

Kathleen Hartnett White, *Chairman*
Larry R. Soward, *Commissioner*
H. S. Buddy Garcia, *Commissioner*
Glenn Shankle, *Executive Director*



TEXAS
COMMISSION
ON ENVIRONMENTAL
QUALITY

2007 OCT 18 PM 4:13

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

CHIEF CLERKS OFFICE

Protecting Texas by Reducing and Preventing Pollution
October 18, 2007

Ms. LaDonna Castanuela, Chief Clerk
Office of the Chief Clerk
Texas Commission on Environmental Quality
P.O. Box 13087, MC-105
Austin, Texas 78711-3087

Re: TCEQ Docket No. 2006-1763-UCR; Consideration of a request for a Commission order approving contracts designating service areas between the City of Austin and Manville Water Supply Corporation.

Dear Ms. Castanuela:

Enclosed for filing are the original and eleven copies of the backup material for the November 7, 2007 agenda for an order approving contracts designating service areas between the City of Austin and Manville Water Supply Corporation ("Manville WSC").

1. Proposed Order;
2. Agenda Executive Summary;
3. Request for a Commission order approving Texas Water Code §13.248 agreements filed by City of Austin for transfer of water service area between the City of Austin and Manville WSC ;
4. Texas Water Code §13.248 Agreement between Austin and Manville WSC; and
5. Maps of the areas covered by the Agreement.
6. Certificates of Convenience and Necessity

Please do not hesitate to contact me at (512)239-0144 if you have any questions. Thank you for your attention to this matter.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Pinar Dogru".

Pinar Dogru, Staff Attorney
Environmental Law Division

Enclosures

cc: mailing list

Texas Commission on Environmental Quality

INTEROFFICE MEMORANDUM

TO: Texas Commission On Environmental Quality **DATE:** October 18, 2007
THRU: LaDonna Castañuela, Chief Clerk
FROM: Environmental Law Division
SUBJECT: Consideration of a request for a Commission order approving a contract designating service areas between City of Austin ("Austin") and Manville Water Supply Corporation ("Manville WSC").

DESCRIPTION OF APPLICATION

Applicant: The City of Austin
Regulated Activity: Retail water utility service
Type of Application: Request for a Commission Order approving a contract
Commission Action: Hearing regarding approval of the contract
Authority: Texas Water Code §13.248 and 30 Texas Administrative Code § 291.117

FACTUAL BACKGROUND

The City of Austin, Texas, water certificate of convenience and necessity ("CCN") No. 11322, and Manville WSC, water CCN No. 11144, provide retail water service in Travis County, Texas. On October 5, 2005, and October 12, 2005, by written correspondence, Austin and Manville WSC executed an agreement, First Amendment to Wholesale Water Service Agreement, regarding their respective water service areas pursuant to Section 13.248 of the Texas Water Code.

Under the Agreement, Austin will transfer approximately 151 acres of service area to Manville WSC. Manville WSC will transfer a total of approximately 1,668 acres of service area to the City of Austin.

The matter regarding transfer of water service between Austin and Manville WSC was previously set on the February 7, 2007 agenda, however the matter was remanded so that the commission could combine other pending applications by Austin to be heard at a future agenda hearing together.

LEGAL AUTHORITY

The Texas Water Code prohibits a utility, a utility operated by an affected county, or a water supply

corporation from rendering retail water or sewer utility service directly or indirectly to the public without first having obtained from the Commission a CCN.¹ A municipality is not required to obtain a CCN to provide retail water service.² However, a municipality may not provide service to areas that are outside of its corporate boundaries, but that are within the CCN of another retail public utility, without first obtaining written consent from that retail public utility.³

The TWC and TCEQ rules allow retail public utilities to enter into service area agreements and have the Commission affirm the agreements by amending the entities' respective CCNs.⁴ A transfer of a water or sewer system that also includes the transfer of customers and/or facilities may, in some cases, also require separate Commission approval for the transfer of customers and/or facilities.⁵

The request to approve a 13.248 agreement is not subject to the notice provisions of 30 Texas Administrative Code § 291.106, which apply to applications for new and amended CCNs. The Commission may approve the service area agreement pursuant to TWC § 13.248 with the appropriate notice under the Open Meetings Act. The Executive Director will mail notice of the hearing upon the setting of an Agenda date.

BASIS FOR STAFF RECOMMENDATION

The following items were considered in developing the Staff's recommendation:

1. Request for a Commission orders approving the following agreements: Texas Water Code 13.248 agreements filed by Austin on October 21, 2005, (Application No. 35137-C) and on March 3, 2006 (Application No. 35290-C);
2. Agreement between the City of Austin and Manville WSC executed by written correspondence on October 5, 2005, and October 12, 2005;
3. Maps of the service areas subject to the 13.248 agreements submitted by the City of Austin; and

¹ TEX. [WATER] CODE ANN. § 13.242(a) (Vernon 2006).

² A municipality is a "retail public utility" under TWC § 13.002(19), but is not a "utility" under § 13.002(23). Therefore, the TWC § 13.242(a) requirement that a "utility" must obtain a CCN before providing retail water utility service does not apply to a municipality.

³ § 13.242(b).

⁴ § 13.248; *see also* 30 TEX. ADMIN. CODE § 291.117 (West 2006). TWC § 13.248 states that, "[c]ontracts between retail public utilities designating areas to be served and customers to be served by those retail public utilities, when approved by the commission after public notice and hearing, are valid and enforceable and are incorporated into the appropriate areas of public convenience and necessity."

⁵ § 13.301. The section requires that some applicants also demonstrate "adequate financial, managerial, and technical capability for providing continuous and adequate service to the service area being acquired and to any areas currently certificated to the person" for the separate transaction relating to the transfer of facilities and/or customers.

4. Financial, Managerial, and Technical analyses of the City of Austin and Manville WSC to operate in their respective affected areas.

STAFF RECOMMENDATION

Based on the facts stated in the application and the supporting documentation submitted by the City of Austin, Staff supports the request for a Commission order approving a contract designating service areas between the City of Austin and Manville WSC. Staff has confirmed that parties are retail public utilities with active water CCNs and that the areas the parties are seeking to transfer is either certificated or dually certificated to one or both parties receiving the CCN. Further, staff is satisfied that parties possess the adequate financial, managerial, and technical capability to provide continuous and adequate service to the areas being transferred.

STAFF CONTACTS

Pinar Dogru, Environmental Law Division (239-0144)
Lisa Fuentes, Water Supply Division (239-6117)

Docket No. 2006-1763-UCR. Consideration of a request for a Commission order approving contracts designating service areas between the City of Austin ("Austin"), water certificate of convenience and necessity ("CCN") No. 11322, and Manville Water Supply Corporation ("Manville WSC"), water CCN No. 11144, in Travis County, pursuant to Section 13.248 of the Texas Water Code. Under the Agreement, Austin will transfer approximately 151 acres of service area to Manville WSC and Manville WSC will transfer approximately 1,668 of service area to Austin. No facilities are proposed to be transferred. (Pinar Dogru, Lisa Fuentes)

AN ORDER approving contracts designating service areas between the City of Austin and Manville Water Supply Corporation in Travis County, Texas pursuant to Texas Water Code Section 13.248; TCEQ Docket No. 2006-1763-UCR.

A request for a Commission order approving contracts designating service areas between the City of Austin ("Austin"), water certificate of convenience and necessity ("CCN") No. 11322 and Manville Water Supply Corporation ("Manville WSC") CCN No. 11144 in Travis County, Texas, was presented to the Texas Commission on Environmental Quality ("Commission") for approval pursuant to Section (§) 13.248 of the Texas Water Code and Title 30, § 291.117 of the Texas Administrative Code.

On October 5, 2005, and October 12, 2005, by written correspondence, Austin and Manville WSC executed an agreement, First Amendment to Wholesale Water Service Agreement, regarding their respective water service areas. Under the Agreement, Austin will transfer approximately 151 acres of service area to Manville WSC. Manville WSC will transfer a total of approximately 1,668 acres of service area to Austin.

Under the TWC §13.248, contracts between retail public utilities that designate areas and customers to be served by those retail public utilities, when approved by the Commission after public notice and hearing, are valid and enforceable and are incorporated into the appropriate areas of public convenience and necessity.

The Commission held a hearing regarding approval of Austin and Manville WSC's

Agreement November 7, 2007 agenda and found that the request had merit.

Austin and Manville WSC are each capable of rendering continuous and adequate water service to the customers in their respective areas covered by the Agreement. The CCN transfers contemplated in the aforementioned Agreements are necessary for the service, accommodation, convenience, or safety of the public.

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

1. The Agreements transferring portions of Austin's and Manville WSC's respective CCNs and designating that retail water service shall be provided by the other in those areas, is hereby approved.
2. CCN No. 11322 held by the City of Austin and CCN No. 11144 held by Manville WSC in Travis County, are hereby amended in accordance with the Agreement.
3. The Executive Director is directed to redraw the respective CCNs as provided in the Agreement and as set forth on the map attached to this Order, and to amend the Commission's official water service area map for Travis County, Texas.

The Chief Clerk of the Texas Commission on Environmental Quality shall forward a copy of this Order to the parties.

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:

TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY

For the Commission

**Request for a Commission Order
Approving a TWC § 13.248 agreement**



City of Austin

Austin Water Utility, P. O. Box 1088, Austin, Texas 78767 512-972-0444

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P/O
✓ MAR - 8 2006
A-0256
UTILITIES & DISTRICTS
SECTION

March 3, 2006

Michelle Abrams, Team Leader
Utilities & Districts Section
Water Supply Division
Texas Commission on Environmental Quality
P O Box 13087
Austin, TX 78711-3087

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ON
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Dear Ms Abrams,

The Austin Water Utility ("AWU") is requesting a transfer of certificate of convenience and necessity ("CCN") pursuant to section 13.248 of the Texas Water Code for a portion of Manville Water Supply Corporation ("Manville") CCN No. 11144 to the AWU CCN No. 11322.

Enclosed you will find the required attachments.

- Letter agreement between AWU and Manville;
- Map reflecting the area to be transferred, the City's ETJ and corporate limits;
- Large scale CCN map;
- Financial Statement;
- Digital Data;
- Required application fee.

If additional information is required or should you have any questions, please notify me by email at lisa.martinez@ci.austin.tx.us or by phone at 972-0444.

Sincerely,

Lisa M. Martinez, CPM
Contract Administrator
Wholesale Services
Austin Water Utility
City of Austin

Enclosures

Agreement

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The City agrees not to charge a "take or pay" fee for a required minimum water usage or a capacity reservation fee for the maximum level of service of four (4) MGD. The Customer has the right to use up to the maximum level of service as it desires during the term of the Agreement.

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY UTILITIES AND DISTRICTS

The parties agree that when use by the Customer reaches or exceeds seventy five per cent (75%) of the maximum level of four (4) MGD established hereunder based on a monthly average for any monthly billing period during the term of this Agreement, the parties shall negotiate with regard to an appropriate adjustment of the maximum service level described hereunder.

Any increase in the maximum service level provided hereunder must be made by written amendment of this Agreement which shall be subject to review and approval by the Austin City Council and the Board of Directors of the Customer and the ability of the City's Water System to provide such additional water service as determined by the Director. Nothing herein shall be construed to imply any entitlement to an increase in the level of water service from the City.

In the event that the City is unable or unwilling to provide the increased level of water service requested by the Customer, the Customer may endeavor to secure supplemental water service from another provider.

Section 2.07 is revised to read as follows: **Water Capital Recovery Fees.** During the term of this Agreement, the Customer agrees to collect the City's Water Capital Recovery Fee for each service unit of new development connected to the Customer System within the Wholesale Service Area. The amount of the Water Capital Recovery Fee and the number of service units for each connection shall be determined in accordance with the City's Capital Recovery Fee Ordinance as amended from time to time.

The Customer agrees to remit to the City on a monthly basis the City's Water Capital Recovery Fees collected by the Customer for service units of new development that are connected to the Customer's System within the Wholesale Service Area within each monthly period together with a written report of connections made, that also includes the street addresses, size of water meter, and amount collected, within each such monthly period.

The Customer agrees that the addresses and associated water meter sizes listed on Exhibit B constitute all existing customers within the wholesale service area who are not required to pay the City's Water Capital Recovery Fee, unless the customer requests a larger size meter, in which case the customer is then required to pay the incremental difference of the City's Water Capital Recovery Fee for the service units of the existing water meter and the new water meter.

ARTICLE III. COMPLIANCE WITH STATE LAWS AND CITY REGULATIONS

Section 3.03 is revised to read as follows: **No Resale of Wholesale Water Outside Wholesale Service Area.** The Customer agrees that it will not sell or deliver water obtained from the City under this Agreement to any area or legal person outside the Wholesale Service Area designated under this Agreement without the prior written consent of the Director of the Austin Water Utility.

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ENVIRONMENTAL QUALITY
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ARTICLE VII.
CONSTRUCTION OF FACILITIES

Section 7.01 is revised to read as follows: **Construction by Customer.** Unless otherwise agreed in writing, the Customer shall also be solely responsible for design, engineering, financing, construction, installation, inspection, operation, maintenance, repair, and replacement of all internal capital facilities for the transmission and distribution of water from the Point of Delivery to its retail customers within the Wholesale Service Area.

Section 7.02 is revised to read as follows: **No Private Lines.** The Customer shall ensure that there are no privately owned water lines, mains, or appurtenances installed, maintained, or utilized by third persons in the public rights-of-way within the Wholesale service area nor shall the Customer permit the resale of potable water provided by the City hereunder.

Section 7.03 is revised to read as follows: **Approval of Plans and Specifications.** All Customer Water Facilities within the City's ETJ will be constructed to City standards and design criteria. Plans and specifications for the Metering Facilities and appurtenances shall comply in all respects with City standards and specifications.

All construction plans for Customer Water Facilities within the City's ETJ and the Metering Facilities for same shall be subject to review and approval by the Director prior to the commencement of construction. The Customer agrees to pay all City fees for review of such plans.

From the Effective Date of this First Amendment, the Customer agrees to provide a letter from its engineer, within 10 days from the Customer's final acceptance of the Customer Water Facilities of a new construction project, certifying that the new Customer Water Facilities installed within the City's ETJ have been built to City standards and design criteria in accordance with City approved construction plans. Otherwise, the Customer instead may chose to have a City inspector assigned to the project 30 days prior to the commencement of construction at the Customer's (or developer's) cost. The Customer agrees to pay all applicable City fees including inspection fees related to construction of the Metering Facilities.

Section 7.04 is revised to read as follows: **Construction, Operation and Maintenance of Customer Water Facilities.** Unless otherwise agreed in writing, it is understood and acknowledged that the Customer is solely responsible for the design, engineering, financing, construction, and inspection of all Customer Water Facilities, and that, upon completion of construction thereof, the Customer shall be the sole owner of such Customer Water Facilities. It shall be the responsibility of the Customer to operate and maintain its Customer Water Facilities in a safe and efficient manner and in accordance with generally accepted utility practices and the requirements of applicable law.

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UTILITIES AND DISTRICTS

ARTICLE VIII.
SERVICE AREA AND LIMITATIONS ON SERVICE

Section 8.01 is revised to read as follows: **Limitation of Service to Wholesale Area.** The Customer acknowledges that, as the provider of potable water service on a regional basis, the City must retain the ability to plan, fund, and operate City Water Facilities needed to serve not only the Customer but all other customers of the City's regional water system and that the expansion of customer service areas by any customer without the consent of the City detrimentally affects the capability of the City to plan, fund, and operate the City Water System for the benefit of all City customers. Accordingly, wholesale water service from the City under this Agreement is conditioned upon and shall terminate and expire automatically in the event that the Customer, without the prior written consent of the City:

(a) increases the area that receives potable water from the City by constructing or installing water lines or facilities to transport potable water received from the City outside the Wholesale Service Area; or

(b) provides retail water service to areas outside the Wholesale Service Area using potable water obtained from the City; or

(c) otherwise enlarges in any manner the area served with water obtained from the City without the prior written consent of the City; or

(d) knowingly connects or continues to provide water service any customer who, in turn, sells water obtained from the City under this Agreement to another entity or legal person located outside of the Wholesale Service Area; or

(e) the Customer creates, merges into, converts to, or requests annexation into any form of water district or other political subdivision without the prior written approval of the City Council.

Section 8.04 is added as follows: **Transfer of Service Area and Customers.** The City and the Customer agree to transfer the service area to each other identified in Exhibit C and the service area and customers identified in Exhibit D to the City as of the Effective Date of this First Amendment, subject to the approval of the Commission. The City and the Customer agree to conduct business with regard to the service areas in accordance with the intent of this First Amendment during the interim period of seeking approval of the Commission. The City agrees to pay Commission fees associated with this transfer.

The City and the Customer acknowledge that there currently exist customers within the service area to be transferred to the City as identified in Exhibit D. Until such time that the City provides written notice ("CT Notice") that the City, at its cost, has constructed facilities that are capable of providing continuous and adequate water service to the existing customers with the City's water supply, the Customer agrees to continue to provide retail water service to such customers in accordance with its tariff and at no cost to the City.

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Upon the City's CT notice to the Customer, the Customer agrees to notify, within 30 days, its existing customers within the transferred service area of Exhibit D of the transfer to the City. The Customer agrees to provide, within 10 days of the City's request, to the City the customers' names, service addresses, meter numbers, date of last meter reading, meter reading, and all other information requested by the City to reasonably effectuate the transfer of water service to the City. The City and the Customer agree to coordinate all matters with regard to the actual transfer of customers to the City. The Customer agrees to refund customer deposits, if any, to the existing customers within 30 days.

Additionally, the City acknowledges and agrees that Manville entered into an agreement with the developer of the Winding Trails Subdivision located in the northern portion of the land as shown on the Travis County Tax Appraisal District's map (#2_1050 as of the Effective Date of this Agreement). The Winding Trails Subdivision is located within the area is to be transferred to the City as shown on Exhibit D. In accordance with the contract between the developer and Manville, the developer pays water capital recovery fees for each platted lot. The City agrees not to charge its Water Capital Recovery Fee within the Winding Trails Subdivision for the size of water meter connection purchased from Manville. As of the date of this Agreement, the developer has paid Manville water capital recovery fees for Winding Trails Subdivision Phases I and II (C8-950058.0A and C8-950089.1A). Manville agrees to provide to the City, within 10 days of Manville's receipt of the City's CT Notice, an updated list of all platted lots within Exhibit D for which Manville's water capital recovery fee has been previously paid.

The City agrees that at such time the City provides water service to the existing customers, the existing customers shall not pay the City's Water Capital Recovery Fee for any existing level of service. Upon the City providing water service to the existing customers, service will thereafter be provided in accordance with the City's ordinances including but not limited to the Utility Service Regulations. The Customer agrees that the City may collect and retain any delinquent amounts due from the customers upon the City's provision of water service.

The Customer agrees to hold harmless the City from any debts, encumbrances, or liabilities, related to the provision of water service the customers to be transferred to the City, prior to the City providing retail water service to such transferred customers. The City and the Customer agree that they may enter into additional agreements, if necessary, to address the transfer of customers to the City.

Section 8.05 is added as follows: Temporary Emergency Service. The City acknowledges that it has approved Customer's temporary emergency water service from the City for a maximum service level of one (1) MGD at an instantaneous rate not to exceed 694 gpm. The temporary emergency water connections shall be located at the northeast corner of Central Commerce Drive and Pecan Street on the City's 8" water main as indicated on the City's intersection drawing #27216 and located on Wells Branch Parkway on the City's 12" water main as indicated on the City's intersection drawing #18062. The term of temporary emergency water service shall not exceed November 1, 2005.

Temporary emergency water service will be provided in two-week increments. The City and Customer will discuss after each two-week period to determine if temporary water service will

continue to be approved by the City during the following two-week period. Customer agrees that the City must plan and protect the provision of water service to its retail customers and wholesale contracts and, therefore, the City's provision of temporary emergency water is subject to the availability of the City's water system. Customer agrees that the City, with prior announcement to Customer, has the right to immediately terminate the provision of temporary emergency water service to Customer at the City's sole discretion. The City agrees to provide as much advance notice of termination of temporary emergency water service to Customer as practical. Upon the termination of temporary emergency water service, Customer, at its own cost, shall immediately disconnect the temporary emergency water service connection in accordance with the City's policies and procedures.

Customer agrees to operate under mandatory water conservation measures, in accordance with its approved drought management plan, during the time period of temporary emergency water service provided by the City to Manville's customers. Manville agrees to notify its affected customers in writing of Manville's mandatory water conservation measures. Customer agrees to be solely responsible for identifying and resolving any water compatibility issues within Customer's water system regarding the City and Customer's water disinfection methods.

Customer agrees that the design and construction of infrastructure for the temporary emergency water service, as approved by the City, is at Customer's cost. Customer agrees to pay all associated City fees and charges related to the design, construction, and inspection of the infrastructure and for the provision of temporary emergency water service. As part of the consideration for the City's provision of temporary emergency water service, Customer agrees to convey to the City, at no cost to the City, the connecting infrastructure including the tap, valves and associated water infrastructure as shown on the Customer's as-built plans. At no cost to the City, Customer agrees to provide to the City as-built plans of the infrastructure to be conveyed to the City concurrent with the execution of this Agreement.

The City agrees to provide two 4" water meters for billing purposes. The City agrees to issue a refund of the Customer's \$925 deposit for each of the 4" water meters upon their return to the City in satisfactory condition as determined by the City. Customer agrees to provide at its cost the City's required backflow prevention device and a pressure-sustaining valve for the temporary emergency connection, if required by the City. Customer agrees to use the psi limit provided by the City for the pressure-sustaining valve. Customer agrees to provide the City an unlimited right of access to the temporary emergency service connection and associated Customer facilities.

Customer agrees to pay the City an emergency service fee of \$600 per day for each day of actual use, a meter account fee, and the volumetric fee for the water during the meter's actual use for temporary emergency water use. The City agrees that Customer's water rate for the temporary emergency service will be equal to its current wholesale water rate.

ARTICLE IX.
TERM AND RENEWALS

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Section 9.01 is revised to read as follows: Term of Agreement. This Agreement shall be effective from the date of execution of this First Amendment by the authorized representatives of the City and the Customer and shall continue in effect for a period of thirty (30) years unless earlier terminated in accordance with the provisions hereof.

Section 9.03, Reexamination of Maximum Service Level and Wholesale Service Area, is deleted.

Section 9.04, City's Option to Require Customer Source for Raw Water; Termination for Failure to Provide Customer Source of Raw Water, is revised to read as follows: After January 1, 2010, the City will reexamine its raw water supply and need for additional raw water and, at the option of the Director on twelve (12) months written notice to the Customer, may require the Customer to provide its own source of raw water for the City to treat and transport to the Customer in lieu of the City employing the City's own water rights or contract supply of raw water for this Agreement. The alternative source of raw water obtained by the Customer must be surface water from the Lower Colorado River at Austin, Texas, and must be accessible to the City at a point or points of diversion approved by the Director, and if necessary, LCRA, to allow the City to employ its existing intake structures for withdrawal of the Customer's raw water from the River without additional expense to the City. Since the City will be withdrawing raw water from the Colorado River on the Customer's behalf for treatment and transportation to the Customer, the terms and conditions relating to the Customer's alternative raw water source must be acceptable to the City and shall be subject to review and approval by the Director in advance of the execution thereof. If the Customer has not secured an alternative source of raw water on terms acceptable to the Director on or before the expiration of the twelve (12) month notice period described above, Customer agrees that the City will impose a monthly water surcharge equal to 25% of the City's wholesale rate to Customer, for each billing period during the time period that Customer does not have an. Collection of the surcharge described in this Section shall be cumulative of other remedies available to the City for default or non-compliance with the terms of this Agreement and the surcharge is not considered part of the wholesale water rate determined for Customer by the City.

In the event that the City requires the Customer to provide its own source of raw water for treatment and transportation under this Agreement, the City will begin the use of the raw water supplied by the Customer in the fiscal year next succeeding the Director's approval of the Customer's arrangements for alternative raw water supply and the City agrees to recompute the wholesale water rate applicable to the Customer to delete the City's cost of raw water allocable to the Customer from the wholesale rate applicable to the Customer.

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ARTICLE XII.
GENERAL PROVISIONS

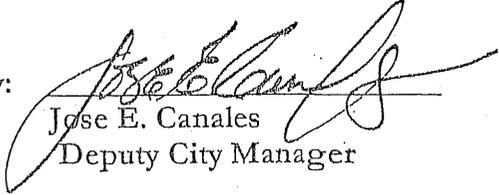
TEXAS COMMISSION ON
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UTILITIES AND DISTRICTS

Section 12.09 is revised to read as follows: Amendment. No amendment of this Agreement shall be effective unless it is approved and reduced to a writing signed by the authorized representatives of the City and the Customer. In the event of conflict between any amendment and any other provision of the agreement, the amended provisions shall control.

IN WITNESS WHEREOF, the authorized representatives of the City and the Customer have executed this Agreement as of the date(s) set forth below.

THE CITY OF AUSTIN;

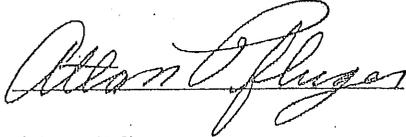
By:


Jose E. Canales
Deputy City Manager

Date: 10-12-05

MANVILLE WATER SUPPLY
CORPORATION;

By:


Name: ~~Alton~~ Pfluger
Alton

Title: President

Date: 10-5-05

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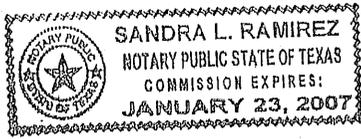
OCT 24 2005

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UTILITIES AND DISTRICTS

THE STATE OF TEXAS)
)
COUNTY OF TRAVIS)

THIS INSTRUMENT is acknowledged before me on this 12 day of October, 2005, by Jose E. Canales, Deputy City Manager, of the City of Austin, Texas, a municipal corporation, on behalf of that municipal corporation.

SEAL



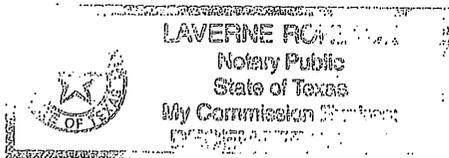
Sandra L. Ramirez
Notary Public, State of Texas

My Commission Expires: Jan 23 2007

THE STATE OF TEXAS)
)
COUNTY OF TRAVIS)

THIS INSTRUMENT was acknowledged before me on this 5 day of October, 2005 by ^{ALAN} ~~Alan~~ Pfluger, President of Manville Water Supply Corporation, a Texas corporation, on behalf of that corporation.

SEAL



Laverne Rollach
Notary Public, State of Texas

My Commission Expires: 12-9-05

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EXHIBIT A
DEPICTION OF WHOLESALE SERVICE AREA AND POINT OF CONNECTION

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Ⓧ Point of Delivery

▬ City of Austin 5-mile ETJ

Manville WSC Wholesale Service Area (4,983 acres)

0 0.25 0.5 1 2 Miles

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TEXAS COMMISSION ON ENVIRONMENTAL QUALITY UTILITIES AND DISTRICTS



City of Austin
Austin Water Utility



June 30, 2005

Manville WSC Wholesale Service Area
Revised (after proposed CCN transfers)

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EXHIBIT B

LIST OF EXISTING MANVILLE CUSTOMERS WITHIN WHOLESALE AREA

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UTILITIES AND DISTRICTS

Exhibit B

Existing Customers of Manville WSC within the Wholesale Area
of the City of Austin

Address	Meter size
10100 Bennett - Pokorney	5/8"
1802 Bumblebee Drive	5/8"
1804 Bumblebee Drive	5/8"
1806 Bumblebee Drive	5/8"
1902 Bumblebee Drive	5/8"
1800 Buttercup Road	5/8"
1801 Buttercup Road	5/8"
13404 Cameron Road	5/8"
13404 Cameron Road - 2nd connection	5/8"
13405 Cameron Road	5/8"
13406 Cameron Road	5/8"
13700 Cameron Road	5/8"
14204 Cameron Road	5/8"
14214 Cameron Road	5/8"
14304 Cameron Road	5/8"
14304 Cameron Road	5/8"
14395 Cameron Road	5/8"
14408 Cameron Road	5/8"
14408A Cameron Road	5/8"
14408D Cameron Road	5/8"
14433 Cameron Road	5/8"
14434 Cameron Road	5/8"
14504 Cameron Road	5/8"
14505 Cameron Road	5/8"
14506 Cameron Road	5/8"
14514 Cameron Road	5/8"
14601 Cameron Road	5/8"
14602 Cameron Road	5/8"
14609 Cameron Road	5/8"
14612 Cameron Road	5/8"
14711 Cameron Road	5/8"
14805 Cameron Road	5/8"
14815 Cameron Road	5/8"
14910 Cameron Road	5/8"
15215 Cameron Road	5/8"
15219 Cameron Road	5/8"
15401 Cameron Road	5/8"

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ENVIRONMENTAL QUALITY
UTILITIES AND DISTRICTS

Exhibit B

Existing Customers of Manville WSC within the Wholesale Area
of the City of Austin

Address	Meter size
15403 Cameron Road	5/8"
15711 Cameron Road	5/8"
15711 Cameron Road - 2nd connection	5/8"
15712 Cameron Road	5/8"
15809 Cameron Road	5/8"
15901 Cameron Road	5/8"
15907 Cameron Road	5/8"
16001 Cameron Road	5/8"
16200 Cameron Road	5/8"
16223 Cameron Road	5/8"
16233 Cameron Road	5/8"
16242 Cameron Road	5/8"
16275 Cameron Road	5/8"
16300 Cameron Road	5/8"
16319 Cameron Road	5/8"
16341 Cameron Road	5/8"
16422 Cameron Road	5/8"
16493 Cameron Road	5/8"
16516 Cameron Road	5/8"
16544 Cameron Road	5/8"
16571 Cameron Road	5/8"
16582 Cameron Road	5/8"
16635 Cameron Road	5/8"
14600 Celestial Lane	5/8"
14600 Celestial Lane - 2nd connection	5/8"
14801 Chicadee Cr	5/8"
14802 Chicadee Cr	5/8"
14803 Chicadee Cr	5/8"
14805 Chicadee Cr	5/8"
14807 Chicadee Cr	5/8"
14809 Chicadee Cr	5/8"
14810 Chicadee Cr	5/8"
14811 Chicadee Cr	5/8"
2313 Crystal Bend	5/8"
2405 Crystal Bend	5/8"
2509 Crystal Bend	5/8"
2601 Crystal Bend	5/8"

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UTILITIES AND DISTRICTS

Exhibit B

Existing Customers of Manville WSC within the Wholesale Area
of the City of Austin

Address	Meter size
2701 Crystal Bend	5/8"
2901 Crystal Bend	5/8"
13902 Cypress Dr	5/8"
13904 Cypress Dr	5/8"
13905 Cypress Dr	5/8"
14000 Cypress Dr	5/8"
14001 Cypress Dr	5/8"
14002 Cypress Dr	5/8"
14003 Cypress Dr	5/8"
14004 Cypress Dr	5/8"
14005 Cypress Dr	5/8"
14006 Cypress Dr	5/8"
14007 Cypress Dr	5/8"
14008 Cypress Dr	5/8"
14100 Cypress Dr	5/8"
14101 Cypress Dr	5/8"
14102 Cypress Dr	5/8"
14103 Cypress Dr	5/8"
14104 Cypress Dr	5/8"
14105 Cypress Dr	5/8"
14107 Cypress Dr	5/8"
14108 Cypress Dr	5/8"
14109 Cypress Dr	5/8"
14111 Cypress Dr	5/8"
14003 Denny Lane	5/8"
14004 Denny Lane	5/8"
14005 Denny Lane	5/8"
14007 Denny Lane	5/8"
14008 Denny Lane	5/8"
14009 Denny Lane	5/8"
14010 Denny Lane	5/8"
14011 Denny Lane	5/8"
14013 Denny Lane	5/8"
14014 Denny Lane	5/8"
14015 Denny Lane	5/8"
14016 Denny Lane	5/8"
14017 Denny Lane	5/8"

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UTILITIES AND DISTRICTS

Exhibit B

Existing Customers of Manville WSC within the Wholesale Area
of the City of Austin

Address	Meter size
500 Dessau Road (Immanuel Lutheran)	5/8"
13902 Dewberry Dr	5/8"
13903 Dewberry Dr	5/8"
13905 Dewberry Dr	5/8"
13906 Dewberry Dr	5/8"
13907 Dewberry Dr	5/8"
13909 Dewberry Dr	5/8"
13910 Dewberry Dr	5/8"
13911 Dewberry Dr	5/8"
14000 Dewberry Dr	5/8"
14001 Dewberry Dr	5/8"
14004 Dewberry Dr	5/8"
14005 Dewberry Dr	5/8"
14009 Dewberry Dr	5/8"
14012 Dewberry Dr	5/8"
14013 Dewberry Dr	5/8"
14100 Dewberry Dr	5/8"
14101 Dewberry Dr	5/8"
14102 Dewberry Dr	5/8"
14103 Dewberry Dr	5/8"
14105 Dewberry Dr	5/8"
14106 Dewberry Dr	5/8"
14107 Dewberry Dr	5/8"
14109 Dewberry Dr	5/8"
14110 Dewberry Dr	5/8"
14111 Dewberry Dr	5/8"
14114 Dewberry Dr	5/8"
14200 Dewberry Dr	5/8"
14204 Dewberry Dr	5/8"
14208 Dewberry Dr	5/8"
13447 Fuchs Grove Road	5/8"
13503 Fuchs Grove Road	5/8"
13545 Fuchs Grove Road	5/8"
13545 Fuchs Grove Road - 2nd connection	5/8"
13609 Fuchs Grove Road	5/8"
13617 Fuchs Grove Road	5/8"
13705 Fuchs Grove Road	5/8"
13705 Fuchs Grove Road - 2nd connection	5/8"

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ENVIRONMENTAL QUALITY
UTILITIES AND DISTRICTS

Exhibit B

Existing Customers of Manville WSC within the Wholesale Area
of the City of Austin

Address	Meter size
13711 Fuchs Grove Road	5/8"
13805 Fuchs Grove Road	5/8"
13815 Fuchs Grove Road	5/8"
13815B Fuchs Grove Road	5/8"
14007 Fuchs Grove Road	5/8"
14019 Fuchs Grove Road	5/8"
14023 Fuchs Grove Road	5/8"
14027 Fuchs Grove Road	5/8"
14031 Fuchs Grove Road	5/8"
14103 Fuchs Grove Road	5/8"
14107 Fuchs Grove Road	5/8"
14111 Fuchs Grove Road	5/8"
14115 Fuchs Grove Road	5/8"
14118 Fuchs Grove Road	5/8"
14119 Fuchs Grove Road	5/8"
14204 Fuchs Grove Road	5/8"
14205 Fuchs Grove Road	5/8"
14212 Fuchs Grove Road	5/8"
14300 Fuchs Grove Road	5/8"
14300 Fuchs Grove Road - 2nd connection	5/8"
14506 Fuchs Grove Road	5/8"
14608 Fuchs Grove Road	5/8"
15012 Fuchs Grove Road	5/8"
15309 Fuchs Grove Road	5/8"
15405 Fuchs Grove Road	5/8"
16020 Fuchs Grove Road	5/8"
40401 Gregg Lane - Bundrick	5/8"
40406 Gregg Lane	5/8"
40408 Gregg Lane - Rt., Box 200 - Manor	5/8"
40440 Gregg Lane	5/8"
40201 Gregg Lane	5/8"
40201 Gregg Lane - 2nd connection	5/8"
40203 Gregg Lane	5/8"
12700 Gregg Manor Road - Taylor Barn	5/8"
13245 Gregg Manor Road	5/8"
13341 Gregg Manor Road	5/8"
13521 Gregg Manor Road	5/8"
13628 Gregg Manor Road	5/8"

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ENVIRONMENTAL QUALITY
UTILITIES AND DISTRICTS

Exhibit B

Existing Customers of Manville WSC within the Wholesale Area
of the City of Austin

Address	Meter size
13628 Gregg Manor Road - 2nd connection	5/8"
13940 Gregg Manor Road	5/8"
14401 Gregg Manor Road	5/8"
14437 Gregg Manor Road	5/8"
14475 Gregg Manor Road	5/8"
10604 Hill Lane	5/8"
10804 Hill Lane - Carr - Gate House	5/8"
10804 Hill Lane - Manor Downs	5/8"
10804 Hill Lane - Manor Downs - Bar	5/8"
10804 Hill Lane - Manor Downs - Barns & Kitchen	5/8"
10804 Hill Lane - Manor Downs - Box Office	5/8"
10804 Hill Lane - Manor Downs - Front of Grandstand	2"
10804 Hill Lane - Manor Downs - Trailer Park	2"
10804 Hill Lane - Manor Downs - End of Hill Lane	5/8"
10804 Hill Lane - Manor Downs - Racetrack	2"
10813 Hill Lane - Tapp - Rock House	5/8"
10820 Hill Lane - Carr - Orchard House	5/8"
7737 Hill Lane	5/8"
14001 Hytop Dr	5/8"
14002 Hytop Dr	5/8"
14004 Hytop Dr	5/8"
14006 Hytop Dr	5/8"
14007 Hytop Dr	5/8"
14008 Hytop Dr	5/8"
14100 Hytop Dr	5/8"
14101 Hytop Dr	5/8"
14102 Hytop Dr	5/8"
14103 Hytop Dr	5/8"
14104 Hytop Dr	5/8"
14105 Hytop Dr	5/8"
14106 Hytop Dr	5/8"
14107 Hytop Dr	5/8"
14108 Hytop Dr	5/8"
14109 Hytop Dr	5/8"
104 Immanuel Road	5/8"
701 Immanuel Road	1"
900 Immanuel Road	5/8"

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ENVIRONMENTAL QUALITY
UTILITIES AND DISTRICTS

Exhibit B

Existing Customers of Manville WSC within the Wholesale Area
of the City of Austin

Address	Meter size
1006A Immanuel Road	5/8"
1006B Immanuel Road	5/8"
1010A Immanuel Road	5/8"
1010B Immanuel Road	5/8"
14015 Immanuel Road	5/8"
14015 Immanuel Road - 2nd connection	5/8"
14612 Immanuel Road	5/8"
14700 Immanuel Road	5/8"
14707 Immanuel Road	5/8"
14800 Immanuel Road	5/8"
14804 Immanuel Road	5/8"
14808 Immanuel Road	5/8"
14900 Immanuel Road	5/8"
3217 Killingsworth Lane	5/8"
3520 Killingsworth Lane	5/8"
4630 Killingsworth Lane	5/8"
4630 Killingsworth Lane - 2nd connection	5/8"
5202 Killingsworth Lane	5/8"
5351 Killingsworth Lane	5/8"
5414 Killingsworth Lane	5/8"
5420 Killingsworth Lane	5/8"
5505 Killingsworth Lane	5/8"
5530 Killingsworth Lane	5/8"
5606 Killingsworth Lane	5/8"
5606 Killingsworth Lane - 2nd connection	5/8"
5700 Killingsworth Lane	5/8"
5702 Killingsworth Lane	5/8"
5710 Killingsworth Lane	5/8"
13903 Lazyridge	5/8"
13904 Lazyridge	5/8"
14000 Lazyridge	5/8"
14001 Lazyridge	5/8"
14002 Lazyridge	5/8"
14003 Lazyridge	5/8"
14004 Lazyridge	5/8"
14005 Lazyridge	5/8"
14100 Lazyridge	5/8"
14101 Lazyridge	5/8"

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UTILITIES AND DISTRICTS

Exhibit B

Existing Customers of Manville WSC within the Wholesale Area
of the City of Austin

Address	Meter size
14102 Lazyridge	5/8"
14103 Lazyridge	5/8"
14104 Lazyridge	5/8"
14105 Lazyridge	5/8"
14106 Lazyridge	5/8"
14107 Lazyridge	5/8"
14108 Lazyridge	5/8"
14109 Lazyridge	5/8"
14110 Lazyridge	5/8"
14111 Lazyridge	5/8"
6816 Lee Manor Cove	5/8"
6920B Lee Manor Cove	5/8"
1600 Magic Hill Dr	5/8"
1601 Magic Hill Dr	5/8"
1602 Magic Hill Dr	5/8"
1603 Magic Hill Dr	5/8"
1604 Magic Hill Dr	5/8"
1606 Magic Hill Dr	5/8"
1607 Magic Hill Dr - Lot 32B	5/8"
1608 Magic Hill Dr	5/8"
1700 Magic Hill Dr	5/8"
1701 Magic Hill Dr	5/8"
1702 Magic Hill Dr	5/8"
1703 Magic Hill Dr	5/8"
1704 Magic Hill Dr	5/8"
1705 Magic Hill Dr	5/8"
1706 Magic Hill Dr	5/8"
1707 Magic Hill Dr	5/8"
1708 Magic Hill Dr	5/8"
1709 Magic Hill Dr	5/8"
1710 Magic Hill Dr	5/8"
1711 Magic Hill Dr	5/8"
1800 Magic Hill Dr	5/8"
1802 Magic Hill Dr	5/8"
1902 Magic Hill Dr	5/8"
1903 Magic Hill Dr	5/8"
2000 Magic Hill Dr	5/8"
2001 Magic Hill Dr	5/8"

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UTILITIES AND DISTRICTS

Exhibit B

Existing Customers of Manville WSC within the Wholesale Area
of the City of Austin

Address	Meter size
2005 Magic Hill Dr	5/8"
1805 Millhouse Dr	5/8"
1806 Millhouse Dr	5/8"
1807 Millhouse Dr	5/8"
1902 Millhouse Dr	5/8"
1903 Millhouse Dr	5/8"
1904 Millhouse Dr	5/8"
1905 Millhouse Dr	5/8"
1906 Millhouse Dr	5/8"
1907 Millhouse Dr	5/8"
2000 Millhouse Dr	5/8"
2001 Millhouse Dr	5/8"
2002 Millhouse Dr	5/8"
2003 Millhouse Dr	5/8"
2004 Millhouse Dr	5/8"
2005 Millhouse Dr	5/8"
2100 Millhouse Dr	5/8"
2101 Millhouse Dr	5/8"
2103 Millhouse Dr	5/8"
2104 Millhouse Dr	5/8"
2105 Millhouse Dr	5/8"
2106 Millhouse Dr	5/8"
2107 Millhouse Dr	5/8"
2108 Millhouse Dr	5/8"
2109 Millhouse Dr	5/8"
2110 Millhouse Dr	5/8"
2111 Millhouse Dr	5/8"
2113 Millhouse Dr	5/8"
1604B Nightview Dr	5/8"
1604C Nightview Dr	5/8"
1701 Nightview Dr	5/8"
1704 Nightview Dr	5/8"
1706 Nightview Dr	5/8"
1708 Nightview Dr	5/8"
1710 Nightview Dr	5/8"
1712 Nightview Dr	5/8"
1714 Nightview Dr	5/8"
1716 Nightview Dr	5/8"

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UTILITIES AND DISTRICTS

Exhibit B

Existing Customers of Manville WSC within the Wholesale Area
of the City of Austin

Address	Meter size
1800 Nightview Dr	5/8"
1802 Nightview Dr	5/8"
1804 Nightview Dr	5/8"
1900 Nightview Dr	5/8"
1902 Nightview Dr	5/8"
1903 Nightview Dr	5/8"
1904 Nightview Dr	5/8"
1905 Nightview Dr	5/8"
2000 Nightview Dr	5/8"
2001 Nightview Dr	5/8"
2001B Nightview Dr	5/8"
2002 Nightview Dr	5/8"
2004 Nightview Dr	5/8"
2006 Nightview Dr	5/8"
2007 Nightview Dr	5/8"
2100 Nightview Dr	5/8"
2102 Nightview Dr	5/8"
2103 Nightview Dr	5/8"
2104 Nightview Dr	5/8"
2106 Nightview Dr	5/8"
2107 Nightview Dr	5/8"
44800 Parco Path	5/8"
44802 Parco Path	5/8"
44803 Parco Path	5/8"
44804 Parco Path	5/8"
44806 Parco Path	5/8"
44807 Parco Path	5/8"
44808 Parco Path	5/8"
44810 Parco Path	5/8"
44811 Parco Path	5/8"
1009 Pecan Street	5/8"
1700 East Pecan Street	5/8"
1706 East Pecan Street	5/8"
2001 East Pecan Street	5/8"
2102 East Pecan Street	5/8"
2500 East Pecan Street	5/8"
3315 East Pecan Street	5/8"
3704 Pecan Street	5/8"

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UTILITIES AND DISTRICTS

Exhibit B

Existing Customers of Manville WSC within the Wholesale Area
of the City of Austin

Address	Meter size
13306 Rector Loop	5/8"
13412 Rector Loop - P O Box 35	5/8"
13514 Rector Loop	5/8"
13606 Rector Loop	5/8"
13700 Rector Loop	5/8"
13718 Rector Loop	5/8"
13721 Rector Loop	5/8"
13814 Rector Loop	5/8"
13901 Rector Loop	5/8"
13905 Rector Loop	5/8"
13909 Rector Loop	5/8"
13913 Rector Loop	5/8"
13917 Rector Loop	5/8"
13918 Rector Loop	5/8"
13921 Rector Loop	5/8"
13925 Rector Loop	5/8"
13926 Rector Loop	5/8"
13929 Rector Loop	5/8"
13933 Rector Loop	5/8"
13934 Rector Loop	5/8"
13937 Rector Loop	5/8"
13940 Rector Loop	5/8"
13941 Rector Loop	5/8"
13945 Rector Loop	5/8"
13949 Rector Loop	5/8"
13950-1 Rector Loop	5/8"
13950-2 Rector Loop	5/8"
13950-3 Rector Loop	5/8"
13953 Rector Loop	5/8"
13957 Rector Loop	5/8"
13960 Rector Loop	5/8"
13960 Rector Loop - 2nd connection	5/8"
13961 Rector Loop	5/8"
1194 Red Bud Lane	5/8"
1601 Serenity Dr	5/8"
1605 Serenity Dr	5/8"
1609 Serenity Dr	5/8"

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UTILITIES AND DISTRICTS

Exhibit B

Existing Customers of Manville WSC within the Wholesale Area
of the City of Austin

Address	Meter size
1611 Serenity Dr	5/8"
1615 Serenity Dr	5/8"
1616 Serenity Dr	5/8"
1617 Serenity Dr	5/8"
1618 Serenity Dr	5/8"
1619 Serenity Dr	5/8"
1620 Serenity Dr	5/8"
1621 Serenity Dr	5/8"
1622 Serenity Dr	5/8"
1623 Serenity Dr	5/8"
1700 Serenity Dr	5/8"
1701 Serenity Dr	5/8"
1702 Serenity Dr	5/8"
1703 Serenity Dr	5/8"
1704 Serenity Dr	5/8"
1705 Serenity Dr	5/8"
1706 Serenity Dr	5/8"
1707 Serenity Dr	5/8"
1708 Serenity Dr	5/8"
1709 Serenity Dr	5/8"
1710 Serenity Dr	5/8"
1711 Serenity Dr	5/8"
1803 Serenity Dr	5/8"
1902 Serenity Dr	5/8"
1903 Serenity Dr	5/8"
2000 Serenity Dr	5/8"
2001 Serenity Dr	5/8"
2004 Serenity Dr	5/8"
2005 Serenity Dr	5/8"
13905 Sleepyhollow	5/8"
13906 Sleepyhollow	5/8"
13907 Sleepyhollow	5/8"
14000 Sleepyhollow	5/8"
14001 Sleepyhollow	5/8"
14002 Sleepyhollow	5/8"
14003 Sleepyhollow	5/8"
14004 Sleepyhollow	5/8"
14006 Sleepyhollow	5/8"
14008 Sleepyhollow	5/8"

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UTILITIES AND DISTRICTS

Exhibit B

Existing Customers of Manville WSC within the Wholesale Area
of the City of Austin

Address	Meter size
14011 Steeplehollow	5/8"
14100 Steeplehollow	5/8"
14102 Steeplehollow	5/8"
14103 Steeplehollow	5/8"
14104 Steeplehollow	5/8"
14105 Steeplehollow	5/8"
14106 Steeplehollow	5/8"
14107 Steeplehollow	5/8"
14108 Steeplehollow	5/8"
14109 Steeplehollow	5/8"
14110 Steeplehollow	5/8"
16311 Weiss Lane	5/8"
16314 Weiss Lane	5/8"
16401 Weiss Lane	5/8"
16415 Weiss Lane	5/8"
16421 Weiss Lane	5/8"
16515 Weiss Lane	5/8"
16621 Weiss Lane	5/8"
16707 Weiss Lane	5/8"
16800 Weiss Lane	5/8"
16805 Weiss Lane	5/8"
16817 Weiss Lane	5/8"
16817-1A Weiss Lane	5/8"
16817-3 Weiss Lane	5/8"
16817-4 Weiss Lane	5/8"
16817-7 Weiss Lane	5/8"
16922 Weiss Lane	5/8"
16928 Weiss Lane P O Box 513	5/8"
16928B Weiss Lane P O Box 513	5/8"
17314 Weiss Lane	5/8"
17410 Weiss Lane	5/8"
17500 Weiss Lane	5/8"
17601 Weiss Lane	5/8"
17607 Weiss Lane	5/8"

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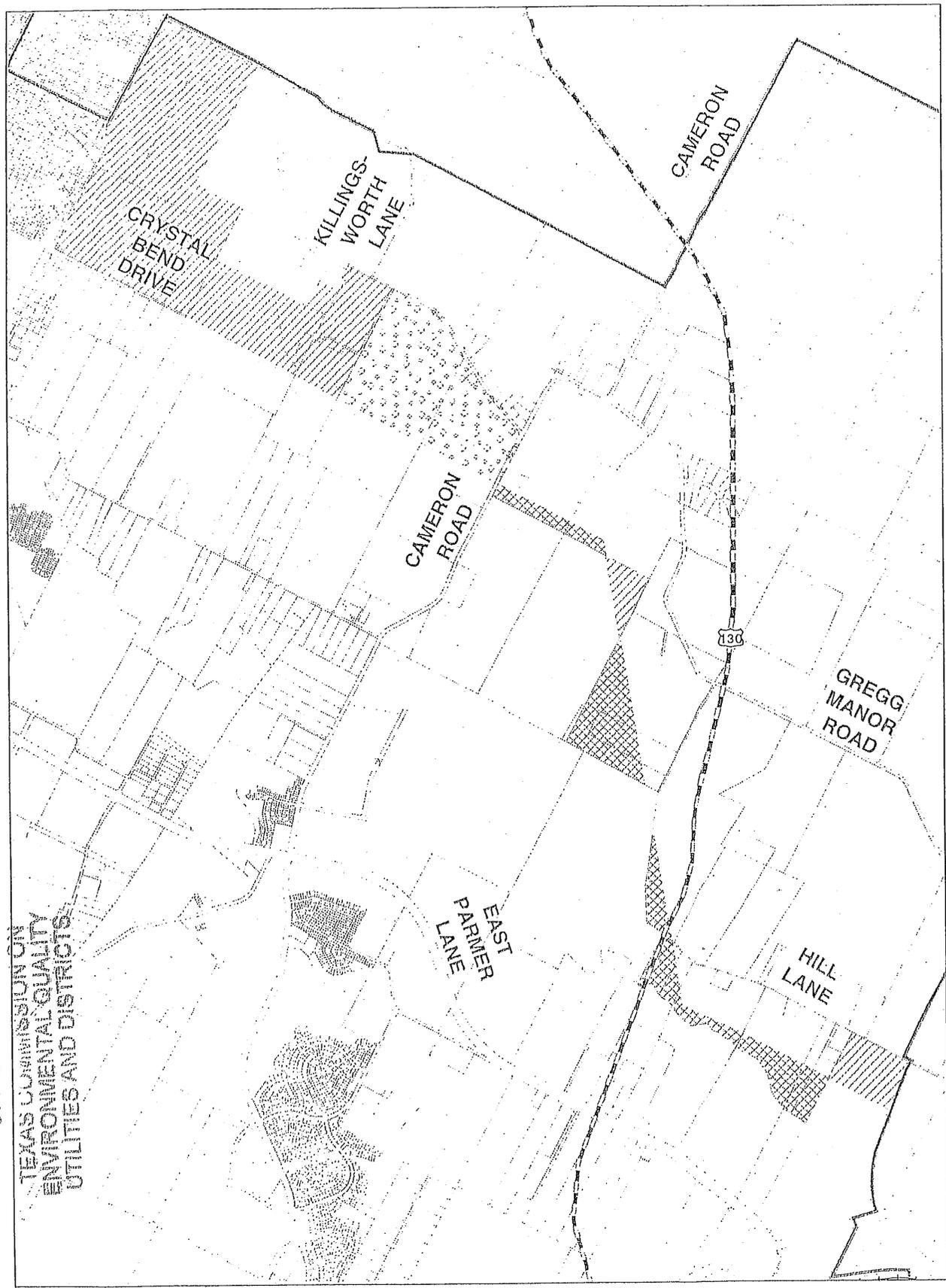
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ENVIRONMENTAL QUALITY
UTILITIES AND DISTRICTS

EXHIBIT C
SERVICE AREAS TO BE TRANSFERRED BETWEEN THE CITY AND MANVILLE

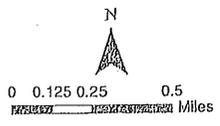
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-  State Hwy. 130
-  City of Austin ETJ
-  Austin transfers water CCN to Manville (151.06 acres)
-  Manville transfers water CCN to Austin (578.7 acres)
-  Manville releases water CCN to Austin via Manville agreement with developer (199.4 acres)



City of Austin
 Austin Water Utility
 June 29, 2005

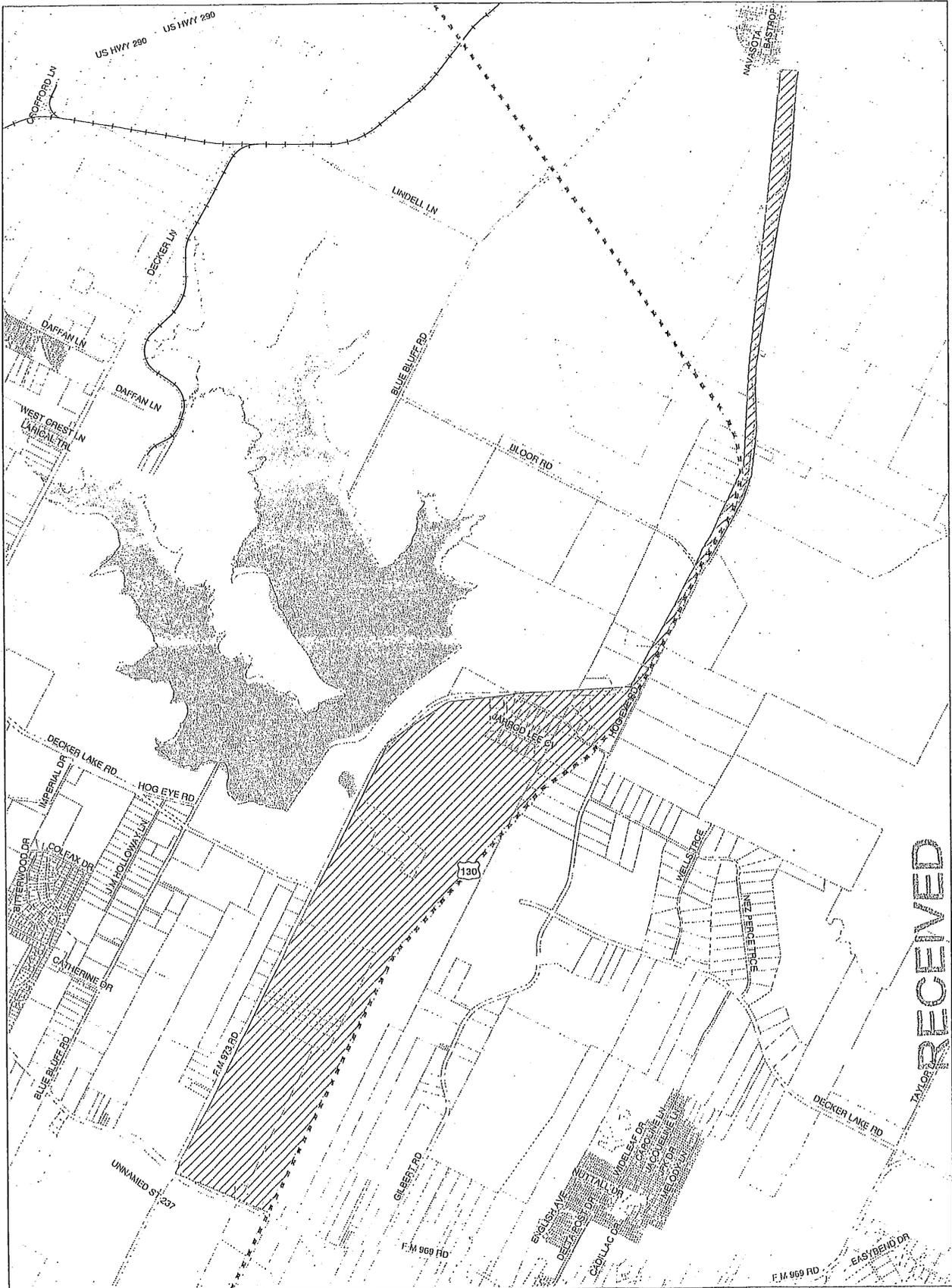
Manville - Austin
 Proposed CCN Transfers

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ENVIRONMENTAL QUALITY
UTILITIES AND DISTRICTS

EXHIBIT D
SERVICE AREAS AND CUSTOMERS TO BE TRANSFERRED BETWEEN THE CITY
AND MANVILLE



-  Area to be released to Austin (1090.2 acres)
-  State Hwy 130
-  Railroad
-  Travis County Line

-  City of Austin
-  City of Austin -- Limited Purpose
-  City of Austin ETJ
-  City Limits of Other Cities



City of Austin
 Austin Water Utility
 June 29, 2005



Manville Proposed
 CCN Release



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TEXAS COMMISSION ON
 ENVIRONMENTAL QUALITY

**Financial, Managerial, and Technical
Analysis**

Texas Commission on Environmental Quality

INTEROFFICE MEMORANDUM

To: Lisa Mejia **Date:** October 19, 2006
Thru: Tammy Benter
From: Dan Smith
Subject: Contract Service Agreement Pursuant to Texas Water Code, Section 13.248, from the City of Austin, Certificate of Convenience and Necessity (CCN) No. 11322, to Transfer a Portion of CCN No. 11144 from Manville Water Supply Corporation (WSC) and to Transfer a Portion of CCN No. 11322 from the City of Austin to Manville WSC in Travis County; Application No. 35137-C

CN: 600135198; RN: 101208072
CN: 600674121; RN: 101235505

Contract Service Agreement Pursuant to Texas Water Code, Section 13.248, from the City of Austin, CCN No. 11322, to Transfer a Portion of CCN No. 11144 from Manville WSC in Travis County; Application No. 35290-C

CN: 600135198; RN: 101208072

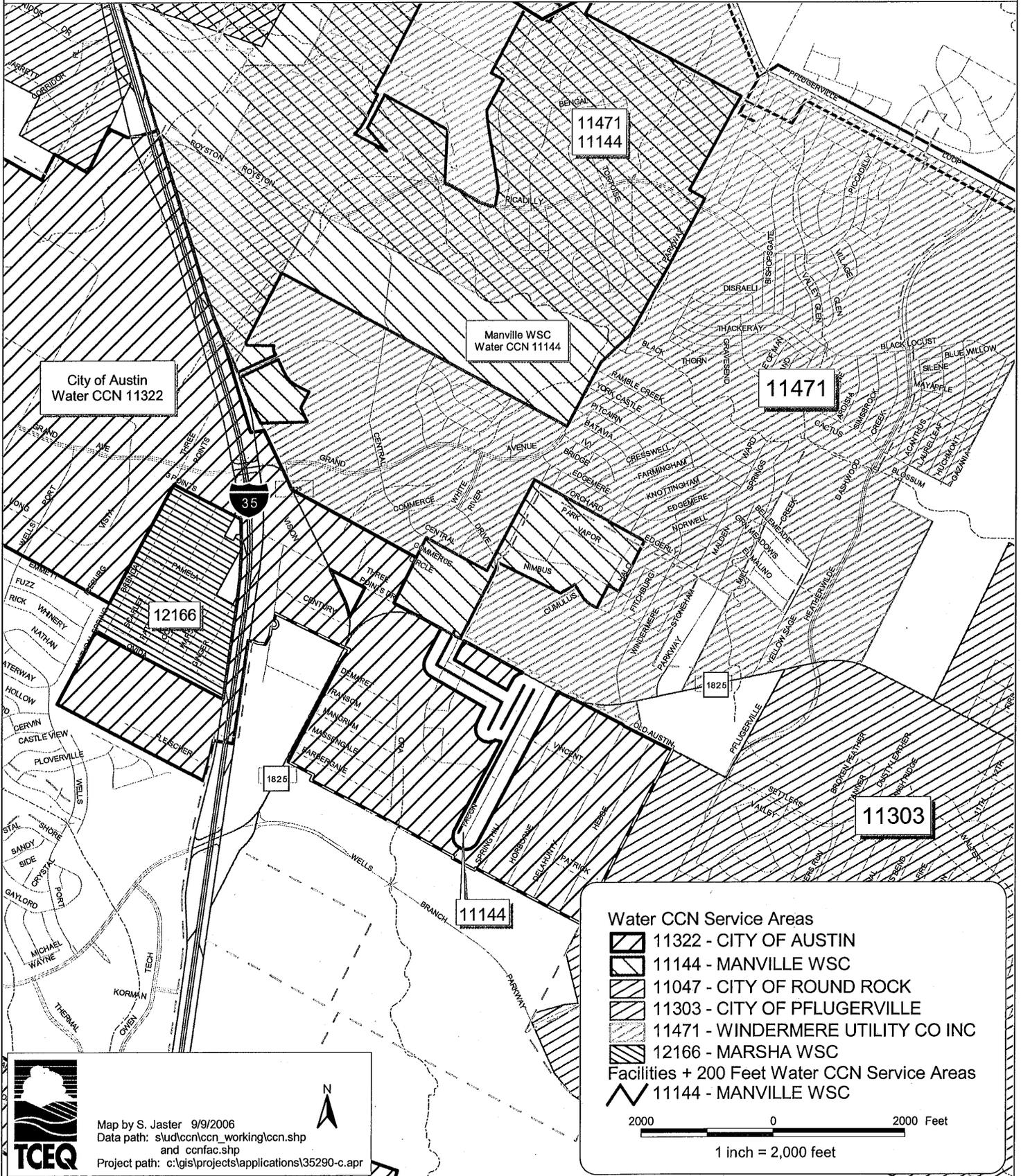
In my opinion, the City of Austin has demonstrated adequate financial and managerial capability to provide service to the areas contracted for transfer/release from Manville WSC. The acreage being transferred to Manville is not material relative to their service area, so neither is the financial impact.

Signed:  Date: October 19, 2006

I have reviewed available records of the City of Austin, including a copy of the Texas Municipal Report which is attached to the original of this memorandum. It shows that for the fiscal year ended September 30, 2005, the debt service coverage ratio for water and wastewater operations improved from 1.55:1 to 1.73:1, meaning they have increased their reserve and ability to secure

Map

City of Austin / Manville Water Supply Corporation 13.248 Agreement
 Portions of Water Service Areas
 Application No. 35290-C (Travis County)



Map by S. Jaster 9/9/2006
 Data path: s:\ud\ccn\ccn_working\ccn.shp
 and ccnfac.shp
 Project path: c:\gis\projects\applications\35290-c.apr



- Water CCN Service Areas**
- 11322 - CITY OF AUSTIN
 - 11144 - MANVILLE WSC
 - 11047 - CITY OF ROUND ROCK
 - 11303 - CITY OF PFLUGERVILLE
 - 11471 - WINDERMERE UTILITY CO INC
 - 12166 - MARSHA WSC
- Facilities + 200 Foot Water CCN Service Areas**
- 11144 - MANVILLE WSC

