE HOME ESTATES

Investigation #

1101166
Investigation Date: 06/18/2013

, BEXAR COUNTY,

Additional ID(s): 0150135

OUTSTANDING ALLEGED VIOLATION(S)

Track No: 506722 Compliance Due Date: 11/16/2013

30 TAC Chapter 290.43(c)(6)

30 TAC Chapter 290.46(m)

Alleged Violation:

Investigation: 1101166

Comment Date: 07/02/2013

Failure to maintain the exterior coating of Tank #1 at Well #1 in a rust free and watertight condition. There was rust around the bottom of Tank #1 and indications of possible leakage.

30 TAC 290.46(m) Maintenance and housekeeping. The maintenance and housekeeping practices used by a public water system shall ensure the good working condition and general appearance of the system's facilities and equipment. The grounds and facilities shall be maintained in a manner so as to minimize the possibility of the harboring of rodents, insects, and other disease vectors, and in such a way as to prevent other conditions that might cause the contamination of the water.

30 TAC 290.43(c)(6) Clearwells and potable water storage tanks shall be thoroughly tight against leakage, shall be located above the groundwater table, and shall have no walls in common with any other plant units containing water in the process of treatment. All associated appurtenances including valves, pipes, and fittings shall be tight against leakage.

Recommended Corrective Action: Remove the rust from the bottom of Tank #1 at Well #1, inspect for leakage and repair if necessary and reapply the exterior coating.

Please submit to this Office by the Compliance Due Date, photographs or invoices documenting that the bottom of Tank #1 at Well #1 has been repaired and repainted.

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

April 19, 2011

Mr. David Yohe, Regional Manager Environmental Affairs
Southwest Water Company
9511 Ranch Road 620 North
Austin, Texas 78726-2908

Re: Compliance Evaluation Investigation at:
Oak Village North, 2 miles E of Bulverde on FM 1863, Comal County, Texas
Regulated Entity No.: RN101268449
TCEQ ID No.: 0460037, Investigation No.: 912891

Dear Mr. Yohe:

On March 29, 2011, Ms. Stacy Tanner of the Texas Commission on Environmental Quality (TCEQ) San Antonio Region Office conducted an investigation of the above-referenced facility to evaluate compliance with applicable requirements for public water supply. 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. Stacy Tanner in the San Antonio Region Office at (210) 403-4078.

Sincerely,

A handwritten signature in cursive script, appearing to read "Joy Thurston-Cook".

Joy Thurston-Cook
Water Section Work Leader
San Antonio Region Office

JTC/SMT/eg

REPLY TO: REGION 13 • 14250 JUDSON RD. • SAN ANTONIO, TEXAS 78233-4480 • 210-490-3096 • FAX 210-545-4329

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

made in the state of texas

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

May 27, 2011

Mr. David Yohe, Regional Manager Environmental Affairs
Southwest Water Company
9511 Ranch Road 620 North
Austin, Texas 78726-2908

Re: Compliance Evaluation Investigation at:
Stage Coach Hills, Boerne Stage Road W of IH-10, Bexar County, Texas
Regulated Entity No.: RN101186344
TCEQ ID No.: 0150096, Investigation No.: 914556

Dear Mr. Yohe:

On March 30, 2011, Ms. Stacy Tanner of the Texas Commission on Environmental Quality (TCEQ) San Antonio Region Office conducted an investigation of the above-referenced facility to evaluate compliance with applicable requirements for public water supply. 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. Tanner in the San Antonio Region Office at (210) 403-4078.

Sincerely,

A handwritten signature in cursive script, appearing to read "Joy Thurston-Cook".

Joy Thurston-Cook
Water Section Work Leader
San Antonio Region Office

JTC/SMT/eg

REPLY TO: REGION 13 • 14250 JUDSON RD. • SAN ANTONIO, TEXAS 78233-4480 • 210-490-3096 • FAX 210-545-4329

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Bryan W. Shaw, Ph.D., *Chairman*
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Toby Baker, *Commissioner*
Zak Covar, *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

August 8, 2012

HORNSBY BEND

SouthWest Water Company Utilities, Inc.
9511 Ranch Road 620 North
Austin, Texas 78726-2908

Re: Investigation Request at:
Austins Colony/SWWC Utilities, Inc. Public Water Supply, Austin, Travis County, Texas
RN No.: 102678703, PWS No.: 2270255, Investigation No.: 1023447

To Whom It May Concern:

On June 20 and 22, 2012, Mr. Jerrett Kramer of the Texas Commission on Environmental Quality (TCEQ) Austin Region Office conducted an investigation of the above-referenced water system to evaluate compliance with applicable requirements for the public water supply (PWS) program. 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 Mr. Jerrett Kramer in the Austin Region Office at Phone (512)339-2929.

Sincerely,

A handwritten signature in black ink, appearing to read "Barry Kalda".

Barry Kalda, P.G.
Air/Waste Section Manager
Austin Region Office

BJK/wjk

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



HORNSBY BEND

SWWC
Received

APR 18 12

Austin

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

April 13, 2012

Mr. David Yohe, Regional Regulatory Compliance Manager
South West Water Company
1620 Grand Avenue Pkwy, #140
Pflugerville, TX 78660

Re: Compliance Evaluation Investigation at:
Austins Colony Wastewater Treatment Plant, near FM969 and Hunter Bend Rd, Travis
County, Texas
TCEQ ID: RN101526226, Investigation: 995582

Dear Mr. Yohe:

On March 06, 2012, Ms. Patricia Phillips of the Texas Commission on Environmental Quality (TCEQ) Austin Region Office conducted an investigation of the above-referenced facility to evaluate compliance with applicable requirements for wastewater treatment. No violations are being alleged as a result of the investigation.

If you or members of your staff have any questions, please feel free to contact Ms. Patricia Phillips in the Austin Region Office at (512) 339-2929.

Sincerely,

A handwritten signature in black ink, appearing to read "Shea Cockrell".

Shea Cockrell
Water Section Work Leader
Austin Region Office

SC/pjp

(Rev. 01/05/09)

TCEQ Region 11 • 2800 S. Interstate Hwy. 35, Ste. 100 • Austin, Texas 78704-5700 • 512-339-2929 • Fax 512-339-3795

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CCN/12983/
582-14-3861/50
20140716/pleadings

SOAH DOCKET NO. 582-14-3861
TCEQ DOCKET NO. 2014-0598-UCR

APPEAL OF MONARCH UTILITIES I, § BEFORE THE STATE OFFICE
L.P. FROM THE RATEMAKING § OF
ACTION OF THE CITY OF BUDA, §
TEXAS § ADMINISTRATIVE HEARINGS

**ORDER NO. 1
MEMORIALIZING PRELIMINARY HEARING AND DISMISSING CASE**

On July 14, 2014, Monarch Utilities I, L.P. (Monarch) filed a motion to dismiss its appeal and remand it to the Texas Commission on Environmental Quality Executive Director (ED) for an order dismissing the appeal because Monarch and the City of Buda had entered into a settlement. On June 25, 2014, a preliminary hearing was held in this case, and jurisdiction was proven. The following appeared and were admitted as parties:

Party	Representative
Monarch Utilities I, L.P.	Lambeth Townsend, Mark Zeppa, Melissa Long
ED	Christiaan Siano, Jessica Gray
City of Buda	Jim Boyle
Office of Public Interest Counsel	Eli Martinez

No party opposed Monarch's motion. Monarch's motion is granted. This case is dismissed from the docket of the State Office of Administrative Hearings and remanded to the ED.

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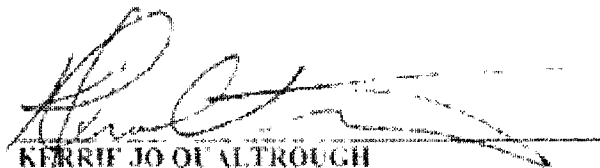
AUG 06 2014

TCEQ
CENTRAL FILE ROOM

SIGNED July 16, 2014.



ELIZABETH DREWS
ADMINISTRATIVE LAW JUDGE
STATE OFFICE OF ADMINISTRATIVE HEARINGS



KERRIE JO QU'ALTROUGH
ADMINISTRATIVE LAW JUDGE
STATE OFFICE OF ADMINISTRATIVE HEARINGS

STATE OFFICE OF ADMINISTRATIVE HEARINGS

AUSTIN OFFICE
300 West 15th Street Suite 502
Austin, Texas 78701
Phone: (512) 475-4993
Fax: (512) 322-2061

SERVICE LIST

AGENCY: Environmental Quality, Texas Commission on (TCEQ)
STYLE/CASE: MONARCH UTILITIES I, LP
SOAH DOCKET NUMBER: 582-14-3861
REFERRING AGENCY CASE: 2014-0598-UCR

STATE OFFICE OF ADMINISTRATIVE
HEARINGS

ADMINISTRATIVE LAW JUDGE
ALJ ELIZABETH DREWS

REPRESENTATIVE / ADDRESS

PARTIES

CHRISTIAAN SIANO
STAFF ATTORNEY
TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
MC-173 P.O. BOX 13087
AUSTIN, TX 78711-3087
(512) 239-6743 (PH)
(512) 239-0606 (FAX)
christiaan.siano@tceq.texas.gov

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

JIM BOYLE
HERRERA & BOYLE, PLLC
816 CONGRESS AVENUE, SUITE 1250
AUSTIN, TX 78701
(512) 474-1492 (PH)
(512) 474-2507 (FAX)
jboyle@herrera-boylelaw.com

COALITION OF CITIES

ELI MARTINEZ
PUBLIC INTEREST COUNSEL
TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
12100 PARK 35 CIRCLE, MC-103, BUILDING F
AUSTIN, TX 78753
(512) 239-3974 (PH)
(512) 239-6377 (FAX)
eli.martinez@tceq.texas.gov

OFFICE OF PUBLIC INTEREST COUNSEL

LAMBETH TOWNSEND
LLOYD GOSSELINK ROCHELLE & TOWNSEND, P.C
816 CONGRESS AVENUE, SUITE 1900
AUSTIN, TX 78701-2478
(512) 322-5830 (PH)
(512) 472-0532 (FAX)
ltownsend@lglawfirm.com

MONARCH UTILITIES I, LP

JIM ROURKE
ATTORNEY
OFFICE OF PUBLIC UTILITY COUNSEL
P. O. BOX 12397
AUSTIN, TX 78711-2397
(512) 936-7510 (PH)
(512) 936-7525 (FAX)
jim.rourke@opuc.texas.gov

OFFICE OF PUBLIC UTILITY COUNSEL

SOAH DOCKET NO. 582-14-3861
TCEQ DOCKET NO. 2014-0598-UCR

APPEAL FILED BY MONARCH § BEFORE THE STATE OFFICE
UTILITIES I, L.P. FROM THE §
RATEMAKING ACTION OF THE CITY § OF
OF BUDA IN HAYS COUNTY, TEXAS §
§ ADMINISTRATIVE HEARINGS

MOTION TO DISMISS

TO THE HONORABLE ADMINISTRATIVE LAW JUDGE:

Monarch Utilities I, L.P., ("Monarch") files this motion to dismiss its appeal of the ratemaking action of the City of Buda. Monarch has entered into a compromise and settlement agreement with the City of Buda and no longer contests the City's decision to deny its rate application.

WHEREFORE, PREMISES CONSIDERED, Monarch respectfully requests that the Administrative Law Judge grant this motion and remand the appeal to the Executive Director for an order dismissing the appeal.

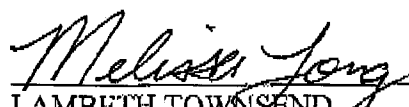
CHIEF CLERK'S OFFICE

2014 JUL 14 PM 2:43

TEXAS
COMMISSION ON
ENVIRONMENTAL
QUALITY

Respectfully submitted,

LLOYD, GOSSELINK,
ROCHELLE & TOWNSEND, P.C.
816 Congress Avenue, Suite 1900
Austin, Texas 78701
Telephone: (512) 322-5830
Facsimile: (512) 472-0532


LAMBETH TOWNSEND
State Bar No. 20167500

MELISSA A. LONG
State Bar No. 24063949

MARK ZEPPA
Law Office of Mark H. Zeppa, PC
4833 Spicewood Springs Road, Suite 202
Austin, Texas 78759
State Bar No. 22260100

ATTORNEYS FOR MONARCH UTILITIES I, L.P.

CERTIFICATE OF SERVICE

I, Melissa Long, hereby certify that on this 14th day of July, 2014, a true and correct copy of the foregoing document was transmitted as follows:

Christiaan Siano
TCEQ Staff Attorney
Environmental Law Division
P. O. Box 13087 MC-173
Austin, Texas 78711-3087

Joy Hart
City Secretary
121 Main Street
Buda, TX 78610

Jim Boyle
Herrera & Boyle, PLLC
816 Congress Avenue, Suite 1250
Austin, Texas 78701

Bridget C. Bohac
Office of the Chief Clerk, MC-105
TCEQ
P. O. Box 13057
Austin, Texas 78711-3087


Melissa Long





616 Congress Avenue, Suite 1900
Austin, Texas 78701
512.322.5800 p
512.472.0532 f
lglawfirm.com

TELECOPIER COVER SHEET

Type in Date; or Insert, Date-make sure update auto is NOT checked

PLEASE DELIVER THE FOLLOWING PAGES:

To: Christiaan Siano	Firm: TCEQ
Verification Phone No.: 512-239-6743	Telecopy No.: 512-239-0606
To: Jim Boyle	Firm: Herrera & Boyle for Buda
Verification Phone No.: 512-474-1492	Telecopy No.: 512-474-2507
To: Bridget C. Bohac	Firm: TCEQ Chief Clerk
Verification Phone No.: 512-239-3300	Telecopy No.: 512-239-3311
To: Joy Hart	Firm: City of Buda City Secretary
Verification Phone No.: 512-312-0084	Telecopy No.: 512-312-1889
Client No.: 3176-10	No. Pages: 2
Documents transmitted: Monarch's Motion to Dismiss the Appeal from the Ratemaking Actions of the City of Buda	
From: Paula L. McCormick	
Comments: Please contact me should you have any problems receiving this transmittal.	

2014 JUL 14 9 12 43
 CHIEF CLERKS OFFICE

TEXAS
 COMMISSION ON
 ENVIRONMENTAL
 QUALITY

THE INFORMATION CONTAINED IN THIS FACSIMILE MESSAGE IS ATTORNEY PRIVILEGED AND CONFIDENTIAL INFORMATION INTENDED ONLY FOR THE USE OF THE INDIVIDUAL OR ENTITY NAMED ABOVE. THE REVIEW, DISSEMINATION, DISTRIBUTION OR COPYING OF THIS COMMUNICATION TO ANYONE OTHER THAN THE INTENDED ADDRESSEE IS STRICTLY PROHIBITED. IF YOU HAVE RECEIVED THIS COMMUNICATION IN ERROR, PLEASE IMMEDIATELY NOTIFY US BY TELEPHONE, AND RETURN THE ORIGINAL MESSAGE TO US AT THE ABOVE ADDRESS VIA THE U.S. POSTAL SERVICE. THANK YOU.

IF YOU DO NOT RECEIVE ALL PAGES, PLEASE CALL US AS SOON AS POSSIBLE AT (512) 322-5800.

317610/4487081/TCEQ

**TEXAS COMMISSION
ON ENVIRONMENTAL QUALITY**

TRANSMITTAL OF ADMINISTRATIVE RECORD

DATE: June 11, 2014

TO: SOAH Natural Resources Docket Clerk

THRU: Melissa Chao, Section Manager
TCEQ Agenda / Final Documents Section

FROM: *KA* Katha Anderson, TCEQ Final Documents Team

RE: Monarch Utilities I, L.P.; Application No. 37866-A
SOAH Docket No. 582-14-3861; TCEQ Docket No. 2014-0598-UCR

This document is now being forwarded as a supplement to the Administrative Record originally transmitted to your office on June 10, 2014. Please find certified copies of the following documents:

- ✓ 1. amended public hearing notice and Chief Clerk's affidavit

If any of these documents are not included as enclosures with this memo, please notify Melissa Chao, Section Manager at (512) 239-5234.

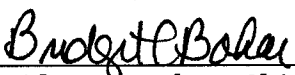
TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



STATE OF TEXAS §

COUNTY OF TRAVIS §

I, Bridget C. Bohac, Chief Clerk of the Texas Commission on Environmental Quality, do hereby certify that the attached mailing list provides the persons to whom the amended notice of the public hearing for Monarch Utilities I, L.P., SOAH Docket No. 582-14-3861, TCEQ Docket No. 2014-0598-UCR, was mailed on June 10, 2014. Given under my hand and the seal of the Texas Commission on Environmental Quality, this the 10th day of June, 2014.



Bridget C. Bohac, Chief Clerk
Texas Commission on Environmental Quality

SEAL

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



AMENDED NOTICE OF HEARING MONARCH UTILITIES I, L.P. SOAH Docket No. 582-14-3861 TCEQ Docket No. 2014-0598-UCR

PETITION.

Monarch Utilities I, L.P., 12535 Reed Road, Sugar Land, Texas 77478, has filed a petition with the Texas Commission on Environmental Quality (TCEQ) appealing the ratemaking actions of the City of Buda, 121 Main Street, Buda, Texas 76701, in Hays County, Texas (Application No. 37866-A).

CONTESTED CASE HEARING.

The State Office of Administrative Hearings (SOAH) will conduct a preliminary hearing on this petition at:

**10:00 a.m. – June 25, 2014
William B. Travis Building
1701 North Congress, Room 1-104
Austin, Texas 78701**

The purpose of a preliminary hearing is to establish jurisdiction, name the parties, establish a procedural schedule for the remainder of the proceeding, allow an opportunity for settlement discussions, and to address other matters as determined by the judge. The evidentiary hearing phase of the proceeding will be similar to a civil trial in state district court. The hearing will be conducted in accordance with Chapter 2001, Texas Government Code; Chapter 13, Texas Water Code; TCEQ rules, including 30 Texas Administrative Code (TAC) Chapter 291; and the procedural rules of the TCEQ and SOAH, including 30 TAC Chapter 80 and 1 TAC Chapter 155. To participate in the evidentiary hearing as a party, you must attend the preliminary hearing and show you would be affected by the petition in a way not common to members of the general public.

INFORMATION.

Information concerning your participation in this hearing may be obtained by contacting Vic McWherter, TCEQ Office of Public Interest Counsel (MC 103), P.O. Box 13087, Austin, TX 78711-3087, telephone 512-239-6363. For additional information, please contact the TCEQ Water Supply Division, Utilities & Districts Section (MC 153),

P.O. Box 13087, Austin, TX 78711-3087, telephone 512-239-4691. General information regarding the TCEQ can be found at our web site at <http://www.tceq.texas.gov/>.

Persons with disabilities who plan to attend this hearing and who need special accommodations at the hearing should call the SOAH Docketing Department at 512-475-3445, at least one week prior to the hearing.

Issued: June 10, 2014

A handwritten signature in cursive script that reads "Bridget C. Bohac".

Bridget C. Bohac, Chief Clerk
Texas Commission on Environmental Quality

MAILING LIST
MONARCH UTILITIES I, L.P.
SOAH Docket No. 582-14-3861
TCEQ Docket No. 2014-0598-UCR

Lambeth Townsend, Attorney
Lloyd, Gosselink, Rochelle & Townsend, P.C.
816 Congress Avenue, Suite 1900
Austin, Texas 78701
Representing: Monarch Utilities I, L.P.

Mark H. Zeppa, Attorney
Law Offices of Mark H. Zeppa, P.C.
4833 Spicewood Springs Road # 202
Austin, Texas 78759
Representing: Monarch Utilities I, L.P.

George Freitag, Rate/Regulatory Manager
Monarch Utilities I, L.P.
12535 Reed Road
Sugar Land, Texas 77478
Representing: Monarch Utilities I, L.P.

The Honorable Todd Ruge, Mayor
City of Buda
P.O. Box 1380
Buda, Texas 78610
Representing: City of Buda

Joy Hart, City Secretary
121 Main Street
Buda, Texas 75068
Representing: City of Buda

Jim Boyle, Attorney
Herrera & Boyle, PLLC
816 Congress Avenue, Suite 1250
Austin, Texas 78701
Representing: City of Buda

Jim Rourke, Assistant Public Counsel
Office of Public Utility Counsel
P.O. Box 12397
Austin, Texas 78711-2397
Representing: Office of Public Utility Counsel

Texas Commission on Environmental Quality

P. O. Box 13087

Austin, Texas 78711-3087

Via electronic mail:

Christiaan Siano, Staff Attorney, Environmental Law Division (MC 173)

Heidi Graham, Technical Staff, Water Supply Division, Utilities & Districts Section
(MC 153)

Fred Bednarski, Financial Staff, Water Supply Division, Utilities & Districts
Section (MC 153)

Vic McWherter, Office of Public Interest Counsel (MC 103)

**TEXAS COMMISSION
ON ENVIRONMENTAL QUALITY**

TRANSMITTAL OF ADMINISTRATIVE RECORD

DATE: June 10, 2014

TO: SOAH Natural Resources Docket Clerk

THRU: Melissa Chao, Section Manager
TCEQ Agenda / Final Documents Section

FROM: *KA* Katha Anderson, TCEQ SOAH Docket Coordinator

RE: Monarch Utilities I, L.P.; Application No. 37866-A
SOAH Docket No. 582-14-3861; TCEQ Docket No. 2014-0598-UCR

Pursuant to 30 TAC ' 80.6(b)(4) regarding referrals to SOAH, a copy of the Chief Clerk's case file is attached. Please find **certified** copies of the following documents:

- 1. the petition;
- 2. public hearing notice and Chief Clerk's affidavit

If any of these documents are not included as enclosures with this memo, please notify Melissa Chao, Section Manager at (512) 239-5234.

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



STATE OF TEXAS §

COUNTY OF TRAVIS §

I, Bridget C. Bohac, Chief Clerk of the Texas Commission on Environmental Quality, do hereby certify that the attached mailing list provides the persons to whom the notice of the public hearing for Monarch Utilities I, L.P., SOAH Docket No. 582-14-3861, TCEQ Docket No. 2014-0598-UCR, was mailed on June 3, 2014. Given under my hand and the seal of the Texas Commission on Environmental Quality, this the 4~~th~~ day of June, 2014.

Bridget C. Bohac

Bridget C. Bohac, Chief Clerk
Texas Commission on Environmental Quality

SEAL

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



NOTICE OF HEARING
MONARCH UTILITIES I, L.P.
SOAH Docket No. 582-14-3861
TCEQ Docket No. 2014-0598-UCR

PETITION.

Monarch Utilities I, L.P., 12535 Reed Road, Sugar Land, Texas 77478, has filed a petition with the Texas Commission on Environmental Quality (TCEQ) appealing the ratemaking actions and motion for immediate interim water rate relief and consolidation of the City of Buda, 121 Main Street, Buda, Texas 76701, in Hays County, Texas (Application No. 37866-A).

CONTESTED CASE HEARING.

The State Office of Administrative Hearings (SOAH) will conduct a preliminary hearing on this petition at:

10:00 a.m. – June 25, 2014
William B. Travis Building
1701 North Congress, Room 1-104
Austin, Texas 78701

The purpose of a preliminary hearing is to establish jurisdiction, name the parties, establish a procedural schedule for the remainder of the proceeding, allow an opportunity for settlement discussions, and to address other matters as determined by the judge. The evidentiary hearing phase of the proceeding will be similar to a civil trial in state district court. The hearing will be conducted in accordance with Chapter 2001, Texas Government Code; Chapter 13, Texas Water Code; TCEQ rules, including 30 Texas Administrative Code (TAC) Chapter 291; and the procedural rules of the TCEQ and SOAH, including 30 TAC Chapter 80 and 1 TAC Chapter 155. To participate in the evidentiary hearing as a party, you must attend the preliminary hearing and show you would be affected by the petition in a way not common to members of the general public.

INFORMATION.

Information concerning your participation in this hearing may be obtained by contacting Blas Coy, TCEQ Office of Public Interest Counsel (MC 103), P.O. Box 13087, Austin, TX 78711-3087, telephone 512-239-6363. For additional information, please

contact the TCEQ Water Supply Division, Utilities & Districts Section (MC 153), P.O. Box 13087, Austin, TX 78711-3087, telephone 512-239-4691. General information regarding the TCEQ can be found at our web site at <http://www.tceq.texas.gov/>.

Persons with disabilities who plan to attend this hearing and who need special accommodations at the hearing should call the SOAH Docketing Department at 512-475-3445, at least one week prior to the hearing.

Issued: June 3, 2014

Bridget C. Bohac

Bridget C. Bohac, Chief Clerk
Texas Commission on Environmental Quality

MAILING LIST
MONARCH UTILITIES I, L.P.
SOAH Docket No. 582-14-3861
TCEQ Docket No. 2014-0598-UCR

Lambeth Townsend, Attorney
Lloyd, Gosselink, Rochelle & Townsend, P.C.
816 Congress Avenue, Suite 1900
Austin, Texas 78701
Representing: Monarch Utilities I, L.P.

Mark H. Zeppa, Attorney
Law Offices of Mark H. Zeppa, P.C.
4833 Spicewood Springs Road # 202
Austin, Texas 78759
Representing: Monarch Utilities I, L.P.

George Freitag, Rate/Regulatory Manager
Monarch Utilities I, L.P.
12535 Reed Road
Sugar Land, Texas 77478
Representing: Monarch Utilities I, L.P.

The Honorable Todd Ruge, Mayor
City of Buda
P.O. Box 1380
Buda, Texas 78610
Representing: City of Buda

Joy Hart, City Secretary
121 Main Street
Buda, Texas 75068
Representing: City of Buda

Jim Boyle, Attorney
Herrera & Boyle, PLLC
816 Congress Avenue, Suite 1250
Austin, Texas 78701
Representing: City of Buda

Jim Rourke, Assistant Public Counsel
Office of Public Utility Counsel
P.O. Box 12397
Austin, Texas 78711-2397
Representing: Office of Public Utility Counsel

Texas Commission on Environmental Quality

P. O. Box 13087

Austin, Texas 78711-3087

Via electronic mail:

Christiaan Siano, Staff Attorney, Environmental Law Division (MC 173)

Heidi Graham, Technical Staff, Water Supply Division, Utilities & Districts Section
(MC 153)

Fred Bednarski, Financial Staff, Water Supply Division, Utilities & Districts
Section (MC 153)

Vic McWherter, Office of Public Interest Counsel (MC 103)



Katha Anderson

From: Monica Luna <Monica.Luna@soah.state.tx.us>
Sent: Monday, June 02, 2014 10:49 AM
To: Katha Anderson
Subject: AMENDED CONFIRMATION

SETTING OF HEARING(S)

<u>Docket Number</u>	<u>Case</u>	<u>Date</u>	<u>Time/Duration</u>
582-14-3859 2014-0596-UCR	MONARCH UTILITIES I, LP	6/25/14	10:00AM / 1 DAY
582-14-3860 2014-0595-UCR	MONARCH UTILITIES I, LP	SAME	
582-14-3861 2014-0598-UCR	MONARCH UTILITIES I, LP	6/25/14	10:00AM / 1 DAY
582-14-3862 2014-0657-UCR	MONARCH UTILITIES I, LP	SAME	
582-14-3863 2014-0599-UCR	MONARCH UTILITIES I, LP	6/25/14	10:00AM / 1 DAY

Hearing Location

**William B. Travis Building
1701 N. Congress – Room 1-104
Austin, Texas 78701**

All parties will be notified in the event of a change of location of the hearing.

Please remember that you are responsible for providing the court reporter as required by your agency.

If you have any questions regarding any of the information herein, please contact me.



Date complete request received by SOAH:

Proceeding date set by SOAH:

SOAH Docket Number & type of case:

REQUEST TO DOCKET CASE (Please type or print)

PLEASE CHECK ACTION REQUESTED:**

X SETTING OF HEARING [] ASSIGNMENT OF ALJ * [] ALTERNATIVE DISPUTE RESOLUTION (ADR)/MEDIATOR*

REFERRING AGENCY NAME: TCEQ AGENCY NO.: FILE/CASE NO.: 2014-0598-UCR

NAME/STYLE OF THE CASE: MONARCH UTILITIES I, LP

DATE APPLICATION FILED AT AGENCY: DOCKET NO. SUFFIX, if applicable: UCR

PROCEEDING DATE(S) REQUESTED (Include range of dates if possible): JUNE 25, 2014

EXPECTED NUMBER OF HOURS (If less than a day) OR DAYS NEEDED FOR PROCEEDING: HOURS 1 DAYS

[] ADMIN. FINE [] GRIEVANCE [] ENFORCEMENT [] CONTRACT CLAIM (Gov't. Code 2260) [] OTHER

SPECIAL NEEDS OR ACCOMMODATIONS: HEARING IN AUSTIN. SEATING FOR 20 PEOPLE (request to consolidate time and date with Monarch Utilities I, LP docket Nos. 2014-0413-UCR, 2014-0596-UCR, 2014-0595-UCR, 2014-0599-UCR and 2014-0657-UCR for hearing purposes). A Motion will be sent for the 6 cases to be combined.

IF ADR REQUESTED PLEASE DESCRIBE PROCESS NEEDED:

[] PREHEARING CONFERENCE REQUESTED [] INTERPRETER NEEDED(See 1 TAC 155.43(g))

[] CASE FILE and/or [] HEARING IS CONFIDENTIAL (Specify applicable statute):

NAME OF INDIVIDUAL SENDING REQUEST FORM: KATHA ANDERSON PHONE NO.: 239-3316 FAX NO.: 239-3311

PARTIES AND REPRESENTATIVES

PARTY REPRESENTED BY: [] SELF [] ATTORNEY [] OTHER, If so, relationship:

REPRESENTATIVE'S NAME: Christiaan Siano

PARTY'S NAME:

ADDRESS:

PHONE No.: (512) 239-6743 (Direct Phone Number Please)

Email Address: Christiaan.siano@tceq.texas.gov

FAX No.:

PARTY REPRESENTED BY: [] SELF [] ATTORNEY [] OTHER, If so, relationship:

REPRESENTATIVE'S NAME:

PARTY'S NAME:

ADDRESS:

PHONE No.: (Direct Phone Number Please)

Email Address:

FAX No.:

PLEASE LIST ADDITIONAL PARTIES AND/OR REPRESENTATIVES ON EXTRA FORM PROVIDED.

SEND TO: STATE OFFICE OF ADMINISTRATIVE HEARINGS ATTN.: Deputy Clerk William P. Clements Building 300 West 15th Street, Suite 504 Austin, Texas 78701

OR


Post Office Box 13025 Austin, Texas 78711-3025 Docketing Phone No. (512) 475-3445 Fax No. (512) 475-4994


*PLEASE FORWARD A COPY OF THE APPLICATION, APPEAL, OR COMPLAINT WITH THIS REQUEST FORM, AS WELL AS ANY OTHER PLEADING FILED IN THE CASE TO DATE IF REQUESTING ASSIGNMENT OF ALJ or ALTERNATIVE DISPUTE RESOLUTION (ADR)/MEDIATION. A COPY OF THE NOTICE OF PROCEEDING MUST BE FORWARDED TO SOAH AT THE SAME TIME IT IS MAILED TO THE PARTIES.






TCEQ Interoffice Memorandum

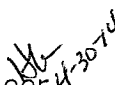

TO: Bridget C. Bohac, Chief Clerk

THRU:  Tammy Benter, Manager
Utilities & Districts Section
Water Supply Division

 Lisa Fuentes, Team Leader
Utilities Financial Review Team
Water Supply Division

 Vera Poe, P.E., Team Leader
Utilities Technical Review Team
Water Supply Division

FROM:  Fred Bednarski, Auditor 
Utilities Financial Review Team
Water Supply Division

 Heidi Graham, E.I.T., Staff Engineer 
Utilities Technical Review Team
Water Supply Division

DATE: April 29, 2014

SUBJECT: Docket No. 2014-0598-UCR; Petition filed by Monarch Utilities I, LP from the Ratemaking Actions and Motion for Immediate Interim Water Rate Relief and Consolidation of the City of Buda in Hays County, Application No. 37866-A

CN: 602740706; RN: 102904596 (water)

We hereby transfer the official file for the above referenced application to the Chief Clerk's Office. Please refer this application to the State Office of Administrative Hearings (SOAH) and request that a hearing be scheduled.

On September 3, 2013, Monarch Utilities I, L.P. (Monarch) filed a rate change application for a water and sewer rate/tariff change with the TCEQ to increase rates in areas over which the TCEQ has original jurisdiction. The application was assigned Application Nos. 37714-R and 37715-R. Monarch also filed applications in cities with original jurisdiction over Monarch's rates within their city limits, including the City of Buda.

The petition was received in the Utilities and Districts Section of the Texas Commission on Environmental Quality on February 28, 2014. The petitioner is an investor-owned, retail public water and sewer utility. The petitioner received notice

of the rate making action by the City of Buda denying a water rate change inside the City on February 21, 2014. We estimate 20 people will attend the preliminary hearing in this matter. Attached is a mailing list.

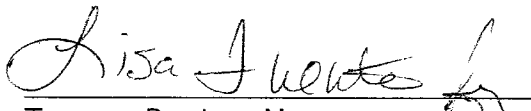
The staff assigned to this case are:

Technical - Heidi Graham

Financial - Fred Bednarski

Legal -

If we may be of further service regarding this matter, please call.



Tammy Benter, Manager

TB/LG/mmg

Mailing List for Docket No. 2014-0598-UCR
(Application Nos. 37866-A)

Mr. Lambeth Townsend, Attorney
Lloyd, Gosselink, Rochelle & Townsend, P.C.
816 Congress Avenue, Suite 1900
Austin, Texas 78701

Representing: Monarch Utilities I, L.P.

Mr. Mark H. Zeppa, Attorney
Law Offices of Mark H. Zeppa, PC
4833 Spicewood Springs Road #202
Austin, Texas 78759

Representing: Monarch Utilities I, L.P.

Mr. George Freitag, Rate/Regulatory Manager
Monarch Utilities I, L.P.
12535 Reed Road
Sugar Land, Texas 77478

Hon. Todd Ruge, Mayor
City of Buda
P.O. Box 1380
Buda, Texas 78610

Ms. Joy Hart, City Secretary
121 Main St
Buda, Texas 75068

Mr. Jim Boyle
Herrera & Boyle, PLLC
816 Congress Ave., Suite 1250
Austin, Texas 76701

Representing: City of Buda

Ms. Bridget C. Bohac
Office of the Chief Clerk, MC-105
TCEQ
P.O. Box 13087
Austin, Texas 78711

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

May 13, 2014

Mr. Lambeth Townsend, Attorney
Hoyd Gosselink, Rochelle & Townsend, P.C.
816 Congress Avenue, Suite 1900
Austin, TX 78701

Re: Docket No. 2014-0598-UCR; Petition filed by Monarch Utilities
LP from the Ratemaking Actions and Motion for Immediate Interim Water
Rate Relief and Consolidation of the City of Buda in Montgomery County,
Application No. 37866-A

CN: 602740706; RN: 102904596 (water)

Dear Mr. Townsend:


The above referenced petition which was received by the Texas Commission on Environmental Quality on February 28, 2014, has been accepted for filing. The petition has been assigned TCEQ Docket No. 2014-0598-UCR, for Application No. 37866-A. Please refer all further communications regarding this petition to this docket number.

The petition is being forwarded to the State Office of Administrative Hearings (SOAH). A date for a preliminary hearing on this matter will be scheduled. When a hearing has been scheduled, you will receive a notice of hearing which explains when and where the hearing will be held.

At this preliminary hearing the SOAH Judge will first establish jurisdiction. If jurisdiction is established, then your request for interim rates may be considered at that time. An attempt to reach an agreed settlement in this case may be made. If a settlement is not possible, then a schedule for discovery, prefiled testimony and other hearing date will be set.

If you have any questions, please contact Mr. Fred Bednarski at (512) 239-4758, or Ms. Heidi Graham at (512) 239-0844 or by fax at (512) 239-6972. If by correspondence, include MC153 in the letterhead address.

Sincerely,


Tammy Benter, Manager
Utilities and Districts Section
Water Supply Division

TB/LG/mmg

cc: Attached Mailing List

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

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

2014 MAY 27 AM 10:38

CHIEF CLERKS OFFICE

May 13, 2014

Mr. Lambeth Townsend, Attorney
Lloyd, Gosselink, Rochelle & Townsend, P.C.
816 Congress Avenue, Suite 1900
Austin, TX 78701

Re: Docket No. 2014-0598-UCR; Petition filed by Monarch Utilities
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Sincerely,


Tammy Benter, Manager
Utilities and Districts Section
Water Supply Division

TB/LG/mmg

cc: Attached Mailing List

Mailing List for Docket No. 2014-0598-UCR
(Application Nos. 37866-A)

Mr. Lambeth Townsend, Attorney
Lloyd, Gosselink, Rochelle & Townsend, P.C.
816 Congress Avenue, Suite 1900
Austin, Texas 78701

Representing: Monarch Utilities I, L.P.

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Law Offices of Mark H. Zeppa, PC
4833 Spicewood Springs Road #202
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P.O. Box 1380
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Ms. Joy Hart, City Secretary
121 Main St
Buda, Texas 75068


Mr. Jim Boyle
Herrera & Boyle, PLLC
816 Congress Ave., Suite 1250
Austin, Texas 76701


Representing: City of Buda


Ms. Bridget C. Bohac
Office of the Chief Clerk, MC-105
TCEQ
P.O. Box 13087
Austin, Texas 78711

TCEQ Interoffice Memorandum

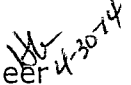
TO: Bridget C. Bohac, Chief Clerk

THRU:  Tammy Benter, Manager
Utilities & Districts Section
Water Supply Division

 Lisa Fuentes, Team Leader
Utilities Financial Review Team
Water Supply Division

 Vera Poe, P.E., Team Leader
Utilities Technical Review Team
Water Supply Division

FROM:  Fred Bednarski, Auditor 
Utilities Financial Review Team
Water Supply Division

Heidi Graham, E.I.T., Staff Engineer 
Utilities Technical Review Team
Water Supply Division

DATE: April 29, 2014

SUBJECT: Docket No. 2014-0598-UCR; Petition filed by Monarch Utilities
I, LP from the Ratemaking Actions and Motion for Immediate Interim
Water Rate Relief and Consolidation of the City of Buda in Hays
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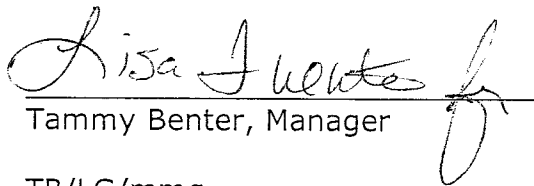
The staff assigned to this case are:

Technical - Heidi Graham

Financial - Fred Bednarski

Legal -

If we may be of further service regarding this matter, please call.



Tammy Benter, Manager

TB/LG/mmg

TCEQ DOCKET NO. _____

APPEAL OF THE CITY OF BUDA'S	§	BEFORE THE
DECISION CONCERNING THE	§	
APPLICATION OF MONARCH	§	
UTILITIES I, L.P. FOR A	§	TEXAS COMMISSION ON
RATE/TARIFF CHANGE WITHIN THE	§	
CITY LIMITS OF THE CITY OF BUDA	§	
	§	ENVIRONMENTAL QUALITY

**MONARCH UTILITIES I, L.P.'S PETITION FOR REVIEW OF
MUNICIPAL RATE ORDINANCE**

Monarch Utilities I, L.P. ("Monarch" or "Company") hereby appeals the rate decision of the City of Buda ("Buda") denying Monarch's Application for a Rate/Tariff Change and changing Monarch's existing rates. This appeal of Buda's rate ordinance is filed pursuant to Sections 13.043 of the Texas Water Code.

I. Monarch's Pending Rate Change Applications

On September 3, 2013, Monarch filed an Application for a water and sewer Rate/Tariff Change with the Texas Commission on Environmental Quality ("TCEQ" or "Commission") to increase rates in areas over which the TCEQ has original jurisdiction. The application was assigned Application Nos. 37714-R and 37715-R. On September 3, 2013, Monarch also filed applications in cities with original jurisdiction over Monarch's rates within their city limits, including the City of Buda.

II. TCEQ Jurisdiction

The Commission has exclusive appellate jurisdiction over this appeal of an ordinance and decision of a municipality pursuant to Texas Water Code §§ 13.042 and 13.043.

III. Appeal of City of Buda's Ordinance Denying the Application

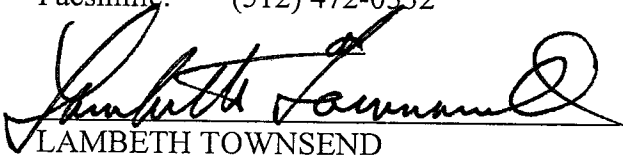
On February 18, 2014, the City Council for the City of Buda passed Ordinance No. 2014-07 denying Monarch's application. Monarch hereby appeals that ordinance (action). Monarch received notice of the City's action on February 21, 2014 via email, a copy of which is included as Attachment A. This appeal is timely filed within 90 days of receipt of that notice.¹

IV. Prayer

Monarch respectfully requests that the Commission enter an order granting Monarch's petition for review. Additionally, Monarch respectfully requests that upon final hearing, Monarch be granted the rate relief as requested in its Application. Monarch also requests any such further relief to which it may be entitled.

Respectfully submitted,

LLOYD, GOSSELINK,
ROCHELLE & TOWNSEND, P.C.
816 Congress Avenue, Suite 1900
Austin, Texas 78701
Telephone: (512) 322-5830
Facsimile: (512) 472-0532



LAMBETH TOWNSEND
State Bar No. 20167500

MELISSA A. LONG
State Bar No. 24063949

MARK ZEPPA
Law Office of Mark H. Zeppa, PC
4833 Spicewood Springs Road, Suite 202
Austin, Texas 78759
State Bar No. 22260100

ATTORNEYS FOR
MONARCH UTILITIES I, L.P.

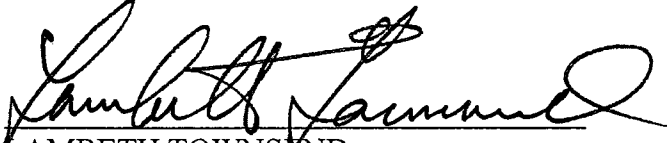
¹ Tex. Water Code § 13.043(a).

CERTIFICATE OF SERVICE

I hereby certify that on this 28th day of February, 2014, a true and correct copy of the foregoing document was transmitted by e-mail, fax, hand-delivery and/or regular, first class mail to the parties listed below:

Jim Boyle
Herrera & Boyle, PLLC
816 Congress Avenue, Suite 1250
Austin, Texas 76701

Joy Hart
City Secretary
121 Main Street
Buda, TX 78610


LAMBETH TOWNSEND

Melissa Long

From: Jim Boyle <jboyle@herreraboylelaw.com>
Sent: Friday, February 21, 2014 9:25 AM
To: Melissa Long
Subject: CITY OF BUDA RATE ORDINANCE
Attachments: City of Buda Rate Ordinance signed.pdf

MELISSA: I received the attached signed ordinance from the City of Buda yesterday.

Best regards, Jim

Jim Boyle
Herrera & Boyle, PLLC
816 Congress Ave., Ste. 1250
Austin, Texas 78701
512-474-1492 (office)
512-474-2507 (fax)
512-585-1492 (cell)

CONFIDENTIALITY NOTICE

This message (including attachments) is subject to attorney-client privilege or is otherwise a confidential communication of the law firm of Herrera & Boyle, PLLC that is covered by the Electronic Communications Privacy Act, 18 U.S.C. Sections 2510-2501, and is intended solely for the use of the addressee. It is not intended for transmission to , or receipt by, any unauthorized person. If you are not the intended recipient or received these documents by mistake, please do not read it and immediately notify use by collect telephone call to 512.474.1492 for instructions on its destruction or distribution. Action or reliance upon the contents of the documents is strictly prohibited.

**ATTACHMENT
A**

ORDINANCE NO. 2014-07

AN ORDINANCE OF THE CITY OF BUDA, TEXAS, REVIEWING THE RATE INCREASE REQUEST OF MONARCH UTILITIES I, L.P.; ADOPTING A FINAL DETERMINATION DENYING THE REQUESTED INCREASE IN RATES; FINDING THAT THE APPLICATION TO INCREASE RATES IS IN VIOLATION OF LAW AND UNREASONABLE; ORDERING THAT NO INCREASE IN RATES OCCUR; REQUIRING THE REIMBURSEMENT OF RATE CASE EXPENSES; SETTING AN AMOUNT AS A RETAINER TO BE PAID SPECIAL COUNSEL FOR RATE CASE EXPENSES; ESTABLISHING AN EFFECTIVE DATE FOR THIS ORDINANCE; CONTAINING A SAVING CLAUSE; PROVIDING FOR SEVERABILITY; PROVIDING FOR PUBLIC NOTICE PURSUANT TO THE TEXAS OPEN MEETINGS ACT; ESTABLISHING THAT THIS ORDINANCE SHALL GOVERN OVER PREVIOUSLY ADOPTED RESOLUTIONS; MAKING SUCH OTHER FINDINGS AND PROVISIONS RELATED HERETO.

WHEREAS, Monarch Utilities I, L.P. ("Monarch") filed an application to change rates/tariffs with the City Secretary for the City of Buda ("City") on or about September 5, 2013; and

WHEREAS, the Notice of Intent to Change Rates, that was sent to ratepayers is extremely deceptive and misleading. It gives the impression that only a 14.83% increase in revenue for Monarch's water utility is involved when in fact Monarch is attempting to prove up in this proceeding that it is entitled to an increase of 43.51% , so that it can get 14.83% now and approximately 29% more as soon as next year; and

WHEREAS, in this proceeding Monarch has asked that the City approve the original cost and associated depreciation for hundreds of capital items without Monarch having any documents that show the original cost of those items; and

WHEREAS, in this proceeding Monarch has failed to show why ratepayers in the City of Buda should pay such a large portion of the costs of Monarch's parent, Southwest Water Company in comparison to ratepayers in other states; and

WHEREAS, Monarch made little effort to show that the costs of its parent, Southwest Water Company, which are being allocated to ratepayers in Buda, are reasonable and necessary; and

WHEREAS, the request by Monarch to have its ratepayers pay a return on equity of 11.25% is exorbitant for a monopoly which has a guaranteed set of customers; and

WHEREAS, Monarch is attempting to charge ratepayers for federal income tax it will not pay; and

WHEREAS, given the complexity of the Monarch rate filing it was necessary for the City to hire special counsel and give him the authority to retain experts; and

WHEREAS, the City has serious doubts about whether Monarch is authorized under Texas law to file and pursue its Application to increase rates.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BUDA THAT:

Section 1. That the facts contained in the Preamble of this Ordinance are determined to be true and correct and are hereby adopted as part of this Ordinance.

Section 2. The rates proposed by Monarch are unlawful and unreasonable and in violation of law.

Section 3. That the statement of intent and application to increase rates filed by Monarch with the City of Buda, Texas on or about September 5, 2013 is hereby denied and rejected in whole and in part.

Section 3. Monarch is ordered not to increase rates within the municipal boundaries of Buda, Texas as a result of its request to change rates which was filed with the City on September 5, 2013.

Section 4. That to the extent Monarch implements any change in rates in contradiction of this Ordinance, Monarch shall refund any increase in rates in full, plus interest calculated at the rate being earned on customer deposits.

Section 5. That the effective date for this Ordinance is the date of its adoption.

Section 6. That this Ordinance is a final determination or final decision with regard to Monarch's statement of intent or application to change rates which was filed with the City in August of this year.

Section 7. Monarch shall reimburse the rate case expenses of the City of Buda, or of any coalition of cities of which the City of Buda is a member, within 30 days of receipt of the invoices submitted by the City; provided that there should be no hold back greater than 10%.

Section 7. That the City shall pay a retainer to Special Counsel, the sum of \$2,500.00 in

connection with this proceeding consistent with a retainer agreement entered into by the City Manager with Special Counsel.

Section 8. That if any section or part of any section, paragraph, or clause of this Ordinance is declared invalid or unconstitutional for any reason, such declaration shall not be held to invalidate or impair the validity, force, or effect of any other section or sections, part of section, paragraph, or clause of this Ordinance.

Section 9. That this Ordinance shall govern with regard to any conflicts with previously adopted resolutions by the City Council.

Section 10. That the City Council officially finds, determines, recites and declares that a sufficient written notice of the date, hour, place and subject of this meeting of the City Council was posted at a place convenient to the public at the City Hall of the City for the time required by law preceding this meeting, as required by the Open Meetings Law, Chapter 551, Texas Government Code; and that this meeting has been open to the public as required by law at all times during which this Ordinance and the subject matter thereof has been discussed, considered, and formally acted upon. The City Council further ratifies, approves and confirms such written notice and the contents and posting thereof.

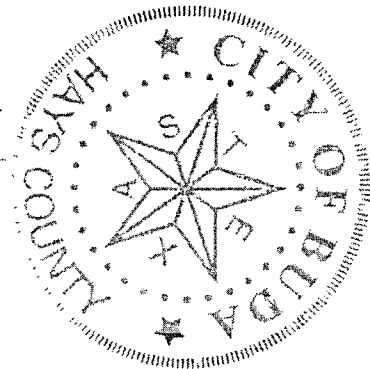
Section 12. That the City Secretary is hereby directed to send a true and copy of this Ordinance to Mr. George Freitag, Rate and Regulation Manager for Monarch Utilities I, L.P., 12535 Reed Road, Sugar Land, Texas 77478 and to Mr. Jim Boyle, Herrera & Boyle, PLLC, Suite 1250, 816 Congress, Austin, Texas 78701.

PASSED AND APPROVED on first reading by an affirmative vote of the City Council of the City of Buda, this 4th day of February, 2014.

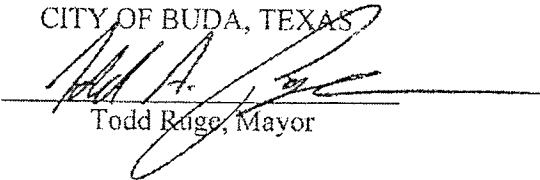
PASSED, APPROVED AND ADOPTED on second reading by an affirmative vote of the City Council of the City of Buda, this 18th day of February 2014.

ATTEST:

Joy Hart
City Secretary



CITY OF BUDA, TEXAS


Todd Ruge, Mayor

CCN/12983/582-14-3859
SO/20140626/pleadings

SOAH DOCKET NO. 582-14-3859
TCEQ DOCKET NO. 2014-0596-UCR

APPEAL OF MONARCH UTILITIES I, § BEFORE THE STATE OFFICE
L.P. FROM THE RATEMAKING § OF
ACTION OF THE CITY OF BLUE § ADMINISTRATIVE HEARINGS
MOUND, TEXAS §

ORDER NO. 1
MEMORIALIZING PRELIMINARY HEARING AND DISMISSING CASE

On June 24, 2014, Monarch Utilities I, L.P. (Monarch) filed a motion to dismiss its appeal and remand it to the Texas Commission on Environmental Quality Executive Director (ED) for an order dismissing the appeal because Monarch and the City of Blue Mound had entered into a settlement. On June 25, 2014, a preliminary hearing was held in this case, and jurisdiction was proven. The following appeared and were admitted as parties:

Party	Representative
Monarch Utilities I, L.P.	Lambeth Townsend, Mark Zeppa, Melissa Long
ED	Christiaan Siano, Jessica Gray
City of Blue Mound	Jim Boyle
Office of Public Interest Counsel	Eli Martinez

No party opposed Monarch's motion. Monarch's motion is granted. This case is dismissed from the docket of the State Office of Administrative Hearings and remanded to the ED.

SIGNED June 26, 2014.

RECEIVED

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CENTRAL FILE ROOM



ELIZABETH DREWS
ADMINISTRATIVE LAW JUDGE
STATE OFFICE OF ADMINISTRATIVE HEARINGS



KERRIE JO QUAL TROUGH
ADMINISTRATIVE LAW JUDGE
STATE OFFICE OF ADMINISTRATIVE HEARINGS

STATE OFFICE OF ADMINISTRATIVE HEARINGS

AUSTIN OFFICE
300 West 15th Street Suite 502
Austin, Texas 78701
Phone: (512) 475-4993
Fax: (512) 322-2061

SERVICE LIST

AGENCY: Environmental Quality, Texas Commission on (TCEQ)
STYLE/CASE: MONARCH UTILITIES I, LP
SOAH DOCKET NUMBER: 582-14-3859
REFERRING AGENCY CASE: 2014-0596-UCR

**STATE OFFICE OF ADMINISTRATIVE
HEARINGS**

ADMINISTRATIVE LAW JUDGE
ALJ KERRIE QUALTROUGH

REPRESENTATIVE / ADDRESS

PARTIES

CHRISTIAAN SIANO
STAFF ATTORNEY
TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
MC-173 P.O. BOX 13087
AUSTIN, TX 78711-3087
(512) 239-6743 (PH)
(512) 239-0606 (FAX)
christiaan.siano@tceq.texas.gov

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

JIM BOYLE
HERRERA & BOYLE, PLLC
816 CONGRESS AVENUE, SUITE 1250
AUSTIN, TX 78701
(512) 474-1492 (PH)
(512) 474-2507 (FAX)
jboyle@herreraboylelaw.com

CITY OF BLUE MOUND

ELI MARTINEZ
PUBLIC INTEREST COUNSEL
TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
12100 PARK 35 CIRCLE, MC-103, BUILDING F
AUSTIN, TX 78753
(512) 239-3974 (PH)
(512) 239-6377 (FAX)
eli.martinez@tceq.texas.gov

OFFICE OF PUBLIC INTEREST COUNSEL

LAMBETH TOWNSEND
LLOYD GOSSELINK ROCHELLE & TOWNSEND, P.C.
816 CONGRESS AVENUE, SUITE 1900
AUSTIN, TX 78701-2478
(512) 322-5830 (PH)
(512) 472-0532 (FAX)
ltownsend@lglawfirm.com

MONARCH UTILITIES I, LP

**TEXAS COMMISSION
ON ENVIRONMENTAL QUALITY**

TRANSMITTAL OF ADMINISTRATIVE RECORD

DATE: June 11, 2014

TO: SOAH Natural Resources Docket Clerk

THRU: Melissa Chao, Section Manager
TCEQ Agenda / Final Documents Section

FROM: *KA* Katha Anderson, TCEQ Final Documents Team

RE: Monarch Utilities I, L.P.; Application Nos. 37841-A and 37844-A
SOAH Docket No. 582-14-3859; TCEQ Docket No. 2014-0596-UCR

This document is now being forwarded as a supplement to the Administrative Record originally transmitted to your office on June 10, 2014. Please find certified copies of the following documents:

✓ 1. amended public hearing notice and Chief Clerk's affidavit

If any of these documents are not included as enclosures with this memo, please notify Melissa Chao, Section Manager at (512) 239-5234.