



Control Number: 48250



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:

482501

(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.

Table of Contents

Purpose of Application	2
1. Applicant Information.....	2
2. Location Information.....	3
3. Map Requirements.....	5
4. New System Information or Utilities Requesting a CCN for the First Time	5
5. Existing System Information	6
6. Financial Information	9
7. Notice Requirements.....	10
OATH.....	12
Notice for Publication	13
Notice to Neighboring Systems, Landowners and Cities	15
Notice to Customers of IOUs in Proposed Area	17



Historical Balance Sheets	19
Historical Income Statement.....	20
Historical Expenses Statement	21
Projected Balance Sheets	22
Projected Income Statement	23
Projected Expenses Statement.....	24
Projected Sources And Uses Of Cash Statements	25

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 checked="" type="checkbox"/> Water CCN# (s)	11222
<input checked="" type="checkbox"/> Amend	<input checked="" type="checkbox"/> Sewer CCN#(s)	20483

1. Applicant Information

Applicant

Utility name: STANLEY LAKE M.U.D.

Certificate number:

Street address (City/ST/ZIP/Code): 875 LAKE VIEW DR. MONTGOMERY ,TX 77356

Mailing address(City/ST/ZIP/Code): 875 LAKE VIEW DR. MONTGOMERY ,TX 77356

Utility Phone Number and Fax: (936) 582-1010

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: BRUCE DOUGLASS

Title: GENERAL MANAGER

Mailing address: 875 LAKE VIEW DR. MONTGOMERY ,TX 77356

Email: BDOUGLASS@CONSOLIDATED.NET

Phone and Fax: (936) 582-1010

List all counties in which service is proposed:
MONTGOMERY



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

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

THE APPLICANT IS STANLEY LAKE MUD. THE PURPOSE OF THIS APPLICATION IS TO UPDATE THE EXISTING WATER AND SEWER CCN MAP DISPLAYED ON THE P.U.C. WEB SITE.

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

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

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

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

2. Location Information

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



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

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

☒ Yes ☐ No

If YES, provide the following:

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

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

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

☐ Yes ☒ No

If YES, within the corporate limits of: _____

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

N/A

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:

THE PURPOSE OF THIS APPLICATION IS TO UPDATE THE EXISTING WATER AND SEWER CCN BOUNDARY MAP OF THE DISTRICT.

ADDING A SMALL PORTION OF THE SUNRISE RANCH CCN. A COPY OF APPROVAL TO TRANSFER IS INCLUDED IN THIS PACKAGE (ATTACHMENT-G)

SUNRISE RANCH CCN PROVIDERS ARE:

SC UTILITIES-SEWER

T&W WATER SERVICE COMPANY -WATER



2. Location Information

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

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

If yes, provide the following:

- I. The service area is a small portion of the Sunrise Ranch consisting of six lots.

Property Id (MCAD)	Name of Owner	Site Address	Mailing Address
R300396	SOUTH LAKE CENTRE LLC	18405 HIGHWAY 105 CONROE, TX 77306	12003 FM 3083 RD CONROE TX, 77301
R300397	KUBECZKA, JULIAN TR	18409 HIGHWAY 105 CONROE, TX 77306	825 W SAM HOUSTON PARKWAY N HOUSTON TX 77041
R300398	FENGs ENTERPRISE LLC	18413 HIGHWAY 105 MONTGOMERY, TX 77356	10333 HARWIN DR # 520 HOUSTON, TX 77036
R300399	SILVE HOLDINGS, LLC	18417 HIGHWAY 105 CONROE, TX 77306	4582 KINGWOOD DR, STE E222 KINGWOOD, TX 77345
R300400	SILVE HOLDINGS, LLC	18421 HIGHWAY 105 CONROE, TX 77306	25435 FM 2978 STE 105 TOMBALL, TX 77375
R300401	NEUBAUM FAMILY PTP LTD	18425 HIGHWAY 105 CONROE, TX 77306	25435 FM 2978 STE 105 TOMBALL, TX 77375

- II. The above referenced properties currently has the water well and septic on site and since the business are expanding and to give up the traditional water well and septic, and also to increase the developable area the owners are interested to be included on MUD for their water and sewer.
- III. The onsite septic system needs annual maintenance, renewal of permit and also increases the pollution so traditional systems are environmentally unfeasible.
- IV. The copies of written applications or request for service are attached with this application.



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. (ATTACHMENT-E)
- 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 (ATTACHMENT-H)
 - 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: (ATTACHMENT-F)
 - i. all facilities, illustrating separately facilities for production, transmission, and distribution of the applicant's service(s); and
 - ii. any facilities, customers or area currently being served outside the applicant's certificated area(s).

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

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

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

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

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

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- i. If yes, please provide documentation of the denial of service and go to c.
 - ii. If no, please provide a detailed analysis which justifies your reasons for not accepting service. A separate analysis must be prepared and submitted for each utility that granted your request for service.
- C. Please summarize how the proposed utility system will be constructed and describe each projected construction phase, if any:
- N/A.
- D. Date of plat approval, if required: _____
 Approved by: _____
- E. Date Plans & Specifications submitted to the TCEQ for approval: _____
 Attach copy of approval letter, if available. If the letter is not available by the time your CCN application is submitted, please supplement your application with a copy of the letter once you receive it from the TCEQ.
- F. Date construction is scheduled to commence: _____
- G. Date service is scheduled to commence: _____

5. Existing System Information

A. Please provide the following information for each water and/or sewer system, attach additional sheets if necessary.

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

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ii. Sewer system(s): TCEQ Discharge Permit number(s)



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W Q -

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W Q -

- iii. Date of last TCEQ water and/or sewer system inspection(s): 3/15/2016
- iv. Attach a copy of the most recent TCEQ water and/or sewer inspection report letter(s). ATTACHMENT-C
- v. For each system deficiency listed in the TCEQ inspection report letter; attach a brief explanation listing the actions taken or being taken by the utility to correct the listed deficiencies, including the proposed completion dates.

B. Provide the following information about the utility's certified water and/or sewer operators

Name	Classes	License Number
LARRY TAYLOR	B	VV0010790
BILLY COOK	C	VV0054926

- Attach additional sheet(s) if necessary -

- C. Using the current number of customers, is any facility component in systems named in #5A above operating at 85% or greater of minimum standard capacity?
- ☐ Yes
- ☒ No
- Attach a copy of the 85% rule compliance document filed with the TCEQ if the system is operating at 85% or greater of the TCEQ's minimum standard capacity requirements.
- D. In the table below, the number of existing and/or proposed metered and non-metered connections (by size). The proposed number should reflect the information presented in the business plan or financial **documentation** and reflect the number of service requests identified in Question 2.b in the application.

TCEQ Water System			TCEQ Sewer System		
Connection	Existing	Proposed	Connection	Existing	Proposed
5/8" or 3/4" meter	1,184	0	Residential	1,184	0
1" meter or larger	89	0	Commercial	89	0
Non-Metered	0	0	Industrial	0	0

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TCEQ Water System			TCEQ Sewer System		
Other:	0	0	Other:	0	0
Total Water	1,273	0	Total Sewer	1,273	0

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

THIS APPLICATION IS FOR UPDATING OF EXISTING P.U.C. WATER CCN ON THE BOUNDARY MAP.

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

THIS APPLICATION IS FOR UPDATING OF EXISTING P.U.C. SEWER CCN ON THE BOUNDARY MAP

- 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
	0.00%

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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.

I. Ability to Provide Adequate Service.

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

i. the current and projected density; and

ii. the land use of the requested area.

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

6. Financial Information

A. For new water and/or sewer systems and for applicants with existing CCNs who are constructing a new stand-alone water and/or sewer system:

i. the applicant must provide an analysis of all necessary costs for constructing, operating, and maintaining the system, and the source of that capital (such as a financial statement for the developing entity) for which the CCN is requested for at least the first five years. In addition, if service has been offered by an existing retail water service provider as stated in #4.A., but the applicant has determined that the cost of service as finally offered renders the project not economically feasible, the applicant must provide a comparison analysis of all necessary costs for acquiring and continuing to receive service from the existing system for the same period.

ii. Attach projected profit and loss statements, cash flow worksheets, and balance sheets (projected five year financial plan worksheet is attached) for each of the first five years of operation. Income from rates

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

- iii. Attach a proposed rate schedule or tariff. Describe the procedure for determining the rates and fees and indicate the date of last change, if applicable. Attach copies of any cost of service studies or rate analysis worksheets.
- B. For existing water and/or sewer systems:
 - i. Attach a profit and loss statement and current balance sheet for existing businesses (end of last fiscal year is acceptable). Describe sources and terms for borrowed capital such as loans, bonds, or notes (profit and loss and balance sheet worksheets are attached, if needed). ATTACHMENT-A & B
 - ii. Attach a proposed rate schedule or tariff. ATTACHMENT-D
- ❖ **Note: An existing water and/or sewer system may be required to provide the information in 6.A.i. above during the technical review phase if necessary for staff to completely evaluate the application**
- C. Identify any funds you are required to accumulate and restrict by lenders or capital providers.
- D. In lieu of the information in #6.A. thru #6.C., you may provide information concerning loan approvals within the last three (3) years from lending institutions or agencies including the most recent financial audit of the applicant.
- ❖ **Note: Failure to provide adequate financial information may result in the delay or possible denial of your application.**

7. Notice Requirements

- A. All proposed notice forms must be completed and submitted with the application. Do not mail or publish the notices until you receive written approval from the commission to do so.
- B. The commission cannot grant a CCN until proper notice of the application has been given. Commission rules do not allow a waiver of notice requirements for CCN applicants.
- C. It is the applicant's responsibility to ensure that proper notice is given to all entities that are required to receive notice.
- D. Recommended notice forms for publication, neighboring cities and systems, landowners with 25 acres or more, and customers are included with this application for use in preparing proposed notices. (Notice forms are available in Spanish upon request.)
- E. After reviewing and, if necessary, modifying the proposed notice, the commission will send the notice to the applicant after the application is accepted for filing along with instructions for publication and/or mailing. Please review the notice carefully before providing the notice.
- F. Notice For Publication:

The applicant shall publish the notice in a newspaper with general circulation in the county(ies) where a CCN is being requested. The notice must be published once each week for two consecutive weeks beginning with the week after the notice is received from the commission. Proof of publication in the form of a publisher's affidavit shall be submitted to the commission within 30 days of the last publication date. The affidavit shall state with specificity each county in which the newspaper is of general circulation.
- G. Notice To Neighboring Utilities:
 - i. List all neighboring retail public utilities and cities providing the same utility service within the following vicinities of the applicant's proposed certificate area.
 - ii. For applications for the issuance of a NEW CCN, the applicant must mail the notice with a copy of the proposed CCN map to all cities and neighboring retail public utilities providing the same utility service within five (5) miles of the requested service area.



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

H. Notice to Customers:

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

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

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

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OATH

STATE OF TEXAS
COUNTY OF MONTGOMERY

I, BRUCE DOUGLASS, being duly sworn, file this application as GENERAL MANAGER (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.

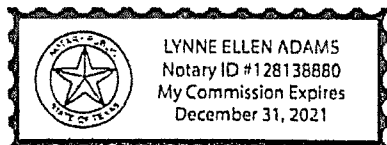
I further represent that the Applicant will provide continuous and adequate service to all customers and qualified applicants for service within its certificated service area.



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 15 of MARCH 20 18

SEAL




NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS

Lynne Ellen Adams
PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES 12/31/21

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Notice for Publication

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

MONTGOMERY

COUNTY(IES), TEXAS

Name of Applicant STANLEY LAKE MUD has filed an application for a
CCN to obtain or amend CCN No. (s) Water:11222, Sewer: 20483 and to
decertify a portion(s) of SC Utilities (20586) and T&W Water Service(12892) with the
(Name of Decertified Utility)

Public Utility commission of Texas to provide

3) WATER & SEWER

(specify 1) water or 2) sewer or 3) water & sewer)

utility service in MONTGOMERY

County
(ies).

The proposed utility service area is located approximately 12 miles NORTHWEST
[direction] of downtown CONROE, [City or Town] Texas, and is
generally bounded on the north by STATEHIGHWAY 105 W; on the east by
BLUE HERON DR.; on the south by SUNRISE RANCH; and on the west by SUNRISE RANCH DR.

The total area being requested includes approximately 9 acres and 6
current customers.

A copy of the proposed service area map is available at (Utility Address and Phone
Number): ADDRESS: 875 LAKE VIEW DR. MONTGOMERY ,TX 77356 PHONE NO. 936-582-1010

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



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

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

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

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

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

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

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

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

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



Notice to Neighboring Systems, Landowners and Cities

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

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

(Address)

City State Zip

Name of Applicant STANLEY LAKE MUD has filed an application for a
CCN to obtain or amend CCN No. (s) WATER-11222, SEWER-20483 and to
decertify a portion(s) of SC Utilities (20586) and T&W Water (12892) with the
(Name of Decertified Utility)

Public Utility Commission of Texas to provide 3) WATER & SEWER
(specify 1) water or 2) sewer or 3) water & sewer)
utility service in MONTGOMERY County(ies).

The proposed utility service area is located approximately 12 miles NORTHWEST
[direction] of downtown CONROE, [City or Town] Texas, and is
generally bounded on the north by STATE HIGHWAY 105 W; on the east by
BLUE HERON DR.; on the south by SUNRISE RANCH; and on the west by SUNRISE RANCH DR.

See enclosed map of the proposed service area.

The total area being requested includes approximately 9 acres and 6
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.



Persons who wish to intervene or comment should write the:

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

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

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

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

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

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

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

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



Notice to Customers of IOUs in Proposed Area

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

Dear Customer: _____ Date Notice Mailed _____ 20 _____

Name of Applicant STANLEY LAKE MUD has filed an application for a
CCN to obtain or amend CCN No. (s) WATRE- 11222, SEWER- 20483 and to
decertify a portion(s) of SC Utilities (20586) and T&W Water (12892) with the
(Name of Decertified Utility)

Public Utility commission of Texas to provide 3) WATER & SEWER
(specify 1) water or 2) sewer or 3) water & sewer)
utility service in MONTGOMERY County(ies).

The proposed utility service area is located approximately 12 miles NORTH WEST
[direction] of downtown CONROE, [City or Town] Texas.

A copy of the proposed service area map is available at (Utility Address and Phone
Number): ADDRESS: 875 LAKE VIEW DR. MONTGOMERY, TX 77356 PHONE NO. 936-582-1010

The current utility rates which were first effective on MARCH 11, 20 16

Monthly Flat Rate of \$ _____ Per connection

-OR-

Monthly Base Rate Including per 5,000 gallons
connection for:

5/8" meter	\$ 32.00
1" meter	\$
1 1/2" meter	\$
2" meter	\$

Other\$ _____

Gallage charge of \$ 2.50 Per 1,000
Gallons above minimum (same for all meters sizes)

Miscellaneous Fees

Regulatory Assessment

Tap Fee (Average Actual Cost)

Reconnecting fee:

- Non Payment (\$25.00 max)
- Transfer
- Customer's request

Late fee

Returned Check charge

Customer Deposit (\$50.00 max)

Meter test fee

(Actual Cost not Exceed \$25.00)

Other Fees

1%
\$ 1,200.00
\$
\$ 25.00
\$
\$
\$5.00 or 10%
\$ 25.00
\$
\$
\$

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



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

Persons who wish to intervene or comment should write the:

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

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

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

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

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

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

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Public Utility Commission of Texas
1701 North Congress Avenue
P.O. Box 13326
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HISTORICAL BALANCE SHEETS

	CURRENT YEAR (A)	A-1 YEAR	A-2 YEAR	A-3 YEAR	A-4 YEAR	A-5 YEAR
CURRENT ASSETS						
Cash						
Accounts Receivable						
Inventories						
Income Tax Receivable						
Other						
Total						
FIXED ASSETS						
Land						
Collection/Distribution System						
Buildings						
Equipment						
Other						
Less: Accum. Depreciation or Reserves						
Total						
TOTAL ASSETS						
CURRENT LIABILITIES						
Accounts Payable						
Notes Payable, Current						
Accrued Expenses						
Other						
Total						
LONGTERM LIABILITIES						
Notes Payable, Long-term						
Other						
TOTAL LIABILITIES						
OWNER'S EQUITY						
Paid in Capital						
Retained Equity						
Other						
Current Period Profit or Loss						
TOTAL OWNER'S EQUITY						
TOTAL LIABILITIES AND EQUITY						
WORKING CAPITAL						
CURRENT RATIO						
DEBT TO EQUITY RATIO						
EQUITY TO TOTAL ASSETS						

SEE ATTACHMENT- A



HISTORICAL INCOME STATEMENT

	CURRENT YEAR (A)	A-1 YEAR	A-2 YEAR	A-3 YEAR	A-4 YEAR	A-5 YEAR
METER NUMBER						
Existing Number of Taps						
New Taps per Year						
Total Meters at Year End						
METER REVENUE						
Fees Per Meter						
Cost Per Meter						
Operating Revenue Per Meter						
GROSS WATER REVENUE						
Fees						
Other						
Gross Income						
OPERATING EXPENSES						
General & Administrative						
Interest						
Other						
NET INCOME						

SEE ATTACHMENT-A



HISTORICAL EXPENSES STATEMENT

	CURRENT YEAR (A)	A-1 YEAR	A-2 YEAR	A-3 YEAR	A-4 YEAR	A-5 YEAR
GENERAL/ADMINISTRATIVE EXPENSES						
Salaries						
Office Expense						
Computer Expense						
Auto Expense						
Insurance Expense						
Telephone Expense						
Utilities Expense						
Depreciation Expense						
Property Taxes						
Professional Fees						
Other						
Total						
% Increase Per Year	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
OPERATIONAL EXPENSES						
Salaries						
Auto Expense						
Utilities Expense						
Depreciation Expense						
Repair & Maintenance						
Supplies						
Other						
Total						
% Increase Per Year	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
ASSUMPTIONS						
Interest Rate/Terms						
Utility Cost/gal.						
Depreciation Schedule						
Other						

SEE ATTACHMENT- A



PROJECTED BALANCE SHEETS

	START UP	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
CURRENT ASSETS						
Cash						
Accounts Receivable						
Inventories						
Income Tax Receivable						
Other						
Total						
FIXED ASSETS						
Land						
Collection/Distribution System						
Buildings						
Equipment						
Other						
Less: Accum. Depreciation or Reserves						
Total						
TOTAL ASSETS						
CURRENT LIABILITIES						
Accounts Payable						
Notes Payable, Current						
Accrued Expenses						
Other						
Total						
LONGTERM LIABILITIES						
Notes Payable, Long-term						
Other						
TOTAL LIABILITIES						
OWNER'S EQUITY						
Paid in Capital						
Retained Equity						
Other						
Current Period Profit or Loss						
TOTAL OWNER'S EQUITY						
TOTAL LIABILITIES AND EQUITY						
WORKING CAPITAL						
CURRENT RATIO						
DEBT TO EQUITY RATIO						
EQUITY TO TOTAL ASSETS						

SEE ATTACHMENT- A

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PROJECTED INCOME STATEMENT

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
METER NUMBER						
Existing Number of Taps						
New Taps per Year						
Total Meters at Year End						
METER REVENUE						
Fees Per Meter						
Cost Per Meter						
Operating Revenue Per Meter						
GROSS WATER REVENUE						
Fees						
Other						
Gross Income						
OPERATING EXPENSES						
General & Administrative						
Interest						
Other						
NET INCOME						

SEE ATTACHMENT -A

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PROJECTED EXPENSES STATEMENT

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
GENERAL/ADMINISTRATIVE EXPENSES						
Salaries						
Office Expense						
Computer Expense						
Auto Expense						
Insurance Expense						
Telephone Expense						
Utilities Expense						
Depreciation Expense						
Property Taxes						
Professional Fees						
Other						
Total						
% Increase Per Year						
OPERATIONAL EXPENSES						
Salaries						
Auto Expense						
Utilities Expense						
Depreciation Expense						
Repair & Maintenance						
Supplies						
Other						
Total						
% Increase Per Year						
ASSUMPTIONS						
Interest Rate/Terms						
Utility Cost/gal.						
Depreciation Schedule						
Other						

SEE ATTACHMENT- A



PROJECTED SOURCES AND USES OF CASH STATEMENTS

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
SOURCES OF CASH						
Net Income						
Depreciation (if Funded)						
Loan Proceeds						
Other						
Total Sources						
USES OF CASH						
Net Loss						
Principle Portion of Pmts.						
Fixed Asset Purchase						
Reserve						
Other						
TOTAL USES						
NET CASH FLOW						
DEBT SERVICE COVERAGE						
Cash Available for Debt						
Service (CADS)						
Net Income (Loss)						
Depreciation , or Reserve						
Interest						
TOTAL						
REQUIRED DEBT SERVICE (RDS)						
Principle Plus Interest						
DEBT SERVICE COVERAGE RATIO						
CADS Divided by RDS						

SEE ATTACHMENT- B



LIST OF ATTACHMENTS

ATTACHMENT-A	FINANCIAL STATEMENTS
ATTACHMENT-B	CASH FLOW
ATTACHMENT-C	TCEQ INSPECTION REPORT
ATTACHMENT-D	RATE ORDER
ATTACHMENT-E	VICINITY/LOCATION MAP
ATTACHMENT-F	UPDATED CCN BOUNDARY MAP
ATTACHMENT-G	AGREEMENT BETWEEN STANLEY LAKE MUD & SC UTILITIES AND T&W WATER SERVICES
ATTACHMENT-H	METES & BOUNDS OF PROPOSED AREA

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ATTACHMENT-A
FINANCIAL STATEMENTS



ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors
Stanley Lake Municipal Utility District
Montgomery, TX 77356

We have compiled the accompanying financial statements of the governmental activities of Stanley Lake Municipal Utility District - General Fund, as of May 31, 2017 and for the seven months then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

The management of the Stanley Lake Municipal Utility District is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair representation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist the management of Stanley Lake Municipal Utility District in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

We are not independent with respect to Stanley Lake Municipal Utility District.

J.W.Schubert & Company, P.C.
June 9, 2017

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STANLEY LAKE MUD GENERAL FUND

Balance Sheet
as of May 31, 2017

ASSETS

Current Assets

Petty Cash	\$ 400.00
Cash - Woodforest #1517	109,090.18
Wells Fargo inv.cking-#2953	657,921.54
Accounts Receivable - Water & Sewer	82,273.87
Taxes Receivable	27,749.00
Due to/from Debt Service	<u>(2,124.77)</u>

Total Current Assets \$ 875,309.82

Investments

Green Bank - CD 10040	250,000.00
Texpool-7874200001	<u>2,510.49</u>

Total Investments 252,510.49

Property and Equipment

Lot 79,Blk 1, CC1-Cape Conroe Dr.	3,530.08
Lot 26, Bk 3, CC2-Scenic	3,579.76
Lot 2-14-7 Bilsing Cove	893.40
Lot 47,blk1,Cape Conroe,Sec 1	2,779.64
Tr 3,Res 5,.77 ac Blk 1,Cape Conroe,sect 1	15.00
Stanley Lake	1,395.17
Lot by new park-purch 9/4/12	<u>1,531.59</u>

Total Property and Equipment 13,724.64

Total Assets \$ 1,141,544.95

See Accountants' Report

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STANLEY LAKE MUD GENERAL FUND

Balance Sheet
as of May 31, 2017

LIABILITIES AND EQUITY

Current Liabilities

Deposit-Reserve at Walden(Crescent Cove)	\$ 10,000.00
Deposit-Del Lago	(2,336.00)
Deposit-Montgomery Apts.-Rhodes	(946.00)
Deposit - Lake Conroe Realty	270.00
Deposit - Signorelli 125 ac.	(112.50)
Deposit-La Vie Sect.2	2,162.50
Customer Deposits	119,515.54
Fica Taxes Payable	898.86
Federal Withholding Taxes Payable	1,956.00
Deferred Tax Revenue	27,749.00

Total Current Liabilities \$ 159,157.40

Total Liabilities 159,157.40

Fund Equity

Fund Balance Unallocated	625,954.20
Excess of Revenues over Expenditures-YTD	356,433.35

Total Fund Equity 982,387.55Total Liabilities & Equity \$ 1,141,544.95

See Accountants' Report

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STANLEY LAKE MUD GENERAL FUND
Statement of Revenues & Expenditures
for the current period and period ending May 31, 2017

	Current Period	Year to Date	M-T-D %	Y-T-D %
Revenues				
Service Fees - Water/Sewer	\$ 44,328.01	\$ 360,996.48	55.6	22.8
Garbage Collection Revenue	20,590.50	162,196.00	25.8	10.2
Late fees, reconnect, NSF on W & S	2,101.26	20,386.87	2.6	1.3
Lone Star Fees Collected	2,552.28	20,319.45	3.2	1.3
Water/Sewer paid by deposit	0.00	1,504.97	0.0	0.1
Maintenance & Operation Tax Revenue	8,117.60	971,060.15	10.2	61.3
Tax Rev-WM thru City of Conroe	0.00	25,351.41	0.0	1.6
Tap Connection Fees	0.00	14,400.00	0.0	0.9
Service Connection Fee	325.00	2,400.00	0.4	0.2
Interest Earned on Temporary Investm	149.09	1,348.13	0.2	0.1
Other income	1,556.00	3,655.49	2.0	0.2
Total Revenues	79,719.74	1,583,618.95	100.0	100.0
Expenditures				
General Manager	3,250.00	22,750.00	4.1	1.4
Chlorine Rental Fee	100.00	700.00	0.1	0.0
R & M - Water Lines	2,708.09	40,551.54	3.4	2.6
R & M - Well & Plant	3,090.00	14,878.92	3.9	0.9
R & M - Waste Water Lines	990.00	6,261.11	1.2	0.4
R & M - Waste Water Plant	8,513.75	110,463.87	10.7	7.0
WWTP Lift Station #2	12,119.08	94,440.37	15.2	6.0
Monthly Services	5,300.00	37,100.00	6.6	2.3
Laboratory Fees	483.00	6,294.24	0.6	0.4
Chemicals	762.62	20,859.68	1.0	1.3
Utilities	1,650.86	154,381.24	2.1	9.7
Tap Expense - Water	0.00	11,487.16	0.0	0.7
Customer Inspect.Serv. Fee	0.00	250.00	0.0	0.0
R&M-Lift Stations	1,272.50	37,934.41	1.6	2.4
Diesel / Natural Gas	0.00	142.01	0.0	0.0
Water Plant #4	0.00	7,333.98	0.0	0.5
2015 Lift Station & Manhole Rehab.	0.00	48,356.10	0.0	3.1
2016 Bond Prelim Bond Issue Exp.	0.00	448.00	0.0	0.0
Meter Purchases	0.00	2,325.88	0.0	0.1
Garbage Pickup	20,738.50	164,835.00	26.0	10.4
Lawn Maintenance	3,280.00	15,885.00	4.1	1.0
Capital Outlay-Stan.Lake Rehab	0.00	1,129.76	0.0	0.1
LaVie Sect 1-Joselyn reimb 2016	0.00	108,446.00	0.0	6.8
Postage	0.00	6,888.03	0.0	0.4
Security	0.00	10,952.50	0.0	0.7
Flex Net Tower System	175.00	42,954.35	0.2	2.7
Director Fees	900.00	8,400.00	1.1	0.5

See Accountants' Report

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STANLEY LAKE MUD GENERAL FUND
Statement of Revenues & Expenditures
for the current period and period ending May 31, 2017

	<u>Current Period</u>	<u>Year to Date</u>	<u>M-T-D %</u>	<u>Y-T-D %</u>
Directors Expenses	0.00	3,567.03	0.0	0.2
Legal Fees	2,530.50	24,966.84	3.2	1.6
Accounting Fees	0.00	21,572.00	0.0	1.4
Audit Fees	0.00	11,565.00	0.0	0.7
Engineering Fees	4,449.08	33,878.78	5.6	2.1
Salaries & Wages	7,600.00	53,200.00	9.5	3.4
Publications - Legal Notices	0.00	4,712.06	0.0	0.3
Licenses/Permits/Fees	175.00	41,196.42	0.2	2.6
Insurance	0.00	32,252.18	0.0	2.0
Taxes - Payroll	921.82	6,452.75	1.2	0.4
Water - Meter Reading	0.00	377.25	0.0	0.0
Office Expense	<u>171.91</u>	<u>16,996.14</u>	<u>0.2</u>	<u>1.1</u>
 Total Expenditures	 <u>81,181.71</u>	 <u>1,227,185.60</u>	 <u>101.8</u>	 <u>77.5</u>
 Excess(Deficit)of Rev.over(under)Exp	 <u><u>\$(1,461.97)</u></u>	 <u><u>\$ 356,433.35</u></u>	 <u><u>(1.8)</u></u>	 <u><u>22.5</u></u>

See Accountants' Report

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ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors
Stanley Lake Municipal Utility District
Montgomery, TX 77356

We have compiled the accompanying financial statements of the governmental activities of Stanley Lake Municipal Utility District – Debt Service Fund, as of May 31, 2017 and for the seven months then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

The management of the Stanley Lake Municipal Utility District is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair representation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist the management of Stanley Lake Municipal Utility District in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

We are not independent with respect to Stanley Lake Municipal Utility District.

J.W. Schubert & Company, P.C.

June 9, 2017

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STANLEY LAKE MUD DEBT SERVICE
Balance Sheet
as of May 31, 2017

ASSETS

Current Assets

Wells Fargo-D/S cking	\$ 2,271.13
Wells Fargo-Tax acct- checking	59,218.29
Wells Fargo Inv. cking #2961	1,497,546.08
TexPool-7874200003	18,071.87
Taxes Receivable	31,577.47
Due to/from General Operating	<u>1,496.00</u>

Total Current Assets

\$ 1,610,180.84

Investments

Green Bank - CD#10041	<u>250,000.00</u>
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Total Investments

250,000.00

Total Assets

\$ 1,860,180.84

See Accountants' Report

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STANLEY LAKE MUD DEBT SERVICE
Balance Sheet
as of May 31, 2017

LIABILITIES AND EQUITY

Current Liabilities

Accounts Payable	\$ 1,043.78
Reserve Bond Interest Payable	7,356.56
Deferred Tax Revenue	<u>31,577.47</u>

Total Current Liabilities \$ 39,977.81

Total Liabilities 39,977.81

Fund Equity

Designated for Capital Interest	213,340.32
Debt Service Fund Balance	793,429.05
Excess Revenues Over(Under) Expenditures	<u>813,433.66</u>

Total Fund Equity 1,820,203.03

Total Liabilities & Fund Equity \$ 1,860,180.84

See Accountants' Report

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STANLEY LAKE MUD DEBT SERVICE
Statement of Revenues & Expenditures
for the current period and period ending May 31, 2017

	<u>Current Period</u>	<u>Year to Date</u>	<u>M-T-D %</u>	<u>Y-T-D %</u>
Revenues				
Tax Collections	\$ 17,835.95	\$ 1,115,679.46	87.0	99.1
Penalties & Interest	2,476.43	8,935.84	12.1	0.8
Interest Earn./Temp.Invest.	183.93	1,085.57	0.9	0.1
Total Revenues	<u>20,496.31</u>	<u>1,125,700.87</u>	<u>100.0</u>	<u>100.0</u>
Expenditures				
Bond Interest Expense	0.00	282,697.50	0.0	25.1
Fiscal Agent Fees	0.00	1,800.00	0.0	0.2
Appraisal District Fees	0.00	9,744.00	0.0	0.9
Tax Assessor Fees	1,410.75	14,699.50	6.9	1.3
Arbitrage Compliance Exp	0.00	3,250.00	0.0	0.3
Bank Charges/Fees	0.00	76.21	0.0	0.0
Total Expenditures	<u>1,410.75</u>	<u>312,267.21</u>	<u>6.9</u>	<u>27.7</u>
Excess Revenues Over(Under) Exp	<u>19,085.56</u>	<u>813,433.66</u>	<u>93.1</u>	<u>72.3</u>

See Accountants' Report

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ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors
Stanley Lake Municipal Utility District
Montgomery, TX 77356

We have compiled the accompanying financial statements of the governmental activities of Stanley Lake Municipal Utility District – Capital Project Fund, as of May 31, 2017 and for the seven months then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

The management of the Stanley Lake Municipal Utility District is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair representation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist the management of Stanley Lake Municipal Utility District in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

We are not independent with respect to Stanley Lake Municipal Utility District.

J.W. Schubert & Company, P.C.
June 9, 2017

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STANLEY LAKE MUD CAPITAL PROJECT FUND

Balance Sheet
as of May 31, 2017

ASSETS

Current Assets

Wells Fargo Inv Cking- #2979	\$ 1,546,823.01
Wells Fargo 2016 Escrow Acct	5,518,480.94
Texpool - 787420006	<u>7,890.42</u>

Total Current Assets	\$ 7,073,194.37
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Total Assets	<u>\$ 7,073,194.37</u>
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See Accountants' Compilation Report

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STANLEY LAKE MUD CAPITAL PROJECT FUND
Balance Sheet
as of May 31, 2017

LIABILITIES AND EQUITY

Stockholders' Equity

Retained Earnings

\$ 1,376,066.82

Net Income (Loss) - Y.T.D.

5,697,127.55

Total Stockholders' Equity

7,073,194.37

Total Liabilities & Equity

\$ 7,073,194.37

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STANLEY LAKE MUD CAPITAL PROJECT FUND
Income Statement
for the period ended May 31, 2017

	<u>Current Period</u>	<u>Year to Date</u>	<u>M-T-D %</u>	<u>Y-T-D %</u>
Sales				
Proceeds from Sale of Bonds	<u>\$ 0.00</u>	<u>\$ 6,125,053.98</u>	<u>0.0</u>	<u>100.0</u>
Total Sales	<u>0.00</u>	<u>6,125,053.98</u>	<u>0.0</u>	<u>100.0</u>
Bond Issue Expense				
2016 Bond Issue Expense	<u>0.00</u>	<u>314,561.25</u>	<u>0.0</u>	<u>5.1</u>
Total Bond Issue Expense	<u>0.00</u>	<u>314,561.25</u>	<u>0.0</u>	<u>5.1</u>
Gross Profit	<u>0.00</u>	<u>5,810,492.73</u>	<u>0.0</u>	<u>94.9</u>
Construction Cost				
Catahoula Water Plant #3	<u>0.00</u>	<u>91,772.90</u>	<u>0.0</u>	<u>1.5</u>
WWTP Lift Station #2	<u>0.00</u>	<u>24,077.22</u>	<u>0.0</u>	<u>0.4</u>
Total Construction Cost	<u>0.00</u>	<u>115,850.12</u>	<u>0.0</u>	<u>1.9</u>
Total Expenses	<u>0.00</u>	<u>115,850.12</u>	<u>0.0</u>	<u>1.9</u>
Operating Profit (Loss)	<u>0.00</u>	<u>5,694,642.61</u>	<u>0.0</u>	<u>93.0</u>
Other Income (Expenses)				
Other Income				
Interest on Investments	<u>270.22</u>	<u>2,484.94</u>	<u>0.0</u>	<u>0.0</u>
Total Other Income (Expenses)	<u>270.22</u>	<u>2,484.94</u>	<u>0.0</u>	<u>0.0</u>
Net Income (Loss)	<u><u>\$ 270.22</u></u>	<u><u>\$ 5,697,127.55</u></u>	<u><u>0.0</u></u>	<u><u>93.0</u></u>

See Accountants' Compilation Report



ATTACHMENT-B
CASH FLOW



Stanley Lake Municipal Utility District
Tax Rate Impact Analysis
\$6,390,000 Bond Issue
No Growth Tax Rate Impact/Cash Flow Analysis

Year Ending 12/31	Beginning Debt Service Fund Balance	Interest Earnings on Fund Balance 1.65%	Prior Year/ Estimated Taxable Assessed Valuation	Assessed Valuation Growth Rate (%)	Tax Rate per \$100 of Assessed Value	Tax Collections 97.00%	Total Funds Available for Debt Service	Current Debt Service Requirements	Plus: Unlimited Tax Bonds, Series 2016 \$6,390,000 Interest Rate Estimated @ 4.15%			Less: Capitalized Interest	Total Debt Service Requirements	Ending Debt Service Fund Balance	Debt Service Coverage (%)
									Principal	Interest	Total				
2016	\$888,696		\$374,224,713		\$0.2800	\$1,016,394	\$1,905,090	\$1,085,245					\$1,085,245	\$819,845	75.53%
2017	819,845		374,224,713	0.00%	0.3592	1,303,889	2,123,734	1,085,395		\$243,086	\$243,086	(243,086)	1,085,395	1,038,339	76.91%
2018	1,038,339	\$17,133	374,224,713		0.3592	1,303,889	2,359,360	1,084,820		265,185	265,185		1,350,005	1,009,355	74.57%
2019	1,009,355	16,654	374,224,713		0.3592	1,303,889	2,329,898	1,088,370		265,185	265,185		1,353,555	976,343	71.94%
2020	976,343	16,110	374,224,713		0.3592	1,303,889	2,296,342	1,091,895		265,185	265,185		1,357,080	939,262	69.08%
2021	939,262	15,498	374,224,713		0.3592	1,303,889	2,258,648	1,094,495		265,185	265,185		1,359,680	898,968	66.04%
2022	898,968	14,833	374,224,713		0.3592	1,303,889	2,217,690	1,096,028		265,185	265,185		1,361,213	856,478	62.90%
2023	856,478	14,132	374,224,713		0.3592	1,303,889	2,174,498	1,096,480		265,185	265,185		1,361,665	812,833	59.72%
2024	812,833	13,412	374,224,713		0.3592	1,303,889	2,130,134	1,020,933	\$75,000	265,185	340,185		1,361,118	769,016	56.53%
2025	769,016	12,689	374,224,713		0.3592	1,303,889	2,085,594	1,028,285	70,000	262,073	332,073		1,360,358	725,236	53.22%
2026	725,236	11,966	374,224,713		0.3592	1,303,889	2,041,091	1,033,473	70,000	259,168	329,168		1,362,640	678,451	49.78%
2027	678,451	11,194	374,224,713		0.3592	1,303,889	1,993,534	1,036,568	70,000	256,263	326,263		1,362,830	630,704	46.33%
2028	630,704	10,407	374,224,713		0.3592	1,303,889	1,945,000	1,042,978	65,000	253,358	318,358		1,361,335	583,665	42.83%
2029	583,665	9,630	374,224,713		0.3592	1,303,889	1,897,184	1,047,128	65,000	250,660	315,660		1,362,788	534,396	39.22%
2030	534,396	8,818	374,224,713		0.3592	1,303,889	1,847,103	1,054,428	60,000	247,963	307,963		1,362,390	484,713	35.51%
2031	484,713	7,998	374,224,713		0.3592	1,303,889	1,796,599	1,059,488	60,000	245,473	305,473		1,364,960	431,639	31.63%
2032	431,639	7,122	374,224,713		0.3592	1,303,889	1,742,650	1,061,473	60,000	242,983	302,983		1,364,455	378,195	27.78%
2033	378,195	6,240	374,224,713		0.3592	1,303,889	1,688,324	1,066,033	55,000	240,493	295,493		1,361,525	326,799	25.20%
2034	326,799	5,392	374,224,713		0.3592	1,303,889	1,636,080	418,513	640,000	238,210	878,210		1,296,723	339,357	26.19%
2035	339,357	5,599	374,224,713		0.3592	1,303,889	1,648,845	423,856	660,000	211,650	871,650		1,295,506	353,339	27.23%
2036	353,339	5,830	374,224,713		0.3592	1,303,889	1,663,058	428,325	685,000	184,260	869,260		1,297,585	365,473	28.17%
2037	365,473	6,030	374,224,713		0.3592	1,303,889	1,675,392	431,450	710,000	155,833	865,833		1,297,283	378,109	29.20%
2038	378,109	6,239	374,224,713		0.3150	1,143,444	1,527,792	433,675	735,000	126,368	861,368		1,295,043	232,749	27.85%
2039	232,749	3,840	374,224,713		0.2300	834,895	1,071,485		740,000	95,865	835,865		835,865	235,620	28.21%
2040	235,620	3,888	374,224,713		0.2300	834,895	1,074,403		770,000	65,155	835,155		835,155	239,248	28.71%
2041	239,248	3,948	374,224,713		0.2300	834,895	1,078,091		800,000	33,200	833,200		833,200	244,891	0.00%
Totals		\$234,602						\$21,309,329	\$6,390,000	\$5,468,351	\$11,858,351				

Average Tax Rate: \$0.3395
Tax Rate Increase: \$0.0792

Minimum Coverage: 25.20%

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ATTACHMENT-C
TCEQ INSPECTION REPORT



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



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TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

May 16, 2016

Bruce Douglass, General Manager
Stanley Lake MUD
875 Lake View Drive
Montgomery, Texas 77356-5785

Re: Comprehensive Compliance Investigation at:
Stanley Lake MUD, 10474 Twin Lake Circle, Montgomery, Montgomery Co., Texas
Regulated Entity No.: 101453389
TCEQ ID No.: 170097

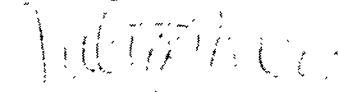
Investigation No.: 1329095

Dear Mr. Douglass:

On March 15, 2016, Ms. Nicole Reed and Ms. 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. Reed, in the Houston Region Office at (713) 767-3650.

Sincerely,


Julia Thorp, Team Leader
Public Water Supply
Houston Region Office

JT/NR/mar

cc: Montgomery County Environmental Health Services

Larry Taylor, Plant Operator, 875 Lake View Drive, Montgomery, TX 77356



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



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

June 10, 2015

CERTIFIED MAIL 7010 1870 0003 4949 9811
RETURN RECEIPT REQUESTED

Received 17 JUN 15
WPH

Mr. Bruce Douglass
General Manager
Stanley Lake Municipal Utility District
875 Lake View Drive
Montgomery, Texas 77356

Re: Notice of Violation for the Compliance Evaluation Investigation at:
Stanley Lake Municipal Utility District Wastewater Treatment Plant, 875 Lake View
Drive, Montgomery County, Texas
TCEQ ID No.: WQ0011367-001, EPA ID No.: TX0022063

Dear Mr. Douglass:

On April 9, 2015, Mr. Dustin Roberts of the Texas Commission on Environmental Quality (TCEQ) Houston Region Office conducted an investigation of the above-referenced regulated entity to evaluate compliance with applicable water quality requirements. Enclosed is a summary which lists the investigation findings. During the investigation, two outstanding alleged violations were identified for which compliance documentation is required. Please submit to this office by July 10, 2015 a written description of corrective action taken and the required documentation demonstrating that compliance has been achieved for the outstanding alleged violations. Also, see the attached Additional Issue.

In the listing of the alleged violations, we have cited applicable requirements, including TCEQ rules. Please note that both the rules themselves and the agency brochure entitled *Obtaining TCEQ Rules* (GI 032) are located on our agency website at <http://www.tceq.state.tx.us> for your reference. If you would like a hard copy of this brochure mailed to you, you may call and request one from either the Houston Region Office at (713) 767-3650 or the Central Office Publications Ordering Team at (512) 239-0028.

The TCEQ appreciates your assistance in this matter. Please note that the Legislature has granted TCEQ enforcement powers which we may exercise to ensure compliance with environmental regulatory requirements. Self-reported violations may be subject to enforcement, including penalties, upon review by the Enforcement Division. We anticipate that you will resolve the alleged violation as required in order to protect the State's environment. If you have additional information that we are unaware of, you have the opportunity to contest the violations documented in this notice. Should you choose to do so, you must notify the Houston Region Office within 10 days from the date of this letter. At that time, Ms. Elizabeth Sears,

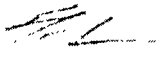
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Bruce Douglass
June 10, 2015
Page 2

Water Quality Team Leader will schedule a violation review meeting to be conducted within 21 days from the date of this letter. However, please be advised that if you decide to participate in the violation review process, the TCEQ may still require you to adhere to the compliance schedule included in the attached Summary of Investigation Findings until an official decision is made regarding the status of the contested violations.

If you or members of your staff have any questions, please feel free to contact Mr. Dustin Roberts in the Houston Region Office at (713) 767-3631.

Sincerely,



Elizabeth Sears
Team Leader
Water Quality Management
Region 12 Houston

EWS/DAR/ci

Enclosure: Summary of Investigation Findings
Effluent Violations Table



Summary of Investigation Findings

STANLEY LAKE MUD	Investigation #
879 LAKE VIEW DR	1254764
MONTGOMERY, MONTGOMERY COUNTY, TX 77356	Investigation Date: 04/09/2015
Additional ID(s): TX0022063	
WQ0011367001	

OUTSTANDING ALLEGED VIOLATION(S)

Track No: 572151 Compliance Due Date: To Be Determined

30 TAC Chapter 305.125(1)

PERMIT WQ0011367001, M&RR No. 7.c

Monitoring and Reporting Requirements, No. 7.c

Alleged Violation:

Investigation: 1254764

Comment Date: 06/05/2015

Failed to provide notification of any effluent violation which deviates from the permitted effluent limitation by more than 40%. Specifically, during the record review period of April 2014 to March 2015, two violations which exceeded the permitted limit by more than 40% were noted. See the attached table.

Recommended Corrective Action: Noncompliance notification shall be reported by the permittee in writing to the Regional Office and the Enforcement Division (MC 224) within five working days of becoming aware of the noncompliance. Submit the required noncompliance notifications. Also, submit documentation outlining the steps taken to ensure the proper notification of effluent violations.

Track No: 572154 Compliance Due Date: 04/23/2015

30 TAC Chapter 319.6

30 TAC Chapter 319.9(d)

Alleged Violation:

Investigation: 1254764

Comment Date: 06/10/2015

Failed to assure the quality of all measurements through the use of blanks, standards, duplicates, and spikes. Specifically, total chlorine residual standards were not being analyzed on a 10% basis.

Recommended Corrective Action: Standards shall be analyzed on a 10% basis. If one to 10 samples are analyzed on a particular day, then one standard shall be analyzed. [Duplicates may be analyzed in lieu of standards for the total chlorine residual analysis.] Submit documentation indicating that the quality control requirements are being met.

ADDITIONAL ISSUES

Description

Is the regulated entity compliant with the self-monitored effluent limitations?

Additional Comments

Two effluent violations were reported during the record review period of April 2014 to March 2015. See the attached Effluent Violations Table. Self-reported effluent violations may be subject to enforcement, including penalties, upon review by the Enforcement Division. Steps should be taken to ensure compliance with the permitted effluent limitations.



Effluent Violations for Select Facility
04/01/2014 through 03/31/2015

*** NOT ICIS CERTIFIED ***

TPDES ID	NPDES ID	Facility Name	CMC Name	Ent Auth	Major/Minor	92-500	ICEQ Region	Issue Date	Expiration Date	Primary SIC
11367001	TX0022063	STANLEY LAKE MUD WWTP	GARZA	STATE	Minor		SEG 1012	6/16/2012	6/1/2017	4952

Outfall No.	Limit Set Name	Limit Start Date	Limit End Date
001A	DOMESTIC FACILITY - 001	7/1/12	6/1/17

Monitoring Period	Param_Cd	Parameter	MLOC	Limit (%Vio)	RNC Vio	Received Date
				394 DAILY MAX (CFU/100)		
11/30/2014	51040	E. coli	1	1119.9 (184%)		12/12/14
12/31/2014	51040	E. coli	1	689.3 (75%)		1/20/15



ATTACHMENT-D
RATE ORDER