

Docket No. 44322
YES Prep Public Schools

Exhibit “C”

**EMERGENCY WATER SUPPLY AGREEMENT
BETWEEN
SUNBELT FRESH WATER SUPPLY DISTRICT
AND
YES PREP PUBLIC SCHOOLS INC.**

THIS EMERGENCY WATER SUPPLY ("Agreement") is entered into as of the _____ day of _____, 2015, by and between SUNBELT FRESH WATER SUPPLY DISTRICT of Harris County, Texas, a body politic and corporate and governmental agency of the State of Texas, organized under the provisions of Article XVI, Section 59 of the Constitution of the State of Texas and operating pursuant to Chapters 49 and 53, Texas Water Code, as amended (the "District"), and YES PREP PUBLIC SCHOOLS INC., a Texas nonprofit corporation (YES PREP").

RECITALS

WHEREAS, the District and YES PREP desire to enter into this Agreement and to establish the terms and conditions pursuant to which emergency water supply will hereafter be provided to YES PREP's North Central Campus located at 13703 Aldine-Westfield, Houston, Harris County, Texas (the "Property"); and

WHEREAS, at this time the District and YES PREP believe it is in their best interests to enter into this Agreement.

AGREEMENT

For and in consideration of the mutual promises, obligation and benefits herein set forth, the Districts hereby contract and agree as follows:

ARTICLE I

Section 1.01: Definitions. In addition to the terms defined elsewhere herein, the following terms, when used herein, shall have the meanings specified:

"Emergency" means any mechanical or electrical failure or any act of nature that causes a loss of production or distribution capacity of Water to the Property as set forth by Order of the Public Utilities Commission (the "PUC"), attached hereto as Exhibit "A".

"District Engineer" shall mean A & S Engineers, Inc., Houston, Texas, engineer for the Sunbelt System, or such other engineer as shall be employed from time to time to serve as the engineer for the Sunbelt System.

"District Water System" shall mean the water supply system within the boundaries of the District, including the District's water plant and distribution lines and any improvements, extensions and enlargements thereof; in addition, the inclusion of those distribution lines and

other facilities located within Harris County right-of-way or within easements granted to, and accepted by, the District to serve property outside the District boundaries

"Point of Connection" means the point at which the District's Water System connects to the Property.

"Water" means potable water meeting the minimum requirements of the Texas Department of Health and its successors for human consumption and other domestic use.

"Water Line" shall mean the existing eight-inch 8" water line, including any necessary extensions, water meters and other facilities, extending from the periphery of the Property to the point of connection with the existing District System, which pursuant to the policies of the Commission constitute public water lines.

ARTICLE II

Section 2.01: Emergency Supply. During an Emergency, the District shall supply Water to YES PREP. YES PREP must provide notice of the Emergency to the District. Such notice shall include a description of the nature of the Emergency and the expected duration.

Section 2.02. Measurement of Water Usage. The amount of Water service used by YES PREP for the Property in any thirty (30) day period shall be measured by the water meter to be installed by YES PREP as part of the Water Line. The meter shall be read each month by the utility system operator for the District, in accordance with the then current Rate Order of the District.

Section 2.03. Water Rates. The District shall set its Water rates from time to time sufficient to pay the Operation and Maintenance Costs for the System and maintain a reasonable reserve for operating expenses. The rates for the supply of Water service to the Property shall be equal to the rates charged to commercial customers of the District as contained in the Rate Order, effective at the time of such charges. A copy of the current Rate Order is attached hereto as Exhibit "A" and incorporated herein by reference.

Section 2.04. Billings and Payments. YES PREP shall be billed monthly by the District, as set forth in the District's then current Rate Order.

ARTICLE III

Section 3.01: Term. The term of this Agreement shall commence on the effective date first written above, and shall run for a term of forty (40) years, and shall automatically renew thereafter for successive five year terms, unless notice of non-renewal is provided to the other District at least nine months prior to the commencement of a renewal term.

Section 3.02. Use of Capacity. The Water services provided for under this Agreement shall be utilized only by the Property. YES PREP shall have no authority to sell, lease, or

otherwise convey any interest in Water acquired pursuant to this Agreement, except to a successor owner of the Property.

Section 3.03. Rules and Regulations. YES PREP covenants and agrees that it will abide by and obey the Rules and Regulations and Rate Order of the District, as such documents are amended by the District from time to time.

Section 3.04. Mechanical Failures. Unless the District or any of its employees is grossly negligent or engages in willful misconduct, the District shall not be liable for any damages suffered by YES PREP or the Property as a result of breakdown of the Water Line, or scheduled repairs or maintenance for which YES PREP has received notice, which result in the inability of the District to provide Water in sufficient quantity or quality to the Property; provided however, the District shall make a diligent effort to anticipate curtailment of any such capacity, to notify YES PREP in advance of any repairs, and to the extent possible, complete scheduled repairs or maintenance work so as not to interfere with the conduct of day to day Property activities.

Section 3.05. Government Immunity. The District neither waives nor relinquishes any immunity or defense on behalf of itself or its officers and employees by reason of its execution or performance of this Agreement. The District nor its respective officers or employees shall be deemed to be agents or representatives of YES PREP by virtue of the execution or performance of this Agreement. The activities to be performed by the District and YES PREP pursuant to this Agreement shall be exclusively public and governmental in nature.

Section 3.07. Force Majeure. If either party is rendered unable, wholly or in part, by force majeure to carry out any of its obligations under this Agreement, then the obligations of such party, to the extent affected by such force majeure and to the extent that due diligence is being used to resume performance at the earliest practicable time, shall be suspended during the continuance of any inability so caused to the extent provided but for no longer period. Such cause, as far as possible, shall be remedied with all reasonable diligence. The term "force majeure", as used herein, shall include acts of God, strikes, lockouts, or other industrial disturbances, acts of the public enemy, orders of any kind of the government of the United States or the State of Texas or any civil or military authority (including any ruling of a court of competent jurisdiction), insurrections, riots, epidemics, landslides, lightening, earthquakes, fires (but not fires occurring at the Property), hurricanes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage or accidents to machinery, pipelines or canals, which are not within the reasonable control of the party, or which the party could not have avoided by the exercise of reasonable due diligence and care. It is understood and agreed that the settlement of strikes and lockouts shall be entirely within the discretion of the affected party, and that the above requirements that any force majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes and lockouts by acceding to the demand of the opposing party or parties when such settlement is unfavorable to it in the judgment of the affected party.

Section 3.08. Severability. The provisions of this Agreement are severable, and if any provision or part of this Agreement or the application thereof to any person or circumstance shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any

reason, the remainder of this Agreement and the application of such provision or part of this Agreement to other persons or circumstances shall not be affected thereby.

Section 3.09. Modification. This Agreement shall be subject to change or modification only with the mutual written consent of YES PREP and the District.

Section 3.10. Assignability. This Agreement shall not be assignable by either party without the prior written consent of the other; provided, however, YES PREP may assign this Agreement to any successor owner of the Property.

Section 3.11. Captions. The captions appearing at the first of each numbered section or paragraph in this Agreement are inserted and included solely for convenience and shall never be considered or given any effect in construing this Agreement.

Section 3.12. Addresses and Notices. Unless otherwise provided in this Agreement, any notice herein provided or permitted to be given, made, or accepted by either party must be in writing and may be given by depositing the same in the United States mail postpaid, return receipt requested, by depositing the same with a reputable overnight delivery service or by delivering by hand the same to an officer of such party to be notified. Notice deposited in the mail or overnight delivery service in the manner described above shall be conclusively deemed to be effective from and after the expiration of three (3) days after it is so deposited. Notice given by hand delivery shall be effective only if and when received by the party to be notified. For the purposes of notice, the addresses of the parties shall be as follows:

If to the District: Sunbelt Fresh Water Supply District
 c/o Radcliffe Bobbitt Adams Polley PLLC
 1001 McKinney, Suite 1000
 Houston, Texas 77002-6424
 Attention: Mr. Ross J. Radcliffe

If to YES PREP: YES Prep Public Schools Inc.
 6201 Bonhomme Road, Suite 168N
 Houston, Texas 77036

The parties shall have the right from time to time and at any time to change their respective addresses and each shall have the right to specify as its address any other address upon giving at least fifteen (15) days written notice to the other parties.

Section 3.13. No Additional Waiver Implied. No waiver or waivers of any breach or default by either party hereto of any term, covenant, condition, or liability hereunder of performance by the other party of any duty or obligation hereunder shall be deemed a waiver thereof in the future, nor shall any such waiver or waivers be deemed or construed to be a waiver of subsequent breaches or defaults of any kind, character, or description, under any circumstances.

Section 3.14. Remedies. In enforcing the performance of the provisions of this Agreement, each party shall have the right to exercise all procedures available under law, including, but not limited to, a writ of mandamus to command performance of any provision hereof.

Section 3.15. Regulatory Agencies. This Agreement is subject to all applicable rules, regulations, and laws applicable hereto passed or promulgated by the United States, the State of Texas, or any governmental body or agency having lawful jurisdiction, and the parties hereto agree to cooperate fully to assure that all such rules, regulations, and laws are fully complied with, particularly the rules and waste discharge permit requirements of the Commission and the EPA.

Section 3.16. Attorney's Fees. If any party hereto is the prevailing party in any legal proceedings against any signatory of this Agreement brought under or with relation to this Agreement, such prevailing party shall additionally be entitled to recover court costs and reasonable attorneys' fees from such non-prevailing party to such proceedings.

Section 3.17. Authority to Execute. Each party hereto represents that it has been duly authorized to execute this Agreement by a resolution of the Board of Supervisors of the District and by a resolution of the Board of Trustees of YES PREP.

[EXECUTION PAGES FOLLOW]

IN WITNESS WHEREOF, this Agreement has been executed in multiple counterparts, each of equal dignity, as of the date and year first above written.

SUNBELT FRESH WATER SUPPLY DISTRICT

ATTEST:

By: _____
President, Board of Supervisors

By: _____
Secretary, Board of Supervisors

(DISTRICT SEAL)

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

BEFORE ME, the undersigned, on this day personally appeared Jan Glorai, known to me to be the person whose name is subscribed to the foregoing instrument as President of the Board of Supervisors of Sunbelt Fresh Water Supply District, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said District.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the ____ day of _____
2015.

Notary Public, State of Texas

(SEAL)

YES PREP PUBLIC SCHOOLS INC.

By: _____, President

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

BEFORE ME, the undersigned, on this day personally appeared _____, President of YES Prep Public Schools Inc., a Texas nonprofit corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed on behalf of said entity.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the ____ day of _____, 2015.

Notary Public, State of Texas

(SEAL)

List of Exhibits:

Exhibit "A" District Rate Order

Docket No. 44322
YES Prep Public Schools

Exhibit “D”

**AFFIDAVIT AS TO WATER SERVICE OUTAGES AND ISSUES FOR YES
PREP PUBLIC SCHOOLS INC.'S NORTH CENTRAL CAMPUS**

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

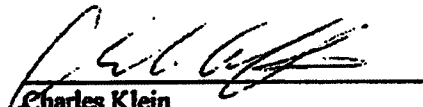
BEFORE ME, the undersigned authority, on this day personally appeared Affiant, who, after being by me duly sworn on oath, states as follows:

- 1. I am the Director of Operations, Facilities Services for YES Prep Public School Inc. ("YES Prep"), and I am familiar with the water service issues associated with YES Prep's North Central Campus;**
- 2. YES Prep's North Central Campus is located at 13703 Aldine-Westfield Road, Houston, Harris County, Texas, 77039, and over one thousand (1000) students and staff attend or work at the North Central Campus;**
- 3. YES Prep's North Central Campus is located within the retail water certificate of convenience and necessity of Suburban Water Company ("Suburban") and receives water service from Suburban;**
- 4. YES Prep's North Central Campus has an eight (8) inch water line that is connected to the Sunbelt Fresh Water Supply District's ("Sunbelt") water distribution system to enable the North Central Campus to receive the water supply needed for fire protection purposes;**
- 5. YES Prep's North Central Campus has experienced outages in water service from Suburban for several years. But the frequency of outages has increased over the last year and, particularly, the last three (3) months as demonstrated by the call log prepared by YES Prep staff attached hereto as Exhibit A that documents the time and dates on which calls were made to indicate that water service outages had occurred; and**
- 6. YES Prep can upgrade its existing eight (8) inch water line connection between the North Central Campus and Sunbelt within approximately four (4) weeks and obtain the entire water supply necessary to meet all of the water service needs for the North Central Campus.**

(Signature and Acknowledgement Appear on Following Page)

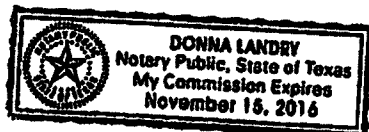
EXECUTED this the 27TH day of JAN., 2015.

YES PREP PUBLIC SCHOOLS INC.,
a Texas non-profit corporation


Charles Klein
Director of Operations, Facilities Services

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on this the 27th day of January, 2015, by Charles Klein, Director of Operations, Facilities Services of YES Prep Public Schools, Inc., a Texas non-profit corporation, on behalf of such non-profit corporation.




Notary Public, State of Texas

(Exhibits Appear on Following Pages)

EXHIBIT A

B-1

25

11	7133926995	Jose Jimenez	10/31/13	08:17:00	Houston 4G, TX	SPRING, TX	2813674065	Out
11	7133926995	Jose Jimenez	10/31/13	08:19:00	Houston 4G, TX	SPRING, TX	2813674065	Out
11	7133926995	Jose Jimenez	10/31/13	08:21:00	Houston 4G, TX	SPRING, TX	2813674065	Out
11	7133926995	Jose Jimenez	10/31/13	08:40:00	Houston 4G, TX	SPRING, TX	2813674065	Out
11	7133926995	Jose Jimenez	10/31/13	08:42:00	Houston 4G, TX	SPRING, TX	2813674065	Out
11	7133926995	Jose Jimenez	10/31/13	08:48:00	Houston 4G, TX	SPRING, TX	2813674065	Out
11	7133926995	Jose Jimenez	10/31/13	08:54:00	Houston 4G, TX	SPRING, TX	2813674065	Out
11	7133926995	Jose Jimenez	10/31/13	09:00:00	Houston 4G, TX	SPRING, TX	2813674065	Out
11	7133926995	Jose Jimenez	10/31/13	09:03:00	Houston 4G, TX	SPRING, TX	2813674065	Out
11	7133926995	Jose Jimenez	10/31/13	09:16:00	Houston 4G, TX	SPRING, TX	2813674065	Out
11	7133926995	Jose Jimenez	10/31/13	10:41:00	Houston 4G, TX	SPRING, TX	2813674065	Out
11	7133926995	Jose Jimenez	10/31/13	10:42:00	Houston 4G, TX	SPRING, TX	2813674065	Out
11	7133926995	Jose Jimenez	10/31/13	10:43:00	Houston 4G, TX	SPRING, TX	2813674065	Out
11	7133926995	Jose Jimenez	10/31/13	11:04:00	Houston 4G, TX	SPRING, TX	2813674065	Out
11	7133926995	Jose Jimenez	10/31/13	11:05:00	Houston 4G, TX	SPRING, TX	2813674065	Out
11	7133926995	Jose Jimenez	10/31/13	11:38:00	Houston 4G, TX	SPRING, TX	2813674065	Out
11	7133926995	Jose Jimenez	10/31/13	08:20:00	Houston 4G, TX	BAMMEL, TX	2814447747	Out
11	7133926995	Jose Jimenez	10/31/13	08:25:00	Houston 4G, TX	BAMMEL, TX	2814447747	Out
11	7133926995	Jose Jimenez	10/31/13	08:30:00	Houston 4G, TX	BAMMEL, TX	2814447747	Out
11	7133926995	Jose Jimenez	10/31/13	08:45:00	Houston 4G, TX	BAMMEL, TX	2814447747	Out
11	7133926995	Jose Jimenez	10/31/13	08:51:00	Houston 4G, TX	BAMMEL, TX	2814447747	Out
11	8328032582	Kimberly Rivers	10/31/13	08:52:00	Houston 4G, TX	SPRING, TX	2813674065	Out
11	8328032582	Kimberly Rivers	10/31/13	08:58:00	Houston 4G, TX	SPRING, TX	2813674065	Out
11	8328032582	Kimberly Rivers	10/31/13	09:17:00	Houston 4G, TX	SPRING, TX	2813674065	Out
11	7133095046	Charles Klein	10/31/13	08:47:00	Houston 4G, TX	BAMMEL, TX	2814447747	Out
11	7133095046	Charles Klein	10/31/13	10:00:00	Houston 4G, TX	BAMMEL, TX	2814447747	Out
11	7133095046	Charles Klein	10/31/13	10:03:00	Houston 4G, TX	BAMMEL, TX	2814447747	Out
12	7133926995	Jose Jimenez	11/01/13	13:47:00	Houston 4G, TX	SPRING, TX	2813674065	Out
12	7133926995	Jose Jimenez	11/01/13	14:16:00	Houston 4G, TX	BAMMEL, TX	2814447747	Out
12	7132496834	Keith Weaver	11/01/13	15:46:00	Houston, TX	SPRING, TX	2813674065	Out
12	7132496834	Keith Weaver	11/01/13	16:58:00	Houston 4G, TX	SPRING, TX	2813674065	Out
13	7133926995	Jose Jimenez	11/04/13	18:14:00	Houston 4G, TX	SPRING, TX	2813674065	Out
13	7133926995	Jose Jimenez	11/04/13	18:21:00	Houston 4G, TX	BAMMEL, TX	2814447747	Out
13	7133095046	Charles Klein	11/04/13	19:43:00	Houston 4G, TX	SPRING, TX	2813674065	Out
14	7132496834	Keith Weaver	11/14/13	08:11:00	Houston 4G, TX	SPRING, TX	2813674065	Out
15	7133095046	Charles Klein	11/26/13	12:42:00	Houston 4G, TX	SPRING, TX	2813674065	Out
15	7133095046	Charles Klein	11/26/13	15:43:00	Houston 4G, TX	SPRING, TX	2813674065	Out

16	7133095046	Charles Klein	11/27/13	08:54:00	Houston 4G, TX	SPRING, TX	2813674085	Out
17	7133926995	Jose Jimenez	03/03/14	10:26:00	Houston 4G, TX	SPRING, TX	2813674085	Out
17	7133926995	Jose Jimenez	03/03/14	14:59:00	Houston 4G, TX	SPRING, TX	2813674085	Out
17	7133926995	Jose Jimenez	03/03/14	10:26:00	Houston 4G, TX	BAMMEL, TX	2814447747	Out
17	7133926995	Jose Jimenez	03/03/14	10:29:00	Houston 4G, TX	BAMMEL, TX	2814447747	Out
17	7133926995	Jose Jimenez	03/03/14	11:17:00	Houston 4G, TX	BAMMEL, TX	2814447747	Out
17	7133926995	Jose Jimenez	03/03/14	12:38:00	Houston 4G, TX	BAMMEL, TX	2814447747	Out
17	7132498834	Keith Weaver	03/03/14	14:46:00	Houston 4G, TX	BAMMEL, TX	2814447747	Out
17	7132498834	Keith Weaver	03/03/14	14:54:00	Houston 4G, TX	BAMMEL, TX	2814447747	Out
17	7132498834	Keith Weaver	03/03/14	15:01:00	Houston 4G, TX	BAMMEL, TX	2814447747	Out
17	7133095046	Charles Klein	03/03/14	10:38:00	Houston 4G, TX	SPRING, TX	2813674085	Out
17	7133095046	Charles Klein	03/03/14	13:55:00	Houston 4G, TX	SPRING, TX	2813674085	Out
N/A-TCEQ	7133095046	Charles Klein	03/03/14	14:47:00	Houston 4G, TX	HOUSTON, TX	7137673650	Out
18	7132498834	Keith Weaver	03/04/14	19:41:00	Houston 4G, TX	SPRING, TX	2813674085	Out
18	7132498834	Keith Weaver	03/04/14	21:40:00	Houston 4G, TX	SPRING, TX	2813674085	Out
18	7133095046	Charles Klein	03/04/14	19:53:00	Houston 4G, TX	SPRING, TX	2813674085	Out
18	7133095046	Charles Klein	03/04/14	20:02:00	Houston 4G, TX	SPRING, TX	2813674085	Out
19	7133926995	Jose Jimenez	03/07/14	19:53:00	Houston 4G, TX	BAMMEL, TX	2814447747	Out
19	7133095046	Charles Klein	03/07/14	19:29:00	Houston 4G, TX	SPRING, TX	2813674085	Out
N/A-TCEQ	7133095046	Charles Klein	03/07/14	19:35:00	Houston 4G, TX	HOUSTON, TX	7137673650	Out
20	7133926995	Jose Jimenez	03/11/14	15:10:00	Houston 4G, TX	SPRING, TX	2813674085	Out
20	7132498834	Keith Weaver	03/11/14	15:00:00	Houston 4G, TX	BAMMEL, TX	2814447747	Out
N/A-TCEQ	7133095046	Charles Klein	03/11/14	15:00:00	Houston 4G, TX	HOUSTON, TX	7137673650	Out
N/A-TCEQ	7133095046	Charles Klein	03/19/14	15:15:00	Houston 4G, TX	INCOMING, CL	7137673660	In
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22	7133926995	Jose Jimenez	09/12/14	10:19:00	Houston 4G, TX	SPRING, TX	2813674085	Out
N/A	7133095046	Charles Klein	10/15/14	11:37:00	Houston 4G, TX	BAMMEL, TX	2814447747	Out
23	7133095046	Charles Klein	10/21/14	15:22:00	Houston 4G, TX	BAMMEL, TX	2814447747	Out
23	7133095046	Charles Klein	10/21/14	16:14:00	Houston 4G, TX	BAMMEL, TX	2814447747	Out
23	7133095046	Charles Klein	10/21/14	16:15:00	Houston 4G, TX	BAMMEL, TX	2814447747	Out
23	7133095046	Charles Klein	10/21/14	10:49:00	Houston 4G, TX	SPRING, TX	2813674085	Out
23	7133926995	Jose Jimenez	10/21/14	9:14:00	Houston 4G, TX	SPRING, TX	2813674085	Out
23	7133926995	Jose Jimenez	10/21/14	9:38:00	Houston 4G, TX	SPRING, TX	2813674085	Out

23	7133926995	Jose Jimenez	10/21/14	10:47:00	Houston 4G, TX	SPRING, TX	2813674065	Out
23	7133926995	Jose Jimenez	10/21/14	16:05:00	Houston 4G, TX	SPRING, TX	2813674065	Out
24	7133926995	Jose Jimenez	11/04/14	9:11:00	Houston 4G, TX	SPRING, TX	2813674065	Out
24	7133926995	Jose Jimenez	11/04/14	9:45:00	Houston 4G, TX	SPRING, TX	2813674065	Out
24	7133926995	Jose Jimenez	11/04/14	14:14:00	Houston 4G, TX	SPRING, TX	2813674065	Out
24	7133926995	Jose Jimenez	11/04/14	14:17:00	Houston 4G, TX	SPRING, TX	2813674065	Out
24	7133926995	Jose Jimenez	11/04/14	14:22:00	Houston 4G, TX	SPRING, TX	2813674065	Out
24	7133926995	Jose Jimenez	11/04/14	14:47:00	Houston 4G, TX	SPRING, TX	2813674065	Out
24	7133926995	Jose Jimenez	11/04/14	14:57:00	Houston 4G, TX	SPRING, TX	2813674065	Out
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24	7133926995	Jose Jimenez	11/04/14	16:19:00	Houston 4G, TX	SPRING, TX	2813674065	Out
24	7133926995	Jose Jimenez	11/04/14	16:28:00	Houston 4G, TX	SPRING, TX	2813674065	Out
24	7133926995	Jose Jimenez	11/04/14	16:31:00	Houston 4G, TX	SPRING, TX	2813674065	Out
25	7133095046	Charles Klein	11/05/14	7:42:00	Houston 4G, TX	BAMMEL, TX	2814447747	Out
25	7133926995	Jose Jimenez	11/05/14	7:51:00	Houston 4G, TX	SPRING, TX	2813674065	Out
25	7133926995	Jose Jimenez	11/05/14	9:37:00	Houston 4G, TX	SPRING, TX	2813674065	Out
25	7133926995	Jose Jimenez	11/05/14	9:41:00	Houston 4G, TX	SPRING, TX	2813674065	Out
26	7133095046	Charles Klein	11/06/14	6:34:00	Houston 4G, TX	BAMMEL, TX	2814447747	Out
26	7133926995	Jose Jimenez	11/06/14	13:32:00	Houston 4G, TX	BAMMEL, TX	2814447747	Out

OUTAGES Post-Current Call Database

N/A	TCEQ-Required, Planned Periodic Maintenance Outages	12/09/14	
N/A	TCEQ-Required, Planned Periodic Maintenance Outages	12/10/14	
N/A	TCEQ-Required, Planned Periodic Maintenance Outages	12/11/14	
27	Leak in Line	12/19/14	8:30 a.m. - 1:30 p.m.
28	Outage	12/22/14	8:13 a.m. - ?

Docket No. 44322
YES Prep Public Schools

Exhibit “E”

**AFFIDAVIT FOR AMENDMENT TO EMERGENCY ORDER APPLICATION
FOR WATER SERVICE TO YES PUBLIC SCHOOLS INC.'S NORTH
CENTRAL CAMPUS**

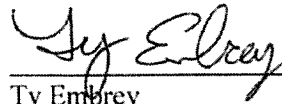
STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

BEFORE ME, the undersigned authority, on this day personally appeared Affiant, who, after being by me duly sworn on oath, states as follows:

- 1. I am the attorney for YES Prep Public School Inc. ("YES Prep") and I have prepared the Amendment to Emergency Order Application for YES Prep with the help of the YES Prep staff and I am filing this Amendment to an Application for Emergency Order with the Public Utility Commission on behalf of YES Prep; and**
- 2. This affidavit is executed to meet the requirements of 16 Texas Administrative Code §22.295(b)(1) that an application or an amendment to an application for an Emergency Order be sworn; and**

(Signature and Acknowledgement Appear on Following Page)

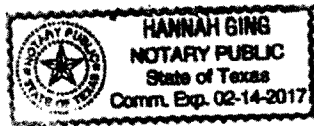
EXECUTED this the 27th day of January 2015.

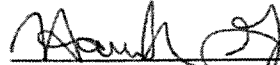


Ty Embrey
Attorney for YES Prep Public Schools Inc.

STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

This instrument was acknowledged before me on this the 27th day of January, 2015, by Ty Embrey, Attorney for YES Prep Public Schools Inc., a Texas non-profit corporation, on behalf of such non-profit corporation.





Notary Public, State of Texas

(Exhibits Appear on Following Pages)

FILE COPY



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Austin, Texas 78701
512.322.5800 p
512.472.0532 f
lloydgosselink.com

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PUBLIC UTILITY COMMISSION
FILING CLERK

January 27, 2015

VIA HAND DELIVERY

Public Utility Commission
William B. Travis Building
1701 N. Congress
Austin, Texas 78701

RE: PUC Docket No. 44322
Amendment to Emergency Order Application – Exhibit "F"

To Whom It May Concern:

Earlier today, I filed an Amendment to the Emergency Order Application in which YES Prep Public Schools ("YES Prep") is seeking an Emergency Order to compel Suburban Water Company to provide continuous and adequate water service to YES Prep's North Central Campus by allowing Sunbelt Fresh Water Supply District to provide water service to the North Central Campus.

To further satisfy the requirements of 16 TAC §22.295(b), the minutes of the December 4, 2014 Sunbelt Fresh Water Supply District ("Sunbelt FWSD") Board of Supervisors Meeting is attached hereto as Exhibit "F." Discussion and coordination between YES Prep and Sunbelt FWSD is specifically referenced on pages 1, 4, and 5 of the December 4, 2014 Meeting Minutes.

Please update the Amendment to Emergency Order Application that I filed earlier today to also include this additional exhibit.

Sincerely,

A handwritten signature in black ink, appearing to read "Ty H. Embrey".

Ty H. Embrey
Attorney for YES Prep Public Schools

cc: Les Romo, attorney for Suburban Water Company
Nicole Montgomery, General Counsel for YES Prep Public Schools Inc.
Elliot Barner, attorney for Sunbelt Fresh Water Supply District

Docket No. 44322
YES Prep Public Schools

Exhibit “F”

**SUNBELT FRESH WATER SUPPLY DISTRICT
MINUTES OF MEETING OF BOARD OF SUPERVISORS**

December 4, 2014

The Board of Supervisors (individually referred to as "Supervisors," collectively, the "Board") of Sunbelt Fresh Water Supply District (the "District") met in a Regular Engineering and Operations Session, at 5:00 p.m., at 410 West Gulf Bank Road, Houston, Texas, on Thursday, December 4, 2014, pursuant to notice of said meeting posted in accordance with Chapter 551 of the Texas Government Code; whereupon the roll was called of the members of the Board, to-wit:

Janice Gloria	President
Linda Garrett	Vice-President
Nathan Wade	Secretary
Elizabeth Santiago	Asst. Secretary
William ("Bill") Kneer	Supervisor

All Board members were present, except Supervisor Bill Kneer. Also, attending were Mary Jane Mendoza ("Office Manager"); Carol Allen ("Administrative Assistant"); Elliot Barner of Radcliffe Bobbitt Adams Polley PLLC ("Attorney"); James R. Ainsworth and Justin Edwards of A&S Engineers, Inc. ("Engineer"); John Montgomery of Municipal Operations and Consulting ("Operator"); and public in attendance are as follows: Charles Klein and Keith Weaver of Yes Prep.

1. The President, after finding that the notice of the meeting was posted as required by law and determining that a quorum of the Board was present, called the meeting to order at 5:03 p.m. and declared it open for such business as may regularly come before it.

2. Public Comments:

a) Members of the public interested in speaking will be limited to three (3) minutes.

Mr. Klein and Mr. Weaver with Yes Prep, came before the Board, to ask for potential water service. Yes Prep is currently in Suburban's CCN.

After a lengthy discussion, the Board with the advice of Sunbelt's attorney, indicated that they would service Yes Prep with the proper documentation through the courts.

3. The President then directed the Board to consider approval of the minutes of prior meetings.

a) A discussion ensued about the Engineering and Operations meetings of November 6, 2014.

Upon **MOTION** by Supervisor Garrett, seconded by Supervisor Santiago, after full discussion, and with all Supervisors voting aye, the Board approved the minutes of the Engineering and Operations meeting of November 6, 2014, subject to certain corrections.

- b) A discussion ensued about the Engineering and Operations meetings of October 2, 2014.

Upon **MOTION** by Supervisor Santiago, seconded by Supervisor Wade, after full discussion, and with Supervisor Garrett abstaining, the Board ratified the minutes of the Engineering and Operations meeting of October 2, 2014, subject to certain corrections.

4. **Mr. Montgomery presented the Operators Report to the Board, a copy of which is attached hereto as Exhibit "A."**

A) General Operations, Maintenance & Repair Issues

- (1) Review overall water and wastewater operations.**
Mr. Montgomery reviewed pumpage, and overall water and wastewater operations with the Board.
- (2) Discuss water accountability issues and resolutions.**
Nothing to report at this time.
- (3) Discuss matters relating to Industrial Waste Order.**
Nothing to report at this time.
- (4) Discuss meter replacement program and take necessary action.**
Nothing to report at this time.
- (5) Discuss flushing program.**
Nothing to report at this time.
- (6) Discuss sod replacement and take necessary action.**
Sod repairs requested by customer at
1935 Twinbrooke (See attached picture)

Upon **MOTION** by Supervisor Garrett, seconded by Supervisor Santiago, after full discussion, and with all Supervisors present voting aye, the Board approved the sod repair for 1935 Twinbrooke.

B) Fairgreen/High Meadows Service Areas

- (1) Discuss JFK Road Sanitary Sewer Line**
This project will be discussed in the Engineers Report.
- (2) Discuss hydraulic cleaning and televising of sanitary sewer lines.**
Ongoing maintenance of system.

C) Heather Glen Service Area

- (1) Approve order Declaring Surplus Property and Authorizing Sale of Surplus Property.**

Upon MOTION by Supervisor Garrett, seconded by Supervisor Santiago, after full discussion, and with all Supervisors present voting aye, the Board approved Order Declaring Surplus Property and Authorized Sale of Surplus Property, of which is the surplus generator at the Heather Glen Plant to be sold to STP Services for the amount of \$1,000.00.

Supervisor Kneer came into the meeting at 5:39 p.m.

D) Northline Terrace Service Area

- (1) Discuss hydraulic cleaning and televising of sanitary sewer lines.**

Upon MOTION by Supervisor Garrett, seconded by Supervisor Santiago, after full discussion, and with all Supervisors present voting aye, the Board approved for maintenance at 436 Beaver Bend to dewater and sump pump to drain.

Upon MOTION by Supervisor Garrett, seconded by Supervisor Santiago, after full discussion, and with all Supervisors present voting aye, the Board approved the temporary right of entry for a 0.852 acre tract of land adjoining the west line of that certain irregular wide fee strip previously conveyed from Robert L. Wiley to the Harris County Flood Control District by deed and being a part of the tract or parcel of land conveyed to Harris County Flood Control District by deed recorded under Clerk's File No. E822629, Official Public Record of Real Property, Harris County, Texas., a copy of which is attached as Exhibit "B".

E) Oakwilde Service Area

- (1) Discuss Hurlingham Water Plant Well No. 1.**

Mr. Montgomery has contacted Tami Lesak with TML regarding this claim once again on 12/4/2014, and she indicated that she had not forgot.

- (2) Discuss water capacity issues in Oakwilde Subdivision.**

Will be discussed in the engineering report.

F) Woodland Oaks Service Area

There was nothing to discuss at the time.

Upon a MOTION by Supervisor Santiago, seconded by Supervisor Wade, after a full discussion and with all Supervisors present voting aye, the Board approved the Operator's Report.

- 5. The Engineer's Report was next presented to the Board by Mr. Ainsworth, a copy of which is attached as Exhibit "C".**

a. REQUESTS FOR SERVICE

Discuss status of the service requests, review and approve service agreements, take necessary action.

(1) **High Meadows / Fairgreen Area**

(a) Aldine ISD Lauder Road school site and water line project

Plans remain ready for final approval from the CoH. Recordation of the easements noted below is required in order to obtain CoH signatures on the plans.

Status of remaining work items:

1) **Size & Recordation # or Prop Water Meter Station:**

The Attorney continues to work with the CoH to record this easement. We have provided an updated mylar drawing of the easement. This is in process at this time.

2) **CoH Water Contract # & copy of contract.**

Information was previously forwarded to CoH for change in contract for the Fairgreen/High Meadows area. We are stymied in obtaining any response from the CoH. As reviewed with the Board this has been an ongoing issue with the CoH.

We will proceed with the determination of what amount of water needed is due to regulatory requirements and what is due to new development.

(b) ICMC 4102 Aldine Mail Rt. (A&S Project 125161)

No change in the past period. We previously received an inquiry regarding service for this tract but the applicant has not submitted the design plans as required. Prior to this the communications were 4th quarter 2009. **This item is carried as a reminder.**

(c) Aldine ISD Service Request (A&S Project 125219)

Aldine ISD restated a readiness to move forward with the waterline and sewer projects and has concurred on options for allocations of costs to "partners." We have prepared and forwarded a funding /cash call memo to both Aldine ISD and EAMD. We have had additional conversations with AISD staff and are currently waiting on one final item – location of current water service connections in order to provide an updated opinion of costs for presentation at the December school board meeting. Based on AISD statements we expect to receive authorization to proceed with the design effort and will begin in January 2015 with the ordering of the field survey work. The construction dollars would be included in next budget to begin in July 2015.

The following is provided as a summary for the Board members and reflects previously presented information.

Water: On the water side, the proposed 12" line has to be looped. We reviewed this looping concept with EAMD which helps support their proposed central campus town center complex.

Wastewater: A new lift station with a force main is required. The lift station location and force main to Sunbelt's existing gravity system.

Yes Academy: Representatives will be at the board meeting to review issues they are having with the CCN holder. We have had discussions with East Aldine Management District. **Note: This item was discussed in public comment earlier in this meeting.**

St. Leo the Great Catholic Church: No change on this partner.

(d) Yes Academy / Church

Included in Item 5.a.(1)(c) above.

(e) 12235 Fern Meadow (A&S Project No. 125000)

No change. We continue to periodically monitor this site for overall compliance to District requirements.

(f) Proposal for Church Issues

No significant change this past period. We will continue to monitor with our Construction Observer for the area and with the Operator.

(g) 4102 Lauder Road

The Board has approved the service request for revised service and the Operator is handling the required inspections. This item can be removed from future agenda.

(h) "0" Aldine Mail Route (A&S Project 125254)

The Attorney previously revised the utility commitment letter. We have not had any follow-up communications with the applicant.

(2) Northline Terrace Area

(a) Service Request for 460 Gulf Bank (A&S Project 125193)

We received plans from the applicant and forwarded to the Operator. Our field representative previously inspected the site and had comments. All items are complete. This item can be removed from the agenda.

(b) Service request for 351 Gulf Bank (Joe's Wrecker Service)

The Applicant closed his business so that his home can continue to receive services. We have kept this item on the agenda as a reminder.

(3) **Oakwilde Area**

(a) North Houston Heights Law Office Request

No change in the past period. We previously contacted the Applicant who stated that they will be proceeding at a future date. To date we still have not seen any plans from the applicant. The Board previously approved a utility commitment for this tract.

(b) 11132 Aldine Westfield El Ahorro Supermarket (A&S Project 125249)

The Board previously approved the requested service. We have provided to the Applicant a project cost for line extensions and private lift station. The design for the force main has been approved by Harris County.

An on-site meeting with the Operator, Engineer, supermarket owner and their plumber was held December 1st to discuss proposed placement of the private lift station. It was quickly noted that additional on-site plumbing is necessary to ensure all plumbing fixtures from the supermarket building are routed to the proposed lift station. The plumber for the supermarket owner indicated he would determine existing flow lines of existing piping from the building. This will be discussed further at tonight's meeting.

Additionally, it was noted by the Operator that the supermarket owner will need to coordinate with the restaurant owner in order to have their grease trap routed to the proposed private lift station also. The supermarket owner indicated he would coordinate.

(c) 11611 Aldine Westfield (A&S Project 125265)

The Applicant has submitted the Application for Service. At the November 20th Board meeting the Board approved the request subject to compliance with the District Rate Order which includes changes to cover the cost of CoH water for new development. We are issuing the revised letter this week to the Applicant.

(4) **Heather Glen Area**

(a) Stripes (A&S Project 125189)

No change since the last meeting. At Stripes request, in September we updated the projected cost estimate (engineering and construction) for the proposed water plant improvements, waterline extension and force main and forwarded to Stripes.

(5) **Woodland Oaks Area**

(a) 7903 Breen Road (A&S Project 125236)

Plans are approved and have been provided to the Operator. The Operator is handling the service connections to water and sanitary sewer. The sanitary sewer will cross the Breen Road ROW. We will discuss this at the Board meeting.

(b) *Breen Road Tract-Weaverville (A&S Project 125266)*

There is a proposed development on the tract adjacent to the Woodland Oaks Water Plant #2. We previously had conversations with a representative but the application still is not returned.

b. HCCSD GRANT PROJECTS

Review status of projects, application issues, approve job assignment proposals, contracts, change orders, pay estimates and other required authorizations

(1) 2011 Disaster Recovery CDBG Applications (A&S Project 125211)

Project status unchanged in the last 30 days. The Contractor provided construction schedule call for delivery of the EPG mid-January 2015 with substantial completion within 30 days.

(2) PY 2014 CDBG Application (A&S Project No. 125221)

The project was publicly advertised and bids received and opened on October 16th. At the October 16th Board meeting, we were directed to proceed with the award of the project to PM Construction in lieu of the apparent low bidder, North Houston Pole.

We have submitted two letter requests to HCCSD for approval to issue the Notice of Award to PM Construction, the second low bidder. We will be working on a third request to add even more specificity as requested. We do request that the Board approve the issuance of a Board letter stating this request as well.

ACTION ITEM: Approve issuance of a Board letter requesting proceeding with issuance of Notice of Award to PM Construction in lieu of North Houston Pole.

Upon **MOTION** by Supervisor Garrett, seconded by Supervisor Kneer, after full discussion, and with all Supervisors voting aye, the Board approved the issuance of a Board letter requesting proceeding with issuance of Notice of Award to PM Construction in lieu of North Houston Pole, subject to HCCSD approval.

Mr. Montgomery left the meeting at 6:07 p.m.

(3) PY 2015 CDBG Application

HCCSD has selected the Oakwilde Sewer Rehabilitation Phase VII for the approved grant listing to be publicly reviewed. The grant amount is \$525,000.

(4) PY 2017 CDBG Application

Sunbelt FWSD was previously approved for a PY 2017 CDBG in the amount of \$525,000.

c. **TEXAS WATER DEVELOPMENT BOARD ISSUES**

We have not completed an update in the past period.

d. **MISCELLANEOUS PROJECTS**

Discuss the status of the following issues and take necessary action:

(1) **General District Matters**

(a) TCEQ Agreed Order compliance and reporting (A&S Project 125116)

Quarterly Report dated October 31, 2014 has been submitted. The next report is due January 31, 2015.

We and the Operator continue to work to track, document, and close the items or supply additional documentation to close the items.

(b) Request for water capacity from City of Houston

The Attorney reviewed this status of the November 20th Board meeting. We are working on the allocations of requests due to regulatory compliance issues versus new development. We still have not officially received any response to specific requests that have been submitted to the CoH.

We provide the following information as reminder of previously provided Supervisor information. Sunbelt FWSD requires two additional City of Houston connection points. One for the Fairgreen – High Meadow Service area and the second is for the Woodland Oaks Service area.

We previously requested from the CoH a second connection point for Woodland Oaks service area. We have had exchanges of information and continuing to push the CoH to the extent possible.

The High Meadows – Fairgreen request has been submitted to the CoH. The revised requested amount is 8.5 million gallons per month with a peaking condition of 0.5 million gallons per day. This number is based upon the ACR as approved by TCEQ, 0.46 gpm/connection instead of 0.6 gpm/connection.

With the Operator's input we finalized the volume amount for the Oakwilde Service Area. We submitted a request to the CoH for 3.0 million gallons per month with a peaking condition of 0.5 million gallons per day. This increase takes into account the TCEQ approved for the Oakwilde Alternate Capacity Request and the water capacity for the new well as discussed in Agenda Items 5.d.(6)(c) and 5.d.(6)(d).

(c) Review and discuss connection counts and capacities

No significant change this period. We completed the current connection counts, by installed meters, for Oakwilde, Fairgreen-High Meadows, and Woodland Oaks. Northline Terrace, Heather Glen and Oak Glen still remain to be completed and will be addressed after ACR's and water contract updates are resolved with the CoH.

(d) Asset Management Plans by Service Area

We have completed the Asset Management Plans for the remainder of the Sunbelt Service Areas after receipt of Operator comments. We will review at least annual or as new facilities are added to the Sunbelt's service areas.

If the Supervisors have no comments we recommend that this agenda item be removed from future agenda.

(2) Fairgreen/High Meadows Service Area Matters

(a) Marquita Water Plant (A&S Project 125179)

No change this past period. This project is ready for public bidding when so directed by the Board.

The opinion of construction costs for this package that includes a new 83,000 gallon GST (galvanized-bolted), new 10,000 gallon hydro-pneumatic tank with the associated piping and electrical/control modifications is \$140,700. The project is currently on hold pending determination of a funding source. We did not refresh the projected contract amount during the next period.

(b) JFK MUD Water Line Extension (A&S Project 125212)

Clay Development, on behalf of JFK MUD, provided 100% of the required funding. Construction is complete. We have received, reviewed and recommend payment of Pay Estimate No. 2 Final in the amount of \$88,090.30. All required closeout documents have been received. We recommend that final payment be held and the Certificate of Completion be held until this final payment is received by Sunbelt FWSD.

Vaca Construction has received the Sunbelt invoice for damages associated with the damage to the force main located in JFK Blvd but payment has not been received to date. We are holding finaling this project until payment for damages is received.

ACTION ITEM: 1) Approve and pay Vaca Construction's Pay Estimate No. 2 Final in the amount of \$88,090.30. 2) Approve issuance of Certificate of Completion for subject project. 3) Hold items 1) and 2) until payment from Vaca Construction is received to cover damages associated with JFK Boulevard.

Upon **MOTION** by Supervisor Garrett, seconded by Supervisor Santiago, after full discussion, and with all Supervisors voting aye, the Board approved to pay Vaca Construction's pay estimate No. 2 Final in the amount of \$88,090.30.

Upon **MOTION** by Supervisor Garrett, seconded by Supervisor Santiago, after full discussion, and with all Supervisors voting aye, the Board approved to issuance of Certificate of Completion for subject project.

Upon **MOTION** by Supervisor Garrett, seconded by Supervisor Santiago, after full discussion, and with all Supervisors voting aye, the Board approved to hold items 1 and 2 until payment from Vaca Construction is received to cover damages associated with JFK Boulevard.

(c) JFK MUD Sanitary Sewer/Force Main Project (A&S Project 125222)

The project is complete and finalized. This item can be removed from future agenda.

(d) Alternative Water Capacity Request to the TCEQ

The Fairgreen - High Meadows Alternate Capacity Request was previously approved by the TCEQ for a rate of 0.46 gpm per connection in lieu of the mandated 0.60 gpm per connection. We keep this item in the report for evaluation on the impact on water supply options with the well and the surface water increase requests to the CoH.

(e) High Meadows Discharge Permit (A&S Project 125008.17)

The TCEQ has declared the application administratively complete. We are preparing the first public advertisement at this time. The permit renewal is on schedule.

(3) Fairgreen Service Area Matters

(a) Discuss Fairgreen WWTP Lift Station (A&S Project 125223)

The contract is executed with RJ Construction. The contract has been executed. Clay Development is funding this project on behalf of JFK MUD. The contractor mobilized and work is underway. We just approved the reinforcing steel resubmittal. The contractor is behind schedule. There will be weather days but currently the substantial completion date is December 13, 2014. We are sending the Contractor a

letter notifying of his schedule issues and requesting a revised pay estimate and a request for weather days.

(b) Discharge Permit Renewal (A&S Project 125008.16)

Second publication is complete. The Operator completed additional requested testing related to pH and it has been forwarded to the TCEQ. We are waiting on TCEQ and USEPA comments to the submitted test data. The permit renewal remains on schedule.

(4) Northline Terrace Service Area Matters

(a) Texas Department of Transportation Gulf Bank Expansion (A&S Project No. 125233)

There is no change this period. We were previously advised that this project is no longer on the letter schedule as is not funded at this time. TxDOT has advised me that they will contact me when funding is secured. We are keeping on the agenda as a reminder / place holder item.

(b) Harris County Gulf Bank/Sweetwater project (A&S Project 125193)
Harris County informed us of a revised schedule. There is an Aldine ID / TxDOT project to add left turn lanes on Gulf Bank onto Sweetwater which is expected to be underway in the very near future. This will be followed by Harris County project to add left turn lanes on Sweetwater to Gulf Bank.

(c) Discuss City of Houston/Northline capacity

No change during the past period. We have not yet completed the surface water request adjustment for an increase in the CoH take amount for the Northline Terrace Service area. We are currently working on the ACR with will affect the volume of water requested.

(5) Oak Glen Service Area Matters

(a) Harris County Aldine Mail Road project (A&S Project 125217)

Harris County previously reported that the project is restarting and will be divided into two projects – east of Lillja and west of Lillja. Sunbelt facilities are impacted in the project west of Lillja.

There is no update or change this past period on this project. We met with the Harris County design consulting engineer on August 13th and have had subsequent conversations regarding the options for relocation of the existing waterline located on the north side of Aldine Mail. It appears that some accommodation can be made as to having enough space to locate the waterline. At this time, we have not received revised plans to review.

(6) **Oakwilde Service Area Matters**

(a) Wastewater Treatment Plant (A&S Project 125175)

No significant change in the past period. The Board approved a 700,000 gpd facility to replace the existing Oakwilde WWTF. The budget cost for this facility (construction and associated soft costs) is \$4,900,000. We continue with design and supporting plans and contract manual to the TWDB. The plans remain at approximately 95% complete. We are having design issues on the City of Houston lift station criteria. The submittal package has not been submitted to the CoH and Harris County.

(b) Water Quality Issues

We are carrying this as a reminder item for the Oakwilde Service Area.

(c) Water Supply Variance Request (ACR)

No significant change this period. The TCEQ approved the Variance Request to lower the TCEQ water supply criteria from 0.60 gpm to 0.430 gpm per connection.

We continue reviewing the total water demands on the service area regarding the proposed well at Seven Mile Plant and determinations of regulatory increases and development increases. The Operator has met with the TCEQ and we are also evaluating their "modified" requirements vis-a-vis needed requests increases for increases in CoH supply contract in conjunction with the possible EAMD funded new water well at Oakwilde Seven Mile Water Plant.

(d) Discuss East Aldine Management District Agreement and Improvements

i. Proposed Improvements to Seven Mile Water Plant

No technical change this past period.

We prepared exhibits and documentation to support the water plant improvement requests to EAMD. With Alsay's assistance, we developed an approach to define the costs of improvements to the Oakwilde Seven Mile Water Plant. These improvements include the following: water well (1,000 gpm minimum), a ground storage tank, booster pumps, new electrical service, and upgrades to existing electrical as well as numerous site modifications. Remaining issues include design parameter problems for the site configuration. The Board approved that in consideration for its participation that EAMD receives capacity in the water supply system of 500 connections. We proposed to EAMD that two or more contract packages be established to stretch out the financial impact to the extent possible. We proposed that the first

contract be drilling the water well. At this time the total projected cost is \$2,905,000.

The Attorney forwarded to EAMD proposed funding requirements and general timelines. We updated the timeline detailing the need for cash calls and forwarded to EAMD.

ii. Discuss Agreement to Fund New Water Plant

No change during the past period. Review continues on the draft agreement between EAMD and Sunbelt FWSD for the funding of Oakwilde Water Plant improvements.

(e) TWDB EDAP Application for Westfield Estates (A&S Project 125197)

No significant change the past period. We still need input from EAMD on certain items. We are stopped on the development of the TWDB loan application package awaiting needed information. We will go with EAMD personnel to Austin for the pre-application meeting.

(f) Oakwilde Discharge Permit (A&S Project 125008-18)

The TCEQ has declared the application administratively complete. We are preparing the first public advertisement at this time. The permit renewal is on schedule.

(7) Woodland Oaks Service Area Matters

(a) Wastewater Treatment Plant (A&S Project 125171)

The Board approved a 600,000 gpd facility to replace the existing Woodland Oaks WWTF. The prior budget cost for this facility (construction and associated soft costs) is \$4,100,000. We issued the Notice of Award per Board direction. Contractor insurance and bonds were subsequently reviewed and approved by the Attorney.

The Notice to Proceed was issued for November 3rd. The Contractor has mobilized and work is underway. We have received, reviewed and recommend payment of Estimate No. 1 in the amount of \$174,690.00. This amount reflects 10% retainage.

ACTION ITEM: Approve and pay RP Constructors' Estimate No. 1 in the amount of \$174,690.00.

Upon **MOTION** by Supervisor Wade, seconded by Supervisor Kneer, after full discussion, and with all Supervisors voting aye, the Board approved to pay RP Constructors' pay Estimate No. 1 in the amount of \$174,690.00., a copy of which is attached as Exhibit "D".

(b) Woodland Oaks Water Plant No. 2 (A&S Project 125208)

Work continues on the construction of the water plant. We continue working with the Attorney on the water supply contract amendment.

(c) Alternative Water Capacity Request to the TCEQ

The TCEQ previously approved the Woodland Oaks Alternate Capacity Request with a rate of 0.50 gpm per connection in lieu of the mandated 0.60 gpm per connection. We keep this item on the agenda as part of the impact on water supply options with the well and the requests to the CoH.

Other Items:

1. **Project Accounting:** The status of the total financial expenditures including the TWDB loans, HCCSD grants and Sunbelt operating funds have not been updated.
2. **Coordination with JFK MUD:** We continue to coordinate items with JFK MUD as related to the contract for connections and additional facilities. We have had extensive conversations and coordination with Clay Development and its detention pond contractor regarding access to the wastewater treatment facility.
3. **Northline Terrace Water and Sewer Systems:** No change in the past period. We need Operator input for additions to water and sewer system maps to better assure that we have all the Northline Terrace facilities documented.
4. **Solid Waste Facility:** No significant change in the past period. We are suggesting that construction not go forward until the WTF plans are approved by the appropriate agencies.
5. **Well Plugging Reports:** This effort is an ongoing effort as time allows. We are continuing to work with the Operator and agency data bases to secure documentation on plugged well.
6. **Airline Irrigation Service:** We continued coordination with the TxDOT contractor for an irrigation tap and service.

Upon a MOTION by Supervisor Santiago, seconded by Supervisor Wade, after a full discussion and with all Supervisors present voting aye, the Board approved the Engineer's Report.

Supervisor Santiago left the meeting at 6:34 p.m.

6. Employment/Office Matters

a) Discuss employee/office matters, including any employment policy issues

It was brought to the Board attention that the Engineering and Operations meeting would be falling on Thursday, January 1, 2015. There was a slight discussion, and it was decided that the Engineering and Operations meeting would be moved to Tuesday, January 6, 2015.

b) Discuss and consider employee training courses

None at this time.

7. Miscellaneous Business/Annual Agenda

No update at this time.

8. Additional Public Comment

a) Members of the public interested in speaking will be limited to three (3) minutes

None at this time.

b) Supervisors' response to public comment.

None at this time.

9. Next Meeting Agenda Items

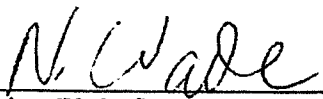
None mentioned

10. Executive/Closed Session

No Executive/Closed Session was required at this time.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD,
the meeting was adjourned at 6:46 p.m.

PASSED AND APPROVED this 6th day of January, 2015.



Nathan Wade, Secretary
Sunbelt F. W. S. D.

EXHIBITS

- A - Operator's Report
- B- Temporary Right of Entry
- C - Engineer's Report
- D- Pay Estimate No. 1, for RP Constructors'

Attachment 5

Unopposed Settlement Agreement Between YES Prep Public Schools, Inc. and Suburban Utility CO.

DOCKET NO. 44322

REQUEST OF YES PREP PUBLIC
SCHOOLS FOR EMERGENCY ORDER
TO OBTAIN WATER SERVICE FROM
SUNBELT FRESH WATER SUPPLY
DISTRICT

§
§
§
§
§

PUBLIC UTILITY COMMISSION
OF TEXAS

2015 FEB 25 PM 4:50

UNOPPOSED SETTLEMENT AGREEMENT

COMES NOW the Staff of the Public Utility Commission of Texas (Staff), representing the public interest and files this unopposed settlement agreement on behalf of YES Prep Public Schools (YES Prep) and Suburban Water Company (Suburban).

DATED: February 25, 2015

Respectfully Submitted,

**STAFF OF THE PUBLIC UTILITY
COMMISSION OF TEXAS**

Margaret Uhlig Pemberton
Division Director-Legal Division

Shelah J. Cisneros
Managing Attorney-Legal Division



Christina Mann
Attorney-Legal Division
State Bar No. 24041388
(512) 936-7377
(512) 936-7268 (facsimile)
Public Utility Commission of Texas
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

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DOCKET NO. 44322
CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on February 25, 2015, in accordance with P.U.C. Procedural Rule 22.74.


Christina Mann

SETTLEMENT AGREEMENT

The parties to this Settlement Agreement (collectively, the "Parties") are YES Prep Public Schools Inc. ("YES Prep"), a Texas non-profit corporation and a Texas Open-Enrollment Charter School, Suburban Utility CO, a Texas corporation ("Suburban"). Staff of the Public Utility Commission of Texas (Staff) ("PUC") is not a party to this settlement agreement, but does not oppose it.

SECTION 1

RECITALS

1.01 Suburban is a Texas corporation that operates as an investor-owned utility providing water service in the greater Houston area. Suburban possesses Certificate of Convenience and Necessity ("CCN") No. 10835 ("Suburban Certificate") originally issued by the Texas Commission on Environmental Quality ("TCEQ") and now regulated by the Public Utility Commission of Texas ("PUC"). The Suburban Certificate requires Suburban to furnish continuous and adequate water utility service to the public at fair, just, and reasonable rates and grants to Suburban the exclusive right to furnish water service to a defined geographical area in Harris County ("Suburban Certificated Service Area"). Suburban owns and operates several public water systems in the Certificated Service Area, including the Castlewood Subdivision system (Public Water System ID #10101111), that provides water service to YES Prep's North Central Campus.

1.02 YES Prep is a Texas non-profit corporation that organized under the Texas Non-Profits Corporation Act and is a Texas Open Enrollment Charter School authorized by Chapter 12 of the Texas Education Code that has a campus located in the Aldine area known as the North Central Campus that is currently located within Suburban Certificated Service Area and is receiving retail water service from Suburban. 1.03.

1.03 YES Prep currently has an eight (8) inch water line that connects the North Central Campus to the distribution system of Sunbelt Fresh Water Supply District ("Sunbelt") for fire flow purposes.

1.04 On January 15, 2015, YES Prep filed an application ("Application") with the PUC for the issuance of an emergency order pursuant to 16 TEX. ADMIN. CODE § 24.14 to allow YES Prep's North Central Campus to receive retail water service from Sunbelt. On January 27, 2015, YES Prep amended its Application for an emergency order.

1.05 The Application was considered at the January 30, 2015 Open Meeting of the PUC and the PUC Commissioners continued the matter until the February 12, 2015 Open Meeting.

1.06 On February 9, 2015, representatives of and counsel to Suburban, YES Prep, Sunbelt and PUC staff conducted settlement discussions.

1.07 As a result of the settlement discussion, the Parties filed a Joint Motion of Continuance with the PUC Commissioners. The PUC Commissioners did not take any action on the Application at the February 12, 2015 Open Meeting.

1.08 It is the agreement of the Parties that this Settlement Agreement provide for the full and final settlement of all regulatory and litigation matters and claims asserted or that could have been asserted by and between YES Prep and Suburban at the PUC and in State or Federal court related to the provision of water service to YES Prep's North Central Campus.

1.09 The Parties desire to avoid the further annoyance, cost, delay, and uncertainty associated with the regulatory and litigation matters and to evidence that settlement by executing this formal Settlement Agreement. It is the intent of the Parties that this Settlement Agreement resolves all disputed issues between YES Prep and Suburban.

1.10 Therefore, in order to fully and finally compromise and settle all claims that have been asserted or that could have been asserted in the Application and other regulatory and litigation matters by and between YES Prep and Suburban, the Parties hereby enter into this Settlement Agreement.

SECTION 2

TERMS OF AGREEMENT

In full consideration of the mutual promises and agreements contained in this Settlement Agreement, including the Recitals set forth in Section 1 above, the Parties agree as follows:

2.01 **Intent and Agreement of Parties to Settle Regulatory and Litigation Matters.** It is the intent and hereby agreement of YES Prep and Suburban that this Settlement Agreement provide for full and final settlement of all matters and claims, of any kind and nature, asserted or that could have been asserted or that could be asserted in the future by and between YES Prep or Suburban in the Application, other regulatory matters, and litigation related to the provision of water service to the YES Prep's North Central Campus.

2.02 **Release of YES Prep's North Central Campus from Suburban's Retail Water CCN Service Area.** Suburban hereby agrees to release Yes Prep's North Central Campus as identified on the map attached hereto as Exhibit "A" and legal description attached hereto as Exhibit "B" as may be amended from time to time from Suburban's Certificated Service Area in exchange for an initial payment of sixteen thousand two hundred and fifty and no/100 dollars (\$16,250) to be made by YES Prep to Suburban by certified mail or overnight delivery within seven (7) calendar days of the PUC issuing an Agreed Emergency Order as provided in Section 2.04 of this Agreement and a second payment of sixteen thousand two hundred and fifty and no/100 dollars (\$16,250) to be made by YES Prep to Suburban by certified mail or overnight delivery within seven (7) calendar days of the PUC issuing an Agreed CCN Decertification Order officially decertifying YES Prep's North Central Campus from Suburban's Certificated Service Area as provided in Section 2.03.

2.03 **Effort by Parties to File a Joint Petition to Decertify.** The Parties hereby agree to work cooperatively to file a joint petition or equivalent with the PUC within seven days of issuance of the emergency order that requests decertification of YES Prep's North Central Campus from Suburban's Certificated Service Area.

2.04 **Joint Effort by Parties to Obtain Agreed Emergency Order.** The Parties hereby agree to work cooperatively to obtain an agreed emergency order that enables YES Prep's North Central Campus to obtain water service from Sunbelt on an emergency basis. A Proposed Agreed Emergency Order that has been hereby agreed-to by the Parties is attached hereto as Exhibit "D".

2.05 **YES Prep authorized to seek retail water service from Sunbelt.** The Parties hereby agree that YES Prep will be authorized to seek service from Sunbelt, per the agreement of YES Prep and Suburban in accordance with the orders or equivalents issued by the PUC and subject to Sunbelt obtaining any necessary regulatory authorizations from TCEQ or other local regulatory agencies.

2.06 **YES Prep will withdraw from Suburban's Pending Application for Water Rate/Tariff Change.** YES Prep hereby agrees to submit its withdrawal in writing to the PUC from Suburban's water rate/tariff change currently pending at the State Office of Administrative Hearings (SOAH Docket No. 473-14-5141 / PUC Docket No. 42859) within seven (7) days of the Effective Date of this Agreement.

2.07 **YES Prep will not file a lawsuit, join as a party in any pending lawsuits, or make any other legal claims against Suburban related to water service to North Central Campus.** Yes Prep agrees to not file any lawsuits, join as a party in any pending lawsuits, or make any other legal claims against Suburban related to the provision of water service to YES Prep's North Central Campus nor intervene in any pending lawsuits against Suburban for the same reasons, including the Application for Emergency Order, Suburban's pending rate case, and pending case filed by the State of Texas against Suburban filed in the District Court in Travis County, 353rd Judicial District (Cause No. D-1-GN-14-003376).

2.08 **YES Prep's comments to media regarding Suburban.** When YES Prep representatives are contacted by media regarding the water service provided by Suburban to YES Prep's North Central Campus, YES Prep and Suburban agree that YES Prep representatives can tell the media that YES Prep and Suburban have worked together to find a solution that works for both YES Prep and Suburban and that YES Prep is confident that the water needs of YES Prep's North Central Campus will be met based on the agreed-to solution that enables YES Prep to obtain retail water service from Sunbelt. Further, YES Prep representatives will not make any negative statements or claims about Suburban and its water service to YES Prep's North Central Campus, nor will YES Prep initiate any press coverage nor any press releases or statements that make negative claims about Suburban and its water service to YES Prep's North Central Campus.

2.09 **Effective Date.** This Settlement Agreement shall be effective on the date that this Settlement Agreement is executed by the last of the authorized representatives of all Parties hereto.

SECTION 3

ADDITIONAL TERMS OF AGREEMENT

3.01 This Settlement Agreement is solely for the benefit of the Parties hereto. There are no third party beneficiaries of this agreement.

3.02 Any reference to a state or federal administrative agency in this Settlement Agreement, such as the PUC includes the named agency's predecessor and successor agencies, if any.

3.03 In executing this Settlement Agreement, the Parties acknowledge that they are not relying on any statement or representation of any other Party regarding the matters in dispute. Each of the Parties is relying on their own judgment and each is represented by attorneys in this matter.

3.04 This Settlement Agreement is a compromise of disputed claims. Nothing in this Settlement Agreement is an admission of liability by any of the Parties hereto, and nothing in this Settlement Agreement may be interpreted as an admission of liability. Each of the Parties to this Settlement Agreement expressly denies liability to the other Parties to this Settlement Agreement.

3.05 This Settlement Agreement is to comply with the laws of the State of Texas and the laws of the United States. The Parties agree that this Settlement Agreement is governed by, and will be construed and enforced in accordance with Texas law and United States law where applicable. Exclusive venue for any lawsuit related to this Settlement Agreement shall be in Harris County, Texas, except that:

(a) to the extent required or permitted by law, venue is in Travis County, Texas, for any lawsuit related to PUC enforcement of CCN holder obligations required by the water CCNs issued to Suburban to effect the terms of this Settlement Agreement;

3.06 This Settlement Agreement is binding on and inures to the benefit of the Parties and their respective administrators, legal representatives, officers, agents, employees, successors and assigns. Neither Party may assign this Settlement Agreement, or any right or interest herein, without the express written permission of the other party.

3.07 This Settlement Agreement contains the entire agreement between the Parties and it supersedes any and all prior agreements, arrangements or understandings between the Parties on the Administrative Proceeding or in this Settlement Agreement. No oral understandings, statements, promises or inducements contrary to or inconsistent with the terms of this Settlement Agreement exist. This Settlement Agreement is not subject to any oral modification, waiver, addition or deletion, and any modification, waiver, addition or deletion of any provision in this Settlement Agreement must be made in writing and signed by the Parties affected by the modification, waiver, addition or deletion.

3.08 For purposes of notice, the addresses, telephone numbers and fax numbers of the Parties are as follows:

YES Prep Public Schools Inc.

YES Prep Public Schools
Attn: Nicole Montgomery, General
Counsel
6201 Bonhomme Road, Suite 168N

Suburban Utility CO

Suburban Utility CO
Attn: Mitchell M. Martin, Jr.,
President
27493 Hanna Road #2

Houston, Texas 77036
Telephone: (713) 967-9075
Fax:

Conroe, Texas 77385
Telephone: (281) 367-4065

With copy to:

Ty Embrey
Lloyd Gosselink Rochelle &
Townsend, P.C.
816 Congress Avenue, Suite 1900
Austin, Texas 78701
Telephone: (512) 322-5829
Fax: (512) 472-0532

With copy to:

Les Romo
Law Offices of Les Romo
307 Shannon Lane
Georgetown, Texas 78626
Telephone: (512) 868-5600
Fax: (512) 591-7815

For purposes of notice under this Settlement Agreement, any Party that changes its address, email address or fax number must give the other Party at least seven (7) days' notice of the change.

3.09 This Settlement Agreement may be executed in multiple counterparts, including scanned electronic copies, each of which shall be deemed an original for all purposes.

3.10 This Settlement Agreement has been prepared and drafted by the joint efforts of the respective attorneys for each of the Parties and thus shall be construed equally against all Parties.

3.11 If any provision of this Settlement Agreement is held to be illegal, invalid or unenforceable under present or future laws effective during the term of this Settlement Agreement, such provision(s) shall be fully severable.

3.12 The Parties agree to cooperate fully and to execute any and all supplementary documents and to take all additional actions that may be necessary or appropriate to give full force and effect to the terms and intent of this Settlement Agreement.

3.13 This Settlement Agreement contains the entire agreement by and between the Parties with respect to any disputes between the Parties related to the provision of water service by Suburban to YES Prep's North Central Campus.

3.14 Each of the Parties shall be responsible for paying its own legal costs and expenses including, without limitation, attorney's fees, expert witness fees, professional services fees, court costs and related expenses incurred in connection with any litigation or with this Settlement Agreement.

3.15 The attached Exhibits to this Settlement Agreement are incorporated herein by reference for all purposes as if set forth verbatim.

3.16 **Default:** In the event that either party shall fail to comply with any of its obligations under this agreement, and shall fail to remedy its default/failure to comply within thirty (30) calendar days or ten (10) calendar days for any obligation associated with the Agreed Emergency Order following a written notice of default served by the non-defaulting party upon the defaulting party that specifies with particularity what the default/failure to comply comprises, then in that event, the non-defaulting party shall be entitled to the following remedies which shall be *cumulative* and non-exclusive:

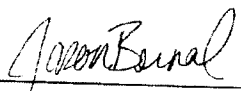
(a) In the event the non-defaulting party engages legal counsel to enforce the provisions of this Settlement Agreement, the non-prevailing party in such enforcement action/proceeding shall pay all of the prevailing party's reasonable legal expense plus all reasonable litigation expense (including expert witness fees, costs, and the like).

(b) The non-defaulting party shall be entitled, in addition to any remedies it is entitled to at law (i.e. for damages for breach), shall be further entitled to the remedy of specific performance.

SIGNED AND EXECUTED by the Parties on the dates shown by their signatures.

DATE: 2/25/2015

YES PREP PUBLIC SCHOOLS INC.

By: 
Jason Bernal, President & CEO

DATE: FEB. 25, 2015

SUBURBAN UTILITY CO

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

DATE: Feb 25, 2015

STAFF OF THE PUBLIC UTILITY
COMMISSION OF TEXAS, *does not*
oppose the Settlement Agreement or entry of
an Emergency Order

By: Christine Mann for
Staff, Public Utility Commission

Exhibit A – Map of YES Prep’s North Central Campus Property