Bryan W. Shaw, Ph.D., *Chairman*
Carlos Rubinstein, *Commissioner*
Toby Baker, *Commissioner*
Zak Covar, *Executive Director*

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

January 11, 2013

Ms. Bridget Bohac, 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. 2012-0560-UCR; Consideration of a request for a Commission order approving a Contract Service Agreement designating service areas between Northwest Grayson County WCID 1 ("NWGC"), Certificate of Convenience and Necessity ("CCN") No. 12362, and Monarch Utilities I, LP ("Monarch"), CCN No. 12983

Dear Ms. Bohac:

Transmitted herewith for filing with the Texas Commission on Environmental Quality ("Commission" or "TCEQ") are the following items to be filed as backup materials for the January 30, 2013 agenda on a request for an order approving a Contract Service Agreement ("Agreement") designating water service areas between Northwest Grayson County WCID 1 ("NWGC") and Monarch Utilities I, LP ("Monarch"):

1. Proposed Order;
2. Agenda Executive Summary;
3. Caption;
4. Staff memo detailing financial, managerial, and technical capabilities of NWGC to provide continuous and adequate service to the affected area;
5. Request for Commission order approving a Texas Water Code Section 13.248 Agreement filed by NWGC on December 28, 2011, and declared administratively complete on February 29, 2012;
6. Texas Water Code, Section 13.248 Agreement between NWGC and Monarch executed on October 18, 2011;
7. Certificates of Convenience and Necessity ("CCN") Nos. 12362 and 12983;
8. Proposed map of the service area subject to the section 13.248;
9. Notices Mailed to Parties; and
10. Consent forms signed by representatives for both NWGC and Monarch giving approval to the ED for the above final maps.

Please do not hesitate to contact me at (512) 239-0627 if you have any questions regarding this material. Thank you for your attention to this matter.

Respectfully submitted,

Jessica Rogers, Staff Attorney
Environmental Law Division

Enclosures

cc: Mailing list

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

TCEQ DOCKET NO. 2012-0560-UCR
APPLICATION NO. 37236-C

IN THE MATTER OF THE REQUEST FOR AN ORDER APPROVING THE AGREEMENT DESIGNATING NORTHWEST GRAYSON COUNTY WCID 1 AND MONARCH UTILITIES I, LP IN GRAYSON COUNTY, TEXA	**§**	**BEFORE THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY**

ORDER

A request for a Commission order approving an agreement designating service areas between Northwest Grayson County WCID 1 ("NWGC"), Certificate of Convenience and Necessity ("CCN") No. 12362, and Monarch Utilities I, LP ("Monarch"), CCN No. 12983, in Grayson County, Texas, was presented to the Texas Commission on Environmental Quality ("TCEQ" or "Commission") for approval pursuant to Section 13.248 of the Texas Water Code, and Title 30 of the Texas Administrative Code, Sections 291.117 and 291.120.

On October 18, 2011, NWGC and Monarch entered into a Contract Service Agreement ("Agreement") regarding their respective water service areas pursuant to Section 13.248 of the Texas Water Code. Under the Agreement, Monarch will transfer a portion of its CCN No. 12983 area to NWGC and NWGC will be the sole retail water service provider to this portion. Approximately 51.51 acres of Monarch's CCN No. 12983

will be transferred to NWGC. There are no customers in this area. There will be no transfer of facilities under the Agreement. The Agreement is attached to this Order.

Contracts 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. TEXAS WATER CODE, §13.248.

The Commission held a hearing on the request at the January 30, 2013 agenda and found the request had merit.

NWGC is capable of rendering continuous and adequate water service to every customer in the CCN portion to be transferred as described by the Agreement. The CCN transfer, which results in NWGC being the sole retail water provider for the area, is necessary for the service, accommodation, convenience, or safety of the public.

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

The contract transferring a portion of Monarch's CCN No. 12983 and designating that retail water service shall be provided by NWGC, CCN No. 12362, in those areas, is hereby approved.

CCN No. 12362 in Grayson County, held by NWGC, is hereby amended in accordance with the contract.

CCN No. 12983 in Grayson County, held by Monarch, is hereby amended in accordance with the contract.

The Executive Director is directed to redraw the maps of the respective CCNs as

provided in the contract and as set forth on the map attached to this Order, and to amend the Commission's official water service area map for Grayson 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

Texas Commission on Environmental Quality

INTEROFFICE MEMORANDUM

TO: Texas Commission on Environmental Quality

DATE: January 11, 2013

THRU: Bridget Bohac, Chief Clerk

FROM: Jessica Rogers, Environmental Law Division

SUBJECT: **TCEQ Docket No. 2012-0560-UCR.** Consideration of a request for a Commission order approving a Contract Service Agreement designating service areas between Northwest Grayson County WCID 1 and Monarch Utilities I, LP

DESCRIPTION OF APPLICATION

Applicant:	Northwest Grayson County WCID 1
Regulated Activity:	Retail water utility service
Type of Application:	Request for a Commission Order approving a Contract Service Agreement
Commission Action: Agreement	Hearing regarding approval of the Contract Service
Authority:	Texas Water Code §13.248 and 30 Texas Administrative Code §291.117

FACTUAL BACKGROUND

Northwest Grayson County WCID 1 ("NWGC"), water certificate of convenience and necessity ("CCN") No. 12362, and Monarch Utilities I, LP ("Monarch"), CCN No. 12983, provide retail water service in Grayson County, Texas. On October 18, 2011, NWGC and Monarch entered into a Contract Service Agreement ("Agreement") regarding their respective water service areas pursuant to §13.248 of the Texas Water Code. Under the Agreement, Monarch will transfer to NWGC an approximately 51.51 acre tract of land currently in Monarch's CCN. No customers currently exist in this area.

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 obtaining a CCN.[1] Conversely, 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 within the CCN of another retail public utility without first obtaining written consent from that retail public utility.[3]

The Texas Water Code 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 section 291.106, Title 30 of the Texas Administrative Code, which apply to applications for new and amended CCNs. The Commission may approve the service area agreement pursuant to section 13.248 of the Texas Water Code 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 order approving the 13.248 Agreement filed by NWGC on December 28, 2011 and declared administratively complete on February 29, 2012 (application no. 37236-C);

---

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

[2] A municipality is a "retail public utility" under section 13.002(19) of the Texas Water Code but is not a "utility" under section 13.002(23). Therefore, the section 13.242(a) requirement that a "utility" must obtain a CCN before providing retail water utility service does not apply to a municipality.

[3] *Id.* § 13.242(b).

[4] TEX. WATER CODE ANN. § 13.248 (Vernon 2000); 30 TEX. ADMIN. CODE § 291.117 (West 2005) (Tex. Comm'n on Envtl. Quality, Contracts Valid and Enforceable). Section 13.248 states "[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] TEX. WATER CODE § 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.

2. Agreement between NWGC and Monarch, executed on October 18, 2011;

3. Financial, Managerial, and Technical analysis of NWGC's ability to operate in the affected area; and

4. Consent forms signed by representatives for both NWGC and Monarch which give approval to the ED for the above final maps.

STAFF RECOMMENDATION

Based on the facts stated in the application and the supporting documentation submitted by NWGC and Monarch, Staff supports the request for a Commission order approving the Agreement transferring this portion of Monarch's water service area to NWGC. Staff has confirmed that both parties are retail public utilities with active water CCNs and that the area the parties are seeking to transfer abuts the CCN of the entity receiving the CCN. Further, staff is satisfied that NWGC possesses the adequate financial, managerial, and technical capability to provide continuous and adequate service to the area being transferred. Finally, the parties have reviewed the ED's proposed final maps and have signed consent forms showing approval for the proposed maps.

STAFF CONTACTS

Jessica Rogers, Environmental Law Division - 512.239.0627
Sheresia Perryman, Water Supply Division - 512.239.3654

CAPTION
Northwest Grayson County WCID 1
Application No. 37236-C

TCEQ Docket No. 2012-0560-UCR. Consideration of a request for a Commission Order approving a Contract Service Agreement ("Agreement") designating service areas between Northwest Grayson County WCID 1 ("NWGC"), Certificate of Convenience and Necessity (CCN) No. 12362, and Monarch Utilities I, LP ("Monarch"), CCN No. 12983, in Grayson County, Texas, pursuant to section 13.248 of the Texas Water Code. Currently, Monarch holds a CCN for the area in question. Under the Agreement, Monarch will transfer approximately 51.51 acres to NWGC. NWGC will be the sole retail water service provider in this area. There are no customers in this area and there will be no transfer of facilities under the Agreement. (Jessica Rogers, Sheresia Perryman)

TCEQ Interoffice Memorandum

To: Environmental Law Division

Thru: Lisa Fuentes
Sheresia Perryman

From: Debi Loockerman C.P.A.

Date: March 16, 2012

Subject: Contract Service Agreement Pursuant to Texas Water Code Section 13.248, between the Northwest Grayson County Water Control and Improvement District No. 1(the WCID), Certificate of Convenience and Necessity (CCN) No. 12362, to Transfer a Portion of CCN No. 12983 from Monarch Utilities I, LP; in Grayson County; Application No. 37236-C

CN: 600631501; RN: 101395119 (NW Grayson Co. WCID No. 1)
CN: 602740706; RN: 102904596 (Monarch Utilities I, LP)

In my opinion, the WCID, CCN No. 12362, has demonstrated adequate financial and managerial capability to provide service to the area contracted for release and transfer. No new area is being transferred to Monarch by this agreement. These conclusions are based on information provided by the applicants prior to this date and may not reflect any changes in the applicants' status subsequent to this date.

Background

Northwest Grayson Co. WCID No. 1 and Monarch Utilities I, LP entered an agreement as of October 18, 2011 to transfer approximately 51 acres and no current customers from Monarch's CCN to the WCID's CCN. The contract within the application indicates that the WCID will grant a wholesale contract for water to Monarch in exchange for the area.

The WCID provides service to more than 703 connections according to the audit and its water system meets TCEQ requirements for a "Superior Rating" according to the TCEQ Water Utilities Database. I have reviewed the audited financial statements for the WCID's fiscal year ended March 31, 2011, which included an auditor's opinion letter indicating that the financial statements represent fairly the financial position of the WCID in conformity with generally accepted accounting principles. The statement of net assets showed total assets of $1,878,214, no long-term debt and net assets (equity) of $1,719,953, for a ratio of debt to equity of 0:1. A ratio of less than 1:1 is preferred as a standard for determining financial/managerial capability. The statement of revenues, expenditures and changes in net assets showed a net operating income before depreciation of $166,645.

Monarch is not providing new service as a result of the agreement and therefore, no finding of adequate financial and managerial capability is required in regard to the area contracted for transfer.

R&R
RUSSELL & RODRIGUEZ, L.L.P.
ATTORNEYS AT LAW

1633 WILLIAMS DRIVE
BUILDING 2, SUITE 200
GEORGETOWN, TEXAS 78628

PHONE (512) 930-1317
FAX (866) 929-1641
WWW.TXADMINLAW.COM

Email: arodriguez@rrmlawfirm.com

December 27, 2011

Certified First Class Mail, RRR #7011 0470 0002 5948 1445

Ms. Tammy Holguin-Benter
Texas Commission on Environmental Quality
Utilities & Districts Section
P.O. Box 13087, MC-153
Austin, Texas 78711-3087

RE: *Application of Northwest Grayson County Water Control and Improvement District No. 1 pursuant to Texas Water Code § 13.248 to Transfer a Portion of Monarch Utilities I, LP CCN No. 12983 to Northwest Grayson County Water Control and Improvement District No. 1 CCN No. 12362 in Grayson County, Texas*

Northwest Grayson WCID #1
RN #: 101429041
CN #: 600631501

Monarch Utilities I, LP
RN #: 102904596
CN #: 602740706

Dear Ms. Benter,

Northwest Grayson Water Control and Improvement District No. 1 ("NWGWCID") and Monarch Utilities I, LP ("Monarch") have executed an agreement ("Agreement") that is compliant with Texas Water Code, Section 13.248. A copy of the Agreement is attached hereto as Exhibit A. NWGWCID requests that the attached Agreement be deemed valid and enforceable pursuant to Texas Water Code § 13.248 and that the area addressed in the Agreement be transferred to NWGWCID's water CCN No. 12362. The map depicting the transfer area is shown in Exhibit B. The digital data will be forthcoming by separate mailing.

2011 DEC 28 PM 3 32
WATER SUPPLY DIV.
TCEQ
RECEIVED

NWGWCID has included the filing fee of $100.00 to be applied towards this 13.248 review.

Thank you for your attention to this matter.

Sincerely,

Arturo. D. Rodriguez, Jr.

cc: (w/ enclosure)
Ms. Karen Bomar, Northwest Grayson County WCID #1 (By First Class Mail)
Mr. Charles Profilet, Jr. (By Certified, First Class Mail RRR # 7011 0470 0002 5948 1452)
Mr. John McClellan (By First Class Mail)

AGREEMENT BETWEEN NORTHWEST GRAYSON COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1 AND MONARCH UTILITIES I, LP

This Agreement (the "Agreement") is executed between Northwest Grayson County Water Control and Improvement District No. 1 (hereinafter called the "NWGC") and Monarch Utilities I, L.P., a Texas limited partnership, by and through its general partner, Texas Water Services Group, LLC, (hereinafter called "Monarch") on the 18th day of OCTOBER, 2011.

WHEREAS, NWGC is a water control and improvement district organized in accordance with the laws of the State of Texas; and

WHEREAS, NWGC holds Certificate of Convenience and Necessity ("CCN") No. 12362 to provide retail water service; and

WHEREAS, Monarch holds CCN No. 12983 to provide retail water service in the area described and depicted on Exhibit "A" (the "CCN Property"); and

WHEREAS, Monarch desires to transfer and NWGC desires to acquire the retail water CCN for the CCN Property.

NOW, THEREFORE, for and in consideration of the promises, covenants and agreements set forth herein, the receipt and sufficiency of which are hereby acknowledged, NWGC and Monarch hereby agree as follows:

1. Term. This Agreement shall remain valid and enforceable until superceded by subsequent written agreement.

2. Property Subject to the Agreement. The property that is the subject of this Agreement is the CCN Property described in Exhibit "A".

3. Transfer of Water Utility Service Area.

3.1 Monarch desires to transfer to NWGC the exclusive retail water service CCN for the CCN Property. Monarch therefore agrees to NWGC filing an application with the Texas Commission on Environmental Quality ("TCEQ") to have the CCN Property transferred from CCN No. 12983 to CCN No. 12362.

3.2 Monarch makes no representations or warranties, express or implied, with respect to CCN No. 12983 or the CCN Property.

3.3 In consideration of the transfer discussed in paragraph 3.1, the parties hereto agree to the Wholesale Water Supply Contract executed on October 18, 2011.

Exhibit A

3.4 Upon execution of this Agreement, NWGC and Monarch will file a joint Texas Water Code § 13.248 application, prepared by the NWGC, with TCEQ to amend CCN No. 12983 and CCN No. 12362 to reflect the transfer of the CCN Property to NWGC. Monarch shall support the application and will not object or otherwise attempt to defeat NWGC's application(s) for a water CCN to serve the CCN Property.

3.5 NWGC and Monarch agree not to initiate legal action under 7 U.S.C. Section 1926(b) for any matter related to this Agreement.

3.6 Upon execution of this Agreement, Monarch will take all steps necessary to secure approval of the service area transfer from the RDA, or any successor federal agencies, if such is necessary to effectuate the transfer.

4. Default. In the event either party fails to comply with the terms of this Agreement, the other party has the right to enforce the terms of this Agreement by specific performance or by any other remedies available to the other party.

5. Miscellaneous.

a. This Agreement may not be assigned by any party without the written consent of the other party, which consent shall not be unreasonably withheld, delayed or denied. Notwithstanding the foregoing, either party may, without consent, assign this agreement to any affiliate, parent, subsidiary or successor in interest in conjunction with a merger, reorganization, the sale of all or substantially all of its business or a similar transaction.

b. This Agreement contains the entire agreement of the parties with respect to the matters contained herein and may not be modified or terminated except upon the provisions hereof or by the mutual written agreement of the parties hereto.

c. This Agreement shall be construed in accordance with the laws of the State of Texas without regard to its conflict of law principles and shall be performable in Grayson County, Texas.

d. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

e. The individuals executing this Agreement on behalf of the respective parties below represent to each other and to others that all appropriate and necessary action has been taken to authorize the individual who is executing this Agreement to do so for and on behalf of the party for which his or her signature appears, that there are no other parties or entities required to execute this Agreement in order for the same to be an authorized and binding agreement on the party for whom the individual is signing this Agreement and that each individual affixing his or her signature hereto is authorized to do so, and such authorization is valid and effective on the date hereof.

f. This Agreement is executed by the parties hereto without coercion or duress and for substantial consideration, the sufficiency of which is forever confessed. Each signatory represents this Agreement has been read by the party for which this Agreement is executed and that such party has had an opportunity to confer with its counsel.

g. Any notice provided for under the terms of this Agreement by either party to the other shall be in writing and may be effected by registered or certified mail, return receipt requested addressed and delivered to the following:

To NWGC: Northwest Grayson County Water Control and Improvement District No. 1
Attention: General Manager
P.O. Box 715
Gordonville, Texas 76245

To Monarch: Monarch Utilities I, L.P.
Attn: Charles W. Profilet, Jr.
12535 Reed Road
Sugar Land, Texas 77478

Each party may change the address to which notice may be sent to that party by giving notice of such change to the other parties in accordance with the provisions of this Agreement.

h. This Agreement may be executed in a number of identical counterparts, each of which shall be deemed an original for all purposes.

i. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision thereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

j. This Agreement shall be deemed drafted equally by all parties hereto. The language of all parts of this Agreement shall be construed as a whole according to its fair meaning, and any presumption or principle that the language herein is to be construed against any party shall not apply. Headings in this Agreement are for the convenience of the parties and are not intended to be used in construing this document.

k. The parties agree that NWGC has not waived its sovereign immunity by entering into and performing its obligations under this Agreement.

Exhibit A

IN WITNESS WHEREOF, the parties have executed this Agreement and caused this Agreement to be effective on the latest date as reflected by the signatures below.

NWGC

By: Carol B. Anderson Date: 6-22-11
PRESIDENT, Board President

MONARCH UTILITIES I, L.P.

By: Charles W Pitsfield Date: OCT 18, 2011
Its: PRESIDENT

Exhibit A

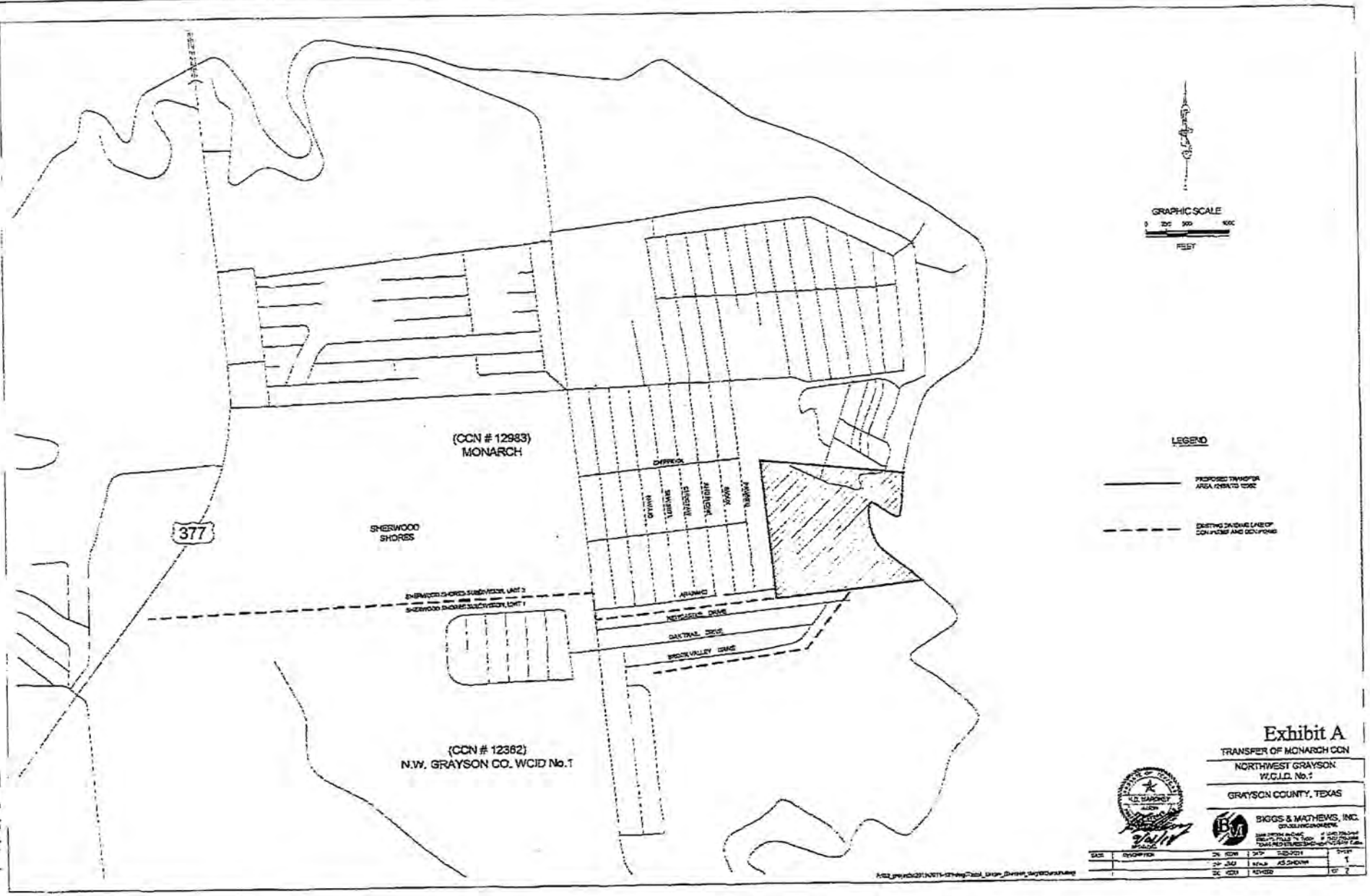
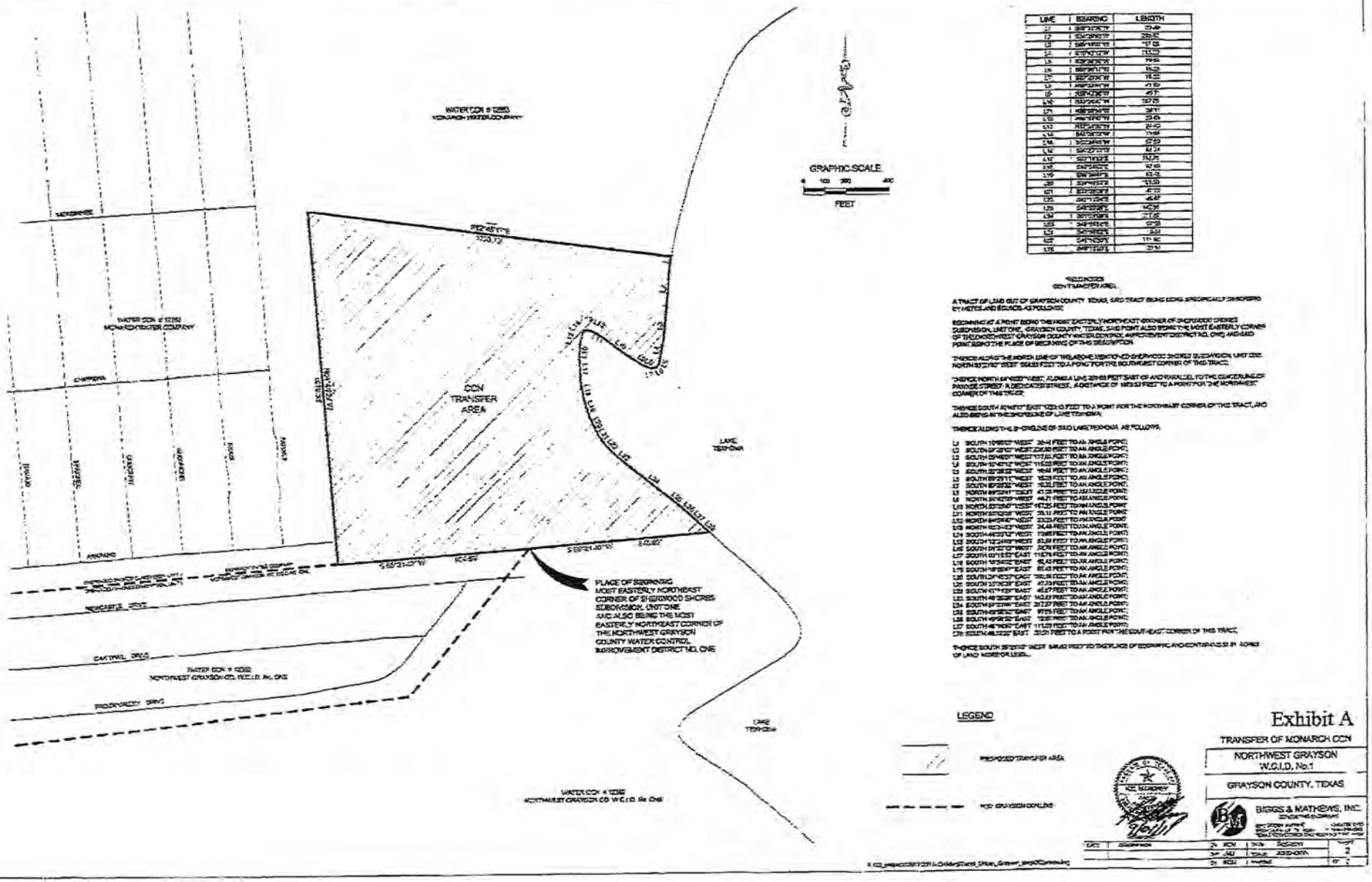

(CCN # 12983)
MONARCH
SHERWOOD SHORES
377
(CCN # 12362)
N.W. GRAYSON CO. WCID No.1
GRAPHIC SCALE
FEET
LEGEND
Exhibit A
TRANSFER OF MONARCH CCN
NORTHWEST GRAYSON W.C.I.D. No.1
GRAYSON COUNTY, TEXAS
BIGGS & MATHEWS, INC.

Exhibit A



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L2	S 00°29'00" E	289.16'
L3	S 89°31'00" W	17.00'
L4	S 87°00'00" W	113.00'
L5	S 89°31'00" W	119.00'
L6	S 00°29'00" E	150.00'
L7	S 89°31'00" W	16.00'
L8	S 00°29'00" E	41.00'
L9	S 89°31'00" W	49.00'
L10	S 00°29'00" E	287.00'
L11	S 89°31'00" W	387.00'
L12	N 89°31'00" E	23.46'
L13	N 00°29'00" W	24.00'
L14	S 89°31'00" W	119.00'
L15	S 00°29'00" E	87.00'
L16	S 89°31'00" W	81.24'
L17	S 00°29'00" E	116.00'
L18	S 89°31'00" W	97.00'
L19	S 00°29'00" E	63.00'
L20	S 89°31'00" W	113.00'
L21	S 00°29'00" E	41.00'
L22	S 89°31'00" W	46.00'
L23	S 00°29'00" E	140.00'
L24	S 89°31'00" W	21.00'
L25	S 00°29'00" E	97.00'
L26	S 89°31'00" W	251.00'
L27	S 89°31'00" W	111.46'
L28	S 89°31'00" W	23.00'

FIELD NOTES
CCN TRANSFER AREA

A TRACT OF LAND OUT OF GRAYSON COUNTY, TEXAS, SAID TRACT BEING MORE SPECIFICALLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A POINT BEING THE MOST EASTERLY NORTHEAST CORNER OF SHERWOOD SHORES SUBDIVISION, UNIT ONE, GRAYSON COUNTY, TEXAS, SAID POINT ALSO BEING THE MOST EASTERLY CORNER OF THE NORTHWEST GRAYSON COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. ONE, AND SAID POINT BEING THE PLACE OF BEGINNING OF THIS DESCRIPTION;

THENCE ALONG THE NORTH LINE OF THE ABOVE MENTIONED SHERWOOD SHORES SUBDIVISION, UNIT ONE, NORTH 89°31'00" WEST 1563.83 FEET TO A POINT FOR THE SOUTHWEST CORNER OF THIS TRACT;

THENCE NORTH 00°29'00" EAST, ALONG A LINE 33.00 FEET EAST OF AND PARALLEL TO THE CENTERLINE OF PARADISE STREET, A DEDICATED STREET, A DISTANCE OF 1873.33 FEET TO A POINT FOR THE NORTHWEST CORNER OF THIS TRACT;

THENCE SOUTH 41°40'17" EAST 1223.13 FEET TO A POINT FOR THE NORTHEAST CORNER OF THIS TRACT, AND ALSO BEING IN THE SHORELINE OF LAKE TEXOMA;

THENCE ALONG THE SHORELINE OF SAID LAKE TEXOMA AS FOLLOWS:

L1 SOUTH 10°55'07" WEST 39.44 FEET TO AN ANGLE POINT;
L2 SOUTH 04°28'07" WEST 224.80 FEET TO AN ANGLE POINT;
L3 SOUTH 09°48'07" WEST 117.00 FEET TO AN ANGLE POINT;
L4 SOUTH 15°40'07" WEST 115.00 FEET TO AN ANGLE POINT;
L5 SOUTH 20°28'07" WEST 49.46 FEET TO AN ANGLE POINT;
L6 SOUTH 69°20'11" WEST 163.00 FEET TO AN ANGLE POINT;
L7 SOUTH 89°28'53" WEST 70.32 FEET TO AN ANGLE POINT;
L8 NORTH 84°52'41" WEST 41.28 FEET TO AN ANGLE POINT;
L9 NORTH 84°52'09" WEST 44.21 FEET TO AN ANGLE POINT;
L10 NORTH 83°39'49" WEST 147.25 FEET TO AN ANGLE POINT;
L11 NORTH 83°02'08" WEST 33.11 FEET TO AN ANGLE POINT;
L12 NORTH 84°06'46" WEST 33.23 FEET TO AN ANGLE POINT;
L13 NORTH 16°34'49" WEST 34.48 FEET TO AN ANGLE POINT;
L14 SOUTH 46°39'12" WEST 13.68 FEET TO AN ANGLE POINT;
L15 SOUTH 13°24'49" WEST 21.89 FEET TO AN ANGLE POINT;
L16 SOUTH 89°31'00" WEST 20.00 FEET TO AN ANGLE POINT;
L17 SOUTH 00°15'55" EAST 11.67 FEET TO AN ANGLE POINT;
L18 SOUTH 16°34'05" EAST 15.40 FEET TO AN ANGLE POINT;
L19 SOUTH 16°39'49" EAST 65.43 FEET TO AN ANGLE POINT;
L20 SOUTH 24°46'33" EAST 150.38 FEET TO AN ANGLE POINT;
L21 SOUTH 20°36'08" EAST 47.29 FEET TO AN ANGLE POINT;
L22 SOUTH 41°17'21" EAST 45.47 FEET TO AN ANGLE POINT;
L23 SOUTH 48°38'08" EAST 143.43 FEET TO AN ANGLE POINT;
L24 SOUTH 59°32'08" EAST 217.37 FEET TO AN ANGLE POINT;
L25 SOUTH 49°36'08" EAST 97.75 FEET TO AN ANGLE POINT;
L26 SOUTH 49°36'08" EAST 122.5 FEET TO AN ANGLE POINT;
L27 SOUTH 46°39'07" EAST 111.03 FEET TO AN ANGLE POINT;
L28 SOUTH 46°39'07" EAST 33.01 FEET TO A POINT FOR THE SOUTH-EAST CORNER OF THIS TRACT;

THENCE SOUTH 39°20'53" WEST 589.83 FEET TO THE PLACE OF BEGINNING AND CONTAINING 39 ACRES OF LAND MORE OR LESS.

Exhibit A

TRANSFER OF MONARCH CCN

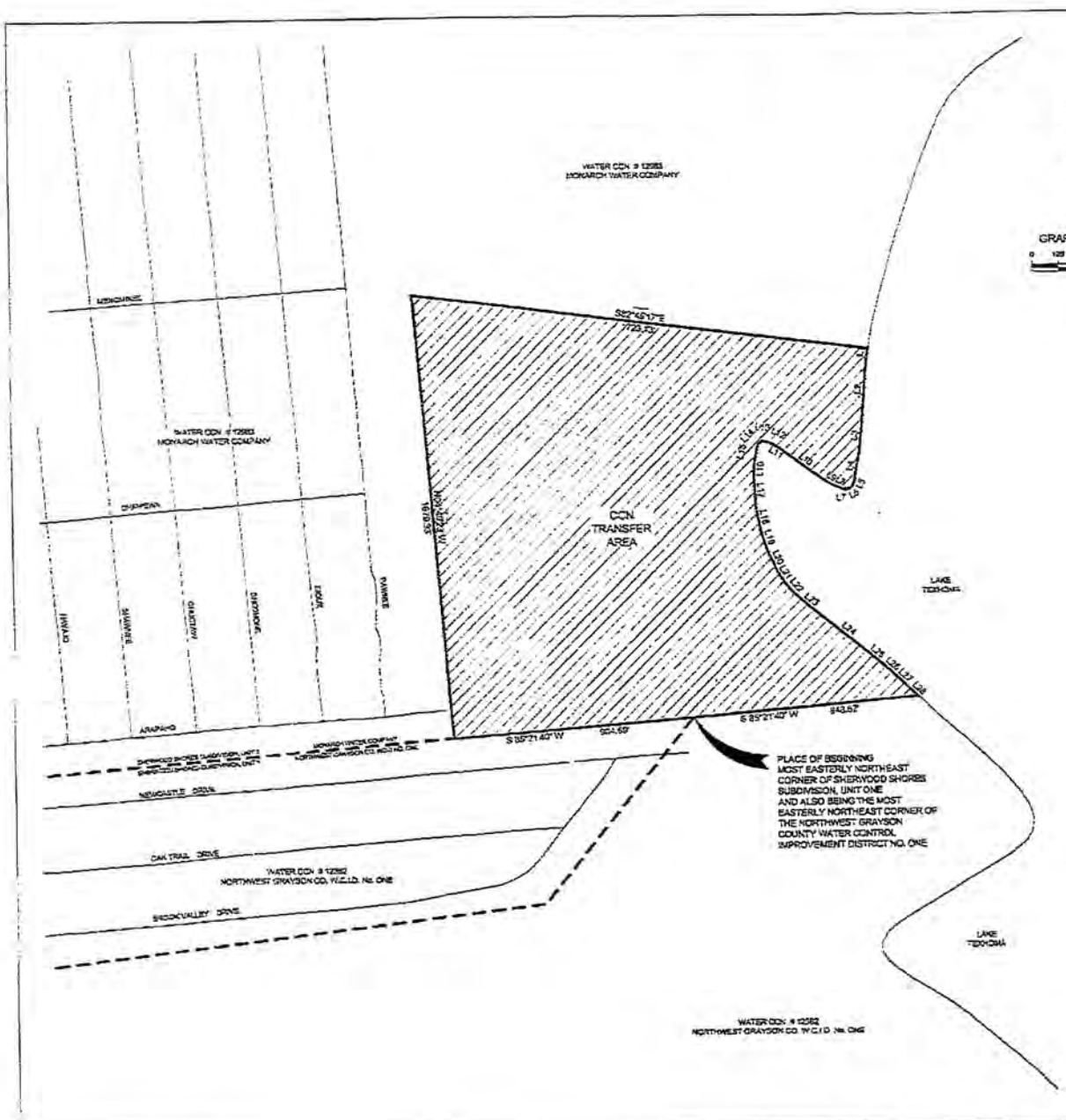
NORTHWEST GRAYSON W.C.I.D. No.1

GRAYSON COUNTY, TEXAS

BIGGS & MATHEWS, INC.

DSC	DESCRIPTION	BY	DATE	SCALE
		JW	6/2011	2
		JW	6/2011	

Exhibit A



GRAPHIC SCALE

0 100 200 400

FEET

LINE	BEARING	LENGTH
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L2	S04°29'03"W	208.45
L3	S05°46'01"W	117.03
L4	S10°47'42"W	115.22
L5	S26°38'52"W	19.86
L6	S03°28'11"W	13.28
L7	S09°29'38"W	15.32
L8	N89°32'41"W	41.03
L9	S00°44'27"W	46.71
L10	N89°32'40"W	157.35
L11	N85°12'08"W	28.11
L12	N54°39'40"W	25.23
L13	N09°43'00"W	34.48
L14	S44°26'22"W	19.65
L15	S12°34'59"W	57.59
L16	S04°23'03"W	58.74
L17	S03°14'39"E	114.78
L18	S10°54'02"E	52.40
L19	S16°39'41"E	58.48
L20	S04°48'33"E	190.38
L21	S03°37'29"E	47.20
L22	S11°11'34"E	48.87
L23	S48°20'26"E	140.88
L24	S13°21'09"E	217.97
L25	S9°35'32"E	97.96
L26	S9°38'02"E	12.31
L27	S48°18'30"E	115.30
L28	S48°13'02"E	32.51

FIELD NOTES
CCN TRANSFER AREA

A TRACT OF LAND OUT OF GRAYSON COUNTY, TEXAS, SAID TRACT BEING MORE SPECIFICALLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A POINT BEING THE MOST EASTERLY NORTHEAST CORNER OF SHERWOOD SHORES SUBDIVISION, UNIT ONE, GRAYSON COUNTY, TEXAS, SAID POINT ALSO BEING THE MOST EASTERLY CORNER OF THE (NORTHWEST GRAYSON COUNTY WATER CONTROL IMPROVEMENT DISTRICT NO. ONE) AND SAID POINT BEING THE PLACE OF BEGINNING OF THIS DESCRIPTION;

THENCE ALONG THE NORTH LINE OF THE ABOVE MENTIONED SHERWOOD SHORES SUBDIVISION, UNIT ONE, NORTH 1 M23'42" WEST 954.88 FEET TO A POINT FOR THE SOUTHWEST CORNER OF THIS TRACT;

THENCE NORTH 84°45'22" WEST, ALONG A LINE 250.00 FEET EAST OF AND PARALLEL TO THE CENTERLINE OF PAYNE STREET, A DEDICATED STREET, A DISTANCE OF 1678.33 FEET TO A POINT FOR THE NORTHWEST CORNER OF THIS TRACT;

THENCE SOUTH 82°45'17" EAST 1722.13 FEET TO A POINT FOR THE NORTHEAST CORNER OF THIS TRACT, AND ALSO BEING IN THE SHORELINE OF LAKE TEHOMA;

THENCE ALONG THE SHORELINE OF SAID LAKE TEHOMA AS FOLLOWS:

L1 SOUTH 10°28'08" WEST 29.46 FEET TO AN ANGLE POINT;
L2 SOUTH 04°29'03" WEST 208.45 FEET TO AN ANGLE POINT;
L3 SOUTH 05°46'01" WEST 117.03 FEET TO AN ANGLE POINT;
L4 SOUTH 10°47'42" WEST 115.22 FEET TO AN ANGLE POINT;
L5 SOUTH 26°38'52" WEST 19.86 FEET TO AN ANGLE POINT;
L6 SOUTH 03°28'11" WEST 13.28 FEET TO AN ANGLE POINT;
L7 SOUTH 09°29'38" WEST 15.32 FEET TO AN ANGLE POINT;
L8 NORTH 89°32'41" WEST 41.03 FEET TO AN ANGLE POINT;
L9 NORTH 89°42'09" WEST 46.71 FEET TO AN ANGLE POINT;
L10 NORTH 89°32'40" WEST 157.35 FEET TO AN ANGLE POINT;
L11 NORTH 85°12'08" WEST 28.11 FEET TO AN ANGLE POINT;
L12 NORTH 54°39'40" WEST 25.23 FEET TO AN ANGLE POINT;
L13 NORTH 62°43'00" WEST 34.48 FEET TO AN ANGLE POINT;
L14 SOUTH 44°26'22" WEST 19.65 FEET TO AN ANGLE POINT;
L15 SOUTH 12°34'59" WEST 57.59 FEET TO AN ANGLE POINT;
L16 SOUTH 04°23'03" WEST 58.74 FEET TO AN ANGLE POINT;
L17 SOUTH 03°14'39" EAST 114.78 FEET TO AN ANGLE POINT;
L18 SOUTH 10°54'02" EAST 52.40 FEET TO AN ANGLE POINT;
L19 SOUTH 16°39'41" EAST 58.48 FEET TO AN ANGLE POINT;
L20 SOUTH 04°48'33" EAST 190.38 FEET TO AN ANGLE POINT;
L21 SOUTH 03°37'29" EAST 47.20 FEET TO AN ANGLE POINT;
L22 SOUTH 11°11'34" EAST 48.87 FEET TO AN ANGLE POINT;
L23 SOUTH 48°20'26" EAST 140.88 FEET TO AN ANGLE POINT;
L24 SOUTH 13°21'09" EAST 217.97 FEET TO AN ANGLE POINT;
L25 SOUTH 09°35'32" EAST 97.96 FEET TO AN ANGLE POINT;
L26 SOUTH 09°38'02" EAST 12.31 FEET TO AN ANGLE POINT;
L27 SOUTH 48°18'30" EAST 115.30 FEET TO AN ANGLE POINT;
L28 SOUTH 48°13'02" EAST 32.51 FEET TO A POINT FOR THE SOUTHEAST CORNER OF THIS TRACT;

THENCE SOUTH 85°21'40" WEST 843.52 FEET TO THE PLACE OF BEGINNING AND CONTAINING 51.21 ACRES OF LAND, MORE OR LESS.

LEGEND

PROPOSED TRANSFER AREA

N.I.P. GRAYSON CCN LINE

Exhibit B

TRANSFER OF MONARCH CCN

NORTHWEST GRAYSON W.C.I.D. No.1

GRAYSON COUNTY, TEXAS

BIGGS & MATHEWS, INC.
CONSULTING ENGINEERS

DATE	DESCRIPTION	BY	DATE	SHEET
		KDM	7-26-2011	2
		JMJ	SCALE AS SHOWN	OF 2
		KDM	REVISED	

P:\CD_projects\2011\2316-CCN\dwg\Exist_Urban_Grayson_Boy\2316exhibit.dwg

Texas Commission On
Environmental Quality

By These Presents Be It Known To All That

Northwest Grayson County WCID 1

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

Certificate of Convenience and Necessity No. 12362

to provide continuous and adequate water utility service to that service area or those service areas in Grayson County as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Application No. 37236-C are on file at the Commission offices in Austin, Texas; and are matters of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty of Northwest Grayson County WCID 1 to provide such utility service in accordance with the laws of this State and Rules of this Commission, subject only to any power and responsibility of this Commission to revoke or amend this Certificate in whole or in part upon a subsequent showing that the public convenience and necessity would be better served thereby.

Issued at Austin, Texas, this _____

_____
For the Commission

Texas Commission On Environmental Quality

By These Presents Be It Known To All That

Monarch Utilities I, LP

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

Certificate of Convenience and Necessity No. 12983

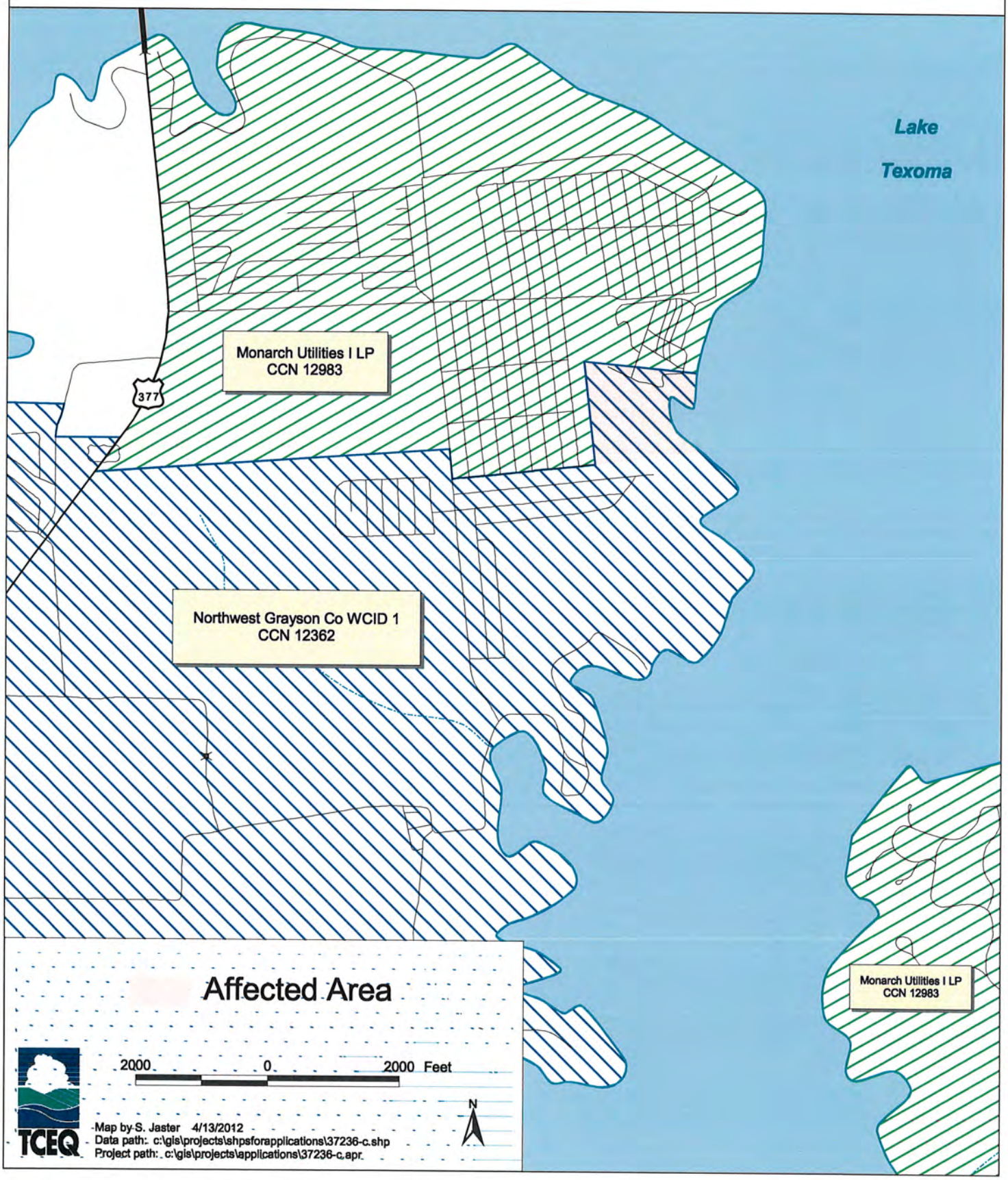
to provide continuous and adequate water utility service to that service area or those service areas in Bandera, Brazoria, Chambers, Denton, Grayson, Hays, Henderson, Hood, Johnson, Liberty, Marion, Matagorda, Medina, Montgomery, Parker, Polk, San Jacinto, Smith, Tarrant, Trinity, Tyler, Van Zandt, Wise and Wood Counties as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Application No. 37236-C are on file at the Commission offices in Austin, Texas; and are matters of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty of the Monarch Utilities I, LP to provide such utility service in accordance with the laws of this State and Rules of this Commission, subject only to any power and responsibility of this Commission to revoke or amend this Certificate in whole or in part upon a subsequent showing that the public convenience and necessity would be better served thereby.

Issued at Austin, Texas, this _____

_____

For the Commission

Northwest Grayson County WCID 1
Portion of Water Service Area
CCN No. 12362
Application No. 37236-C (13.248 Contract Service Agreement
from Northwest Grayson County WCID 1
to Transfer a Portion of CCN No. 12983 from Monarch Utilities I, LP
in Grayson County)



Bryan W. Shaw, Ph.D., *Chairman*
Carlos Rubinstein, *Commissioner*
Toby Baker, *Commissioner*
Zak Covar, *Executive Director*

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

January 11, 2013

Mr. Arturo D. Rodriguez, Jr.
Russell & Rodriguez, LLP
1633 Williams Dr., Bldg. 2, Ste. 200
Georgetown, Texas 78628

Charles W. Profilet, Jr.
Monarch Utilities I, LP
12535 Reed Road
Sugar Land, Texas 77478

Re: TCEQ Docket No. 2012-0560-UCR; Consideration of a request for a Commission order approving a Contract Service Agreement ("Agreement") designating service areas between Northwest Grayson County WCID No. 1 ("NWGC"), Certificate of Convenience and Necessity ("CCN") No. 12362, and Monarch Utilities I, LP ("Monarch"), CCN No. 12983

Dear Mr. Rodriguez and Mr. Profilet:

This letter is to inform you that the above-referenced application has been set on the Agenda for consideration by the Texas Commission on Environmental Quality ("TCEQ"). This Agenda will occur on January 30, 2013, beginning at 9:30 a.m. in Building E, Room 201S, 12100 Park 35 Circle, Austin, Texas. Included with this letter are the Agenda backup materials to be considered by the Commission. **At least one of you will need to attend the Agenda to explain the agreement and to answer any questions the Commissioners may have.**

Persons with disabilities who plan to attend this hearing and who need special accommodations at the Agenda should call the TCEQ Office of Public Assistance at 1-800-687-4040 or 1-800-RELAY-TX (TDD) at least one week prior to the hearing. If you have any questions about this matter, you may contact Sheresia Perryman from the Water Supply Division at 1-512-239-3654 or me at 1-512-239-0627.

Sincerely,

Jessica Rogers, Staff Attorney
Environmental Law Division

Enclosure

CONSENT FORM

Applicant's Name: Northwest Grayson County WCID 1
Application Nos.: 37236-C

X I concur with the recommendation contained in the staff memorandum transmitted by letter dated May 17, 2012.

I do not concur with and intend to respond to the recommendation contained in the staff memorandum transmitted by letter dated May 17, 2012.

I understand that I have 14 days from the date of this letter to provide my response.

I am authorized by Northwest Grayson County WCID 1 to sign this form.

Signature: Carol B Anderson

Printed Name: Carol Anderson

Relationship to Applicant: President of Board of Directors Northwest Grayson County WCID # 1

Date signed: October 23, 2012

Mail or Fax to:
Sheresia Perryman
Utilities & Districts Section, MC 153
Water Supply Division
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, TX 78711-3087
Fax: (512) 239-6972

CONSENT FORM

Applicant's Name: Northwest Grayson County WCID 1
Application Nos.: 37236-C

☒ I concur with the recommendation contained in the staff memorandum transmitted by letter dated May 17, 2012.

☐ I do not concur with and intend to respond to the recommendation contained in the staff memorandum transmitted by letter dated May 17, 2012.

I understand that I have 14 days from the date of this letter to provide my response.

I am authorized by the Monarch Utilities I, LP to sign this form.

Signature: Charles W Profilet Jr

Printed Name: Charles W. Profilet, Jr.

Relationship to Applicant: President, Monarch Utilities I, LP

Date signed: August 10, 2012

Mail or Fax to:
Sheresia Perryman
Utilities & Districts Section, MC 153
Water Supply Division
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, TX 78711-3087
Fax: (512) 239-6972