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SOAH DOCKET NO. 473-15-2102.WS

PUC DOCKET NO. 44463

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FORNEY LAKE WATER SUPPLY	§	BEFORE THE STATE OFFICE
CORPORATION'S REQUEST FOR	§	<small>PUBLIC UTILITY COMMISSION FILING CLERK</small>
CEASE AND DESIST ORDER	§	OF
AGAINST THE CITY OF HEATH	§	ADMINISTRATIVE HEARINGS

**CITY OF HEATH'S STATUS REPORT AND REQUEST FOR ORDER  
SYNCHRONIZING STATUS REPORTS**

**TO THE HONORABLE MICHAEL J. O'MALLEY:**

COMES NOW the City of Heath ("Heath") and files this status report and request for an order synchronizing status reports and in support thereof will show the following:

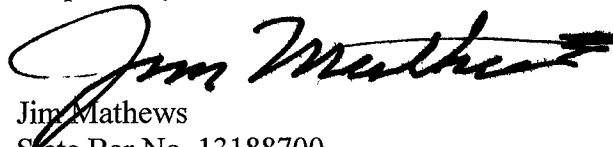
The City of Heath and Forney Lake Water Supply Corporation are making progress in memorializing an agreement pursuant to Texas Water Code §13.255 to transfer to Heath all of Forney Lake's customers, facilities, easements and CCN within Heath's corporate limits. Forney Lake has agreed on a compensation amount subject to its ability to reduce its take or pay obligation under its contract with North Texas Municipal Water District ("NTMWD") by an amount commensurate with the number of customers to be transferred to Heath. Forney Lake has informed Heath that it has secured NTMWD's commitment to reduce the take or pay obligation if Heath's water provider, the City of Rockwall, will agree to accept the assignment of this take or pay obligation. Rockwall has advised Heath that this will require an amendment of Heath's Water Purchase Agreement with Rockwall. Heath is currently negotiating with the City of Rockwall concerning the terms and conditions of that amendment. Heath anticipates that this amendment, which will require the approval of the governing bodies of both entities, could be finalized within the next sixty to ninety days. Following resolution of this condition imposed by Forney Lake, Heath anticipates that the Water Code §13.255 agreement with Forney Lake Water Supply Corporation can be finalized within an additional sixty to ninety days. Completion of this transaction will resolve the issues in dispute in this case.

This status report has been reviewed by the other parties without objection.

Heath and Forney Lake are also making status reports to the Honorable Judge Sarah Ramos in SOAH docket 473-16-0193. In order to synchronize the reporting in both cases, Heath request the entry of an order in this docket requiring the filing of a status report on August 1, 2016 and every 30 days thereafter until the parties reach a resolution or ask the ALJ to set a procedural schedule.

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Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jim Mathews". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Jim Mathews

State Bar No. 13188700

Mathews & Freeland, LLP

8140 N. Mopac Expy, Ste 2-260

Austin, Texas 78759

Telephone (512) 404-7800


Facsimile (512) 703-2785

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of this City of Heath's Status Report was served on all parties of record in this proceeding on this 24 th day of June, 2016, by hand-delivery, facsimile, electronic mail, and/or First Class Mail.

Arturo Rodriguez, Jr.  
Attorney for Forney Lake WSC.  
Russell & Rodriguez LLP  
1633 Williams Dr., Building 2, Suite 200  
Georgetown, Texas 78632  
866-929-1641 (fax)

A.J. Smullen  
Attorney, Legal Division Public Utility Commission of Texas  
1701 N. Congress Avenue  
P.O. Box 13326  
Austin, Texas 78711-3326  
512-936-7268 (fax)

  
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Jim Mathews