

C. Growth

The growth for the system need is based on new connections due to unserved areas around Tamina Community and the need to extend services. There are some growth along Tamina Road where future connections could be made for development on west side of Main Street.

V. Alternatives Considered

A. Description

The proposed project consists of installation of the Sanitary Sewer System in Tamina starting with the Southeast Segment of Tamina. Tamina Community is not served with Sanitary Sewer System but receives water from the Community of Chateau Woods. The water lines within the Tamina Community are considered substandard. The sanitary sewer systems consist of private septic tanks or direct discharge into the environment. This project addresses the national objective of improving and expanding infrastructure in the unincorporated area of the County without sanitary sewer facility. The goal and objective of project is to construct sewer improvements for low income area on southeast and west segment of Tamina.

The project will serve approximately 650 residents of Community of Tamina. Tamina Community has proposed a phased plan to implement the installation of Sanitary Sewer in entire the Tamina Community. Phase I area is designated as shown in drawing S-1, Section I of the Report. Phase 1 project includes a lift station that will be located on Main with a force main across the rail road track due west and discharges to a manhole that will convey the wastewater to City of Shenandoah Wastewater Treatment Plant. Phase II is to cover the west side of Tamina while the northeast section of Tamina is designed for future and may be covered in one or two phases depending on the availability of fund.

B. Design Criteria

The design criteria will be in accordance with TCEQ Guidelines, Rules and Regulations for Public Water Systems, Design Criteria for Sewage Systems and Montgomery County Guidelines for Water Mains and Collection System.

C. Map

The map for the work being proposed in the Tamina Community is attached. All the works will be implemented within the Right of Way.

D. Environmental Impacts

There is no known environmental impact for this proposed project because all the underground work will take place within the existing Right of Way (R.O.W.)

E. Land Requirements

There is no additional land requirement for Sanitary Sewer Project

F. Construction Problems

No construction problem is anticipated on the proposed project because The Tamina Community is not heavily populated and the work within R.O.W. will be implemented with basic construction methods.

G. Cost Estimates

The cost estimate for this proposed project is broken into two phases of construction. Phase I will be for all as outlined on attached Exhibit. Phase II will be in the next Phase as funds become available. Phase I and Phase II are shown on Appendix F.

VI. Selection of Alternative

No alternatives were developed for Phase I of this project because all the work proposed is a new sanitary sewer system. This new system will eliminate the enters septic tank system.



VII. Proposed Project

A. Project Design

The project is designed to be accomplished in two phases, Phase I and Phase II. Phase I consists of new sanitary sewer system for Tamina Community. The improvement will include providing sanitary sewers within the Tamina Community. The sanitary sewer will be conventional construction to accommodate the gravity flow to lift station which will pump sewage to City of Shenandoah trunk sanitary sewer line through a manhole to wastewater treatment plant operated by City of Shenandoah.

B. Total Project Cost Estimate

The total cost of Phase I is \$1,839,438.20. Copy of estimate is attached .

C. Annul Operating Budget

The existing water system,for Tamina is presently being operated by a Class C operator. Once the sanitary sewer project is completed the Community of Tamina will have the line join one to maintain lift station and system

Engineers, Architects, Construction Managers

Page 11

\\Pti-domain\project files\TAMINA\DOCUMENTS\2011\Text.doc

VIII. Conclusions and Recommendations

The proposed installation of Sanitary Sewer lines in Phase I area is eligible for the USDA Grant Program. This project is within the National Objectives to "Aid in the prevention or elimination of slums and blight" and "Meet other urgent community development needs having a particular immediate threat to the health and welfare of the community where other financial resources are not available to meet such needs". Furthermore, it is an eligible activity for "Public Facilities and Improvements" to install sanitary sewer system for the benefit of good health and welfare of the community.

The project will directly impact 650 resident of the Tamina Community who lives below the poverty level. The cost per person of this grant will be \$2,829.90 per citizen of Tamina Community.

The Tamina Community maintains a record of all person with their address who live in Phase I area as part of their water billing records. The records of persons affected by this project will be furnished upon request.

**TAMINA SANITARY SEWER PROJECT PHASE I
MONTGOMERY COUNTY, TEXAS**

SCHEDULE OF UNIT PRICE WORK

BASE UNIT PRICES FOR:

Item No.	Item Description	Unit	Unit Quantity	Unit Price In Figures	Total In Figures
<u>GENERAL ITEMS</u>					
1	Mobilization (The entire Job, 4% Total Cost)	LS	1	\$27,000.00	\$27,000.00
2	Traffic Control System	LS	1	\$6,000.00	\$6,000.00
3	Flagmen	HRS	100	\$26.00	\$2,600.00
4	Storm Water Pollution Prevention Systems	LS	1	\$3,000.00	\$3,000.00
5	Reinforced Filter Fabric Fence	LF	100	\$5.00	\$500.00
General Subtotal					\$39,100.00
<u>PAVING ITEMS</u>					
6	Saw Cut Asphalt or Concrete Pavement	LF	1,500	\$3.00	\$4,500.00
7	Remove Existing Asphalt Pavement with or without Curb, All Thickness	SY	650	\$10.00	\$6,500.00
8	8" Crushed Concrete Base (for Gravel Road)	SY	3,000	\$15.00	\$45,000.00
9	6" Crushed Concrete Base (for Asphalt Road)	SY	650	\$12.00	\$7,800.00
10	2" Type "D" Hot Mix Asphalt Concrete (HMAC)	TON	68	\$150.00	\$10,200.00
11	Re-grading Existing Roadside Ditch, All Depths	LF	3,500	\$5.00	\$17,500.00
12	Sodding	SY	800	\$5.00	\$4,000.00
13	Hydromulch Seeding	AC	1	\$2,000.00	\$1,000.00
Paving Subtotal					\$96,500.00
<u>SANITARY SEWER ITEMS</u>					
14	Trench System	LF	11,670	\$2.00	\$23,340.00
15	4' Dia. Sanitary Sewer Manhole - All Depths	EA	23	\$2,800.00	\$64,400.00
16	15" Sanitary Sewer - All Depths	LF	3,120	\$70.00	\$218,400.00
17	8" Sanitary Sewer, All Depths	LF	9,840	\$45.00	\$442,800.00
18	10" Sanitary Sewer, All Depths	LF	3,360	\$55.00	\$184,800.00

**TAMINA SANITARY SEWER PROJECT PHASE I
MONTGOMERY COUNTY, TEXAS**

BASE UNIT PRICES FOR:

Item No.	Item Description	Unit	Unit Quantity	Unit Price In Figures	Total In Figures																																																																		
19	12" Sanitary Sewer, All Depths	LF	2,160	\$65.00	\$140,400.00																																																																		
20	Sanitary Sewer Lift Station	EA	1	\$100,000.00	\$100,000.00																																																																		
21	6" Sanitary Sewer Force Main	LF	960	\$35.00	\$33,600.00																																																																		
	Sanitary Sewer Subtotal				\$1,207,740.00																																																																		
	<u>EXTRA WORK ITEMS</u>																																																																						
22	Special Hand Excavation	CY	50	\$100.00	\$5,000.00																																																																		
23	Extra Cement Stabilized Sand	TON	100	\$40.00	\$4,000.00																																																																		
	Extra Items Subtotal				\$9,000.00																																																																		
<table> <tr> <td align="right" colspan="5">GENERAL ITEMS</td><td>\$39,100.00</td></tr> <tr> <td align="right" colspan="5">PAVING ITEMS</td><td>\$96,500.00</td></tr> <tr> <td align="right" colspan="5">SANITARY SEWER ITEMS</td><td>\$1,207,740.00</td></tr> <tr> <td align="right" colspan="5">EXTRA WORK ITEMS</td><td>\$9,000.00</td></tr> <tr> <td align="right" colspan="5">SUB-TOTAL</td><td>\$1,352,340.00</td></tr> <tr> <td align="right" colspan="5">CONTINGENCIES (10%)</td><td>\$135,234.00</td></tr> <tr> <td align="right" colspan="5">ENGINEERING FEE (Design & Construction Management) (13%)</td><td>\$175,804.20</td></tr> <tr> <td align="right" colspan="5">TOPOGRAPHIC SURVEY 17280 lf @ \$4.5/lf</td><td>\$77,760.00</td></tr> <tr> <td align="right" colspan="5">GEOTECHNICAL ENGINEERING: 25 Bore Locations at \$2,000/Bore Hole</td><td>\$50,000.00</td></tr> <tr> <td align="right" colspan="5">INSPECTION SERVICES (24 hrs per week for 7 months)</td><td>\$48,300.00</td></tr> <tr> <td align="right" colspan="5">TOTAL</td><td>\$1,839,438.20</td></tr> </table>						GENERAL ITEMS					\$39,100.00	PAVING ITEMS					\$96,500.00	SANITARY SEWER ITEMS					\$1,207,740.00	EXTRA WORK ITEMS					\$9,000.00	SUB-TOTAL					\$1,352,340.00	CONTINGENCIES (10%)					\$135,234.00	ENGINEERING FEE (Design & Construction Management) (13%)					\$175,804.20	TOPOGRAPHIC SURVEY 17280 lf @ \$4.5/lf					\$77,760.00	GEOTECHNICAL ENGINEERING: 25 Bore Locations at \$2,000/Bore Hole					\$50,000.00	INSPECTION SERVICES (24 hrs per week for 7 months)					\$48,300.00	TOTAL					\$1,839,438.20
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TOTAL					\$1,839,438.20																																																																		

EXHIBITS FOR SECTION 6



United States Department of Agriculture
Rural Development

OFFICE OF THE STATE DIRECTOR

APR 24 2012

Mr. James E. Leveston, President
Old Tamina Water Supply Corporation (WSC)
P. O. Box 7402
The Woodlands, TX 77387

Dear Mr. Leveston:

Congratulations on being selected to receive a \$2,195,000 water and waste disposal loan and grant for Old Tamina WSC.

We have enclosed a copy of Form RD 1940-1, "Request for Obligation of Funds." This form indicates that April 23, 2012, USDA Rural Development approved a loan of \$1,000,000 and a grant of \$1,195,000 for Old Tamina WSC.

USDA Rural Development works to support the sustainable development of rural communities and to improve the quality of life in rural areas.

Sincerely,

FRANCISCO VALENTIN, JR.
State Director

Enclosure

1101 South Main Street • Federal Building, Suite 102, Temple, Texas 76701
Phone: (254) 742-9789 • Fax: (254) 742-9749 • TDD: (254) 742-9712 • Web: <http://www.rurdev.usda.gov/tx>

Committed to the future of rural communities.

"USDA is an equal opportunity provider, employer and lender."
To file a complaint of discrimination write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W.,

REQUEST FOR OBLIGATION OF FUNDS

FORM APPROVED
OMB No. 0570-0062

INSTRUCTIONS-TYPE IN CAPITALIZED ELITE TYPE IN SPACES MARKED () Complete items 1 through 29 and applicable items 30 through 34. See FMI.			
1. CASE NUMBER ST CO BORROWER ID 50-070-*****6798		LOAN NUMBER 01/02	FISCAL YEAR 12
2. BORROWER NAME Old Tamina Water Supply Corporation		3. NUMBER NAME FIELDS (1, 2, or 3 from Item 2)	
		4. STATE NAME Texas	
		5. COUNTY NAME Montgomery	
GENERAL BORROWER/LOAN INFORMATION			
6. RACE/ETHNIC CLASSIFICATION 1 - WHITE 2 - BLACK 3 - ALIAN 4 - HISPANIC 5 - A/P 6 - OTHER	7. TYPE OF APPLICANT 1 - INDIVIDUAL 2 - PARTNERSHIP 3 - CORPORATION 4 - PUBLIC BODY 5 - ASSOC. OF FARMERS 6 - ORG. OF FARMERS 7 - NONPROFIT-SECULAR 8 - NONPROFIT-FAITH BASED 9 - INDIAN TRIBE 10 - PUBLIC COLLEGE/UNIVERSITY 11 - OTHER	8. COLLATERAL CODE 1 - REAL ESTATE SECURED 2 - REAL ESTATE AND CHATTEL 3 - REAL ESTATE ONLY 4 - MACHINERY ONLY 5 - LIVESTOCK ONLY 6 - CROPS ONLY 7 - SECURED BY OTHER 8 - UNSECURED	9. EMPLOYEE RELATIONSHIP CODE 1 - EMPLOYEE 2 - MEMBER OF FAMILY 3 - CLOSE RELATIVE 4 - ASSOC.
10. SEX CODE 1 - MALE 2 - FEMALE	11. MARITAL STATUS 1 - MARRIED 2 - SEPARATED 3 - UNMARRIED (INCLUDES WIDOWED/DIVORCED)	12. VETERAN CODE 1 - YES 2 - NO	13. CREDIT REPORT 1 - YES 2 - NO
14. DIRECT PAYMENT 3 (See FMI)	15. TYPE OF PAYMENT 1 - MONTHLY 2 - ANNUALLY 3 - SEMI-ANNUALLY 4 - QUARTERLY	16. FEE INSPECTION 1 - YES 2 - NO	
17. COMMUNITY SIZE 1 - 10,000 OR LESS (FOR SPH AND HPG ONLY) 2 - OVER 10,000		18. USE OF FUNDS CODE (See FMI)	
COMPLETE FOR OBLIGATION OF FUNDS			
19. TYPE OF ASSISTANCE 060 (See FMI)	20. PURPOSE CODE 1	21. SOURCE OF FUNDS	22. TYPE OF ACTION 1 - OBLIGATION ONLY 2 - OBLIGATION/TECH REQUEST 3 - CORRECTION OF OBLIGATION
23. TYPE OF SUBMISSION 1 - INITIAL 2 - SUBSEQUENT	24. AMOUNT OF LOAN 1,000,000.0	25. AMOUNT OF GRANT 1,195,000	
26. AMOUNT OF IMMEDIATE ADVANCE	27. DATE OF APPROVAL MO DAY YR APR 13 2012	28. INTEREST RATE 2 %	29. REPAYMENT TERMS 40
COMPLETE FOR COMMUNITY PROGRAM AND CERTAIN MULTIPLE-FAMILY HOUSING LOANS			
30. PROFIT TYPE 1 - FULL PROFIT 2 - LIMITED PROFIT 3 - NONPROFIT			
COMPLETE FOR EM LOANS ONLY		COMPLETE FOR CREDIT SALE-ASSUMPTION	
31. DISASTER DESIGNATION NUMBER (See FMI)	32. TYPE OF SALE 1 - CREDIT SALE ONLY 2 - CREDIT SALE WITH SUBSEQUENT LOAN 3 - ASSUMPTION ONLY 4 - ASSUMPTION WITH SUBSEQUENT LOAN		
FINANCE OFFICE USE ONLY		COMPLETE FOR FP LOANS ONLY	
33. OBLIGATION DATE MO DA YR APR 23 2012	34. BEGINNING FARMER/RANCHER (See FMI)		

If the decision contained above in this form results in denial, reduction or cancellation of USDA assistance, you may appeal this decision and have a hearing, or you may request a review in lieu of a hearing. Please use the form we have included for this purpose.

Position 2

ORIGINAL - Borrower's Case Folder

COPY 1 - Finance Office

COPY 2 - Applicant/Lender

COPY 3 - State Office

CERTIFICATION APPROVAL

For All Farmers Programs

EM, OL, FO, and SW Loans

This loan is approved subject to the availability of funds. If this loan does not close for any reason within 90 days from the date of approval on this document, the approval official will request updated eligibility information. The undersigned loan applicant agrees that the approval official will have 14 working days to review any updated information prior to submitting this document for obligation of funds. If there have been significant changes that may affect eligibility, a decision as to eligibility and feasibility will be made within 30 days from the time the applicant provides the necessary information.

If this is a loan approval for which a lien and/or title search is necessary, the undersigned applicant agrees that the 15-working-day loan closing requirement may be exceeded for the purposes of the applicant's legal representative completing title work and completing loan closing.

35. **COMMENTS AND REQUIREMENTS OF CERTIFYING OFFICIAL**
Approval of financial assistance is subject to the Letter of Conditions dated 4/13/2012.

36. I HEREBY CERTIFY that I am unable to obtain sufficient credit elsewhere to finance my actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near my community for loans for similar purposes and periods of time. I agree to use the sum specified herein, subject to and in accordance with regulations applicable to the type of assistance indicated above, and request payment of such sum. I agree to report to USDA any material adverse changes, financial or otherwise, that occur prior to loan closing. I certify that no part of the sum specified herein has been received. I have reviewed the loan approval requirements and comments associated with this loan request and agree to comply with these provisions.

(For FP loans at eligible terms only) If this loan is approved, I elect the interest rate to be charged on my loan to be the lower of the interest rate in effect at the time of loan approval or loan closing. If I check "NO", the interest rate charged on my loan will be the rate specified in Item 28 of this form. YES NO

WARNING: Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under this title or imprisoned not more than five years, or both."

Date 4/13/2012, 20 12

James E. Leveston
James Leveston, President

(Signature of Applicant)

Date _____, 20 _____

(Signature of Co-Applicant)

37. I HEREBY CERTIFY that all of the committee and administrative determinations and certifications required by regulations prerequisite to providing assistance of the type indicated above have been made and that evidence thereof is in the docket, and that all requirements of pertinent regulations have been complied with. I hereby approve the above-described assistance in the amount set forth above, and by this document, subject to the availability of funds, the Government agrees to advance such amount to the applicant for the purpose of and subject to the availability prescribed by regulations applicable to this type of assistance.

Francisco Valentin, Jr.
(Signature of Approving Official)

Typed or Printed Name: _____

FRANCISCO VALENTIN, JR.
State Director

Date Approved: APR 13 2012

Title: _____

38. TO THE APPLICANT: As of this date APR 23 2012, this is notice that your application for financial assistance from the USDA has been approved, as indicated above, subject to the availability of funds and other conditions required by the USDA. If you have any questions contact the appropriate USDA Servicing Office.

650 Dresher Road

PO Box 1657

Horsham, PA 19044-6657

Attn: Financial Statement Department

ACCOUNT NUMBER _____

FISCAL YEAR END 2011

PROFIT AND LOSS STATEMENT AND NEXT YEAR'S BUDGET

(Please complete all pages in their entirety)

Name TAMINA WATER SUPPLY CORP Address PO BOX 7402; THE WOODLANDS, TX 77383

Actual is for fiscal year ending 2011

	PRIOR YEAR	CURRENT YEAR	CURRENT YEAR	NEXT YEAR
	ACTUAL	BUDGET	ACTUAL	BUDGET
OPERATING INCOME				
1. _____	\$ 80,266.21	\$ 80,000.00	\$ 85,878.56	\$ 86,500.00
2. _____				
3. _____				
4. _____				
5. Miscellaneous				
6. Less: Allowances and Deductions				
7. Total Operating Income (Add lines 1 through 6)	80,266.21	80,000.00	85,878.56	86,500.00
OPERATING EXPENSES				
8. DIRECT COSTS	64,224.82	65,000.00	73,485.42	73,500.00
9. INSURANCE	839.28	840.00	769.60	800.00
9. OFFICE EXPENSE	395.71	400.00	462.11	450.00
10. PROFESSIONAL	550.00	550.00	2,550.00	550.00
11. TAXES	1,626.37	1,650.00	1,638.70	1,650.00
11. BANK CHARGES	52.40	60.00	415.40	150.00
12. DUES	550.00	550.00	685.00	700.00
13. TESTING FEES	897.42	900.00	567.65	600.00
13. TRAVEL	0	0	235.68	100.00
14. LEGAL	2,312.50	3,000.00	2,562.50	2,500.00
15. Interest	526.67	200.00	-0-	-0-
16. Depreciation	5,460.00	5,460.00	5,460.00	5,460.00
17. Total Operating Expense (Add lines 8 through 16)	77,435.17	78,610.00	88,823.06	86,460.00
18. NET OPERATING INCOME (LOSS) (Line 7 less 17)	2,831.04	1,390.00	(2,944.50)	40.00
NONOPERATING INCOME				
19. Interest Income	18.57	20.00	11.17	10.00
20. _____				
21. Total Nonoperating Income (Add 19 and 20)	18.57	20.00	11.17	10.00
22. NET INCOME (LOSS) (Add lines 18 and 21)	\$ 2,849.61	\$ 1,410.00	\$ (2,933.33)	\$ 50.00
RETAINED EARNINGS (EQUITY)				
23. Beginning of Period	99,257.16		102,106.77	
24. Net Income - line 22	2,849.61		(2,933.33)	
25. Other (Specify)				
26. Retained Earnings End of Period (Add lines 23 through 25)	\$ 102,106.77	\$	\$ 99,173.44	\$

MS - 1

CERTIFIED CORRECT

James E. Leaviston Jr.
Appropriate Official (Signature)

6/5/2012
Date

BALANCE SHEET

FISCAL YEAR RESULTS

ASSETS

CURRENT ASSETS

	12	31	11	12	31	10
	Month	Day	Year	Month	Day	Year
	Current Year			Prior Year		
1. Cash on Hand in Banks.....	\$	63,538.68		\$	65,218.15	
2. Savings and C.D.'s.....		20,869.02			18,797.70	
3. Accounts receivable.....		16,705.78			15,985.99	
4. Less: Allowance for doubtful accounts.....	()	()
5. Inventories.....						
6. Prepayments.....						
7. DEFERRED INTEREST		-0-			189.27	
8.						
9. Total Current Assets (Add 1 through 8).....		101,113.48			100,191.11	

FIXED ASSETS

10. Land.....		2,142.25			2,142.25	
11. Buildings.....		171,414.94			171,414.94	
12. Furniture and equipment.....						
13.						
14. Less: Accumulated depreciation.....	(149,562.66)	(144,102.66)
15. Net Total Fixed Assets (Add 10 through 14).....		23,994.53			29,454.53	

OTHER ASSETS

16.						
17.						
18. Total Assets (Add 9, 15, 16 and 17).....	\$	125,108.01		\$	129,645.64	

LIABILITIES AND EQUITIES

CURRENT LIABILITIES

19. Accounts payable.....	\$	1,849.77		\$	1,849.77	
20. Notes payable.....						
21. Current Portion of Long Term Debt.....		-0-			1,689.99	
22. Customer deposits.....						
23. Taxes payable.....						
24. Interest payable.....		-0-			189.27	
25.						
26.						
27. Total Current Liabilities (Add 19 through 26).....		1,849.77			3,729.03	

LONG-TERM LIABILITIES

28. Long Term Debt.....						
29.						
30.						
31. Total Long-Term Liabilities (Add 28 through 30).....		-0-			-0-	
32. Total Liabilities (Add 27 and 31).....		1,849.77			3,729.03	

EQUITY

33. Retained earnings - line 26 from page one.....		99,173.44			102,106.77	
34. Membership.....		24,084.80			23,809.84	
35. Contributed Capital and Grants.....						
36. Total Equity (Add lines 33, 34 and 35).....		123,258.24			125,916.61	
37. Total Liabilities and Equity (Add lines 32 and 36).....	\$	125,108.01		\$	129,645.64	

CERTIFIED CORRECT

Date

6-5-2012

Appropriate Official (Signature)

James E. Houston Sr.

SUPPLEMENTAL DATA

The Following Data Should Be Supplied Where Applicable

ALL BORROWERS

- a. Are deposited funds in institutions insured by the Federal Government?
- b. Are you exempt from Federal Income Tax?
- c. Are Local, State and Federal taxes paid current?
- d. Is Corporate status in good standing with State?
- e. List kinds and amounts of insurance and fidelity bond:

Insurance Coverage and Policy Number	Insurance Agent and Phone Number	Amount of Coverage	Expirati Date of P
Property Insurance Policy # <u>SCP0845670</u>	<u>Harco Ins- 10777 Northwest Freeway Suite 800</u>	<u>10,000</u>	<u>8/19/21</u>
General Liability Policy # <u>7262131351</u>	<u>Carroll Ins Agency, Ltd (281) 656-3000</u>	<u>1,000,000</u>	<u>2/28/20</u>
Auto Liability Policy # <u>7262131351</u>	<u>Carroll Ins Agency, Ltd (281) 656-3000</u>	<u>1,000,000</u>	<u>2/28/21</u>
Fidelity Policy # <u>DRC1012826</u>	<u>RLI Surety - Dallas (972) 241-7737</u>	<u>10,000</u>	<u>1/3/20</u>
Workers Compensation Policy # <u>TSE0001166077</u>	<u>Carroll Ins. Agency, Ltd (281) 656-3000</u>	<u>500,000</u>	<u>2/28/20.</u>

(If coverage does not exist, indicate why in coverage and expiration fields.)

2. WATER AND/OR SEWER UTILITY BORROWERS ONLY

- a. Water purchased or produced (CU. FT. GAL)
- b. Water sold (CU. FT. GAL)
- c. Treated waste (CU. FT. - GAL.)
- d. Number of users - water
- e. Number of users - sewer

Fiscal Year To Date

<u>14,050,000</u>
<u>12,765,000</u>

3. AGE ACCOUNTS RECEIVABLE AS FOLLOWS:

	0 - 30	31 - 60	61 - 90	91 and Older	*Total
Dollar Values	\$ <u>6,822.37</u>	\$ <u>757.05</u>	\$ <u>221.44</u>	\$ <u>7,786.33</u>	\$ <u>15,587.19</u>
Number of Accounts	<u>156</u>	<u>24</u>	<u>6</u>	<u>62</u>	<u>248</u>

*Totals must agree with those on Balance Sheet

LIST OF ORGANIZATION'S BOARD OF DIRECTORS, OFFICERS AND ADMINISTRATORS

Name	Title	Address	Telephone Numbers
<u>James E. Leveston, Sr.</u>	<u>President</u>	<u>19521 Simons Ln - Conroe, TX 77385</u>	<u>281-367-5304</u>
<u>Julia Leveston</u>	<u>Secretary</u>	<u>19521 Simons Ln - Conroe, TX 77385</u>	<u>281-367-5304</u>
<u>Ivy Bell</u>	<u>Treasurer</u>	<u>1029 Tamina Rd - Conroe, TX 77385</u>	<u>936-271-4280</u>
<u>Vanesta Davis</u>	<u>Director</u>	<u>19515 Pierson Ln - Conroe, TX 77385</u>	<u>281-367-1573</u>
<u>Ranson Grimes, Sr.</u>	<u>Director</u>	<u>8884 Hollins Ln. - Conroe, TX 77385</u>	<u>281-363-4892</u>
<u>Pari Dean Moaning</u>	<u>Director</u>	<u>19593 Carmita Ln - Conroe, TX 77385</u>	<u>281-367-4071</u>
<u>Kenneth Pierson</u>	<u>Director</u>	<u>1020 Terry Ln - Conroe, TX 77385</u>	<u>281-363-0372</u>
<u>Sharon Pierson</u>	<u>Director</u>	<u>19473 Main St. - Conroe, TX 77385</u>	<u>281-362-7119</u>
<u>Dennis Dickman</u>	<u>Manager</u>	<u>27351 Blueberry Hill - Conroe, TX 77385</u>	<u>281-367-9419</u>

Final

**OLD TAMINA WSC
WASTEWATER/WATER
RATE STUDY**

March 26, 2012

Prepared by

COMMUNITY RESOURCE GROUP INC.
1001 Texas Blvd, Suite 114
Texarkana, TX 75501
903-793-0109, phone & fax

hhunter@crq.org

SUMMARY-

Community Resource Group, Inc. (hereinafter referred to as CRG) received a request from the Old Tamina WSC to review its finances and make a recommendation so that the system can determine the affordability of its plan to install a sewer system. The review has been performed as a financial review by providing a rate study. As this system endeavors to create a sewer system, the study will determine if Old Tamina will need to establish a greater financial stability than the system currently possesses. The following numbers are based on Tamina's 2010 balance sheet:

Cash on Hand	\$65,218.15
Savings and CD's	\$18,797.70

The water system's balance sheet indicated annual payment to Rural Development of \$1,689.99 with a total balance due of \$3,729.03.

Attached are the worksheets with formulas that CRG utilized based on the Small System Guide to Rate Setting manual developed by CRG and used by systems throughout the nation. Chart #4-5 provides the estimated expense costs of the system based on projected 2011 expenses and actual expenses through the end of the 2010 fiscal year. The goal of this chart is to determine the fixed costs and variable costs per customer. Note that the bottom line figure indicates the total average revenue needed per customer per month. The study will zero in on not only the water but also a new sewer and what rates will be required.

ASSESSMENT OF STATUS

In most cases, agencies such as the United States Department of Agriculture Rural Development (USDA/RD), encourages utility borrowers to create sufficient finances to pay its own way. For example, Old Tamina WSC sewer system should generate enough money to pay all its expenses. There is much history with the system and not always has the information been positive. Old Tamina has weathered many challenges to its sovereignty but has met most including a challenge to the CCN. Attachment A supplies historical documents of the system. Attachment B is the profit and loss statement from the water system with projected water system budget for 2007. Attachment C is the engineer's estimate of a wastewater gravity flow system with layout assuming that the sewer treated by Chateau Woods Municipal Utility District.

As is noted, OLD TAMINA WSC had a positive cash flow in 2010. The water system is on a course to end 2011 with a positive cash flow. Old Tamina proposes to add sewer. This rate study has determined that the new sewer is financially feasible.

RATE STUDY

Generally, Community Resource Group recommends that a water or sewer budget be established whereby either can manage separately. However, for Old Tamina Water Supply Corporation, CRG in the analysis, anticipates the water system, which will pay off its RD loan by 2012, and therefore will have more income to offset wastewater cost. With approximately 159 water customers, Old Tamina WSC currently charges \$38.38 for the first 3,000 gallons water rate. The system has approximately 27 elderly customers who pay \$28.28 for the first 3,000 gallons.

Old Tamina Water Supply Corporation's engineering firm, PTI, Inc., submitted an application on behalf of Tamina for a sewer system. The application amount is \$1,839,438.20. Tamina would construct force mains and collection lines and the sewer would be treated by the City of Shenandoah. The City has offered to provide the force main to the railroad tracks on Tamina Road. Attached to this document is the Tamina income statement for FY 2010. Please note that the first expense item listed as Direct Cost includes water purchase from the current source, Chateau Woods. Also included is maintenance and repair.

The Community Resource Group conducted an income survey for the Tamina coverage area. The median household income for Tamina is \$18,000.00. The WSC therefore qualifies for the maximum grant of 75%. At the time of this analysis, Old Tamina WSC qualifies for the poverty rate, which is 2.5% at the time that this study was conducted. Within this document, the focus will be 50% loan. The ending balance of accounts for the water system for Tamina as of December 31, 2010 was \$65,218.15. In addition, Tamina has \$18,797.70 in timed accounts or CD's.

CRG estimates the first full year expenses for the sewer system to be \$76,899. Of that total, approximately \$37,300 will be repayment of a 50% loan to USDA.

Sewer rate #1 (attached) recommends a **\$27.00 minimum sewer rate** for the first 1,000 gallons of water and \$3.00 per 1,000 up to 10,000 gallons and all over 10,000 gallons would be \$3.50 per 1000. This rate should generate approximately **\$74,500.00** annually.

Sewer rate #2 recommends a **\$30.00 minimum sewer rate** for the first 1,000 gallons of water and \$3.00 per 1,000 up to 10,000 gallons and all over 10,000 gallons would be \$3.50 per 1000. Rate #2 would generate **\$77,800.00** per year.

Sewer rate #3 would recommend the minimum sewer rate to **\$27.00** for the first 1,000 gallons. All over 1,000 gallons would pay \$3.50 per 1,000. Rate #3 would generate **\$76,900.00** per year

RECOMMENDATIONS:

Since the corporation has a solvent water system and the loan on the water system will be paid off prior to the new wastewater project being activated. Therefore, Old Tamina WSC should be able to present a minimal sewer rate structure that generates a major portion of the anticipated budget and the water system can somewhat subsidize the wastewater until rates can be adjusted to cover all sewer costs, after the first two years of operation.

CRG recommends the current water rate and **Sewer Rate #3** to work together. Should Tamina elect this structure, the system should still be able to balance its budget and obtain an affordable sewer system. Tamina will need only minimum assistance from the water system if Rate #3 is utilized.

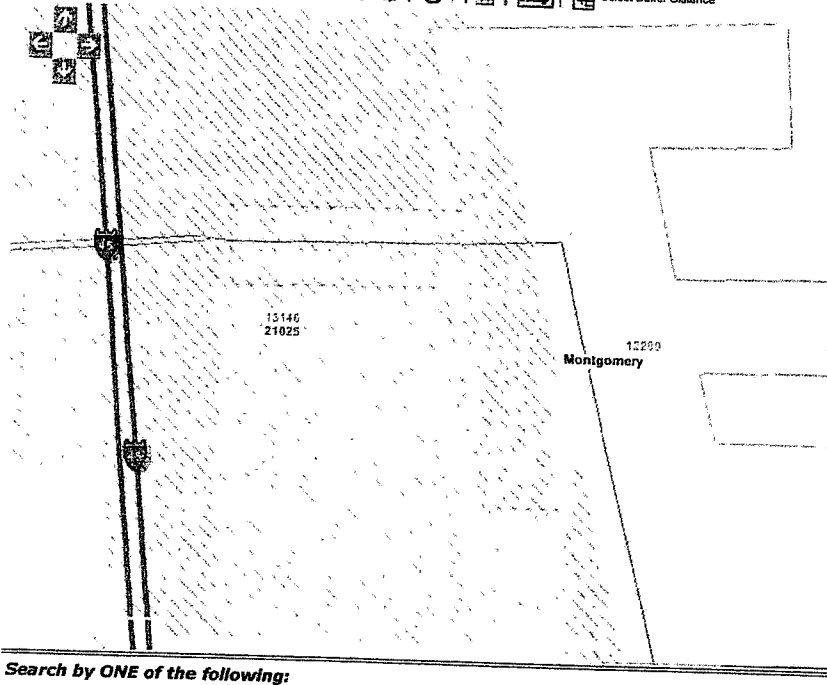
Based on the Old Tamina WSC water financial profit and loss statement for the year ending 12/31/10, the system had a net operating income of \$15,967.31. Tamina has done a credible job managing its finances for a small system. With the water system contributing approximately \$3,000 to assist with expenses for the wastewater, either of the above rates would be sufficient. CRG submitted an operating budget with the application

EXHIBITS FOR SECTION 7



Water Utilities Map Viewer

Search tools: Find, Select Buffer Distance, X-Y, etc.

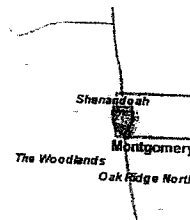


Legend

- Facility Lines
- Facility Lines
- Service Areas
- Service Areas
- istrict (DD)
- r Supply District (FWSD)
- istrict (ID)
- ovement District (LID)
- anagement District (MMD)
- determining utility

Search by ONE of the following:

City Enter City Name
County Enter County Name
Zip Code Enter Zip Code
CCN # Select CCN Type Enter CCN number
Water District Enter Water District Name
Address Enter Street Enter City Enter Zip
Intersection Enter Street1 Enter Street2 Enter City or Zip Code
Lat - Long Enter Latitude Enter Longitude



Sewer CCNs
2 and 5 miles
from
City of
Shenandoah CCN

Buffer Results

Sewer CCN Service Area(s) and/or Sewer CCN Facility Line(s)

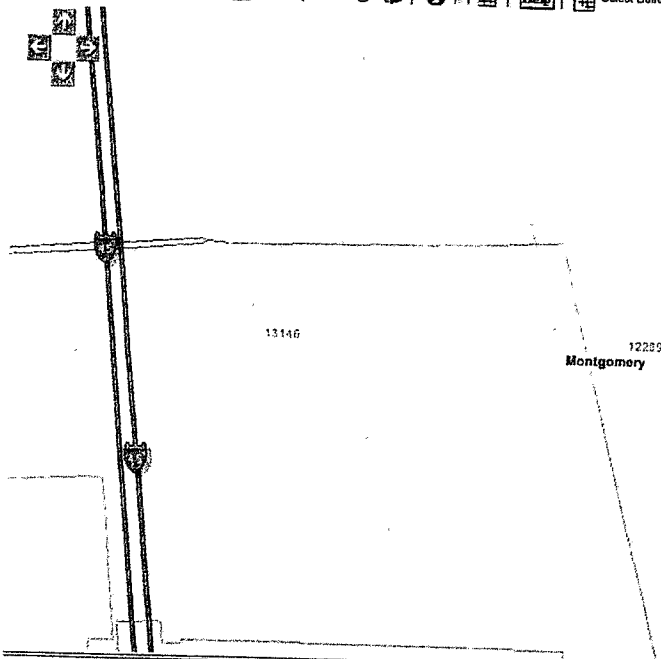
2 MILE UTILITIES	CCN	UTILITY
	20141	TOWN OF WOODLOCH
	20488	SOUTHERN MONTGOMERY CO MUD
	20823	EASTWOOD HILLS SUBDIVISION
	20937	CHATEAU WOODS MUD
	21025	CITY OF SHENANDOAH
5 MILE UTILITIES	CCN	UTILITY
	20135	CITY OF CONROE
	20141	TOWN OF WOODLOCH
	20488	SOUTHERN MONTGOMERY CO MUD
	20658	J & S WATER CO LLC
	20823	EASTWOOD HILLS SUBDIVISION
	20837	CHATEAU WOODS MUD
	20952	QUADVEST LP
	21010	MONTGOMERY CO WCID 1
	21025	CITY OF SHENANDOAH

For new SEWER CCN
Notice required
to 5 mile utilities list



Water Utilities Map Viewer

Select Buffer Distance



Legend

Facility Lines
 Facility Lines
 Service Areas
 Service Areas
 ons
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istrict (DD)
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 ovement District (LID)
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 determining utility

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Search by ONE of the following:

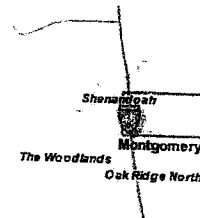
City Enter City Name
 County Enter County Name
 Zip Code Enter Zip Code
 CCN # Select CCN Type
 Water District Enter Water District Name
 Address Enter Street
 Intersection Enter Street1
 Lat - Long Enter Latitude

Find City
 Find County
 Find Zip Code
 Enter CCN number
 Find Water District

Enter City
 Enter Street2
 Enter Longitude

Find CCN
 Enter Zip
 Enter City or Zip Code
 Find Lat - Long

Find Address
 Find Intersection



Water CCNs

2 and 5 miles
from

OTWSC

Buffer Results

Review and print the table

Water CCN Service Area(s) and/or Water CCN Facility Line(s)

2 MILE UTILITIES	CCN	UTILITY
	10351	CHATEAU WOODS MUD
	11428	SOUTHERN MONTGOMERY CO MUD
	12230	CITY OF OAK RIDGE NORTH
	12270	LAKELAND SEC. FOUR CIVIC CLUB
	12817	EASTWOOD HILLS SUBDIVISION
	12839	WHITE OAK WSC
	13146	CITY OF SHENANDOAH
	13203	AQUA TEXAS INC
5 MILE UTILITIES	CCN	UTILITY
	10347	CONSUMERS WATER INC
	10351	CHATEAU WOODS MUD
	11428	SOUTHERN MONTGOMERY CO MUD
	11612	QUADVEST LP
	12230	CITY OF OAK RIDGE NORTH
	12270	LAKELAND SEC. FOUR CIVIC CLUB
	12312	TOWN OF WOODLOCH
	12528	MEACHEN MEADOWS SUBDIVISION WS
	12817	EASTWOOD HILLS SUBDIVISION
	12839	WHITE OAK WSC
	13133	MONTGOMERY CO WCID 1
	13146	CITY OF SHENANDOAH
	13203	AQUA TEXAS INC

To amend existing Water CCN,
 Notice required to
 2 mile list

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: CITY OF CONROE Date Notice Mailed _____, 20____
(Neighboring System, Landowner or City)

PO BOX 3066

(Address)

CONROE

TX

77305

City

State

Zip

Name of Applicant OLD TAMINA WATER SUPPLY CORPORATION has filed an application
for a CCN to obtain or amend CCN No. 12289 and to decertify a
portion(s) of N/A

(Name of Decertificated Utility)

with the Texas Commission on Environmental Quality to provide WATER & 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 BROADWAY STREET; on
the east by FALVEY LAKE/GLEN LAKE; on the south by RHODES STREET; and
on the west by DAVID MEMORIAL ROAD.

See enclosed map of the proposed service area.

The total area being requested includes approximately 540 acres and 165 current
customers.

The proposed amendment affects customers and/or areas located in the following zip
code(s):

77385

(List All Affected Zip Codes)

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.

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: TOWN OF WOODLOCH Date Notice Mailed _____, 20____
(Neighboring System, Landowner or City)

2620 N WOODLOCH

(Address)

CONROE

TX

77385

City

State

Zip

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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: SOUTHERN MONTGOMERY COUNTY MUD Date Notice Mailed _____, 20____
(Neighboring System, Landowner or City)

25212 INTERSTATE 45 N

(Address)

<u>SPRING</u>	<u>TX</u>	<u>77386</u>
City	State	Zip

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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: J & S WATER COMPANY LLC Date Notice Mailed _____, 20____
(Neighboring System, Landowner or City)

1905 N BATTLEBELL RD

(Address)

HIGHLANDS

TX

77562

City

State

Zip

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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: EASTWOOD HILLS MOBILE HOME PARK LP Date Notice Mailed _____, 20____
(Neighboring System, Landowner or City)

11315 HILLRIDGE DR

(Address)

CONROE

TX

77385

City

State

Zip

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IN Montgomery COUNTY(IES), TEXAS

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

10224 FAIRVIEW DR

(Address)

CONROE	TX	77385
City	State	Zip

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

PO BOX 409

(Address)

TOMBALL

TX

77377

City

State

Zip

Name of Applicant OLD TAMINA WATER SUPPLY CORPORATION has filed an application
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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: MONTGOMERY COUNTY WCID 1 Date Notice Mailed _____, 20____
(Neighboring System, Landowner or City)

PO BOX 7690

(Address)

THE WOODLANDS TX 77387
City State Zip

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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: CITY OF SHENANDOAH Date Notice Mailed _____, 20____
(Neighboring System, Landowner or City)

29955 INTERSTATE 45 N

(Address)

<u>SPRING</u>	<u>TX</u>	<u>77381</u>
City	State	Zip

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IN Montgomery COUNTY(IES), TEXAS

To: CITY OF OAK RIDGE NORTH Date Notice Mailed _____, 20____
(Neighboring System, Landowner or City)

27326 ROBINSON RD SUITE 115

(Address)

CONROE

TX

77385

City

State

Zip

Name of Applicant OLD TAMINA WATER SUPPLY CORPORATION has filed an application
for a CCN to obtain or amend CCN No. 12289 and to decertify a
portion(s) of N/A

(Name of Decertificated Utility)

with the Texas Commission on Environmental Quality to provide WATER & 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 BROADWAY STREET; on
the east by FALVEY LAKE/GLEN LAKE; on the south by RHODES STREET; and
on the west by DAVID MEMORIAL ROAD.

See enclosed map of the proposed service area.

The total area being requested includes approximately 540 acres and 165 current
customers.

The proposed amendment affects customers and/or areas located in the following zip
code(s):

77385

(List All Affected Zip Codes)

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.

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: LAKELAND SECTION FOUR CIVIC CLUB Date Notice Mailed _____, 20____
(Neighboring System, Landowner or City)

2251 N LOOP 336 W STE C

(Address)

CONROE	TX	77304
City	State	Zip

Name of Applicant OLD TAMINA WATER SUPPLY CORPORATION has filed an application
for a CCN to obtain or amend CCN No. 12289 and to decertify a
portion(s) of N/A

(Name of Decertificated Utility)

with the Texas Commission on Environmental Quality to provide WATER & SEWER
(specify 1) water or 2) sewer or 3) water & sewer) utility service in MONTGOMERY
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[direction] of downtown CONROE, [City or Town] Texas,
and is generally bounded on the north by BROADWAY STREET; on
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See enclosed map of the proposed service area.

The total area being requested includes approximately 540 acres and 165 current
customers.

The proposed amendment affects customers and/or areas located in the following zip
code(s):

77385

(List All Affected Zip Codes)

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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.

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: WHITE OAK WSC Date Notice Mailed _____, 20____
(Neighboring System, Landowner or City)

1621 MILAM ST FL 3

(Address)

HOUSTON

TX

77002

City

State

Zip

Name of Applicant OLD TAMINA WATER SUPPLY CORPORATION has filed an application
for a CCN to obtain or amend CCN No. 12289 and to decertify a
portion(s) of N/A

(Name of Decertificated Utility)

with the Texas Commission on Environmental Quality to provide WATER & SEWER
(specify 1) water or 2) sewer or 3) water & sewer) utility service in MONTGOMERY
County (ies).

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[direction] of downtown CONROE, [City or Town] Texas,
and is generally bounded on the north by BROADWAY STREET; on
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(List All Affected Zip Codes)

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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: AQUA TEXAS INC Date Notice Mailed _____, 20____
(Neighboring System, Landowner or City)

1106 CLAYTON LN STE 400W

(Address)

AUSTIN

TX

78723

City

State

Zip

Name of Applicant OLD TAMINA WATER SUPPLY CORPORATION has filed an application
for a CCN to obtain or amend CCN No. 12289 and to decertify a
portion(s) of N/A

(Name of Decertificated Utility)

with the Texas Commission on Environmental Quality to provide WATER & SEWER
(specify 1) water or 2) sewer or 3) water & sewer) utility service in MONTGOMERY
County (ies).

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(List All Affected Zip Codes)

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TARIFF

Old Tamina Water Supply Corporation
P. O. Box 7402
The Woodlands, Texas 77387
(281) 367-5304

SECTION F

DEVELOPER, SUBDIVISION, and NON-STANDARD SERVICE REQUIREMENTS

Part I. General Requirements - This section details the requirements for all types of non-standard service requests.

- 1. Corporation's Limitations**
- 2. Purpose**
- 3. Application of Rules**
- 4. Non-Standard Service Application**
- 5. Design**
- 6. Non-Standard Service Contract**
- 7. Construction of Facilities by Applicant Prior to Execution of Service Contract**
- 8. Property and Right-of-Way Acquisition**
- 9. Bids for Construction**
- 10. Pre-Payment for construction and Service**
- 11. Construction**

Part II. - Request for Service to Subdivided Property

- 1. All developers or subdividers of property shall provide sufficient information.**
- 2. Service Within Subdivisions**
- 3. For Service to subdivisions involving 50 acres or greater**
- 4. Upon final approval by corporation and acceptance**

SECTION G

RATES AND SERVICE FEES

- 1. Service Investigation Fee**
- 2. Membership Fee**
- 3. Easement Fee**
- 4. Installation Fee**
- 5. Equity Buy-In Fee (Section C., also Miscellaneous Section) Impact Fee**
- 6. Monthly Charges**
- 7. Assessments**
- 8. Late Payment Fee**
- 9. Owner Notification Fee (Miscellaneous Transaction Form)**
- 10. Mortgagee/Guarantor Notification Fee**
- 11. Returned Check Fee (Miscellaneous Transaction Form)**
- 12. Reconnect Fee**
- 13. Seasonal Reconnect Fee**
- 14. Service Trip Fee**
- 15. Equipment Damage Fee**
- 16. Customer History Report Fee**
- 17. Meter Test Fee (Miscellaneous Transaction Fee)**

13. Notice of Requirement to Comply with the Subdivision and Service Extension Policy of WSC
14. Notice of Returned Check
15. Request for Service Discontinuance
16. Right-of-Way Easement Denial Form and Affidavit
17. Equipment and Line Dedication Agreement
18. Termination Notice - Past Due Account
19. Applicant's Notice of Insufficient information
20. Service Inspection Certification
21. OTWSC Service Application and Agreement

SECTION B. **STATEMENTS**

1. **Organization.** The Old Tamina Water Supply Corporation is a member-owned, non-profit corporation incorporated pursuant to the Texas Water Code Chapter 67, and the provisions of the Texas Business Organizations Code applicable to member owned, member controlled non-profit corporations for the purpose of furnishing potable water and or sewer utility service. Corporation operating policies, rates, and regulations are adopted by the Board of Directors elected by the Members of the Corporation.
2. **Non-Discrimination Policy.** Membership in the Corporation and service is provided to all Applicants who comply with the provisions of this Tariff regardless of race, creed, color, national origin, sex, disability, or marital status.
3. **Policy and Rule Application.** These policies, rules, and regulations apply to the water and or sewer services provided by the Old Tamina Water Supply Corporation, also referred to as Corporation, (OTWSC). Failure on the part of the Member, Consumer, or Applicant to observe these policies, rules and regulations gives the Corporation the authority to deny or discontinue service according to the terms of this Tariff as amended from time to time by the Board of Directors of the Corporation.
4. **Corporation Bylaws.** The Corporation Members have adopted bylaws which establish the make-up of the Board of Directors and other important regulations of the Corporation. The bylaws are on file at the Corporation's office.
5. **Fire Protection Responsibility.** The Corporation does not provide nor imply that fire protection is available on any of the distribution system. All hydrants or flush valves are for the operation and maintenance of the system and may be used for refill only by authorized fire departments. The Corporation reserves the right to remove any hydrant, due to improper use or detriment to the system as determined by the Corporation, at any time without notice, refund, or compensation to the contributors unless such hydrants are installed pursuant to the terms of a Non-Standard Service Contract as provided for in Section F, in which event the terms and conditions of the Contract shall apply.
6. **Damage Liability.** The OTWSC is not liable for damages caused by service interruptions, events beyond its control, and for normal system failures. The limits of liability of the OTWSC is the extent of the cost of service provided. By acceptance of Membership, Member consents to waiver of such liability.
7. **Information Disclosure.** The records of the Corporation shall be kept in the Corporation office in Conroe, Texas. All information collected, assembled, or maintained by or for the Corporation shall be disclosed to the public in accordance with the Texas Public Information Act. **In no event and under no circumstances shall the Corporation disclose the Social Security Number of any member or**

Accounts may be allowed in the Corporation's water distribution system or sewer collection system provided the Master Metered Account customer complies with the Texas Commission on Environmental Quality Chapter 291, Subchapter H rules pertaining to Submetering. The Corporation has no jurisdiction or responsibility to the tenants; tenants receiving water under a Master Metered Account are not considered customers of the Corporation. Any interruption or impairment of water service to the tenants is the responsibility of the Master Metered Account Customer. Any complaints regarding submetering should be directed to the Texas Commission on Environmental Quality.

NOTE: The system should check with the Master Metered Account Customer to:

1. See if they have registered with the TCEQ, (Section 13 Texas Water Code Subchapter M.)
2. See that they do not charge their tenants more than the total amount of charges that you have billed. If the aggregate bill is greater than the Corporation's charge, the Master Metered Account Customer is considered by the TCEQ to be a separate Public Water System and will be required to comply with all TCEQ regulations.
3. Protect the System's CCN. Should the Master Metered Account Customer continue to violate these or other State regulations, the Corporation will need to request a Cease and Desist Order from the TCEQ. (Texas Water Code Section 13.252 and 30 TAC Section 291.118)

10. Equity Buy-In Fee -- Each Applicant shall be required to achieve parity with the contributions to the construction of the Corporation's facilities capacity that have been made previously by existing Members. This fee shall be assessed prior to providing or reserving service on a per service unit basis for each property and shall be assigned and restricted to that property for which the service was originally requested. (Tariff Section G. 5., also see Miscellaneous)

11. Final Plat -- A complete plan for the subdivision of a tract of land showing or referencing Local Tax Appraisal Maps, access to public road(s), number and size of lots, location of dedicated water/sewer easements, and location(s) of lakes, streams, or rivers through the property. The Old Tamina Water Supply Corporation shall determine if a plat submitted for the purpose of this Tariff shall qualify as a final plat. For purposes of evaluating Sub-Division service requests under Section F., the Corporation may accept preliminary plats or plats awaiting final approval pending execution of agreement for service by the Corporation.

12. Hazardous Condition -- A condition that jeopardizes the health and welfare of the Members/Consumers of the Corporation as determined by the Corporation or regulatory authority.

13. Impact Fee -- A charge or assessment against the property for which service is requested to generate revenue for funding or recouping the costs of capital improvements or facility expansions necessitated by and attributable to new development within the Corporation's service area. The term includes amortized charges, lump-sum charges, capital recovery fees, contributions in aid of construction, and any other fee that functions in this manner. (Tariff Section G. 5., Also see Chapter 395 Local Government Code)

14. Indication of Interest Fee -- A fee paid by a potential Member of the Corporation for the purpose of determining the feasibility of a construction and /or expansion project. The Indication of Interest Fee may be converted to a Membership Fee upon determination that service to the Applicant is feasible and available. This also applies to applicants applying for, or receiving, Temporary Service. (Tariff Section E. 8. b., and Sample Application Packet - USDA RUS-TX Bulletin 1780-9 (Rev. 09/02))

15. Liquidated Membership -- A Membership that has been canceled due to delinquent charges exceeding the Membership Fee or for other reasons as specified in this Tariff.

16. Member -- Any person, partnership, cooperative corporation, corporation, agency, or public or private organization who holds a membership in the Corporation and who is a record owner of a fee simple title to the property served, that has qualified for service and been certified as a member in accordance with the Corporation's Tariff. (TX Water Code Section 13.002(11), (TX Water Code Section 67.016d))

17. Membership -- A non-interest bearing stock purchased from the Corporation evidencing a Member's interest in the Corporation. (See Tariff Section E. 8 b and Section 22.053, 22.151(c), Business Organizations Code)

TX Bulletin 1780-9 (Rev. 09/02) or Non-Standard Service Contract)

27. Service Investigation Fee -- A fee for costs associated with determining if service is available and determining cost of service. (See Tariff Section G. 1.)

28. Service Unit -- The base unit of service used in facilities design and rate making. For the purpose of this Tariff, a service unit is a 5/8" X 3/4" water meter. Sewer facilities are designed and rates are based on the basis of population served or demand. (See Tariff Section G. 6. a., Miscellaneous)

29. Subdivide -- To divide the surface area of land into lots or tracts. (Local Government Code Chapter 232, Section 232.021 Definitions, Texas Water Code Section 13.2502 (e) (1))

30. Subdivider - An individual, firm, corporation, or other legal entity that owns any interest in land and that directly or indirectly subdivides land into lots as a part of a common promotional plan in the ordinary course of business. (Local Government Code Chapter 232, Section 232.021 Definitions)

31. Subdivision - An area of land that has been subdivided into lots or tracts. (Local Government Code Chapter 232, Section 232.021 Definitions)

32. Tariff -- The operating policies, service rules, service extension policy, service rates, rationing policies, sample application packet, and miscellaneous transaction forms adopted by the Board of Directors. A copy of this Board approved tariff is on file at the Corporation office and as required since September 1, 1989 at the State office of the TCEQ.

33. Temporary Service -- The classification assigned an applicant that is in the process of construction. This could also apply to service for uses other than permanent (agricultural, road construction, drilling, livestock, etc.). The Board will set the length of time associated with this classification. This classification will change to permanent service after requirements in Tariff Section E. 1, E. 2, E. 3, and E. 5 are met. Applicant must have paid an Indication of Interest Fee.

34. Texas Commission on Environmental Quality (TCEQ) -- State regulatory agency having jurisdiction of water and sewer service utilities and appellate jurisdiction over the rates and fees charged by Non-Profit Water and Sewer Service Corporations.

35. Transferee -- An Applicant receiving a OTWSC Membership by legal means from a person or entity desiring to forfeit and transfer current rights of Membership to another person or entity. (See Tariff Section E. 8 c., Miscellaneous Transaction Forms, Section 67.016 Texas Water Code)

36. Transferor -- A Member who transfers Membership by legal means to another person or entity desiring to qualify for service at a property for which the Membership is currently issued or to the Corporation. (Texas Water Code, Section 67.016)

SECTION D.
GEOGRAPHIC AREA SERVED

CERTIFICATE OF CONVENIENCE AND NECESSITY

To Provide Water Service Under V.T.C.A., Water Code
and Texas Commission on Environmental Wuality Substantive Rules

Certificate No. 12289

I. Certificate Holder:

Name: Old Tamina Water Supply Corporation
Address: P. O. Box 7402
The Woodlands, Texas 77387

II. General Description and Location of Service Area:

The area covered by this certificate is located approximately 7 miles south of downtown Conroe, Texas on Interstate Highway 45. The service area is generally bounded on the east by Falvey Lake and Glen Lake, on the south by Pinewood Street, on the west by Interstate Highway 45, and on the north by Broadway in Montgomery County, Texas.

III. Certificate Maps:

The certificate holder is authorized to provide water service in the area identified on the Commission's official service area map, WRS-255, maintained in the offices of the Texas Commission on Environmental Quality, 12015 Park 35 Circle, Austin, Texas with all attendant privileges and obligations.

This certificate is issued under Application No. 8056-C and subject to the rules and orders of the Commission, the laws of the State of Texas, conditions contained herein and may be revoked for violations thereof. The certificate is valid until amended or revoked by the Commission.

Issued at Austin, Texas, this 27th day of September, 1989.

ATTEST:

Brenda W. Foster, Chief Clerk
B. J. Wynne, III, Chairman - Texas Water Commission

TEXAS WATER COMMISSION



I, _____, certify that this is a true and correct copy of a Texas Water Commission document, the original of which is filed in the permanent records of the Commission. Given under my hand and the seal of office on _____.

Brenda W. Foster
Brenda W. Foster, Chief Clerk
Texas Water Commission

APPLICATION NO. 8056-C

IN THE MATTER OF THE APPLICATION }
OF TAMINA WATER SUPPLY }
CORPORATION FOR A WATER }
CERTIFICATE OF CONVENIENCE AND }
NECESSITY IN MONTGOMERY COUNTY, }
TEXAS }

BEFORE THE
TEXAS WATER COMMISSION

ORDER

On September 12, 1989, the Texas Water Commission pursuant to Chapter 13 of the Texas Water Code considered the application of Tamina Water Supply Corporation for a water Certificate of Convenience and Necessity in Montgomery County, Texas. After considering the evidence, the Commission finds that:

No person has requested a public hearing on the application;

Notice of the application was given all affected and interested parties;

The criteria set forth in Section 13.246(c) have been considered by the Commission; and

Granting the application is necessary for the service, accommodation, convenience and safety of the public.

NOW, THEREFORE, BE IT ORDERED BY THE TEXAS WATER COMMISSION that the application is granted and a Certificate of Convenience and Necessity be issued to Tamina Water Supply Corporation in accordance with the terms and conditions set forth herein and in the certificate.

BE IT FURTHER ORDERED that Tamina Water Supply Corporation shall serve every customer or applicant for service within the area certified under Certificate of Convenience and Necessity No. 12289_ and that such service shall be continuous and adequate.

Signed this the 27th day of September, 1989.

ATTEST:

Brenda W. Foster
Brenda W. Foster, Chief Clerk

TEXAS WATER COMMISSION

B. J. Wynne, III
B. J. Wynne, III, Chairman



Texas Commission on Environmental Quality

By These Presents Be It Known To All That

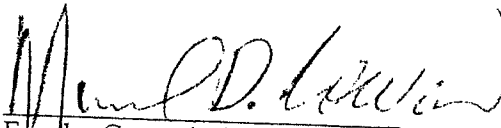
OLD TAMINA WATER SUPPLY CORPORATION

having duly applied for certification to provide water utility service for the convenience and necessity of the public, and it having been determined by this commission that the public convenience and necessity would in fact be advanced by the provision of such service by this Applicant, is entitled to and is hereby granted this

Certificate of Convenience and Necessity No. 12289

to provide continuous and adequate water utility service to that service area or those service areas in Montgomery County as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Application No. 8056-C are on file at the Commission offices in Austin, Texas; and are matters of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty of the Old Tamina Water Supply Corporation to provide such utility service in accordance with the laws of this State and Rules of this Commission, subject only to any power and responsibility of this Commission to revoke or amend this Certificate in whole or in part upon a subsequent showing that the public convenience and necessity would be better served thereby.

Issued at Austin, Texas, this APR 08 2005


For the Commission

SECTION E.

SERVICE RULES AND REGULATIONS

1. Service Entitlement. The Applicant(s) shall be considered qualified and entitled to water and or sewer utility service when proper application has been made, terms and conditions of Service and Membership have been met and continue to be met, and all fees have been paid as prescribed. (30 TAC 291.85 (a))

2 Service Location and Classification. For the purposes of this Tariff, service requested by the Applicant(s) shall be for real estate designated to receive the service provided by the Corporation. Service shall be through a meter or sewer tap locted on that designated real estate unless otherwise approved by the board. Service shall be divided into the following two classes:

a. Standard Service is defined as service on an existing pipeline where pipeline or service facility extensions are not required and special design and/or engineering considerations are not necessary. Typically, this would include 5/8" X 3/4" or 3/4" sized water meter services set on existing pipelines or 4" gravity sewer taps, pressure collection facilities installed or connected to collection lines no more than five feet in depth.

b. Non-Standard Service is defined as any service request which requires a larger meter service, service to a Master Metered Account (see E. 3. c.of this section), or an addition to the supply, storage and/or distribution/collection system. The service requirements as prescribed by Section F of this Tariff shall be required of the Non-Standard Service Applicant prior to providing service.

3. Service Requirements. The Corporation's Service Application and Agreement Form shall be completed in full and signed by the Applicant(s). Where applicable in addition to the applicant any other person sharing an ownership interest in and receiving service at that property shall sign the Service Application and Agreement Form (Typically this would be the applicant's spouse. (See Sample Application RUS-TX Bulletin 1780-9 (Rev. 09/02)

a. A Right-of-Way Easement Form, Sanitary Control Easement, or other such easement form, required by the Corporation, must be completed by the Applicant for the purpose of allowing future facility additions. (See Sample Application - RUS-TX Bulletin 1780-9 (Rev. 09/02), 30 TAC 290.47 Appendix C.) **NOTE:** This requirement may be delayed for Non-Standard Service requests.

b. The Applicant shall provide proof of ownership to property for which service has been requested in a manner acceptable to the Corporation. Proof of ownership shall consist of warranty deed, deed of trust or other recordable documentation of fee simple title to the real estate designated to receive service. (Texas Water Code 67.016 (e). and 13.002 (11).

c. On the request by the property owner or owner's authorized agent, the Corporation shall install individual meters owned by the Corporation in an apartment house. manufactured home rental community. multiple use facility, or condominium on

(Texas Water Code 49.234).

5. Activation of Standard Service.

- a. New Tap** -- The Corporation shall charge a non-refundable service installation fee as required under Section G of this tariff. The service installation fee shall be quoted in writing to the Applicant. All fees shall be paid or a deferred payment contract signed in advance of installation. (30 TAC 291.86 (a)(1) (A))
- b. Re-Service** -- On property where service previously existed, the Corporation shall charge the Membership Fee, (where the Membership Fee has been liquidated or refunded), reconnection costs, any delinquent charges if the applicant is the person that previously incurred those charges, seasonal reconnect fee as appropriate, and other applicable costs necessary to restore service.
- c. Performance of Work** -- All tap and equipment installations specified by the Corporation shall be completed by the Corporation staff or designated representative after all application requirements have been met. The tap for a standard service request shall be completed within five (5) working days whenever practicable, but not later than 10 working days. This time may be extended for installation of equipment for Non-Standard Service Request. (see Section F)
- d. Inspection of Customer Service Facilities** -- The property of the Applicant/ Member shall be inspected to insure compliance with state required Minimum Acceptable Operating Practices For Public Drinking Water Systems as promulgated by the Texas Commission on Environmental Quality or successor agency. The customer must, at his or her expense, properly install, inspect, test, maintain and provide all required documentation of any backflow prevention device required by the Corporation. (30 TAC 290.46(j)); Service Agreement Form)

6. Activation of Non-Standard Service -- Activation of Non-Standard service shall be conducted as prescribed by terms of Section F of this Tariff. shall be conducted as prescribed by terms of Section F of this Tariff.

7. Changes in Service Classification. If at any time the Corporation determines that the customer service needs changed from those originally applied for to a different service classification and the Corporation determines that additional or different facilities are necessary to provide adequate service, the Corporation shall require the Applicant/Member to re-apply for service under the terms and conditions of this Tariff. Applicant/Members failing to comply with this provision shall be subject to the Disconnection with Notice Provisions of this Tariff. Section 15.

8. Membership.

- a. Eligibility** - Eligibility for Membership shall not guarantee service to the Applicant or Transferee; however, qualification for service is a prerequisite to Membership eligibility for new Applicants or continued Membership for

- transfer has been approved as provided by Sub-Section 8.c. (3).
3. Qualifications for service upon transfer of Membership set forth in Sub-Section 8.c.(1) and 6.c.(2) shall be subject to approval of the Corporation and shall be recorded on the books and records of the Corporation only upon the following terms and conditions:
 - (a) A Transfer Authorization Form has been completed by the Transferor and Transferee;
 - (b) The Transferee has completed the required Application Packet;
 - (c) All indebtedness due the Corporation has been paid; and
 - (d) The Transferee demonstrates satisfactory evidence of ownership of the property designated to receive service and from which the Membership originally arose.
 4. If the application packet and other information is not completed on the day transfer of membership is requested the corporation will give the transferee written notice of 10 additional days to produce completed documentation to the corporation office. Service will be disconnected on the day following the 10th day according to disconnection with notice requirements. Additional time may be allowed at the directions of the manager or board.
- d. Cancellation of Membership** -- To keep a Membership in good standing, a Service Availability Charge or a Reserved Service Charge must be paid monthly to the Corporation, whether or not water is used. Failure to pay this monthly charge to the Corporation shall jeopardize the Member's Membership standing and give rise to liquidation of the Membership Fee and forfeiture of the Membership. A Member may be relieved of this obligation to pay by surrendering the Membership Certificate, properly endorsed, to the Corporation. The Member shall also complete a Service Discontinuance Request Form prior to termination of service. (See Misc. Transaction Forms.) However, a Member is not relieved of any obligations incurred prior to the date of surrender of a properly endorsed Membership Certificate prior to termination of service. Rights to future service at this tap shall be extended on an as-available basis and subject to the terms of the Activation of Service Sub-Section E.3. of this Tariff. (Texas Water Code 67.016)
- e. Liquidation Due To Delinquency** -- When the amount of the delinquent charges owed by the Member equals the Membership Fee, the Membership Fee shall be liquidated and the Membership canceled and transferred back to the Corporation. In the event the Member leaves a balance due on an account guaranteed under the terms of a Service Application and Agreement, and the delinquent Member owns more than one Membership Certificate, the Corporation may liquidate as many of the Member Guarantor's Membership Fees as necessary to satisfy the balance due the Corporation, provided proper notice has been given (see Tariff Section E, Subsection 16). The Corporation shall collect any remaining account balances by initiation of legal action. Re-instatement of service shall be subject to the terms of the Activation of Service Sub-Section E. 3. of this Tariff.
- f. Cancellation Due To Policy Non-Compliance** -- The Corporation may cancel a Membership anytime a Member fails to comply with policies of the

Section: Miscellaneous Transaction Forms).

- 10. Denial of Service.** The Corporation may deny service for the following reasons:
- a. Failure of the Applicant or Transferee to complete all required forms and pay all required fees and charges;
 - b. Failure of the Applicant or Transferee to comply with rules, regulations, policies, and bylaws of the Corporation;
 - c. Existence of a hazardous condition at the Applicant's property which would jeopardize the welfare of the Members/Users of the Corporation upon connection;
 - d. Failure of Applicant or Transferee to provide representatives or employees of the Corporation reasonable access to property, for which service has been requested;
 - e. Failure of Applicant or Transferee to comply with all governmental rules and regulations of the Corporation's tariff on file with the state regulatory agency governing the service applied for by the Applicant;
 - f. Failure of Applicant or Transferee to provide proof of ownership, to the satisfaction of the Corporation, of property for which the tap has been requested, and/or
 - g. Applicant's service facilities are known to be inadequate or of such character that satisfactory service cannot be provided.
 - h. Failure of Applicant or transferee to comply with applicable regulations for on-site sewage disposal systems if the Corporation has been requested to deny service by the TCEQ or the TCEQ's designated representative under Chapter 366 of the Texas Health and Safety Code.

11. Applicant's or Transferee's Recourse. In the event the Corporation refuses to serve an Applicant under the provisions of these rules, the Corporation must notify the Applicant, in writing, on the basis of its refusal. The Applicant may file for an appeal, in writing, with the Board of Directors of the Corporation.

- 12. Insufficient Grounds for Refusal of Service.** The following shall not constitute sufficient cause for the refusal of service to an Applicant:
- a. Delinquency in payment for service by a previous occupant of the premises to be served;
 - b. Failure to pay a bill to correct previous underbilling due to misapplication of rates more than six (6) months prior to the date of application;
 - c. Violation of the Corporation's rules pertaining to operation of non-standard equipment or unauthorized attachments which interferes with the service of others, unless the customer has first been notified and been afforded reasonable opportunity to comply with said requirements;
 - d. Failure to pay a bill of another customer as guarantor thereof unless the guarantee was made in writing to the Corporation as a condition precedent to service;
 - e. Failure to pay the bill of another customer at the same address except where the change of customer identity is made to avoid or evade payment of a utility bill.