

Control Number: 47931



Item Number: 1

Addendum StartPage: 0



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

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

Docket Number: _____

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

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

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

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

RECEIVED
2008 JAN -5 PM 1:06
PUBLIC UTILITY COMMISSION
FILING CLERK

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

Purpose of Application

<input type="checkbox"/> Obtain	<input type="checkbox"/> New Water CCN	<input type="checkbox"/> New Sewer CCN
<input checked="" type="checkbox"/> Amend	<input type="checkbox"/> Water CCN# (s)	11507 (See Appendix "A" attached)
<input type="checkbox"/> Amend	<input type="checkbox"/> Sewer CCN#(s)	

1. Applicant Information

Applicant

Utility name: Albury Manor Utility Company, Inc. ("AMUC")

Certificate number: 11507

Street address (City/ST/ZIP/Code): 400 Randal Way, Suite 106, Spring, Texas 77388

Mailing address(City/ST/ZIP/Code): Same

Utility Phone Number and Fax: (281) 350-7000

Contact information

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

Name: J. Kenneth Streeter

Title: Manager

Mailing address: 400 Randal Way, Suite 106, Spring, Texas 77388

Email: kens@hendricksinterests.com

Phone and Fax: (281) 350-7000

List all counties in which service is proposed:

Harris

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

- ☒ Investor Owned Utility ☐ Individual ☐ Partnership
☐ Home or Property Owners Association ☒ For-profit Corporation
☐ Non-profit, member-owned, member-controlled cooperative corporation
(Water Code Chapter 67, Water Supply or Sewer Service Corporation)
☐ Municipality ☐ District ☐ Other - Please explain:

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

- i. A copy of the corporation's "Certification of Account Status" from the Texas State Comptroller of Public Accounts.
- ii. The corporation's charter number as recorded with the Office of the Texas Secretary of State: 49150700
- iii. A listing of all stockholders and their respective percentages of ownership.
- iv. A copy of the company's organizational chart, if available.
- v. A list of all directors and disclose the title of each individual.
- vi. A list of all affiliated organizations (if any) and explain the affiliate's business relationship with the applicant.

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

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

2. Location Information

- A. Are there people already living in the proposed area? ☒ Yes ☐ No
If YES, are any currently receiving utility service? ☐ Yes ☐ No
If YES, from WHOM? Harris County Municipal Utility District No. 401

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

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

☐ Yes ☒ No

If YES, provide the following:

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

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

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

☒ Yes ☐ No

If YES, within the corporate limits of: Boundary of Harris County Municipal Utility District No. 401

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

See Texas Commission on Environmental Quality Order granting the Petition for Creation of Harris County Municipal Utility District No. 401 and Appointing Temporary Director, attached as Exhibit No. 2, filed on August 18, 2004. Tracts 2, 3, and 4 referenced therein and owned by Willow Creek Development Company, Limited, were located within AMUC's CCN No. 11507 at the time of the creation of Harris County Municipal Utility District No. 401.

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

☐ Yes ☒ No

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

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

Albury Manor Utility Company (AMUC) is seeking to amend its CCN boundary by removing that portion of AMUC's boundary which lies wholly within HC MUD #401's boundary and is currently being served by HC MUD #401.

3. Map Requirements

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

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

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

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

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

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

Not Applicable

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

TCEQ Water System			TCEQ Sewer System		
Other:	0	0	Other:	0	0
Total Water	49	0	Total Sewer	0	0

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

All Albury Manor Utility Company customers are serviced by existing septic systems.

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

N/A

- G. Effect of Granting a Certificate Amendment.

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

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

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

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

ii. ☒ Yes, Water

Purchased on a ☒ Regular ☐ Seasonal ☐ Emergency basis?

Water Source	% of Total Treatment
Harris County M.U.D. #401	100.00%

Water Source	% of Total Treatment
	0.00%
	0.00%

iii. ☐ Yes, Sewer treatment capacity

Purchased on a ☐ Regular ☐ Seasonal ☐ Emergency basis?

Sewer Source	% of Total Treatment
	0.00%
	0.00%
	0.00%

iv. Provide a signed and dated copy of the most current water or sewer treatment capacity purchase agreement or contract. See Exhibit "7" attached

I. Ability to Provide Adequate Service.

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

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

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

The land proposed to be removed from AMUC's existing CCN (No. 11507) is land that is wholly within Harris County MUD #401 boundary. Harris County MUD #401 currently has existing water distribution and sanitary sewer collection facilities within the land proposed to be removed and is providing water and sanitary sewer service to this entire area, which is a residential subdivision known as Albury Trails Estates.

6. Financial Information

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

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

- iii. Attach a proposed rate schedule or tariff. Describe the procedure for determining the rates and fees and indicate the date of last change, if applicable. Attach copies of any cost of service studies or rate analysis worksheets. Not Applicable

B. For existing water and/or sewer systems:

- i. Attach a profit and loss statement and current balance sheet for existing businesses (end of last fiscal year is acceptable). Describe sources and terms for borrowed capital such as loans, bonds, or notes (profit and loss and balance sheet worksheets are attached, if needed). 2016 PUC Annual Report attached as Exhibit "8"
- ii. Attach a proposed rate schedule or tariff. Existing PUC approved tariff attached as Exhibit "9"

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

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

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

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

7. Notice Requirements

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

- iii. For applications for the AMENDMENT of a CCN, the applicant must mail the notice with a copy of the proposed CCN map to all cities and neighboring retail public utilities providing the same utility service within two (2) miles of the requested service area.
- H. Notice to Customers:
Investor Owned Utilities (IOUs) that are currently providing service without a CCN must provide individual mailed notice to all current customers. The notice must contain the current rates, the date those rates were instituted and any other information required in the application.
- I. The commission may require the applicant to deliver notice to other affected persons or agencies.

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

OATH

STATE OF Texas
COUNTY OF Harris

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

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

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

AFFIANT
(Utility's Authorized Representative)

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

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

SEAL

NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS

PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES _____

Notice for Publication

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

HARRIS COUNTY(IES), TEXAS

Name of Applicant Albury Manor Utility Company, Inc. has filed an application ~~for a~~
~~CCN to obtain or amend~~ CCN No. (s) 11507 and to
~~decertify~~ a portion(s) of AMUC's existing service area with the
remove (Name of Decertified Utility)

Public Utility commission of Texas to ~~provide~~ water
not provide (specify 1) water or 2) sewer or 3) water & sewer)

utility service in within the portion of AMUC's CCN 11507 service area that is within County
Harris County M.U.D.#401, Harris County (ies).

The proposed utility service area is located approximately 30 miles northwest
[direction] of downtown Houston, [City or Town] Texas, and is
generally bounded on the north by Spell Road; on the east by
Passelands Drive; on the south by Willow Creek; and on the west by Mystic Stone Drive

The total area being requested ^{to be removed from the AMUC service area} includes approximately 138 acres and 0
current customers.

A copy of the proposed service area map is available at (Utility Address and Phone
Number): Albury Manor Utility Company, Inc. 281-350-7000

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. N/A

Notice to Neighboring Systems, Landowners and Cities

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

Harris COUNTY(IES), TEXAS

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

(Address)

City State Zip

Name of Applicant Albury Manor Utility Company has filed an application for a
CCN to obtain or amend CCN No. (s) 11507 and to
decertify a portion(s) of AMUC's service area within HCMUD 401 with the
(Name of Decertified Utility)

Public Utility Commission of Texas to provide water
(specify 1) water or 2) sewer or 3) water & sewer)
utility service in a portion of Harris County(ies).

The proposed utility service area is located approximately 30 miles northwest
[direction] of downtown Houston, [City or Town] Texas, and is
generally bounded on the north by Spell Road; on the east by
Passelande Drive; on the south by Willow Creek; and on the west by Mystic Stone Drive

See enclosed map of the proposed service area.

The total area being requested includes approximately 138 acres and 0 AMUC
current customers.

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

EXHIBIT "A"
TO NOTICE TO NEIGHBORING SYSTEMS,
LAND OWNERS & CITIES



ALBURY TRAILS ESTATES
SITE PLAN
(ENTIRELY WITHIN H.C.M.U.D. 401)

— 138.1906 ACRES PROPOSED FOR REMOVAL
FROM AMUC CCN #11507 SERVICE AREA.
THE 138.1906 ACRES IS WITHIN AND BEING
SERVICED BY HARRIS COUNTY M.U.D #401

REFERENCE DATE: 09/13/2017



APPENDICES AND EXHIBITS

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1. APPENDIX "A" – Explanation of Application to Annual Albury Manor Utility Company, Inc.'s Water CCN #11507 To Remove Certain Areas Within CCN \$11507 Which is Being Served by Harris County MUD #401 (1 page)
2. EXHIBIT No. 1 – Albury Manor Utility Co., Inc. CCN No. 11507 as issued by the Texas Water Commission, May 21, 1991 (4 pages)
3. EXHIBIT No. 2 – Order Granting the Petition For Creation of Harris County MUD #401, issued by Texas Commission on Environmental Quality on August 10, 2004 (12 pages)
4. EXHIBIT No. 3 – Map of Albury Manor Utility Company, Inc. Original 241.5527 Acre Service Area (1 page)
5. EXHIBIT No. 4 – Map of Boundary of 138.1906 Acres Currently Within CCN No. 11507 and Harris County MUD #401 Boundaries (1 page)
6. EXHIBIT No. 5 – Map of Albury Manor Utility Company, Inc., Proposed Amended CCC No. 11507 Service Area, After Approval of This Application Being 105.3621 Acres (1 page)
7. EXHIBIT No. 6 – Copy of most recent TCEQ Inspection letter (1 page)
8. EXHIBIT No. 7 – Copy of Wholesale Water Supply Agreement by and between Harris County M.U.D. No. 401 and Albury Manor Utility Company, Inc., dated February 20, 2008 (15 pages)
9. EXHIBIT No. 8 – Copy of 2016 TxPUC Annual Financial Report (9 pages)
10. EXHIBIT No. 9 – Copy of Current TxPUC Approved Water Utility Tariff, CCN 11507 (4 pages)
11. APPENDIX "B" – Copy of Albury Manor Utility Company, Inc. Franchise Tax Account Status (1 page)
12. APPENDIX 'C' – List of all Water Utilities within a two (2) mile radius of Albury Manor Utility Company (2 pages)

APPENDIX "A"

EXPLANATION OF APPLICATION TO AMEND ALBURY MANOR UTILITY COMPANY, INC.'S WATER CCN #11507 TO REMOVE CERTAIN ACREAGE WITHIN CCN #11507 WHICH IS BEING SERVED BY HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 401.

On May 21, 1997, the Texas Water Commission approved the application by Albury Manor Utility Company, Inc. (AMUC) to transfer Water CCN #11507 from Willow Creek Development Company, Limited to AMUC, attached as Exhibit No. 1. In May 1997, AMUC began providing water service to 56.2085 acres out of its 241.5527 acre CCN service area. The remainder of the AMUC CCN service area remained undeveloped until August, 2004 when 138.1906 of the undeveloped CCN service area, was included within the acreage contained within the boundary of Harris County Municipal Utility District No. 401, a copy of the TCEQ Creation Order is attached as Exhibit No. 2. Willow Creek Development Company, Limited developed all of the 138.1906 acres within HCMUD #401 and CCN #11507 boundaries. HCMUD #401 provides water and sewer service to all of the customers within the 138.1906 acres, and additional acreage within the District.

AMUC seeks to remove the 138.906 acres which currently exist within both the boundaries of it's CCN #11507 service area and HCMUD #401's boundary, from AMUC's CCN service area. Attached is Exhibit No. 3 which shows AMUC's CCN #11507 original 241.5527 acre service area, and Exhibit No. 4 which shows the 138.1906 acres currently existing within the boundary of AMUC's CCN #11507 service area and HCMUD #401's district boundary. Attached Exhibit No. 5 shows what will be the remaining acreage within AMUC's CCN #11507 service area upon approval of this application, being 103.3621 acres.

THE STATE OF TEXAS
TEXAS WATER COMMISSION TRAVIS



I hereby 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

MAY 23 1991

Gloria A. Vasquez

CERTIFICATE OF CONVENIENCE AND NECESSITY
Gloria A. Vasquez, Chief Clerk
Texas Water Commission

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

Certificate No. 11507

I. Certificate Holder:

Name: Albury Manor Utility Company

Address: 11211 Albury Park Lane
Tomball, Texas 77375

II. General Description and Location of Service Area:

The area covered by this certificate is generally located approximately 23 miles northwest of downtown Houston, Texas, on Huffsmith-Kohrville Road. The service area is generally bounded on the south by Willow Creek, on the west by Huffsmith-Kohrville Road and on the north by Spell Road in Harris 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-102, maintained in the offices of the Texas Water Commission, 1700 North Congress, Austin, Texas with all attendant privileges and obligations.

This certificate is issued under Application No. 8767-S 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 Date: MAY 21 1991

ATTEST:

Gloria A. Vasquez

BDW
For the Commission

THE STATE OF TEXAS
COUNTY OF TRAVIS
TEXAS WATER COMMISSION



I hereby 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

MAY 23 1991

Gloria A. Vasquez
Gloria A. Vasquez, Chief Clerk
Texas Water Commission

APPLICATION NO. 8767-S

IN THE MATTER OF THE APPLICATION	§	BEFORE THE
OF ALBURY MANOR UTILITY COMPANY	§	
TO TRANSFER CERTIFICATE OF	§	TEXAS WATER COMMISSION
CONVENIENCE AND NECESSITY NUMBER	§	
11507 FROM WILLOW CREEK	§	
DEVELOPMENT COMPANY, LIMITED, IN	§	
HARRIS COUNTY, TEXAS	§	

ORDER

On May 15, 1991, the Texas Water Commission pursuant to Chapter 13 of the Texas Water Code considered the application of Albury Manor Utility Company for the purchase of facilities and transfer of Certificate of Convenience and Necessity Number 11507 from Willow Creek Development Company, Limited, in Harris County. After considering the evidence, the Commission finds that:

No person has requested a public hearing on the application;

Willow Creek Development Company, Limited, stopped providing water service on December 26, 1985, under Certificate of Convenience and Necessity No. 11507;

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

The certificate transfer requested in this application is necessary for the service, accommodation, convenience or safety of the public and environmental integrity in the area.

NOW, THEREFORE, BE IT ORDERED BY THE TEXAS WATER COMMISSION that the application is granted and Certificate of Convenience and Necessity No. 11507 be transferred to Albury Manor Utility Company in accordance with the terms and conditions set forth herein and in the certificate.

BE IT FURTHER ORDERED that Albury Manor Utility Company shall serve every customer or applicant for service within the area certified under Certificate of Convenience and Necessity No. 11507 and that such service shall be continuous and adequate.

Issued Date: MAY 21 1991

TEXAS WATER COMMISSION

ATTEST:

Gloria A. Vasquez
Gloria A. Vasquez, Chief Clerk

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

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



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

AUG 18 2004

LeDonna Gastanuela
LeDonna Gastanuela, Chief Clerk
Texas Commission on Environmental Quality

AN ORDER GRANTING THE PETITION FOR CREATION OF
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 401 AND
APPOINTING TEMPORARY DIRECTORS

A petition by 2920 Venture, Ltd. and Willow Creek Development Company, Limited (hereafter "Petitioners") was presented to the Executive Director of the Texas Commission on Environmental Quality (hereafter "Commission") for approval of the creation of Harris County Municipal Utility District No. 401 (hereafter "District") pursuant to Article XVI, Section 59 of the TEXAS CONSTITUTION and TEX. WATER CODE ANN., Chapters 49 and 54.

The Commission has jurisdiction to consider this matter, and the following Findings of Fact and Conclusions of Law are appropriate after examining the application and supporting documentation:

FINDINGS OF FACT

1. On April 9, 2004, a petition for the creation of Harris County Municipal Utility District No. 401 was filed with the Commission pursuant to TEX. WATER CODE ANN., Chapter 54.
 - a. The petition for creation of the proposed District was signed by a duly authorized officer of the Applicant, which represents they hold a majority in value of title to the land to be included within the proposed District's boundaries in accordance with TEX. WATER CODE ANN. § 54.014 (Vernon 2002).
 - b. The application contains the matters required by TEX. WATER CODE ANN. § 54.015 (Vernon 2002) and Title 30 TAC § 293.11.
 - c. The Petitioners represent that there are no lien holders on the land in the proposed District.
2. Proper notice of this application was given pursuant to TEX. WATER CODE ANN. § 49.011 (Vernon 2000) and Title 30 TAC § 293.12.
 - a. Proper notice of the application was published on May 7, 2004 and May 14, 2004 in the Houston Business Journal, a newspaper regularly published and generally circulated in Harris County, Texas, which is the county in which the proposed District is to be located.
 - b. On May 10, 2004, proper notice of the application was posted on the bulletin board used for posting legal notices in Harris County, Texas, which is the county in which the proposed District is to be located.

3. The appropriate and necessary deposits and fees associated with the filing of the application for creation of the proposed District have been paid to the Commission.

4. The affidavits of proposed temporary directors of the proposed District have been received. The proposed temporary directors are:

Keith P. Grothaus
Barry Smotherman

William E. Dalton, Jr.
Avik Bonnerjee

Phillip S. Froehlich

5. Each of the persons named in Finding of Fact No. 4 is qualified to serve as a temporary director of the proposed District as each: (1) is at least 18 years old; (2) is a resident of the State of Texas; (3) either owns land subject to taxation within the proposed District, or is a qualified voter within the District; and (4) has completed and filed with the Commission an application for consideration of appointment as temporary director in the form and substance required by the Rules of the Commission.

6. The land within the proposed District is not located within any city, or other district. The District is located within the City of Houston's extra territorial jurisdiction(ETJ).

7. The metes and bounds description of the proposed District has been checked by the Commission's staff and was found to form an acceptable closure.

8. By City of Houston, Texas, Ordinance No. 2004-157, effective March 16, 2004, the City of Houston, Texas, has consented to the creation of the proposed District, as required by TEX. WATER CODE ANN. § 54.016 (Vernon 2002) and TEX. LOC. GOV'T CODE ANN. § 42.042 (Vernon 1999).

9. The proposed project as set out in the application is feasible and practicable.

a. There is an ample supply of water available, and the terrain of the area to be included in the proposed District is such that waterworks, wastewater, and drainage and storm sewer systems can be constructed or acquired at reasonable cost.

b. Projected construction cost for the project is reasonable at approximately \$29,995,000.

c. The proposed District's combined projected tax rate of \$1.34 per \$100 assessed valuation is reasonable and comparable to tax rates in the surrounding area.

d. Projected water and wastewater rates are reasonable.

e. A market study was provided which indicates that there is growth potential to support the proposed District.

10. The creation of the proposed District as set out in the application is necessary and would be a benefit to the land to be included in the proposed District.

11. The proposed District and its system and subsequent development within the proposed District will not have an unreasonable effect on land elevation, subsidence, groundwater level within the region, recharge capability of a groundwater source, natural run-off rates and drainage, water quality, and total tax assessments on all land located within the proposed District.

CONCLUSIONS OF LAW

1. The Commission has jurisdiction to consider this application and is authorized to make and enter its Findings of Fact, Conclusions of Law, and Orders with respect to the creation of the proposed District.
2. All of the land and property proposed may properly be included within the proposed District.
3. All statutory and regulatory requirements for creation of Harris County Municipal Utility District No. 401 have been fulfilled in accordance with TEX. WATER CODE ANN. § 54.021 (Vernon 2002) and Title 30 TAC §§ 293.11-293.13.

NOW THEREFORE, BE IT ORDERED BY THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY THAT:

1. The petition for the creation of Harris County Municipal Utility District No. 401 is hereby granted with the boundary in accordance with a revised description received on June 15, 2004.
2. The District is created under the terms and conditions of Article XVI, Section 59 of the Texas Constitution and TEX. WATER CODE ANN., Chapter 54.
3. The District shall have all of the rights, powers, privileges, authority, and functions conferred and shall be subject to all duties imposed by the Texas Commission on Environmental Quality and the general laws of the State of Texas relating to municipal utility districts.
4. The District shall be composed of the area situated wholly within Harris County, Texas, described by metes and bounds in Exhibit "A", attached hereto and incorporated herein for all purposes.
5. The following persons are hereby named and appointed as temporary directors of the District, to serve until their successors are elected or have been appointed in accordance with applicable law:

Keith P. Grothaus
Barry Smotherman

William E. Dalton, Jr.
Avik Bonnerjee

Phillip S. Froehlich

6. The foregoing temporary directors shall, as soon as practicable after the date of entry of this Order, execute their official bonds and take their official oath of office. All such bonds shall be approved by the Board of Directors of the District and each bond and oath shall be filed with the District and retained in its records.

7. This Order shall in no event be construed as an approval of any proposed agreement or of any particular item in any document provided in support of the petition for creation, nor as a commitment or requirement of the Commission in the future to approve or disapprove any particular item or agreement in future applications submitted by the District for Commission consideration.
8. This Order shall not constitute approval or recognition of the validity of any provision in City of Houston, Texas, Ordinance No. 2004-157, effective March 16, 2004, nor any other ordinance/resolution incorporated therein by reference to the extent that such provision exceeds the authority granted to the City of Houston by the laws of the State of Texas.
9. The Chief Clerk of the Commission shall forward a copy of this Order to all affected persons.
10. If any provision, sentence, clause or phrase of this Order is for any reason held to be invalid, the invalidity of any portion shall not affect the validity of the remaining portions of the Order.

Issue Date: **AUG 10 2004**

TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY



For the Commission

EXHIBIT "A"

5252-005

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 401

5 Tracts
440.9016 Acres

Elizabeth Smith Survey
Abstract No. 70

STATE OF TEXAS §

COUNTY OF HARRIS §

A metes and bounds description of 440.9016 acres of land composed of five (5) tracts described as follows with all bearing based on a record call of North 45°09'12" West along the southwesterly line of a called 285.84 acre tract recorded under Clerk's File No. W387907 of the Harris County Official Public Records of Real Property;

TRACT 1 285.84 Acres

A **METES AND BOUNDS** description of a certain 285.84 acre tract of land located in the Elizabeth Smith Survey, Abstract No. 70, Harris County, Texas, being all of a called 285.84 acre tract conveyed to 2920 Venture, LTD. by Special Warranty Deed recorded under Clerk's File No. W387907 of the Harris County Official Public Records of Real Property; said 285.84 acres being more particularly described as follows with all bearings based on a record call of North 45°09'12" West along the southwesterly line of said 285.84 acre tract;

BEGINNING at a point in the northwesterly line of Boudreaux Road (60-foot wide) being the east corner of Willow Glen, an unrecorded subdivision, and the south corner of said 285.84 acre tract;

THENCE, North 45°09'12" West, along the northeasterly line of said Willow Glen, 2842.61 feet to a point, being the north corner of said Willow Glen;

THENCE, South 44°55'14" West, along the northwesterly line of said Willow Glen, 842.01 feet to a point, being the east corner of a called 45.4271 acre tract recorded at Clerk's File No. K201368 of the Harris County Official Public Records of Real Property;

THENCE, North 44°27'26" West, along the northeasterly line of said 45.4271 acre tract, 336.08 feet to a point in the centerline of Willow Creek;

THENCE, in a northerly direction along the centerline meanders of said Willow Creek, the following fifty-nine (59) courses and distances:

1. North 07°18'46" East, 24.68 feet to a point;
2. North 29°36'26" East, 65.19 feet to a point;
3. North 35°57'44" East, 154.57 feet to a point;
4. North 12°16'28" East, 53.93 feet to a point;
5. North 01°03'33" West, 95.29 feet to a point;

5 Tracts
440.9016 Acres

Elizabeth Smith Survey
Abstract No. 70

6. North 05°32'33" West, 59.08 feet to a point;
7. North 26°19'19" East, 118.20 feet to a point;
8. North 76°44'51" East, 36.47 feet to a point;
9. North 61°56'29" East, 46.39 feet to a point;
10. North 57°41'50" East, 186.08 feet to a point;
11. North 12°39'44" East, 128.90 feet to a point;
12. North 42°03'01" West, 34.33 feet to a point;
13. North 01°46'26" East, 61.79 feet to a point;
14. North 30°56'03" East, 63.13 feet to a point;
15. North 78°06'03" East, 51.60 feet to a point;
16. South 52°31'30" East, 154.51 feet to a point;
17. North 81°34'25" East, 158.52 feet to a point;
18. North 69°26'10" East, 49.31 feet to a point;
19. South 77°50'20" East, 95.93 feet to a point;
20. North 86°52'07" East, 85.04 feet to a point;
21. South 79°18'38" East, 103.24 feet to a point;
22. North 46°27'59" East, 119.44 feet to a point;
23. North 14°57'08" East, 181.20 feet to a point;
24. North 43°41'34" East, 117.17 feet to a point;
25. North 15°18'34" West, 257.33 feet to a point;
26. South 81°15'03" West, 122.48 feet to a point;
27. North 72°44'58" West, 103.72 feet to a point;
28. North 38°36'41" West, 85.73 feet to a point;
29. North 07°27'09" West, 123.97 feet to a point;
30. North 26°30'50" West, 139.78 feet to a point;
31. North 13°42'42" East, 247.99 feet to a point;

5 Tracts
440.9016 Acres

Elizabeth Smith Survey
Abstract No. 70

32. North 37°31'27" East, 114.71 feet to a point;
33. North 16°05'32" East, 93.19 feet to a point;
34. North 01°56'04" West, 64.18 feet to a point;
35. North 16°05'17" East, 65.31 feet to a point;
36. North 30°23'56" East, 55.88 feet to a point;
37. North 54°31'29" East, 137.38 feet to a point;
38. North 80°21'22" East, 95.58 feet to a point;
39. South 77°24'42" East, 44.66 feet to a point;
40. South 59°29'02" East, 18.53 feet to a point;
41. South 28°32'57" East, 54.90 feet to a point;
42. South 52°52'18" East, 46.76 feet to a point;
43. North 78°36'44" East, 38.70 feet to a point;
44. North 35°18'18" East, 31.00 feet to a point;
45. North 25°06'18" East, 48.67 feet to a point;
46. North 37°25'20" East, 22.02 feet to a point;
47. North 62°44'07" East, 109.74 feet to a point;
48. North 74°21'30" East, 63.44 feet to a point;
49. North 49°37'00" East, 87.66 feet to a point;
50. North 42°02'20" East, 109.53 feet to a point;
51. North 36°50'00" East, 186.87 feet to a point;
52. North 28°14'10" East, 155.92 feet to a point;
53. North 82°09'23" East, 233.88 feet to a point;
54. North 43°09'16" East, 70.83 feet to a point;
55. North 23°27'26" East, 156.84 feet to a point;
56. North 54°24'08" East, 264.90 feet to a point;
57. North 26°18'58" East, 103.66 feet to a point;

5 Tracts
440.9016 Acres

Elizabeth Smith Survey
Abstract No. 70

58. North 06°18'42" East, 98.89 feet to a point;

59. North 10°38'32" West, 5.27 feet to a point in the southwesterly line of F.M. 2920 (Stuebner-Airline Road right-of-way varies);

THENCE, in a southeasterly direction along the southwesterly line of said F.M. 2920 the following four (4) courses and distances:

1. South 45°08'05" East, 363.30 feet to a point;
2. South 45°05'00" East, 485.76 feet to a point;
3. South 44°53'10" East, 1156.78 feet to a point;
4. South 44°55'01" East, 897.18 feet to a point;

THENCE, South 44°52'55" West, 750.00 feet to a point;

THENCE, South 44°57'30" East, 900 feet to a point in the northwesterly line of aforementioned Boudreaux Road;

THENCE, South 44°52'55" West, along the northwesterly line of said Boudreaux Road, 2742.33 feet to the **POINT OF BEGINNING, CONTAINING 285.84 acres** of land in Harris County, Texas.

TRACT 2 45.4271 Acres

Being all of a called 45.4271 acre tract of land in the E. Smith Survey, Abstract No. 70, Harris County, Texas, recorded under Clerk's File No. K201368 of the Harris County Official Public Records of Real Property and being same land called 45 acres by deed recorded in Volume 363, Page 316 of the Harris County Deed Records, said 45.4271 acres being described more particularly as follows:

BEGINNING at a point marking the most westerly corner of above mentioned 45 acres, same being the most northerly corner of the Hendricks 46.1 acre tract in the southeast line of Moseley 46.2 acre tract;

THENCE, North 45°28'24" East, along the northwest line of the 45 acres and the southeast line of the 46.2 acres and the southeast line of the West 18 acre tract recorded in Volume 1352, Page 254 of the Harris County Deed Records for a distance of 1144.14 feet to a point marking the most northerly corner of said 45 acres, same being the most southerly east corner of the 18 acres and the most westerly corner of a 5 acre tract described by deed recorded in Volume 1848, Page 618 of the Harris County Deed Records;

THENCE, South 44°27'26" East, along the northeast line of the 45 acres and the southwest line of the 5 acre tract for a distance of 1767.15 feet to a point for the most easterly corner of this tract, same being the most southerly corner of the 5 acre tract in the northwesterly line of a 30.885 acre tract recorded under file number 104-81-2452 of the Harris County Deed Records;

5 Tracts
440.9016 Acres

Elizabeth Smith Survey
Abstract No. 70

THENCE, South 44°52'08" West, along the northwesterly line of the 30.885 acre tract for a distance of 181.56 feet to a point found marking its most westerly corner, same being the most northerly corner of a 65.382 acre tract recorded in Volume 1846, Page 618 of the Harris County Deed Records.

THENCE, South 50°04'11" West, along the northwest line of the 65.382 acre tract for a distance of 956.32 feet to the most southerly corner of the 45 acres, same being the most easterly corner of the Hendricks 46.1 acre tract;

THENCE, North 44°46'14" West, along the southwesterly line of the 45 acres and the northeasterly line of the 46.1 acre tract for a distance of 1692.44 feet to the **POINT OF BEGINNING**, and containing 45.4271 acres of land.

TRACT 3 46.100 Acres

All of a called 46.100 acre tract of land out of the Elizabeth Smith Survey, Abstract No. 70, Harris County, Texas, recorded under Clerk's File No. F704362 of the Harris County Official Public Records of Real Property and being part of a 187 acre tract described in Volume 105, Page 35, Harris County Deed Records, and described by metes and bounds as follows:

BEGINNING at a point for the northwesterly corner, said point being at the northwesterly corner of the 187 acre tract above described;

THENCE, North 45°13'58" East, 1330.18 feet to a point for the northeasterly corner;

THENCE, South 44°46'14" East, at 1677 feet pass the centerline of Willow Creek, a total distance of 1692.44 feet to a point for the southeasterly corner;

THENCE, South 60°42'26" West, along and across Willow Creek, 1378.03 feet to a point for the southwesterly corner;

THENCE, North 47°42'20" West, 139.20 feet to a point;

THENCE, North 45°10'42" West, 433.71 feet to a point;

THENCE, North 44°53'00" East, 10.00 feet to a point;

THENCE, North 44°54'59" West, 752.00 feet to the **PLACE OF BEGINNING** and containing 46.100 acres of land.

TRACT 4 46.6635 Acres

Being all of a called 102.873 acre tract of land out of the Elizabeth Smith Survey, Abstract No. 70, Harris County, Texas, as described in Clerk's File No. F704361 of the Harris County Official Public Records of Real Property, **SAVE AND EXCEPT** a called 56.2095 acre tract (Exhibit "B") recorded under Clerk's File No. R848251 of the Harris

5 Tracts
440.9016 Acres

Elizabeth Smith Survey
Abstract No. 70

County Official Public Records of Real Property and being described by metes and bounds as follows:

COMMENCING at the south corner of Elizabeth Smith Survey, Abstract No. 70, Harris County, Texas;

THENCE, North 45°04'08" West, 2745.00 feet to a point;

THENCE, North 25°15'33" East, 1218.07 feet to the **PLACE OF BEGINNING**;

THENCE, North 44°37'44" West, 872.99 feet to a point;

THENCE, South 78°28'12" East, 60.00 feet to a point;

THENCE, South 11°31'48" West, 37.57 feet to a point;

THENCE, South 44°37'44" East, 130.00 feet to a point;

THENCE, South 86°05'23" East, 353.88 feet to a point;

THENCE, North 17°36'01" East, 370.05 feet to a point;

THENCE, North 38°00'36" East, 123.23 feet to a point;

THENCE, North 08°38'25" West, 743.27 feet to a point on the arc of a non-tangent curve to the left;

THENCE, in a northeasterly direction along the arc of said curve to the left having a radius of 630.00 feet, a central angle of 04°34'54", an arc length of 50.38 feet and a chord bearing North 80°39'48" East, 50.36 feet to a point;

THENCE, North 11°37'39" West, 372.81 feet to a point;

THENCE, South 58°51'14" West, 82.00 feet to a point;

THENCE, North 81°30'58" West, 169.41 feet to a point;

THENCE, North 45°14'10" East, 964.21 feet to a point;

THENCE, South 44°54'59" East, 752.00 feet to a point;

THENCE, South 44°53'00" West, 10.00 feet to a point;

THENCE, South 45°10'42" East, at 290 feet pass centerline of Willow Creek, 433.71 feet to a point;

THENCE, South 24°42'57" West, 486.95 feet to a point;

5 Tracts
440.9016 Acres

Elizabeth Smith Survey
Abstract No. 70

THENCE, South 45°54'05" East, 233.09 feet to a point;

THENCE, South 46°02'33" West, 495.75 feet to a point;

THENCE, North 45°24'06" West, 98.57 feet to a point;

THENCE, South 44°41'17" West, 814.80 feet to a point;

THENCE, South 25°15'35" West, at 40 feet pass centerline of Willow Creek, 410.57 feet to the **PLACE OF BEGINNING** and containing 46.6635 acres of land;

TRACT 5 16.8710 Acres

BEING 16.8710 acres of land in the Elizabeth Smith Survey, Abstract No. 70, Harris County, Texas, recorded under Clerk's File No. J757329 of the Harris County Official Public Records of Real Property and being same land called 16.8870 acres by survey plat prepared by W.B. Burklin, Registered Engineer showing the division of Spell 61.8870 acres, said 16.8710 acres being described as follows:

BEGINNING at the most westerly corner of the herein described tract of land in the southerly right-of-way line of Spell Road (60 feet wide), same being the most northerly corner of a 17.000 acre tract out of the division of above mentioned 61.8870 acres;

THENCE, North 75°33'37" East, along the northerly line of the 61.8870 acres and the southerly line of Spell Road for a distance of 329.18 feet to a point at the beginning of a curve to the left;

THENCE, northeasterly along said curve to the left, having a radius of 672.76 feet, a central angle of 25°51'04", an arc length of 303.54 and a chord bearing North 62°38'05" East, 300.97 feet to a point for the most northerly corner of this tract, same being the most easterly corner of a 15.000 acre tract out of the division of the 61.8870 acres;

THENCE, South 29°09'16" East, along the northeasterly line of this tract and the southwesterly line of said 15.0000 acres for a distance of 1613.81 feet to a point for the most easterly corner of this tract, same being the most southerly corner of the 15.000 acres in the southeasterly line of 61.8870 acre tract;

THENCE, South 45°14'10" West, along the southeasterly line of the 61.8870 acres for a distance of 275.92 feet to a point for the most southerly corner of this tract, same being the most easterly corner of the above mentioned 17.0000 acre tract;

THENCE, North 40°22'46" West, along the southwesterly line of this tract and the northeasterly line of the 17.0000 acres for a distance of 1815.80 feet to the **POINT OF BEGINNING**, and containing 16.8710 acres of land.

5 Tracts
440.9016 Acres

Elizabeth Smith Survey
Abstract No. 70

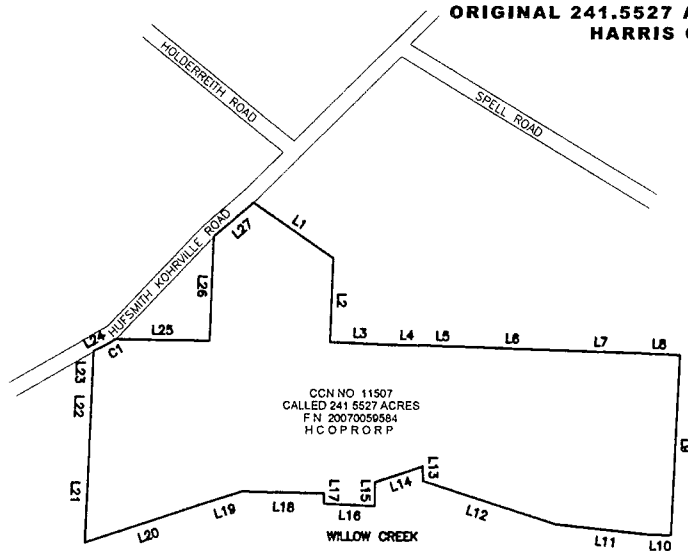
"This document was prepared under 22 TAC 663.21, does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the political subdivision for which it was prepared".

Revised: June 15, 2004

SURVPROJECTS\5200-5299\5242\004\NEWHCMUD401.DOC



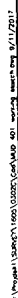
**EXHIBIT NO. 3
ALBURY MANOR UTILITY COMPANY, INC.
ORIGINAL 241.5527 ACRE SERVICE AREA
HARRIS COUNTY**



CURVE TABLE					
CURVE	ARC	RADIUS	DELTA	BEARING	CHORD
C1	1117.98'	1,482.39'	43° 37' 21"	N 11° 18' 25"	E 1117.95'

LINE TABLE		
LINE	BEARING	DISTANCE
L1	N 75° 27' 00"	E 857.89'
L2	S 47° 28' 08"	E 817.77'
L3	N 45° 28' 54"	E 376.84'
L4	N 42° 17' 28"	E 351.10'
L5	N 42° 31' 24"	E 351.82'
L6	N 45° 03' 51"	E 1,018.20'
L7	N 43° 01' 58"	E 733.10'
L8	N 43° 28' 18"	E 410.80'
L9	S 46° 46' 58"	E 1,768.76'
L10	S 42° 29' 00"	W 181.83'
L11	S 47° 17' 19"	W 859.52'
L12	S 58° 45' 57"	W 1,378.78'
L13	N 59° 23' 04"	W 139.59'
L14	S 22° 27' 42"	W 488.72'
L15	S 48° 21' 18"	E 239.21'
L16	S 45° 35' 22"	W 485.72'
L17	N 47° 44' 24"	W 88.54'
L18	S 42° 21' 53"	W 814.44'
L19	S 22° 58' 28"	W 412.48'
L20	S 22° 58' 17"	W 1,215.73'
L21	N 46° 58' 13"	W 1,057.30'
L22	N 46° 53' 38"	W 513.14'
L23	N 46° 53' 37"	W 301.48'
L24	N 13° 35' 05"	E 121.85'
L25	N 41° 36' 20"	E 938.24'
L26	N 47° 23' 48"	W 1,020.72'
L27	N 00° 30' 53"	E 511.10'

ALL BEARINGS AND DISTANCES SHOWN HEREON ARE CALLED
BEARINGS AND DISTANCES AND BASED ON DOCUMENT OF
RECORD UNDER FILE NUMBER 20070059584 SHOWN HEREON.





Bryan W. Shaw, Ph.D., P.E., *Chairman*
Toby Baker, *Commissioner*
Jon Niermann, *Commissioner*
Richard A. Hyde, P.E., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

May 10, 2017

Randal Hendricks, President
Albury Manor Utility Company Inc.
406 Randal Way, Ste. 106
Spring, Texas 77388-8908

Re: Complaint Investigation at:
Albury Manor Utility Company, 11219 Albury Park Lane, Tomball, Harris County, Texas
Regulated Entity No.: 101437408
TCEQ ID No.: 1012052 Investigation No.: 1395075

Dear Mr. Hendricks:

On February 17, 2017, Ms. Josephine Garcia and Destiny Winning of the Texas Commission on Environmental Quality (TCEQ) Houston Region Office conducted an investigation of the above-referenced facility to evaluate compliance with the applicable requirements for public water supply systems. No violations are being alleged as a result of the investigation. In addition, please be advised that a violation could be issued upon further review of your system's records or self-reported documentation.

The TCEQ appreciates your assistance in this matter and your compliance efforts to ensure protection of the State's environment. If you or members of your staff have any questions regarding these matters, please feel free to contact Ms. Josephine Garcia in the Houston Region Office at (713) 767-3776.

Sincerely,

A handwritten signature in cursive script, appearing to read "Latrichia Spikes", followed by the word "for" in a smaller, simpler script.

Latrichia Spikes, Team Leader
Public Water Supply
Houston Region Office
Texas Commission on Environmental Quality

LS/JG

cc: Harris County Public Health and Environmental Services

WHOLESALE WATER SUPPLY AGREEMENT

THIS WHOLESALE WATER SUPPLY AGREEMENT (this "Agreement") is dated effective as of the 20th day of February, 2008, by and between HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 401 (the "District"), a political subdivision of the State of Texas, organized and operating pursuant to the provisions of Article XVI, Section 59 of the Constitution of the State of Texas and Chapters 49 and 54 of the Texas Water Code, as amended, and ALBURY MANOR UTILITY COMPANY, INC., an investor-owned private water supply company organized and operating pursuant to the laws of the State of Texas (the "Buyer").

RECITALS

A. The District has constructed a potable water production, treatment and distribution system (collectively, the "District Facilities") to provide potable water services to land within its boundaries;

B. The District Facilities have excess capacity not currently needed or planned to serve the land within the District's boundaries;

C. Pursuant to Texas Water Code Section 49.2261, the District may sell or otherwise exchange water or water rights under an agreement between the District and an entity that contains terms that are advantageous to the District;

D. The Buyer is an investor-owned private water supply company that provides retail potable water services to customers within the Albury Manor residential subdivision in Harris County, Texas;

E. The Buyer desires to purchase wholesale potable water from the District to serve the Buyer's retail potable water customers;

F. The Board of Directors of the District has determined that it is in the District's best interest to sell wholesale potable water to the Buyer at a price calculated, in part, to reflect the Buyer's pro rata share of the cost of acquiring, constructing, operating and maintaining the District Facilities; and

G. The District and the Buyer desire to enter into this Agreement to provide the terms and conditions pursuant to which

the District will sell and the Buyer will purchase wholesale potable water in accordance with the terms and conditions of this Agreement.

AGREEMENT

NOW THEREFORE, for and in consideration of the mutual promises, covenants, obligations and benefits herein contained, the receipt and sufficiency of which are hereby acknowledged, the District and the Buyer hereby agree as follows:

ARTICLE I DELIVERY OF WATER

Section 1.01. Water Quantity.

(a) Subject only to the remaining provisions hereof, the District agrees to make available for delivery and to sell to Buyer, and the Buyer agrees to purchase and receive, during the term of this Agreement, at the Point of Delivery (defined below), up to 61,750 gallons of treated water per day (the "Maximum Demand Quantity") for municipal uses by the Buyer.

(b) Subject to the provisions of Section 1.05 hereof, the District shall continuously hold itself ready, willing and able to provide delivery capability sufficient to supply the Buyer with a daily amount of water equal to the Maximum Demand Quantity. The District shall be under no obligation to deliver to the Buyer on any day more than the Maximum Demand Quantity.

(c) All water delivered to the Buyer pursuant to this Agreement shall be included in the North Harris County Regional Water Authority's Groundwater Reduction Plan (of which the District is a member) pursuant to the rules of the Harris-Galveston Coastal Subsidence District.

Section 1.02. Water Quality; Release and Discharge. The water made available to the Buyer hereunder shall consist of water as it occurs at the Point of Delivery (defined below). Such quality of such water shall comply with all applicable United States and State of Texas laws and regulations regarding water quality including the Federal Safe Drinking Water Act. Except as provided in this Section 1.02, the District makes no warranty, either express or implied, regarding the quality of water delivered, including any implied warranties of merchantability or fitness for a particular purpose. The Buyer hereby releases and discharges the District from any and all fines, demands, judgments, liabilities or claims arising by

reason of or in connection with the delivery, consumption or other use of water which meets the requirements of this Section 1.02.

Section 1.03. Point of Delivery. The water sold hereunder shall be delivered by the District to the Buyer through the District's water transmission system to the Point of Delivery described and depicted in Exhibit "A" attached hereto and incorporated herein by this reference (the "Point of Delivery"). Title to, possession and control of, and responsibility for the water to be delivered shall remain in the District until the Point of Delivery, whereupon, title to, possession and control of, and responsibility for such water shall pass to and be assumed by the Buyer.

Section 1.04. Construction of Facilities; Measuring Equipment

(a) The Buyer agrees to construct, or cause to be constructed, all facilities necessary to receive water from the District at the Point of Delivery, including, without limitation, an interconnection water line, water meter, meter vault, casings, airgap or other backflow prevention controls, valves and flow control devices as required by the District (collectively, the "Buyer Facilities"). The Buyer Facilities will be constructed in accordance with plans and specifications prepared by the Buyer, which plans and specifications shall be provided to, and approved by, the District's consulting civil engineer prior to any connection being made to the District Facilities. The construction of the Buyer Facilities shall be at the Buyer's sole cost and expense. The Buyer hereby agrees to maintain the Buyer Facilities in accordance with procedures and standards acceptable to the District. The Buyer specifically acknowledges and agrees that the water line constructed under Mystic Stone Drive, connecting the Point of Delivery to the water meter is part of the Buyer's Facilities for which the Buyer is, subject to the terms and conditions of this Agreement, responsible for repairs, maintenance and, if applicable, replacement. Any repairs to be performed to the Buyer Facilities shall be performed under the supervision of the District's utility system operator and in accordance with good public health and engineering practices. If, after written notice to the Buyer, and a reasonable opportunity to cure, any repairs to the Buyer Facilities which the District determines, in its sole discretion, are required to comply with the District's regulatory requirements or other applicable laws are not promptly and properly performed, the District shall have the right to terminate this Agreement or, at its option, make repairs and charge the Buyer the actual cost of such

repairs. Notwithstanding the foregoing, the District reserves the right to valve off and discontinue service at the Point of Delivery in the event that such non-repair endangers or contaminates the District's public water supply, until the appropriate repairs to the Buyer Facilities have been made.

(b) The Buyer will at its sole cost and expense install and maintain the necessary measuring equipment, including a water meter, totalizer and recording device, with such metering equipment to be installed at the location depicted on Exhibit A and maintained in such manner as will accurately measure the quantity of water delivered to the Buyer hereunder. The District shall have access to and the right to inspect at all reasonable times the Buyer's measuring equipment and all pertinent records and data for the purpose of determining the quantity of water delivered hereunder. Any required calibration of the metering equipment shall be done by the employees or agents of the Buyer; provided, however, that the District shall be given not less than three (3) business days notice of such calibration and shall be permitted to have one or more representatives present to observe such calibration. If any such calibration shows an error of more than two percent (2%), then the volume of water delivered in the forty-five (45) day period immediately preceding said calibration shall be corrected accordingly for payment purposes. The metering equipment installed and maintained by the Buyer hereunder shall be checked by representatives of the Buyer and the District jointly at one hundred and eighty (180) day periods (or more often at the reasonable request of either party) for the purpose of determining the equipment's accuracy. The District may, at its option and expense, install and operate one or more check meters, but unless otherwise agreed in writing by the parties, or unless the Buyer's measuring equipment is out of service or not registering accurately, measurement for purposes of this Agreement shall be made by the Buyer's measuring equipment. All such check meters shall be of standard make and shall be subject at all reasonable times to inspection and examination by any employee or agent of the Buyer, but the reading, calibration and adjustment of such check meters shall be made by the District.

(c) The Buyer, at the Buyer's sole cost and expense, shall be responsible for acquiring any utility easements necessary for the operation and maintenance of the Buyer Facilities.

Section 1.05. Delivery Limitations. If the District should be prevented, wholly or in part, from furnishing water to Buyer in accordance with the provisions of this Agreement by

reason of unavoidable accidents, breaks or failures in the District Facilities, power failure, droughts, shortages of water or for any other cause beyond the District's control, including any force majeure event as described in Section 6.06 hereof, then the obligations of the District to provide water to the Buyer shall be curtailed to the extent and for the duration of such conditions; provided, however, that the District shall use its best efforts to remedy such circumstances to the extent of its ability to do so. In such events, the Buyer's sole recourse and remedy shall be the reduction of payments to the District, and the District shall not otherwise be liable or responsible to the Buyer or to any other person in damages or otherwise as a consequence.

Section 1.06. Pressure Limitations. The Buyer is not guaranteed any specific pressure of water and the District is in no case to be held to any liability for failure to furnish any specific pressure of water.

Section 1.07. Operation of Buyer's Water System. The Buyer agrees to correct any practices or operating conditions of the Buyer's water system that may damage the District Facilities including, without limitation, pressure variations that have the potential to damage the District's water system or cause the District's water system to operate in violation of applicable regulatory rules and regulations. The Buyer shall promptly reimburse the District for the cost for repairs or replacement necessary to repair such damage.

ARTICLE II WATER RATES AND PAYMENT

Section 2.01. Rate and Payment. The initial applicable rate under this Agreement, until revised pursuant to Section 2.04 below, shall be \$2.35 per 1,000 gallons of water delivered by the District to the Buyer. The Buyer shall for each calendar month or portion thereof during the term of this Agreement pay the District for the water actually delivered to the Buyer, irrespective of whether the amount delivered during any given day is greater or less than the Maximum Demand Quantity, at the applicable rate per 1,000 gallons.

Section 2.02. Billing. All water delivered to the Buyer shall be metered, and the District shall read the meter and bill the Buyer on a monthly basis. Billing shall not begin until commencement of delivery of water through the Point of Delivery which is expected on or about January 1, 2008. The meter shall be read at the end of each calendar month by the District's utility system operator and an invoice shall be

delivered by the District's utility system operator to the Buyer on or before the tenth (10th) day of the following calendar month. Payment for such water delivered shall be due and payable within ten (10) days of the Buyer's receipt of the invoice delivered for the applicable calendar month at the offices of the District's bookkeeper, District Data Services, 1345 Campbell Road, Suite 205, Houston, Texas 77055. If the District changes the location at which payment is to be made, the District shall notify the Buyer in writing pursuant to Section 6.02 hereof.

Section 2.03. Failure to Pay When Due. Should the Buyer fail to tender payment of any amount when due, interest thereon shall accrue at the rate of ten percent (10%) per annum until paid. Should such failure to pay continue for sixty (60) days, the District may suspend deliveries of water to the Buyer hereunder, and the exercise of such right shall be in addition to all other remedies available hereunder, at law or equity, including termination of this Agreement.

Section 2.04. Rate Revision. Although it is the desire of the parties that the rate for water under this Agreement shall be as stable as possible, it is recognized and agreed that the Board of Directors of the District has the obligation and duty to, and shall have the right and power from time to time to, revise the applicable rate provided in this Agreement as it considers necessary to provide the revenues required in the performance of the District's statutory functions. Therefore, at the Board's discretion, the District may review its costs of producing water and may increase the applicable rate in accordance with the rate calculation methodology described in Exhibit "B" attached hereto and incorporated herein; provided, however, that the applicable rate shall at all times: (i) be \$0.20 more per 1,000 gallons of water delivered than the rate calculated pursuant to the rate calculation methodology described in Exhibit "B", and (ii) be no less than \$2.35 per 1,000 gallons of water delivered.

ARTICLE III

TERM OF AGREEMENT; ALTERNATIVE SERVICE UPON TERMINATION

Section 3.01. Term. This Agreement shall be in force and effect from and after the date of execution hereof and shall expire on the fortieth (40th) anniversary of such date unless sooner terminated in accordance with any other provision hereof.

Section 3.02. NO DISTRICT LIABILITY FOR TERMINATION OR SUSPENSION; INDEMNIFICATION. THE BUYER AGREES THAT THE

DISTRICT SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY DAMAGES, CLAIMS OR LOSSES INCLUDING, BUT NOT LIMITED TO, CONSEQUENTIAL DAMAGES, DAMAGES RELATING TO BUSINESS INTERRUPTION, OR DAMAGES RELATING TO LOST BUSINESS OPPORTUNITIES, CLAIMED BY THE BUYER OR ANY OF ITS RETAIL WATER SERVICE CUSTOMERS TO HAVE BEEN CAUSED, WHETHER DIRECTLY OR INDIRECTLY, BY TERMINATION OF THIS AGREEMENT OR SUSPENSION OF THE DELIVERY OF WATER IN ACCORDANCE WITH THE TERMS AND CONDITIONS HEREUNDER, REGARDLESS OF THE REASON OR CAUSE OF SUCH TERMINATION OR SUSPENSION AND REGARDLESS OF WHETHER SAID TERMINATION OR SUSPENSION OCCURS PRIOR TO THE END OF THE TERM SET FORTH IN SECTION 3.01 ABOVE. ADDITIONALLY, THE BUYER AGREES TO UNCONDITIONALLY INDEMNIFY THE DISTRICT FOR ANY DAMAGES, CLAIMS OR LOSSES THE DISTRICT MAY INCUR BY REASON OF SUCH TERMINATION OR SUSPENSION.

Section 3.03. Disconnection; Alternative Service Upon Termination. Upon termination of this Agreement for any reason, the Buyer agrees that it will promptly disconnect the Buyer Facilities from the District Facilities, at Buyer's sole cost and expense. The District may disconnect the Buyer Facilities if the Buyer does not do so within ten (10) business days after written notice to the Buyer of the District's intent to disconnect and the District shall invoice the Buyer for all costs and expenses associated with such disconnection. The Buyer's disconnection of the Buyer Facilities shall be inspected and approved by the District's utility system operator. The Buyer further acknowledges and agrees that, notwithstanding the termination of this Agreement, the Buyer shall continue to be responsible for all rates, fees and charges due to the District hereunder to the time such disconnection has been completed, inspected (which such inspection must occur within ten (10) business days of the District's receipt of written notice from the Buyer) and approved by the District and that its obligation to pay such rates, fees and charges shall survive the termination of this Agreement. The Buyer acknowledges and agrees that, upon termination of this Agreement for any reason, it will be solely responsible for securing an alternative water supply.

ARTICLE IV LIMITATIONS ON USE OF WATER; SPECIAL COVENANTS

Section 4.01. Resale or Exchange. The water furnished by the District hereunder shall be used for municipal purposes only in connection with the operation of the water supply and distribution facilities owned or to be constructed or acquired by the buyer for serving on a retail basis the Albury Manor subdivision in Harris County, Texas. The Buyer shall not directly or indirectly re-sell or exchange any water purchased

under this Agreement to any party, person, entity, customer or user on a wholesale or bulk basis, without the prior written consent of the District, and any such resale or exchange without consent shall be void.

Section 4.02. Special Covenants. The Buyer represents and warrants to the District that the water purchased hereunder is to be used by the Buyer at all times for municipal purposes only and will be distributed by the Buyer to its retail customers at Buyer's sole risk and expense. This Agreement shall be deemed to be for the sole and exclusive benefit of the parties hereto and shall not inure, directly or indirectly, to the benefit of any other person or entity, including, without limitation, the Buyer's retail water service customers. In particular, the Buyer acknowledges and agrees that when receiving water pursuant to this Agreement and supplying such water to its retail water service customers and users, the Buyer shall act in the capacity of owner and operator of a "public water system", as that term is used in the Federal Safe Drinking Water Act, and as an "investor-owned private water supply company", as that term is used in the Texas Water Code. In this regard, the Buyer is solely responsible for complying and shall comply with all governmental rules, regulations and laws relating to the protection of the health and welfare of its customers and users, including, but not limited to, keeping all necessary records and performing all necessary testing, monitoring, treatment and pressurization, and the District shall have no responsibility with respect thereto.

ARTICLE V REPRESENTATIONS AND WARRANTIES

Section 5.01. The District. The District represents and warrants that as of the date hereof:

- (a) it is a municipal utility district duly organized, validly existing and operating under the laws of the State of Texas;
- (b) it has full power, authority and legal right to execute and deliver this Agreement and to perform and observe the terms and provisions hereof;
- (c) the form, execution, delivery and performance by the District of this Agreement have been duly authorized by all necessary action and does not violate or contravene any law or any order of any court or governmental agency or any agreement or other

instrument to which the District is a party or by which it or any of its properties may be bound; and

- (d) this Agreement is a legal, valid and binding obligation of the District enforceable against the District in accordance with its terms except that enforceability of the District's obligations hereunder may be limited by bankruptcy, insolvency or other similar laws affecting the enforcement of creditors' rights in general and is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

Section 5.02. Buyer. The Buyer represents and warrants that as of the date hereof:

- (a) the Buyer owns and operates a retail potable water distribution system serving the Albury Manor subdivision in Harris County, Texas;
- (b) the Buyer has the full power, authority and legal right to execute and deliver this Agreement and to perform and observe the terms and provisions hereof;
- (c) the form, execution, delivery and performance by the Buyer of this Agreement has been duly authorized by all necessary action and does not violate or contravene any law or any order of any court or governmental agency or any agreement or other instrument to which the Buyer is a party or by which it or any of its properties may be bound; and
- (d) this Agreement is a legal, valid and binding obligation of the Buyer, enforceable against the Buyer in accordance with its terms.

ARTICLE VI MISCELLANEOUS

Section 6.01. Assignment. This Agreement shall be binding upon the District and the Buyer and the Buyer's respective successors and permitted assigns, and shall be not be assignable, either in whole or in part, by the Buyer without prior written consent of the District, which consent shall not be unreasonably withheld, conditioned or delayed.

Section 6.02. Notices. Any notices or communications under this Agreement shall be sufficiently given and shall be deemed given when received, addressed as follows:

If to the District: President, Board of Directors
Harris County Municipal Utility
District No. 401
c/o Schwartz, Page & Harding, L.L.P.
1300 Post Oak Boulevard, Suite 1400
Houston, TX 77056

If to the Buyer: Albury Manor Utility Company, Inc.
400 Randal Way, Suite 106
Spring, TX 77388
Attn: Ken Streeter

The District or the Buyer may, by notice given hereunder, designate any further or different addresses to which subsequent notices or communications shall be sent.

Section 6.03. Waiver. No waiver by any party hereto of any breach, default or any of the terms, covenants or conditions of this Agreement shall be construed or held to be a waiver of any same, similar, succeeding or preceding breach, default or term of this Agreement, as the case may be. To be effective, all waivers shall be in writing and signed by the party to be charged.

Section 6.04. Default. In the event of a default by either party, and which default continues for a period of thirty (30) days after receipt of written notice by the other party, the aggrieved party shall have all available remedies as provided by law, including the right of specific performance and termination of this Agreement. In the event of default by either party hereto either party may employ attorneys to pursue its legal rights, and the prevailing party shall be entitled to payment by the other party of all reasonable attorneys' fees and court costs incurred in such pursuit by the prevailing party.

Section 6.05. Severable Provisions. 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 a 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 and shall remain in full force and effect to the fullest extent permitted by law.

Section 6.06. Force Majeure. If either party is rendered unable, wholly or in part, by force majeure to carry out any of its obligations under the Agreement, other than payment obligations, then the obligations of either 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, without limitation of the generality thereof, 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 of the State of Texas or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage or accidents to machinery, pipelines or canals, partial or entire failure of the District's water production or transmission facilities, and any other incapacities of either party, whether similar to those enumerated or otherwise, which are not within the control of either party, and which either party could not have avoided by the exercise of due diligence and care.

Section 6.07. Entire Agreement; Amendments. This Agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof, and, except as otherwise specified herein, all prior or contemporaneous agreements, representations, negotiations or understandings of the parties, whether oral or written, are superseded hereby and merged herein. No subsequent novation, renewal, addition, deletion or other amendment hereto shall have any force or effect unless embodied in a written amendment or other agreement properly executed by the parties.

Section 6.08. Captions. The captions appearing at the first of each numbered section or paragraph in this Agreement are included for reference only and shall never be considered or given any effect in construing this Agreement.

Section 6.09. Applicable Law; Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas and venue shall be in Harris County, Texas.

Section 6.10. Time of the Essence. Time is of the essence with respect to the performance of each and all of the provisions of this Agreement.

Section 6.11. Regulatory Requirements. This Agreement and all obligations of the parties hereunder are subject to all rules, regulations and laws which may be applicable by the United States, the State of Texas, the Texas Commission on Environmental Quality, the North Harris County Regional Water Authority or any other regulatory agency having jurisdiction. Notwithstanding any other provision of this Agreement, the Buyer shall not have the right to pursue a cause of action against the District on the basis of changes in regulatory requirements which result in the reduction or change in either the quantity or quality of water sold hereunder.

Section 6.12. No Joint Venture. This Agreement is not intended to be, and shall not be construed as, a joint venture, partnership or other business entity created by or between the District and the Buyer, and, no party hereto is an agent for any other party hereto for any purpose nor does any party hereto have the power to bind any other party hereto for any purpose.

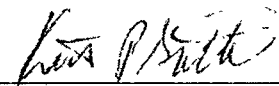
Section 6.13. Payment of District Expenses. Notwithstanding anything contained herein to the contrary, the Buyer hereby agrees that it will be responsible for payment of all of the District's legal and engineering fees and expenses incurred in connection with the preparation and negotiation of this Agreement. Such payment will be due and owing to the District upon thirty (30) days of the Buyer's receipt of a written invoice therefor.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, this Agreement is executed effective
as of the date first set forth above.

"DISTRICT"

HARRIS COUNTY MUNICIPAL UTILITY
DISTRICT NO. 401

By: 
Keith Grothaus
President
Board of Directors

"BUYER"

ALBURY MANOR UTILITY COMPANY,
INC.


By: 
Name: Randal A. Hendricks
Title: President

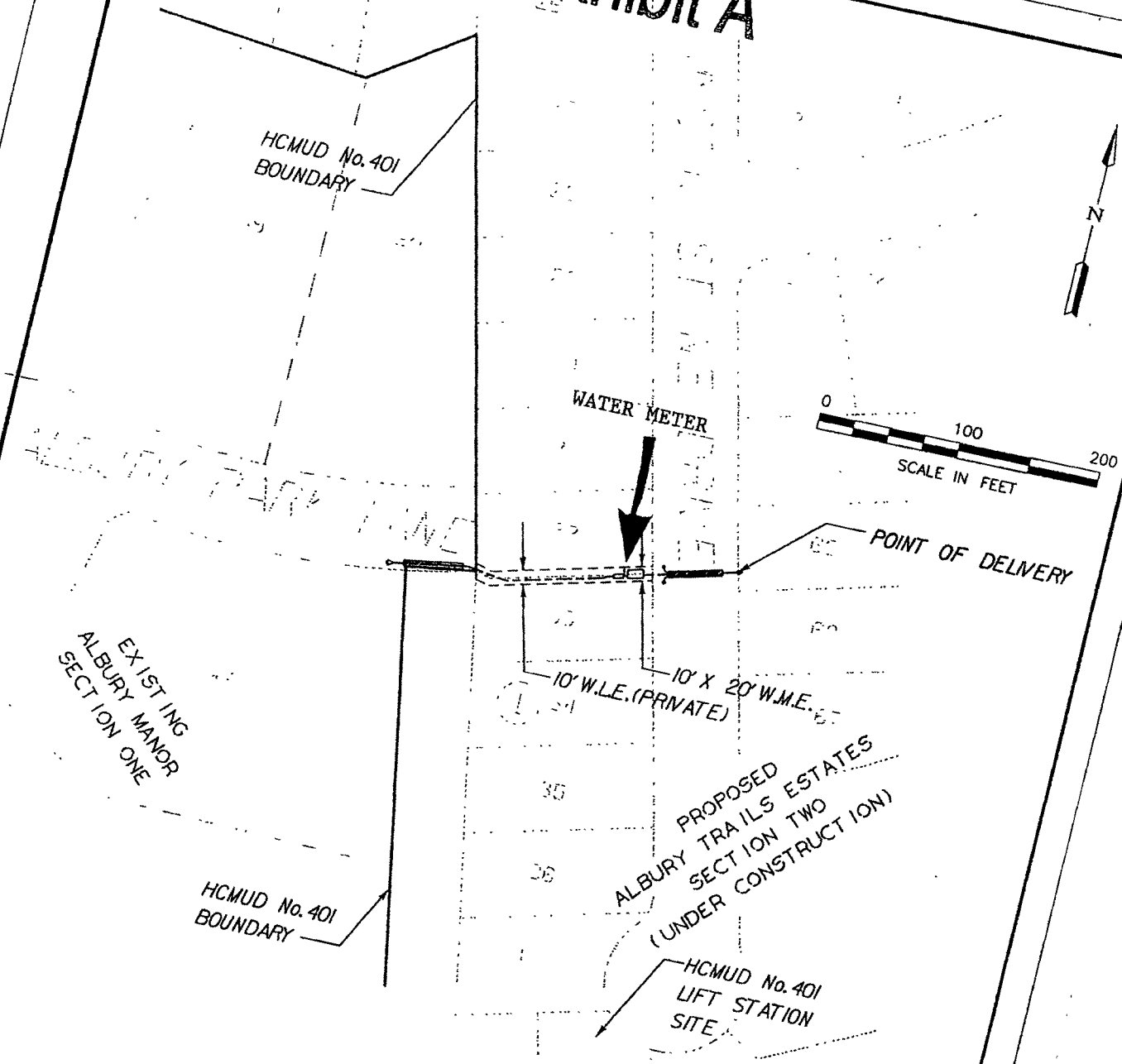
EXHIBIT "B"

ALBURY MANOR WATER LINE INTERCONNECT/WATER SUPPLY FEES

Pro rata fees included in the computation of the water rates, based on AMUC's previous year's water usage, are as follows and maybe updated on a yearly basis:

Electrical Costs
Chemical Costs
NHCRWA Pumpage Fees
Preventative Maintenance of Equipment
Repair of Equipment
Amortized Costs of Capital Improvements to Facilities
Operator Fees
Engineering
Legal Expenses
Insurance
Auditing
Laboratory Expenses
Permit Expenses
Bookkeeping

Exhibit A

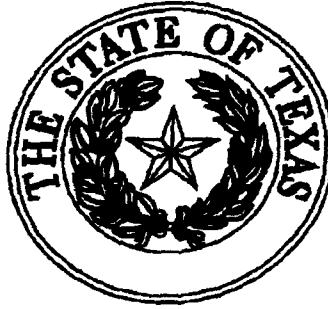


1/16/2008
LJA\Projects\1605\0302\Water Line Interconnect\Plots\Exhibit A\T2-W.L. HCMUD 401.dgn

EXHIBIT
WILLOW CREEK DEVELOPMENT COMPANY, LTD.
HCMUD NO. 401
WATERLINE INTERCONNECT
LOCATION
TO SERVE ALBURY MANOR

LJA Engineering & Surveying, Inc.
2929 Briarpark Drive
Suite 600
Houston, Texas 77042-3703
Phone 713.953.5200
Fax 713.953.5026

DATE: JANUARY 2008
JOB NO.: 1605-0302 (8.0)



**CLASS "C" WATER COMPANY
PUC ANNUAL REPORT
OF**

CCN Number

11507

Official Company Name:

ALBURY MANOR UTILITY COMPANY, INC.

D/B/A Name(s)

**TO THE
PUBLIC UTILITY COMMISSION
OF TEXAS**

For the Year Ended 2016

Annual Report for Class C Water and/or Sewer Utilities

PUBLIC UTILITY COMMISSION OF TEXAS
1701 N. CONGRESS AVE., PO BOX 13326, AUSTIN, TX 78711-3326
pursuant to TWC § 13.136

I. NAME OF UTILITY, OFFICE MAILING ADDRESS AND AREA SERVED

- 1 Utility Name: Albury Manor Utility Company, Inc.
- List all assumed name(s) or d/b/a names: None
- 2 Certificate of Convenience and Necessity No. 11507 Calendar Year Ending 2016
- 3 Street Address: 400 Randal Way, Suite 106
- 4 City or Town: Spring CCN No.: 11507
- 5 Email Address: kens@hendricksinterests.com
- 6 County: Harris Zip Code: 77388
- 7 TCEQ FWS Number(s) PWS#1012052
- 8 Water Quality Discharge Permit Number(s) N/A

II. TYPE OF ORGANIZATION AND PRINCIPAL OFFICERS

- 9 Type of Ownership:
Corporation: X Partnership: _____ Individual: _____ Other: _____
- 10 If a corporation, list names and titles of the officers. If an individual or partnership, list the name of the individual or each partner and provide the title for each. For partnerships, please provide the percentage of ownership for each partner.

- 11 If the controlling ownership of this utility changed during the last twelve (12) months, state the date of ownership change and the name and address of the prior owner.
N/A
- 12 Date the utility was formed or incorporated: _____
- 13 Is the utility under common ownership or control by another corporation? Y (N) If yes, by whom? _____

III. PERSON TO CONTACT REGARDING THE INFORMATION SUPPLIED ON THESE FORMS

- 14 Name and Title: J. Kenneth Streeter, Manager
- 15 Address: 400 Randal Way, Suite 106
- 16 City: Spring, Texas 77388
- 17 Telephone Number with Area Code: 281-350-7000
- 18 Cell Phone Number with Area Code: 713-253-9339
- 19 Fax Number with Area Code: 281-350-7020
- 20 e-mail address: kens@hendricksinterests.com
- 21 If not an officer, owner or employee, give name of firm employed by: _____

1. Balance Sheet

Name of Utility:

Line #	ASSETS	End of Year mm/dd/yyyy 12/31/2016	End of Prior Year mm/dd/yyyy 12/31/2015
	<u>UTILITY PLANT</u>		
1	101 Utility Plant in Service	371,778.41	334,071.37
2	TOTAL UTILITY PLANT	371,778.41	334,071.37
3	108 Less: Accumulated Amortization	(204,650.08)	(199,626.45)
4	110 Less: Accumulated Depreciation		
5	NET UTILITY PLANT	167,128.33	134,444.92
6	<u>CURRENT ASSETS</u>	xxxx	xxxx
7	131-135 Cash	4,588.71	1,186.44
8	141-143 Accounts Receivable	1,107.68	463.15
9	151 Plant Materials and Supplies (not previously expensed)		
10	171-174 Other Current Assets		
11	TOTAL CURRENT ASSETS	5,696.39	1,649.59
12	<u>TOTAL ASSETS*</u>	172,824.72	136,094.51

LIABILITIES & EQUITY

EQUITY

13	201 Common Stock	1,000.00	1,000.00
14	211 Other paid in capital		
15	215 Retained Earnings	(183,439.28)	(165,977.49)
16	218 Proprietary Capital		
17	TOTAL STOCKHOLDERS' EQUITY	(182,439.28)	(164,977.49)

LONG-TERM DEBT

18	224 Long-term debt (more than 1 year)	352,072.00	301,072.00
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CURRENT LIABILITIES (less than 1 year)

19	231 Accounts Payable	3,192.00	
20	232 Notes Payable		
21	241.0 Other Current Liabilities	3,192.00	
	TOTAL CURRENT LIABILITIES		

OTHER LIABILITIES and DEFERRED CREDITS

22	253 Other Deferred Credits		
23	271-272 Net Contributions in Aid of Construction		
24	TOTAL OTHER LIABILITIES and DEFERRED CREDITS		
25	<u>TOTAL LIABILITIES & EQUITY*</u>	172,824.72	136,094.51

Add NARUC accounts as needed, and if not shown above.

2. Statements of Income

Name of Utility: _____

Line #

Report Calendar Year 2016

Water Report Year	Sewer Report Year	Total Report Year
A	B	C=A+B
42,637.44	None	42,637.44

1	Total Revenue:			
	Operating Expenses:			
2	601 O & M Salaried Labor			
3	604 Employee Benefits			
4	631, 635, 636 O & M Contract labor	12,047.99		12,047.99
5	620 Operating/Maint Supplies	3,682.24		3,682.24
6	610 Purchased Water	30,633.02		30,633.02
7	615 Purchased Power			
8	635 Testing Expense	1,186.09		1,186.09
9	618 Chemicals			
10	656-659 Insurance			
11	601 General Office Salaries	172.10		172.10
12	675 General Office Expenses	1,904.89		1,904.89
13	632 Contract Accounting			
14	633 Legal	1,062.50		1,062.50
15	634 Management	3,192.00		3,192.00
16	666 Amortization- Rate Case Expense			
17	403 Depreciation Expense	5,023.63		5,023.63
18	667-675 Other Misc. Expenses			
	Taxes:	XXXX	XXXX	XXXX
19	409 Federal Income Taxes			
20	409.0 State Franchise Taxes/Reg Assess.	659.17		659.17
21	408 All Other Taxes	535.60		535.60
22	Total Expenses	\$ 60,099.23	\$ -	\$ 60,099.23
23	Net Operating Income	\$ (17,461.79)	\$ -	\$ (17,461.79)
24	421, 433 Non-Operating Income			
	Non-Operating Deductions:			
25	426 Other			
26	427 Interest			
27	Net Income	\$ (17,461.79)	\$ -	\$ (17,461.79)

3. Water Plant-in-Service - changes since the last Annual Report

Name of Utility: ALBURY MANOR UTILITY COMPANY

[illegible]

3-S. Sewer Plant-in-Service - Changes since the last Annual Report

Name of Utility: _____

	Date Plant Installed/Retired mm/yyyy	Plant Additions		Plant Retirements		Plant Adjustments	Changes Since the Last Annual Report
		List Major Items by Class	Amounts	List Major Items by Class	Amounts		
WATER							\$0
							\$0
							\$0
							\$0
							\$0
							\$0
							\$0
							\$0
							\$0
							\$0
							\$0
							\$0
SEWER							\$0
							\$0
							\$0
							\$0
							\$0
							\$0
							\$0
							\$0
							\$0
							\$0
							\$0
							\$0
		TOTALS	\$0		\$0	\$0	\$0

Name of Utility: _____

4. Other Operating Information

Connection Information		End of Year mm/dd/yyyy	End of Prior Year mm/dd/yyyy	Connection Information		End of Year mm/dd/yyyy	End of Prior Year
WATER:				SEWER:			
1 Number of active water connections		12/31/2016	12/31/2015	Number of active sewer connections			
5/8" or 3/4"		41	42	Residential			
3/4"		2	2	Non-residential			
1"		5	5				
1 1/2"		1	1				
2"							
List all additional meter sizes:				List all additional meter sizes:			
Unmetered water connections				Unmetered water connections			
2 Number of inactive water connections				Number of inactive water connections			
5/8" or 3/4"							
3/4"							
1"							
1 1/2"							
2"							
List all additional meter sizes:				List all additional meter sizes:			
Unmetered, inactive connections				Unmetered, inactive connections			
3 Number of active sewer connections				Number of active sewer connections			
4 Number of inactive sewer connections				Number of inactive sewer connections			
5 Total gallons purchased		7,717,000					
6 Total gallons pumped		---					
Total Water Produced		\$ -					
7 Total gallons sold		7,251,000					
8 Gallons unaccounted for		466,000					
				Total amount of sewer treated (gallons)			

- Management and Operations**
1. Do you have an Application form or formal process for new customers? ☒ Y
2. Do you have a copy of your approved tariff and TCEQ approved drought contingency plan for customer review? ☒ Y
3. Do you have written operating procedures for routine operations? ☒ Y
4. Do you have a written emergency action plans? ☒ Y
5. Do you have written personnel policies and procedures? ☒ Y
6. Do you have risk management and safety procedures? ☒ Y
7. Do you have customer service policies (including billing and collection)? ☒ Y
8. Do you prepare an annual written budget for financial planning purposes? ☒ Y
9. Provide a list of all affiliates and entities under Common Control (if any).
10. If you purchase wholesale water or sewer services, please list the name(s) of the wholesaler and describe the service(s) purchased from each. Water is purchased from Harris County M.U.D.#401
11. If you have a current capital improvement/replacement plan, please attach a copy.

Name of Utility: _____

5. Affiliated Transactions

Charges by an Affiliate to the Reporting Utility

Name of Affiliated company: _____

NARUC Account and/or type of service		Total Affiliated Company	Total Texas	Total for reporting entity
Account #	Account name or type of service	(Dollars transacted)	(Dollars transacted)	(Dollars transacted)

Charges by an Reporting Utility to Affiliates

Name of Affiliated company: _____

NARUC Account and/or type of service		Total Affiliated Company	Total Texas	Total for reporting entity
Account #	Account name or type of service	(Dollars transacted)	(Dollars transacted)	(Dollars transacted)

For the Year Ended

(Company Name)

VERIFICATION

OATH

(To be made by the officer having control of the accounting of the respondent)

State of Texas

County of Harris

Randal A. Hendricks

(Name of affiant)

makes oath and says that he/she is

President

(Official title of affiant)

of Albury Manor Utility Company, Inc.

(Exact legal title or name of the respondent)

The signed officer has reviewed the report.

Based on the officer's knowledge, the report does not contain any untrue statements of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which such statements were made, not misleading.

Based on such officer's knowledge, the financial statements, and other financial information included in the report, fairly present in all material respects the financial condition and results of operations of the issuer as of, and for, the periods presented in the report.

He/she swears that all other statements contained in the said report are true, and that the said report is a correct and complete statement of the business and affairs of the above-named respondent during the period of time from and including January 1, 2016 to and including December 31, 2016

Subscribed and sworn to and before me, a

Notary Public

in and for the State and County above-named, this 23

day of March, 2017

My commission expires

Gretchen Stowell
(Signature of officer authorized to administer oaths)



Gretchen Stowell
GRETCHEN STOWELL
Notary ID # 7426421
My Commission Expires
September 26, 2020

SUPPLEMENTAL OATH

(By the president or other chief officer of the respondent)

State of Texas

County of Harris

Randal A. Hendricks

as:

President

of Albury Manor Utility Company, Inc.

(Exact legal title or name of the respondent)

(Official title of affiant)

that he/she has carefully examined the foregoing report; that he/she swears that all statements of fact contained in the said report are true, and that the said report is a statement of the business and affairs of the above named respondent during the period of time from and including January 1, 2016 to and including December 31, 2016

Subscribed and sworn to before me, a

Notary Public

in and for the State and County above-named, this 23

day of March, 2017

My commission expires

Gretchen Stowell
(Signature of officer authorized to administer oaths)



Gretchen Stowell
GRETCHEN STOWELL
Notary ID # 7426421
My Commission Expires
September 26, 2020



WATER UTILITY TARIFF

Tariff Control Number: 46921

Albury Manor Utility Company, Inc.
(Utility Name)

400 Randal Way, Suite 106
(Business Address)

Spring, Texas 77388
(City, State, Zip Code)

(281) 350-7000
(Area Code/Telephone)

This tariff is effective for utility operations under the following Certificate of Convenience and Necessity:

11507

This tariff is effective in the following county:

Harris

This tariff is effective in the following cities or unincorporated towns (if any):

None

This tariff is effective in the following subdivisions and/or public water systems:

Albury Manor: PWS ID# 1012052

TABLE OF CONTENTS

The above utility lists the following sections of its tariff (if additional pages are needed for a section, all pages should be numbered consecutively):

SECTION 1.0 -- RATE SCHEDULE.....	2
SECTION 2.0 -- SERVICE RULES AND POLICIES	4
SECTION 3.0 -- EXTENSION POLICY	10

APPENDIX A - DROUGHT CONTINGENCY PLAN
APPENDIX B - SAMPLE SERVICE AGREEMENT
APPENDIX C - APPLICATION FOR SERVICE

Albury Manor Utility Company, Inc.

Water Utility Tariff Page No. 2

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - RatesMeter SizeMonthly Minimum Charge
Gallage Charge

5/8" or 3/4"	\$16.00 (including 0 gallons)	*\$4.94 (per 1,000 gallons to 15,000 gallons)
1"	\$26.72	*\$5.59 (per 1,000 gallons above 15,000 gallons)
2"	\$85.28	

*Includes North Harris County Regional Water Authority (NHCRWA) Fee of \$2.90 plus line loss of \$0.29. (Tariff Control No. 46921)

FORM OF PAYMENT: The utility will accept the following forms of payment:

Cash X, Check X, Money Order X, Credit Card _____, Other (specify) _____
THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH PAYMENTS.

REGULATORY ASSESSMENT 1.0%
PUC RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL AND TO REMIT THOSE FEES TO THE TCEQ.

Section 1.02 - Miscellaneous Fees

TAP FEE \$300.00
TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL 5/8" or 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

TAP FEE (Unique costs) Actual Cost
FOR EXAMPLE, A ROAD BORE FOR CUSTOMERS OUTSIDE OF SUBDIVISIONS OR RESIDENTIAL AREAS.

TAP FEE (Large meter) Actual Cost
TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METER SIZE INSTALLED.

METER RELOCATION FEE Actual Relocation Cost. Not to Exceed Tap Fee
THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS THAT AN EXISTING METER BE RELOCATED.

METER TEST FEE \$25.00
THIS FEE WHICH SHOULD REFLECT THE UTILITY'S COST MAY BE CHARGED IF A CUSTOMER REQUESTS A SECOND METER TEST WITHIN A TWO-YEAR PERIOD AND THE TEST INDICATES THAT THE METER IS RECORDING ACCURATELY. THE FEE MAY NOT EXCEED \$25.

Tariff Control Number: 46921

Albury Manor Utility Company, Inc.

Water Utility Tariff Page No. 2a

SECTION 1.0 -- RATE SCHEDULE (Continued)

RECONNECTION FEE

THE RECONNECT FEE MUST BE PAID BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS (OR OTHER REASONS LISTED UNDER SECTION 2.0 OF THIS TARIFF):

- a) Nonpayment of bill (Maximum \$25.00).....\$25.00
 b) Customer's request that service be disconnected\$50.00

TRANSFER FEE.....\$25.00

THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED

LATE CHARGE (EITHER \$5.00 OR 10% OF THE BILL)10%

PUC RULES ALLOW A ONE-TIME PENALTY TO BE CHARGED ON DELINQUENT BILLS. A LATE CHARGE MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

RETURNED CHECK CHARGE\$20.00

RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50).....\$50.00**COMMERCIAL & NON-RESIDENTIAL DEPOSIT..... 1/6TH OF ESTIMATED ANNUAL BILL.****GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE**

WHEN AUTHORIZED IN WRITING BY TCEQ AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [16 TAC 24.21(K)(2)]

LINE EXTENSION AND CONSTRUCTION CHARGES:

REFER TO SECTION 3.0--EXTENSION POLICY FOR TERMS, CONDITIONS, AND CHARGES WHEN NEW CONSTRUCTION IS NECESSARY TO PROVIDE SERVICE.

Albury Manor Utility Company, Inc.

Water Utility Tariff Page No. 2b

SECTION 1.0 -- RATE SCHEDULE (Continued)

Pass Through Provision

The North Harris County Regional Water Authority's well pumpage fees will be passed through to the customers of Albury Manor Utility Company as an adjustment to the gallonage charge on the monthly water bills, in accordance with the following formula:

$AG = G + [B / (1 - L)]$, Where:

AG = adjusted gallonage rate;

G = approved gallonage rate;

B = change in fee (per 1000 gallons);

L = water loss, not to exceed 15%.



Franchise Tax Account Status

As of : 09/12/2017 10:31:12

This Page is Not Sufficient for Filings with the Secretary of State

ALBURY MANOR UTILITY COMPANY, INC.

Texas Taxpayer Number 17420587762

Mailing Address 400 RANDAL WAY STE 106 SPRING, TX 77388-8908

Right to Transact Business in Texas ACTIVE

State of Formation TX

Effective SOS Registration Date 09/12/1979

Texas SOS File Number 0049150700

Registered Agent Name RANDAL A. HENDRICKS

Registered Office Street Address 400 RANDAL WAY, STE. 106 SPRING, TX 77388

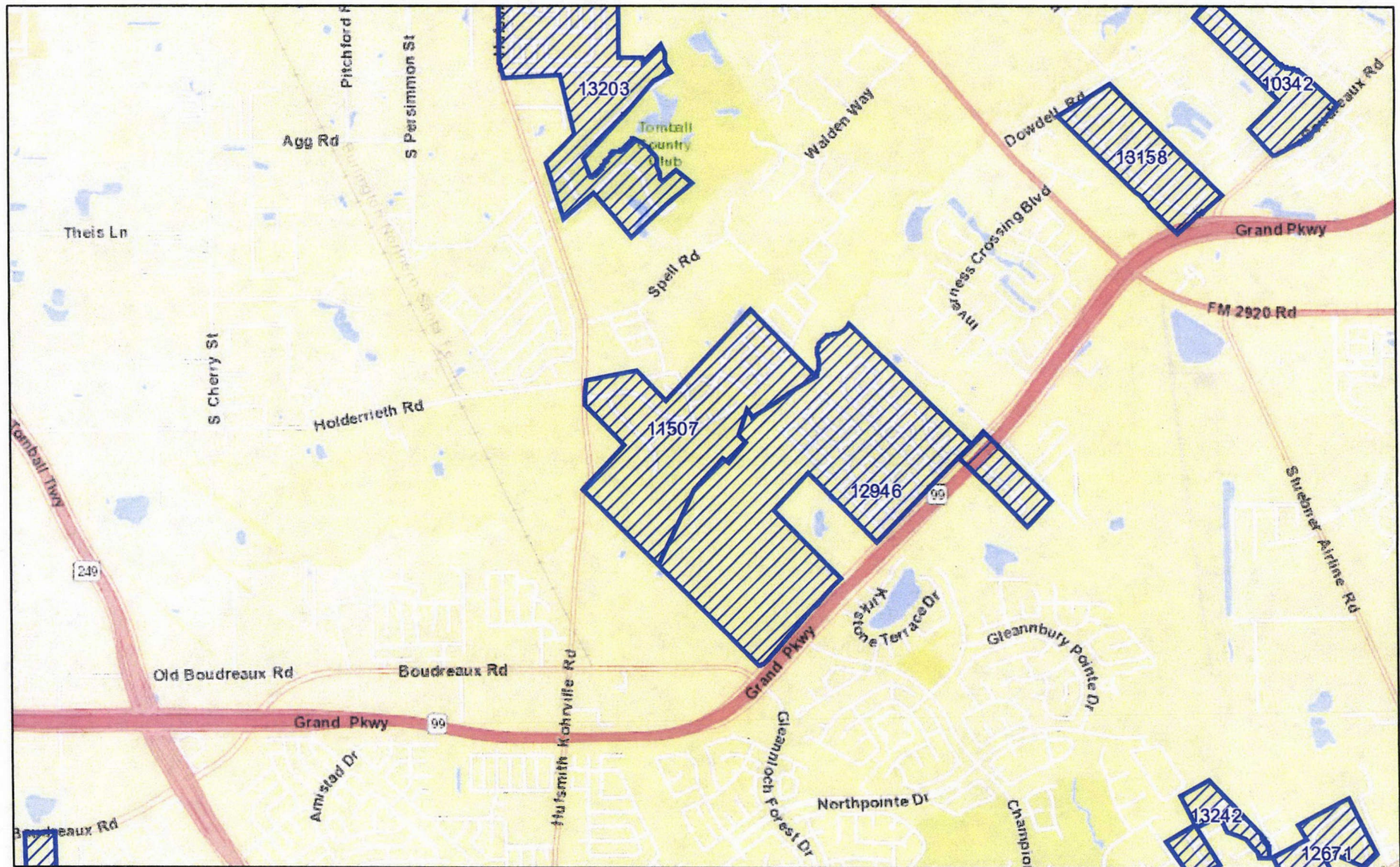
APPENDIX “C”
(Page 1 of 2)

LIST OF WATER UTILITIES WITHIN TWO (2) MILE RADIUS OF
ALBURY MANOR UTILITY COMPANY
(CCN No. 11507)

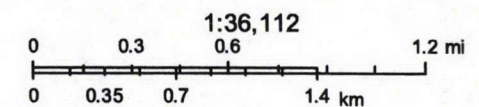
<u>Utility</u>	<u>CCN Number</u>
1. Inline Development Corp. 21755 IH 45, Bldg. 11 Spring, TX 77388	12946
2. Aqua Texas Inc. 2211 Louetta Road Spring, TX 77388	13203
3. Pinewood Community L.P. 22831 Pinewood Place Tomball, TX 77375	13158
4. HMW SUD P.O. Box 837 Pinehurst, TX 77362	10342
5. UIC 13, L.L.C. P.O. Box 279 New Waverly, TX 77358	13242
6. City of Tomball 501 James Street Tomball, TX 77375	

See Page 2 attached for map of CCN Service Areas

AMUC WATER CCN UTILITIES WITHIN 2 MILES



December 11, 2017



Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand),