



Control Number: 44490



Item Number: 1

Addendum StartPage: 0



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

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

Docket Number: 44490

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

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

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

FILED
FEB 26 AM 9:57
FILING CLERK

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

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

Purpose of Application

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

1. Applicant Information

Applicant

Utility name: Founders Reserve Community Association, Inc.

Certificate number:

Street address (City/ST/ZIP/Code): 7170 Cherry Park Drive

Mailing address(City/ST/ZIP/Code): Houston TX 77095

Utility Phone Number and Fax:

Contact information

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

Name: Jeff Goebel

Title: Consultant

Mailing address: PO Box 570177, Houston TX 77257

Email: texaswater@sbcglobal.net

Phone and Fax: (713) 724-9321

List all counties in which service is proposed:

Montgomery

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

- ☐ Investor Owned Utility ☐ Individual ☐ Partnership
☒ Home or Property Owners Association ☐ For-profit Corporation

☐ Non-profit, member-owned, member-controlled cooperative corporation
(Water Code Chapter 67, Water Supply or Sewer Service Corporation)

☐ Municipality ☐ District ☐ Other - Please explain:

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

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

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

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

2. Location Information

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

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

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

☒ Yes ☐ No

If YES, provide the following:

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

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

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

☐ Yes ☒ No

If YES, within the corporate limits of: _____

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

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

☐ Yes ☒ No

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

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

3. Map Requirements

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

- A. A location map delineating the proposed service area with enough detail to accurately locate the proposed area within the county.
- B. A map showing only the proposed area by:
 - i. metes and bounds survey certified by a licensed state or register professional land surveyor; or
 - ii. projectable digital data with metadata (proposed areas should be in a single record and clearly labeled). Also, a data disk labeled with the applicant's name must be provided; or
 - iii. following verifiable natural and man-made landmarks; or
 - iv. a copy of recorded plat map with metes and bounds.
- C. A written description of the proposed service area.
- D. Provide separate and additional maps of the proposed area(s) to show the following:
 - i. all facilities, illustrating separately facilities for production, transmission, and distribution of the applicant's service(s); and
 - ii. any facilities, customers or area currently being served outside the applicant's certificated area(s).

Note: Failure to provide adequate mapping information may result in the delay or possible denial of your application.

Digital data submitted in a format other than ArcView shape file or Arc/Info E00 file may result in the delay or inability to review applicant's mapping information.

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

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

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

- The collection and distribution underground facilities have been constructed and are in operation. WJPA is currently serving the area via meters.

Approved by: City of Shenandoah & Montgomery County Engineer

Unknown

F. Date construction is scheduled to commence: _____

G. Date service is scheduled to commence: _____

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

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Application to Obtain or Amend a Water or Sewer Certificate of Convenience and Necessity, 9/1/14 (formerly TCEQ form 10362)
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- iii. Date of last TCEQ water and/or sewer system inspection(s): _____
- iv. Attach a copy of the most recent TCEQ water and/or sewer inspection report letter(s).
- v. For each system deficiency listed in the TCEQ inspection report letter; attach a brief explanation listing the actions taken or being taken by the utility to correct the listed deficiencies, including the proposed completion dates.

[illegible]

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

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

| TCEQ Water System | | | TCEQ Sewer System | | |
|--------------------|----------|----------|-------------------|----------|----------|
| Connection | Existing | Proposed | Connection | Existing | Proposed |
| 5/8" or 3/4" meter | 63 | | Residential | 63 | |
| 1" meter or larger | | | Commercial | | |
| Non-Metered | | | Industrial | | |

| TCEQ Water System | | | TCEQ Sewer System | | |
|-------------------|----|--|-------------------|----|--|
| Other: | | | Other: | | |
| Total Water | 63 | | Total Sewer | 63 | |

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

Water and Sewer CCN

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

Water and Sewer CCN

G. Effect of Granting a Certificate Amendment.

Explain in detail the effect of granting of a certificate or an amendment, including, but not limited to regionalization, compliance and economic effects on the following:

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

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

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

ii. ☒ Yes, Water

Purchased on a ☒ Regular ☐ Seasonal ☐ Emergency basis?

| Water Source | % of Total Treatment |
|--------------|----------------------|
| WJPA | 100.00% |

| Water Source | % of Total Treatment |
|--------------|----------------------|
| | 0.00% |
| | 0.00% |

iii. ☒ Yes, Sewer treatment capacity

Purchased on a ☒ Regular ☐ Seasonal ☐ Emergency basis?

| Sewer Source | % of Total Treatment |
|--------------|----------------------|
| WJPA | 100.00% |
| | 0.00% |
| | 0.00% |

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

I. Ability to Provide Adequate Service.

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

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

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

None

6. Financial Information

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

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

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

B. For existing water and/or sewer systems:

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

❖ **Note: An existing water and/or sewer system may be required to provide the information in 6.A.i. above during the technical review phase if necessary for staff to completely evaluate the application**

C. Identify any funds you are required to accumulate and restrict by lenders or capital providers.

- D. In lieu of the information in #6.A. thru #6.C., you may provide information concerning loan approvals within the last three (3) years from lending institutions or agencies including the most recent financial audit of the applicant.

❖ **Note: Failure to provide adequate financial information may result in the delay or possible denial of your application.**

7. Notice Requirements

- A. All proposed notice forms must be completed and submitted with the application. Do not mail or publish the notices until you receive written approval from the commission to do so.
- B. The commission cannot grant a CCN until proper notice of the application has been given. Commission rules do not allow a waiver of notice requirements for CCN applicants.
- C. It is the applicant's responsibility to ensure that proper notice is given to all entities that are required to receive notice.
- D. Recommended notice forms for publication, neighboring cities and systems, landowners with 25 acres or more, and customers are included with this application for use in preparing proposed notices. (Notice forms are available in Spanish upon request.)
- E. After reviewing and, if necessary, modifying the proposed notice, the commission will send the notice to the applicant after the application is accepted for filing along with instructions for publication and/or mailing. Please review the notice carefully before providing the notice.
- F. Notice For Publication:
The applicant shall publish the notice in a newspaper with general circulation in the county(ies) where a CCN is being requested. The notice must be published once each week for two consecutive weeks beginning with the week after the notice is received from the commission. Proof of publication in the form of a publisher's affidavit shall be submitted to the commission within 30 days of the last publication date. The affidavit shall state with specificity each county in which the newspaper is of general circulation.
- G. Notice To Neighboring Utilities:
 - i. List all neighboring retail public utilities and cities providing the same utility service within the following vicinities of the applicant's proposed certificate area.
 - ii. For applications for the issuance of a NEW CCN, the applicant must mail the notice with a copy of the proposed CCN map to all cities and neighboring retail public utilities providing the same utility service within five (5) miles of the requested service area.

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

H. Notice to Customers:

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

- I. The commission may require the applicant to deliver notice to other affected persons or agencies.

Do not publish or send copies of the proposed notices to anyone at the time you submit the application to the commission. Wait until you receive written authorization to do so. Authorization occurs after the commission has reviewed the notices for completeness, and your application has been accepted for filing. Once the application is accepted for filing, you will receive written authorization to provide notice. Please check the notices for accuracy before providing them to the public. It is the applicant's burden to ensure that correct and accurate notice is provided.

OATH

STATE OF Texas
COUNTY OF Harris

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

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

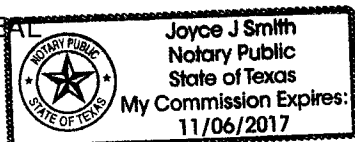
I further represent that the Applicant will provide continuous and adequate service to all customers and qualified applicants for service within its certificated service area.

Malcolm D Bailey *Malcolm D Bailey*
AFFIANT
(Utility's Authorized Representative)

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

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public in and for the State of Texas,
This day 13 of February 20 15

SEAL



J J Smith
NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS

PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES _____

Notice for Publication

NOTICE OF APPLICATION FOR CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) TO PROVIDE WATER/SEWER UTILITY SERVICE IN

Montgomery COUNTY(IES), TEXAS

Name of Applicant Founders Reserve Community Association Inc has filed an application for a CCN ~~to obtain or amend~~ CCN No. (s) and to decertify a portion(s) of _____ with the
(Name of Decertified Utility)

Public Utility commission of Texas to provide water and sewer
(specify 1) water or 2) sewer or 3) water & sewer)

utility service in Montgomery County
(ies).

The proposed utility service area is located approximately 7 miles south
[direction] of downtown Conroe, [City or Town] Texas, and is generally bounded on the north by Rabinow Ct; on the east by Research Park Dr; on the south by Research Forest Dr; and on the west by Van Allen Dr

The total area being requested includes approximately 13 acres and 63 current customers.

A copy of the proposed service area map is available at (Utility Address and Phone Number): 5818 Beverly Hill, Houston Texas 77057

A request for a public hearing must be in writing. You must state (1) your name, mailing address, and daytime telephone number; (2) the applicant's name, application number or another recognizable reference to this application; (3) the statement, "I/we request a public hearing"; (4) a brief description of how you or the persons you represent, would be adversely affected by the granting of the application for a CCN; and (5) your proposed adjustment to the application or CCN which would satisfy your concerns and cause you to withdraw your request for a hearing.

Persons who wish to intervene or comment should file with the PUC at the following address:

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

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

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

If you are a landowner with a tract of land at least 25 acres or more, that is partially or wholly located within the proposed area, you may request to be excluded from the proposed area (or "opt out") by providing written notice to the commission within (30) days from the date that notice was provided by the applicant. All requests to opt out of the requested service area must include a scaled, general location map and a metes and bounds description of the tract of land.

Persons who meet the requirements to opt out, and wish to request this option should file the required documents with the:

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

A copy of the request to opt out of the proposed area must also be sent to the applicant. Staff may request additional information regarding your request.

Si desea informacion en Espanol, puede llamar al 1-888-782-8477

Notice to Neighboring Systems, Landowners and Cities

NOTICE OF APPLICATION FOR CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) TO
PROVIDE WATER/SEWER UTILITY SERVICE IN

Montgomery COUNTY(IES), TEXAS

To: _____ Date Notice Mailed _____ 20 ____
(Neighboring System, Landowner or City)

(Address)

City State Zip

Name of Applicant Founders Reserve Community Association Inc has filed an application for a
CCN ~~to obtain or amend~~ CCN No. (s) _____ and to
decertify a portion(s) of _____ with the
(Name of Decertified Utility)

Public Utility Commission of Texas to provide water and sewer
utility service in Montgomery (specify 1) water or 2) sewer or 3) water & sewer) _____
County(ies).

The proposed utility service area is located approximately 7 miles south
[direction] of downtown Conroe, [City or Town] Texas, and is
generally bounded on the north by Rabinow; on the east by
Research Park Dr; on the south by Research Forest Dr; and on the west by Van Allen Dr

See enclosed map of the proposed service area.

The total area being requested includes approximately 13 acres and 63
current customers.

A request for a public hearing must be in writing. You must state (1) your name, mailing address, and daytime telephone number; (2) the applicant's name, application number or another recognizable reference to this application; (3) the statement, "I/we request a public hearing"; (4) a brief description of how you or the persons you represent, would be adversely affected by the granting of the application for a CCN; and (5) your proposed adjustment to the application or CCN which would satisfy your concerns and cause you to withdraw your request for a hearing.

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If you are a landowner with a tract of land at least 25 acres or more, that is partially or wholly located within the proposed area, you may request to be excluded from the proposed area (or "opt out") by providing written notice to the commission within (30) days from the date that notice was provided by the applicant. All requests to opt out of the requested service area must include a scaled, general location map and a metes and bounds description of the tract of land.

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1701 North Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

A copy of the request to opt out of the proposed area must also be sent to the applicant. Staff may request additional information regarding your request.

Si desea informacion en Espanol, puede llamar al 1-888-782-8477

Notice to Customers of IOUs in Proposed Area

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

Dear Customer: _____ Date Notice Mailed: _____, 20__

Name of Applicant: **FOUNDERS RESERVE COMMUNITY ASSOCIATION, INC.** has filed an application to obtain a CCN with the Public Utility Commission of Texas to provide water and sewer utility service in Montgomery County.

The proposed utility service area is located approximately 7 miles south {direction} of downtown **Conroe**, Texas.

A copy of the proposed service area map is available at: 5818 Beverly Hill, Houston TX 77057.

The current utility rates which were first effective on _____, 20__

WATER RATES

| Meter Size | Monthly Minimum Rate | Gallage Charge |
|-------------|----------------------|--|
| 5/8" x 3/4" | \$20.00 | \$ 1.40 per 1,000-3000 \$ 3.15 per 4,000-15,000 \$ 4.40 per 16,000-30,000 \$ 5.65 per 31,000 plus |

REGULATORY ASSESSMENT 1.0%

TAP FEE (Standard Meter) \$650.00

TAP FEE (AMR Meter) \$900.00

LARGE METER TAP FEE Actual Cost

RECONNECTION FEE

a) Non payment of bill (Maximum \$25.00) \$25.00

b) Customer's request \$45.00

TRANSFER FEE \$45.00

LATE CHARGE 10%

| | |
|---|--|
| RETURNED CHECK CHARGE | \$25.00 |
| CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50) | \$50.00 |
| COMMERCIAL AND NON RESIDENTIAL DEPOSIT | 1/6 th Est. Annual Bill |
| METER TEST FEE (actual cost of testing the meter up to) | \$25.00 |
| SEASONAL RECONNECTION FEE | Base rate for meter size times number of months off the system not to exceed six months when leave and return within a twelve-month period |
| METER RELOCATION FEE | Actual cost to relocate that meter |
| METER CONVERSION FEE | Actual cost to convert that meter |

TEMPORARY WATER RATE:

Unless otherwise superseded by TCEQ order or rule, if the Utility is ordered by a court or governmental body of competent jurisdiction to reduce its pumpage, production or water sales, the Utility shall be authorized to increase its approved gallonage charge according to the formula:

$$TGC = cgc + \frac{(pr)(cgc)(r)}{(1.0-r)}$$

Where:

TGC = temporary gallonage charge

cgc = current gallonage charge

r = water use reduction expressed as a decimal fraction (the pumping restriction

pr = percentage of revenues to be recovered expressed as a decimal fraction, for this tariff, pr shall equal 0.5

SEWER RATES

| Meter Size | Monthly Minimum Rate | Gallonage Charge |
|-------------|----------------------|-------------------------|
| 5/8" x 3/4" | \$ 11.94 | \$3.10 per 1000 gallons |

| | |
|---|--|
| REGULATORY ASSESSMENT | 1.0% |
| TAP FEE (5/8 X 3/4-inch water meter) | \$550.00 |
| TAP FEE (larger water meter) | Actual cost of that tap |
| RECONNECTION FEE | |
| c) Non payment of bill (Maximum \$25.00) | \$25.00 |
| d) Customer's request | \$45.00 |
| TRANSFER FEE | \$45.00 |
| LATE CHARGE | 10% |
| RETURNED CHECK CHARGE | \$25.00 |
| CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50) | \$50.00 |
| COMMERCIAL AND NON-RESIDENTIAL DEPOSIT | 1/6 est. annual bill |
| SERVICE RELOCATION FEE | Actual cost to relocate that service connection |
| SEASONAL RECONNECTION FEE | Base rate times number of months off the system not to exceed six months when leave and return within a twelve month period. |

Your utility service rates and fees cannot be change by this application. If you are currently paying rates, those rates must remain in effect unchanged. Rates may only be increased if the utility files and gives notice of a separate rate change application.

A request for a public hearing must be in writing. You must state (1) your name, mailing address, and daytime telephone number; (2) the applicant's name, application number or another recognizable reference to this application; (3) the statement, "I/we request a public hearing"; (4) a brief description of how you or the persons you represent, would be adversely affected by the granting of the application for a CCN; and (5) your proposed adjustment to the application or CCN which would satisfy your concerns and cause you to withdraw your request for a hearing.

Persons who wish to intervene or comment should write the:

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

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

IF A HEARING IS HELD, it is important that you or your representative attend to present your concerns. Your request serves only to cause a hearing to be held and is not used during the hearing.

If you are a landowner with a tract of land at least 25 acres or more, and is partially or wholly located within the proposed area, you may request to be excluded from the proposed area (or "opt out") by providing written notice to the commission within (30) days from the date that notice was provided by the applicant. All requests to opt out of the requested service area must include a scaled, general location map and a metes and bounds description of the tract of land.

Persons who meet the requirements to opt out, and wish to request this option should file the required documents with the:

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

A copy of the request to opt out of the proposed area must also be sent to the applicant. Staff may request additional information regarding your request.

Si desea informacion en Espanol, puede llamar al 1-888-782-8477

Founder's Reserve CCN Application
Additional Responses

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

Attachment A

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

Yes – Applicant currently operating systems without a CCN. See Above.

3. Map Requirements

Attachment B

Digital data submitted in a format other than ArcView shape file or Arc/Info E00 file may result in the delay or inability to review applicant's mapping information.

Attached CD in ACAD 2007 NAD83

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

A. Please provide the following information: **ATTACHMENT C**

- i. A list of public drinking water supply system(s) or sewer system(s) within a 2 mile radius of the proposed system;
- ii. Copies of written requests seeking to obtain service from each of the public drinking water systems or sewer systems listing in a.1 above or documentation that it is not economically feasible to obtain service from each entity; **ALREADY RECEIVING SERVICE**
- iii. Copies of written responses from each system or evidence that they did not reply; and
- iv. For sewer utilities, documentation showing that you have obtained or applied for a wastewater discharge permit. **ALREADY RECEIVING SERVICE.**

5. A.iii. Date of last TCEQ water/and/or sewer system inspection(s): **ATTACHMENT A.**

G. Effect of Granting a Certificate Amendment.

Explain in detail the effect of granting of a certificate of an amendment, including, but not limited to regionalization, compliance and economic effects on the following:

- i. The applicant, - **will be in compliance**
- ii. Any retail public utility of the same kind already serving the proximate area; **none affected**
- iii. Any landowner(s) in the requested area – **will have certificated service provider**

H. iv. Provide a signed and dated copy of the most current water or sewer treatment capacity purchase agreement or contract. **No agreement; a water meter is in place and billed from the water meter.**

6. Financial Information

A. For new water and/or sewer systems and for applicants with existing CCNs who are constructing a new standalone water and/or sewer system: **SYSTEM IN PLACE**

B. For existing water and/or sewer systems: **ATTACHMENT D**

Attachment 'A'

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

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

June 11, 2012

BY REGULAR & CERTIFIED MAIL

Mr. Don Hickey, Director
Founder's Reserve Community Association, Inc.
4576 Research Forest Dr.
The Woodlands, Texas 77381

NOTICE OF VIOLATION

Re: Founder's Reserve Community Association, Inc., A2013; Water Utility Service, in Harris County

CN: 604076042; RN: 106400369

Dear Mr. Hickey:

The Utilities and Districts Section of the Texas Commission on Environmental Quality (Commission) has been advised that Founder's Reserve Community Association, Inc. may be providing water service for compensation and therefore, operating as a retail public utility. Pursuant to Texas Water Code Subchapter G, Section 13.242, retail public utilities are required to have a Certificate of Convenience and Necessity (CCN) and an approved water utility tariff on file with the Commission. Commission staff has reviewed Commission records and did not find a certificate or a tariff on file under the name "Founder's Reserve Community Association, Inc".

A public water utility is any person, partnership, corporation or cooperative cooperation that owns or operates facilities for compensation for sale or resale of potable water to the public, regardless of the number of connections served. Public water utilities are under the Commission's original service rule and rate setting jurisdiction and must have a CCN and tariff. Public water utilities must also provide continuous and adequate service.

Commission rules define exempt public utilities, which are not required to possess a CCN and which are subject to limited retail rate jurisdiction by this Commission. However, in order to be considered an exempt public utility, you must:

- (a) have fewer than 15 **potential** service connections;
- (b) not be owned by or affiliated with a retail public utility or any other provider of potable water service;
- (c) not be within the certificated area of another retail public utility; and,
- (d) not be within the corporate boundaries of a district or municipality unless it receives written authorization from the district or municipality.

In addition, exempted utilities must comply with the Commission's Exempt Utility Tariff Form.

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

How is our customer service? tceq.texas.gov/customer/survey

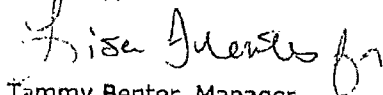
Mr. Don Hickey, Director
Page 2
June 11, 2012

Please respond to this letter in writing by July 9, 2012, by submitting a completed CCN application and water tariff form or explaining how your water system is not operating as a public water utility, or explaining how your water system meets all the above listed criteria to be considered an exempt utility.

If you are considered an exempt utility, an exempt utility tariff form will be made available to you. For your convenience, I have enclosed a CCN application and water utility tariff form with this letter. Failure to comply with the Texas Water Code and Commission rules may result in enforcement action against your utility.

Please contact Ms. Lisa Fuentes at 512/239-6117 if you have any questions in this matter, or if by correspondence include Mail Code-153 in the letterhead address.

Sincerely,



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

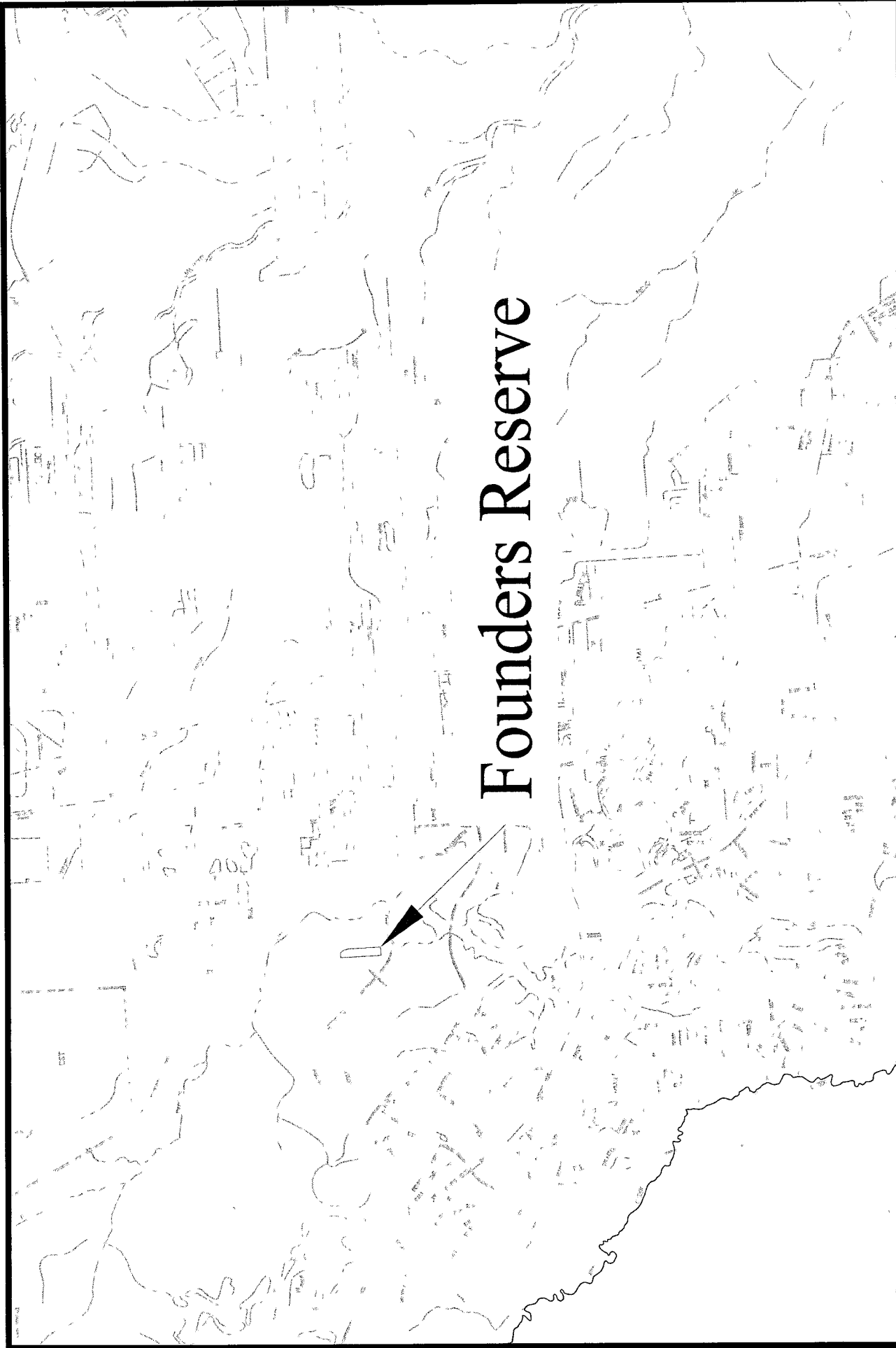
TB/KLB/mm

Enclosures: CCN application and water tariff

Attachment 'B'

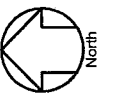
Founders Reserve

Scale 1" = 3 miles



Scale = 1" = 1 mile

Founders Reserve Proposed CCN



Proposed Founders Reserve CCN

Zephyrus Bend Pl

CITY OF SHENANDOAH CCN

1200 ft

Google earth

© 2015 Google

Attachment 'C'

Sewer CCN

SOUTHERN MONTGOMERY COUNTY MUD 20486

Address: 25212 INTERSTATE 45 N
SPRING , TX 77386-1432
512-723-7475

EASTWOOD HILLS MOBILE HOME PARK LIMITED PARTNERSHIP 20823

Address: 11315 HILLRIDGE DR
CONROE , TEXAS 77385-7329
(281) 447-0486

CHATEAU WOODS MUD 20937

Address: 10224 FAIRVIEW DR
CONROE , TX 77385
281-298-6501

Water CCN

LAKELAND SECTION FOUR CIVIC CLUB 12270

Address: PO BOX 9975
THE WOODLANDS , TX 77385-8969
281-367-9419

OLD TAMINA WSC 12289

Address: PO BOX 7402
THE WOODLANDS , TX 77387-7402
281-367-5304

MUD Districts

MONTGOMERY COUNTY MUD 6

Address: PO BOX 7580
THE WOODLANDS , TX 77387-7580
281-367-1271

MONTGOMERY COUNTY MUD 7

Address: PO BOX 7580
THE WOODLANDS , TX 77387-7580
281-367-1271

MONTGOMERY COUNTY MUD 67

Address: 1300 POST OAK BLVD STE 1400
HOUSTON , TX 77056-3078
713-623-4531

MONTGOMERY COUNTY MUD 60

Address: PO BOX 7580
SPRING , TX 77387-7580
281-367-1271

THE WOODLANDS METRO CENTER MUD

Address: PO BOX 7580
THE WOODLANDS , TX 77387-7580
281-367-1271

MONTGOMERY COUNTY MUD 45

Address: 1400 POST OAK SUITE 550
HOUSTON , TX 77056
713-622-1175

MONTGOMERY COUNTY MUD 40

Address: PO BOX 7580
THE WOODLANDS , TX 77387-7580
281-367-1271

MONTGOMERY COUNTY MUD 47

Address: PO BOX 7580
THE WOODLANDS , TX 77387-7580
281-367-1271

MONTGOMERY COUNTY MUD 36

Address: PO BOX 7580
SPRING , TX 77387-7580
281-367-1271

Attachment 'D'

FOUNDERS RESERVE COMMUNITY ASSN

Balance Sheet
December 31, 2013

ASSETS

| | | | |
|---------------------|---------------------------|----|--------------------------|
| Cash | | | |
| 1005 | Checking-CAB #272524751 | \$ | <u>67,272.74</u> |
| | Total Cash | | 67,272.74 |
| Accounts Receivable | | | |
| 1250 | Accounts Receivable | | <u>32,780.00</u> |
| | Total Accounts Receivable | | 32,780.00 |
| Other Assets | | | |
| | Total Other Assets | | 0.00 |
| | Total Assets | \$ | <u><u>100,052.74</u></u> |

LIABILITIES AND CAPITAL

| | | | |
|---------------------|-----------------------------|----|--------------------------|
| Current Liabilities | | | |
| 2100 | Unearned Assessments | \$ | 31,050.00 |
| 2500 | Uncollected Assessments | | <u>32,780.00</u> |
| | Total Current Liabilities | | 63,830.00 |
| | Total Liabilities | | <u>63,830.00</u> |
| Capital | | | |
| 3000 | Fund Balance | | 34,863.83 |
| | Increase(Decrease) Summary | | <u>1,358.91</u> |
| | Total Capital | | <u>36,222.74</u> |
| | Total Liabilities & Capital | \$ | <u><u>100,052.74</u></u> |

FOUNDERS RESERVE COMMUNITY ASSN
Income Statement
December 31, 2013

| | Jan-Mar | Apr-Jun | Jul-Sep | Oct-Dec | Total YTD |
|----------------------------------|------------------|-----------------|---------------|-----------------|------------------|
| Association Income | | | | | |
| Assessment Revenue | | | | | |
| 4000 Assessment - Current Year | 45,947.05 | 750.00 | 687.95 | 2,700.00 | 50,085.00 |
| Total Assessment Revenues | 45,947.05 | 750.00 | 687.95 | 2,700.00 | 50,085.00 |
| Other Income | | | | | |
| 4120 Income - Gate Remotes | 210.00 | 175.00 | 35.00 | 0.00 | 420.00 |
| 4150 Interest Income - Operating | 17.64 | 15.91 | 13.16 | 11.68 | 58.39 |
| 4200 Other Income | (300.00) | 0.00 | 0.00 | 0.00 | (300.00) |
| 4250 Penalties/Late Fees | 405.00 | 134.90 | 0.00 | 0.00 | 539.90 |
| 4300 Reimbursed Collection Fees | 20.00 | 41.60 | 0.00 | 0.00 | 61.60 |
| Total Other Income | 352.64 | 367.41 | 48.16 | 11.68 | 779.89 |
| Total Association Income | 46,299.69 | 1,117.41 | 736.11 | 2,711.68 | 50,864.89 |
| Association Expenses | | | | | |
| Administrative Expenses | | | | | |
| 5070 County Recording Fees | 43.00 | 0.00 | 15.00 | 27.00 | 85.00 |
| 5100 CPA/Audit Fees | 0.00 | 900.00 | 0.00 | 0.00 | 900.00 |
| 5110 Professional Fees | 0.00 | 0.00 | 1,400.00 | 1,350.00 | 2,750.00 |
| 5120 D&O Liability | 0.00 | 0.00 | 1,217.00 | 0.00 | 1,217.00 |
| 5280 Management - Administration | 2,040.99 | 2,721.32 | 2,040.99 | 1,360.66 | 8,163.96 |
| 5285 Management/Non-contract | 482.75 | 718.00 | 525.00 | 287.50 | 2,013.25 |
| 5300 Miscellaneous Expense | 407.00 | 301.09 | 112.00 | 56.00 | 876.09 |
| 5350 Office Supplies | 1.00 | 0.00 | 0.00 | 0.00 | 1.00 |
| 5400 Postage | 106.57 | 236.24 | 33.65 | 26.58 | 403.04 |
| 5420 Printing & Copies | 78.30 | 155.12 | 27.30 | 8.55 | 269.27 |
| 5430 Property Taxes | 10.01 | 0.00 | 0.00 | 0.00 | 10.01 |
| 5440 Property/Liab Insurance | 0.00 | 0.00 | 1,440.00 | 0.00 | 1,440.00 |
| Total Administrative Expenses | 3,169.62 | 5,031.77 | 6,810.94 | 3,116.29 | 18,128.62 |
| Legal Expenses | | | | | |
| 5200 Legal Fees - Corporate | 0.00 | 405.00 | 1,020.00 | 900.00 | 2,325.00 |
| Total Legal Expenses | 0.00 | 405.00 | 1,020.00 | 900.00 | 2,325.00 |
| Utilities | | | | | |
| 6060 Electricity | 382.92 | 325.47 | 368.88 | 349.29 | 1,426.56 |
| 6320 Telephone | 192.54 | 18.22 | (210.76) | 0.00 | 0.00 |
| 6340 Telephone - Gate | 96.42 | 251.86 | 542.01 | 306.14 | 1,196.43 |
| 6400 Water & Sewer | 765.37 | 844.64 | 794.98 | 2,871.65 | 5,276.64 |
| Total Utilities | 1,437.25 | 1,440.19 | 1,495.11 | 3,527.08 | 7,899.63 |
| Amenities Operations | | | | | |
| 6010 signs | 0.00 | 0.00 | 0.00 | 133.69 | 133.69 |
| 6100 Gate Repairs | 2,875.00 | 0.00 | 0.00 | 0.00 | 2,875.00 |
| 6160 Landscape - Contract | 2,711.28 | 1,769.64 | 1,769.64 | 1,179.76 | 7,430.32 |
| 6180 Landscape - Other | 0.00 | 7,373.44 | 582.24 | 1,100.14 | 9,055.82 |
| 6200 Other Repairs | 0.00 | 0.00 | 0.00 | 494.28 | 494.28 |
| 6420 Irrigation Repairs | 0.00 | 483.39 | 174.98 | 301.82 | 960.19 |
| 6500 Gate Keys | 38.40 | 0.00 | 0.00 | 0.00 | 38.40 |
| Total Amenities Operations | 5,624.68 | 9,626.47 | 2,526.86 | 3,209.69 | 20,987.70 |

Community Services

FOUNDERS RESERVE COMMUNITY ASSN
Income Statement
December 31, 2013

| | Jan-Mar 10.00 | Apr-Jun 0.00 | Jul-Sep 5.00 | Oct-Dec 0.00 | Total YTD 15.00 |
|-----------------------------------|------------------|--------------------|--------------------|-------------------|--------------------|
| 6680 Welcome Packets | | | | | |
| Total Community Services | 10.00 | 0.00 | 5.00 | 0.00 | 15.00 |
| Collection & DR Enforcement | | | | | |
| 8300 Collect. - Invoices & NODs | 0.00 | 45.03 | 0.00 | 0.00 | 45.03 |
| 9300 DR - NNC | 0.00 | 35.00 | 70.00 | 0.00 | 105.00 |
| Total Collection & DR Enforceme | 0.00 | 80.03 | 70.00 | 0.00 | 150.03 |
| Capital Expenses | | | | | |
| Total Capital Expenses | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Association Expenses | 10,241.55 | 16,583.46 | 11,927.91 | 10,753.06 | 49,505.98 |
| Increase\Decrease Summary | 36,058.14 | (15,466.05) | (11,191.80) | (8,041.38) | 1,358.91 |

Attachment 'E'

CCN Location Description

The proposed utility service area is located approximately 7 miles south of downtown Conroe, Texas, and is generally bounded on the north Rabinow Rd; on the east by Research Park Dr; on the south by Research Forest Dr; on the west by Van Allen.