

Bryan W. Shaw, Ph.D., *Chairman*
Buddy Garcia, *Commissioner*
Carlos Rubinstein, *Commissioner*
Mark R. Vickery, P.G., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

August 20, 2010

LaDonna Castañuela, Chief Clerk
Texas Commission on Environmental Quality
P.O. Box 13087, MC 105
Austin, Texas 78711-3087

Re: Petition of Roman Forest Consolidated MUD for Approval to Levy an Operation and Maintenance Standby Fee in Montgomery County, Texas, TCEQ Internal Control No. 08262009-DO1
TCEQ Docket No. 2009-1872-DIS

Dear Ms. Castañuela:

Enclosed for filing please find an original and seven (7) copies of the of the Executive Director's Agenda Backup documents.

Sincerely,

A handwritten signature in cursive script, appearing to read "Dinniah C. Tadema".

Dinniah C. Tadema, Staff Attorney
Office of Legal Services, Environmental Law Division

Enclosures

cc: Mailing List

**TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
AGENDA ITEM REQUEST**

Date of Request: July 26, 2010

Agenda Date:

Person to Contact Regarding Changes to this Request:

Skip Ferris 239-6355; Shane Potter 239-4734

CAPTION: Docket No. 2009-1872-DIS. Consideration of an application by Roman Forest Consolidated Municipal Utility District (District), in Montgomery County, for approval of a standby fee. The District's application requests approval to levy a uniform annual standby fee to supplement its operations and maintenance account pursuant to Texas Water Code, Section 49.231. The Commission will consider the application, timely public comments, hearing requests, responses, and replies. TCEQ Internal Control No. 08262009-D01 (Shane Potter; Dinniah C. Tadema)

Chief Clerk Must send Notice of Application/Hearing: Yes

Type of Matter: Standby Fee

County: Montgomery

Uncontested: No

Contested: Yes

Prepared by: Shane Potter
Districts Review Team

07/26/2010
Date

MAILING LIST

Roman Forest Consolidated Municipal Utility District DOCKET NO. 2009-1872-DIS

FOR THE APPLICANT:

Mr. Alan P. Petrov
Johnson Radcliffe Petrov & Bobbitt, PLLC
1001 McKinney St – Ste 1000
Houston, Texas 77002
Tel: 713-237-1221
Fax: 713-237-1313

Mr. William Frederick, President
Roman Forest Consolidated Municipal Utility
District
2818 Mockingbird
New Caney, Texas 77357

FOR THE CHIEF CLERK:

Ms. LaDonna Castañuela
Texas Commission on Environmental Quality
Office of Chief Clerk, MC-105
P.O. Box 13087
Austin, Texas 78711-3087
Tel: 512-239-3300
Fax: 512-239-3311

FOR THE EXECUTIVE DIRECTOR:

Mr. Todd Galiga
Texas Commission on Environmental Quality
Environmental Law Division, MC 173
P.O. Box 13087
Austin, Texas 78711-3087
Fax: 512-239-0606

Ms. Dinniah C. Tadema
Texas Commission on Environmental Quality
Environmental Law Division, MC-173
P.O. Box 13087
Austin, Texas 78711-3087
Fax: 512-239-0606

Mr. Shane Potter
Texas Commission on Environmental Quality
Water Supply Division, MC-152
P.O. Box 13087
Austin, Texas 78711-3087

Ms. Linda Vasse
TCEQ Region 12
5425 Polk Avenue, Suite H
Houston, Texas 77023-1486

FOR OFFICE OF PUBLIC ASSISTANCE:

Ms. Bridget C. Bohac, Director
Texas Commission on Environmental Quality
Office of Public Assistance, MC-108
P.O. Box 13087
Austin, Texas 78711-3087
Tel: 512-239-4000
Fax: 512-239-4007

FOR PUBLIC INTEREST COUNSEL:

Mr. Blas J. Coy, Jr., Attorney
Texas Commission on Environmental Quality
Public Interest Counsel, MC-103
P.O. Box 13087
Austin, Texas 78711-3087

FOR ALTERNATIVE DISPUTE RESOLUTION

Mr. Kyle Lucas
Texas Commission on Environmental Quality
Alternative Dispute Resolution, MC-222
P.O. Box 13087
Austin, Texas 78711-3087
Tel: 512-239-4010
Fax: 512-239-4015

REQUESTERS:

Mr. Francisco Mora Jr.
9215 Dune Gate Ct.
Humble, Texas 77396
Tel: 713-534-4148

Mr. Mohammed Ashraf
1006 Ramp Creek Lane
Sugar Land, Texas 77498
Tel: 282-242-3144 or 832-704-0428

Texas Commission on Environmental Quality

TECHNICAL MEMORANDUM

To: Texas Commission on Environmental Quality **Date:** July 26, 2010

Thru: Tammy Holguin-Benter, Manager, Utilities and Districts Section
Alex A. (Skip) Ferris, P.E., Leader, Districts Bond Team

From: Districts Bond Team

Subject: 2009-1872-DIS Roman Forest Consolidated Municipal Utility District of Montgomery County; Application for Approval to Levy Operation and Maintenance Standby Fees; Pursuant to Texas Water Code Section 49.231.
TCEQ Internal Control No. 08262009-D01 (TC)
CN: 600654966 RN: 101211969

DESCRIPTION OF APPLICATION

Petitioner: Roman Forest Consolidated Municipal Utility District

Request: Authorization to levy a standby fee

Type: Standby Fee

Authority: Texas Water Code Section 49.231

STAFF RECOMMENDATION

Approve an annual operations and maintenance standby fee of \$190 per year per equivalent single-family connection.

TECHNICAL INFORMATION

General: Roman Forest Consolidated Municipal Utility District has collected a Commission approved standby fee since 1995.

RESPONSES TO THE APPLICATION

The Commission received two protest letters regarding the above referenced matter.

CONTACT

Shane Potter, Technical Manager, Districts Bond Team – 239-4734
Dinniah C. Tadema, Staff Attorney, Environmental Law Division – 239-0617

Texas Commission on Environmental Quality

TECHNICAL MEMORANDUM

To: Texas Commission on Environmental Quality **Date:** February 26, 2010

Thru: ^{RN for} Doug Holcomb, P.E., Acting Manager, Utilities and Districts Section
^{RN for} Alex A. (Skip) Ferris, P.E., Leader, Districts Review Team

From: Districts Review Team

Subject: Roman Forest Consolidated Municipal Utility District of Montgomery County; Application for Approval to Levy Operation and Maintenance Standby Fees; Pursuant to Texas Water Code Section 49.231.
TCEQ Internal Control No. 08262009-D01 (TC)
CN: 600654966 RN: 101211969

A. GENERAL INFORMATION

The above referenced application was received on August 26, 2009. The District is requesting Commission approval to levy an operation and maintenance (O&M) standby fee in the amount of \$216 per year per equivalent single-family connection (ESFC) for a three year period against all undeveloped property in the District which have available water and/or wastewater facilities and services which are being operated and maintained by the District.

According to information received by staff, there are 499 undeveloped lots in the District to which no water and wastewater facilities and services have been made and for which water or wastewater facilities and services are available, water supply or wastewater treatment plant capacity sufficient to serve the property is available, or major water supply lines or wastewater collection lines with capacity sufficient to serve the property are available.

Existing Standby Fees

The Commission previously approved annual O&M standby fees for the District from 1995 through 2009 varying from \$138 to \$294 per ESFC. For the years 2004 through 2009 the approved fee was \$216 per ESFC. The District has indicated that conditions which warranted previously approved standby fees still support the need for O&M standby fees.

Existing Rates and Taxes

The District levied a debt service tax rate of \$0.318 per \$100 assessed valuation for 2008 and proposed a debt service tax rate of \$0.30 per \$100 assessed valuation for 2009. The District's voters have not authorized a maintenance tax. The District adopted an amended rate order on March 26, 2009 which established residential water and wastewater rates as follows:

Water: 0-4,000 gallons	= \$22.00 (minimum monthly charge)
4,001-10,000 gallons	= \$2.00 per 1,000 gallons

February 26, 2010

10,001-20,000 gallons = \$2.50 per 1,000 gallons
All over 20,000 gallons = \$3.50 per 1,000 gallons

Wastewater:

Flat rate = \$22.00 per month

Based on this rate order, the monthly rate for 10,000 gallons of water and wastewater is \$56.00 per ESFC. The District's average water usage per ESFC is 8,300 gallons per month. The District's May 31, 2010 operating budget is shown to be at a deficit without standby fee revenue.

B. STANDBY FEES FOR OPERATIONS AND MAINTENANCE

Conclusion on Eligibility

The District's projected O&M budget for the year ending May 31, 2010, indicates a deficit of \$117,737 without standby fee revenue or expenses. The District's current rate for 10,000 gallons of water and wastewater is \$56.00 per ESFC. According to the information provided, the general operating fund had a balance of \$283,674 as of May 31, 2009, and based on the projected annual deficit would have a negative balance in three years. Therefore, the District meets the criteria of 30 TEX. ADMIN. CODE (TAC) Section 293.143(b) and is eligible to seek Commission approval to levy standby fees to supplement its operation and maintenance account.

Determination of Recommended Standby Fee Amount

The projected average annual deficit for the May 31, 2010 fiscal year is \$117,687 based on budgeted revenues of \$434,888 (\$527,888 less \$93,000 for standby fees and penalty and interest), and expenses of \$552,575 (\$601,125 less \$35,000 and \$13,550 for one time expenses). A three-month reserve, in accordance with 30 TAC §293.143(d)(1)(D), would equal \$138,144 $\{(\$552,575 \div 12) \times 3\}$. After subtracting one time expenses of \$35,000 and \$13,550, the fund balance would be reduced from \$283,674 to \$235,124. Since the fund balance of \$235,124 at the beginning of the fiscal year is greater than the 3 month reserve, the \$96,980 (\$235,124 - \$138,144) difference spread over a three year period, or \$32,327 per year, would allow a decrease in the projected deficit from \$117,737 to \$85,360. In accordance with 30 TAC §293.143(d), staff has determined that the maximum allowable fee is \$190 per ESFC per year, based on an operating fund deficit of \$85,398 divided by 499 undeveloped ESFCs and a 90% collection factor. Since the requested fee of \$216 is more than the maximum allowable fee, a standby fee of \$190 per ESFC per year is the recommended fee for 2010, 2011 and 2012.

C. SPECIAL CONSIDERATIONS

Comment Letters

February 26, 2010

A letter was received from Francisco Mora, Jr. requesting a contested case hearing. The letter indicates that the fee is contested because the property does not use any services from the District. The letter indicates a proposed fee of \$40 per year.

A second comment letter was received from Mohammed Ashraf requesting a contested case hearing. The letter indicates that two lots are owned and that the fee will cause the property to lose value.

D. CONCLUSION

The recommendations are made under the authority delegated by the Executive Director of the Texas Commission on Environmental Quality.

E. RECOMMENDATIONS

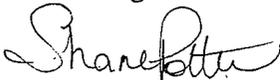
1. Approve an annual operations and maintenance standby fee of \$190 per ESFC per year for the years 2010, 2011 and 2012 against all undeveloped lots which have water, and/or wastewater facilities and services which are being operated and maintained by the District, as shown on the attached standby fee map.
2. Direct the District that all funds collected from the standby fee levy shall be used to supplement the operation and maintenance account.
3. Advise the District that any increase in the amounts of the approved standby fee, or assessment of such fees to any additional tracts not indicated herein, will require Commission approval.
4. Advise the District that the fees approved herein may be imposed for monthly, quarterly, or annual billing periods, but should not be assessed prior to January 1, 2010.

F. ADDITIONAL INFORMATION

The District's representatives are:

Attorney: Mr. Alan P. Petrov – Johnson Radcliffe Petrov & Bobbitt PLLC

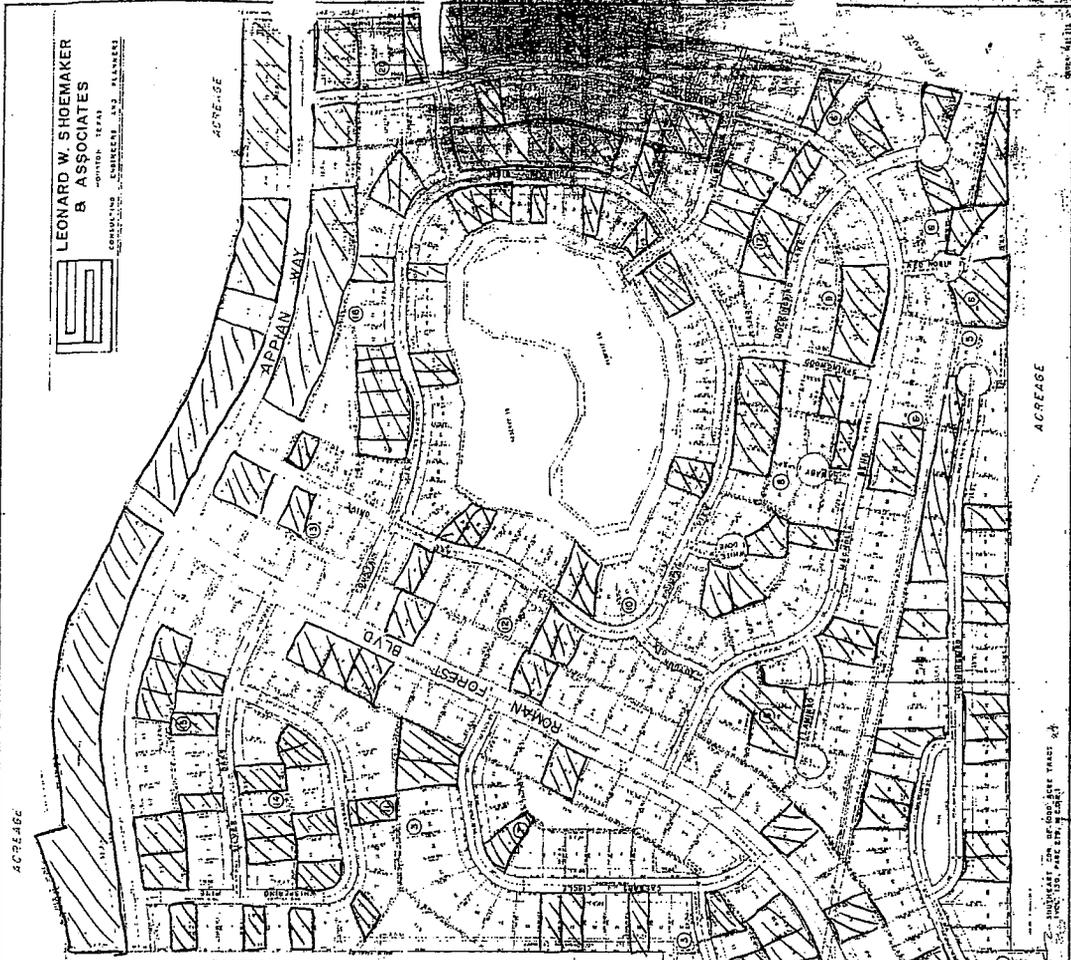
Fiscal Agent: Mr. Bill Blicht – SAMCO Capital Markets.



Shane Potter
Districts Review Team

Attachment: Standby Fee Levy Map

**LEONARD W. SHOEMAKER
& ASSOCIATES**
CONSULTING ENGINEERS AND PLANNERS
HOUSTON, TEXAS



**STATE OF TEXAS
COUNTY OF DALLAS**

I, the undersigned, County Clerk of Dallas County, Texas, do hereby certify that the within and foregoing plat of subdivision of land is a true and correct copy of the original as the same appears in the public records of this office.

WITNESSED my hand and the seal of said office at Dallas, Texas, this 15th day of March, 1971.

County Clerk

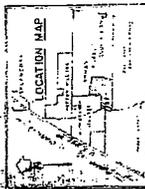
ROMAN FOREST SECTION ONE

A SUBDIVISION 451,151 ACRES OUT OF THE
PRYOR BRYAN SURVEY, A-76, MONTGOMERY COUNTY, TEXAS
20 BLOCKS - 401 LOTS - 135,960 ACRES RESERVES
SCALE 1" = 200'
MARCH, 1971

TEXAS GULF INDUSTRIES, INC. - OWNER
ROBERT P. DARNELL - PRESIDENT
LEONARD W. SHOEMAKER & ASSOCIATES - ENGINEERS

LEGEND

- SEE UTILITY AGREEMENT
- SEE PLANNING AGREEMENT
- SEE SUBDIVISION AGREEMENT
- SEE OFFICIAL RECORDS FOR PROPERTY LINES (BLOCKS 3-20)



NOTICE TO CONTRACTORS

The undersigned, Leonard W. Shoemaker & Associates, Engineers and Planners, do hereby certify that the within and foregoing plat of subdivision of land is a true and correct copy of the original as the same appears in the public records of this office.

WITNESSED my hand and the seal of said office at Houston, Texas, this 15th day of March, 1971.

Leonard W. Shoemaker & Associates

NOTICE TO CONTRACTORS

The undersigned, Leonard W. Shoemaker & Associates, Engineers and Planners, do hereby certify that the within and foregoing plat of subdivision of land is a true and correct copy of the original as the same appears in the public records of this office.

WITNESSED my hand and the seal of said office at Houston, Texas, this 15th day of March, 1971.

Leonard W. Shoemaker & Associates

ACREAGE

ACREAGE

ACREAGE

**ROMAN FOREST
SECTION ONE**

REPLAT OF RESERVE 16
A SUBDIVISION SURVEY BY
PRYOR BRYAN SURVEYING & ENGINEERING CO
1-BLOCK-----108 LOTS-----4.294c. RESERVES
TEXAS
ROBERT D. DARNELL - PRESIDENT
LEONARD W. SHOEMAKER & ASSO.-ENGINEERS



I, Robert B. Buchanan, County Engineer of Montgomery County, Texas, do hereby certify that the plat of this subdivision complies with all of the existing rules and regulations of this office as adopted by the Montgomery County Commissioners' Court.

I further certify that the plat of this subdivision complies with requirements for internal subdivision drainage as adopted by the Montgomery County Commissioners' Court; however, no certification is hereby given as to the effect of drainage from this subdivision on the intersecting drainage artery of percent stream, or on any other area or subdivision within the watershed.

APPROVED BY THE COMMISSIONERS' COURT OF MONTGOMERY COUNTY, TEXAS, THIS ____ DAY OF _____ 19__

Robert B. Buchanan
County Engineer

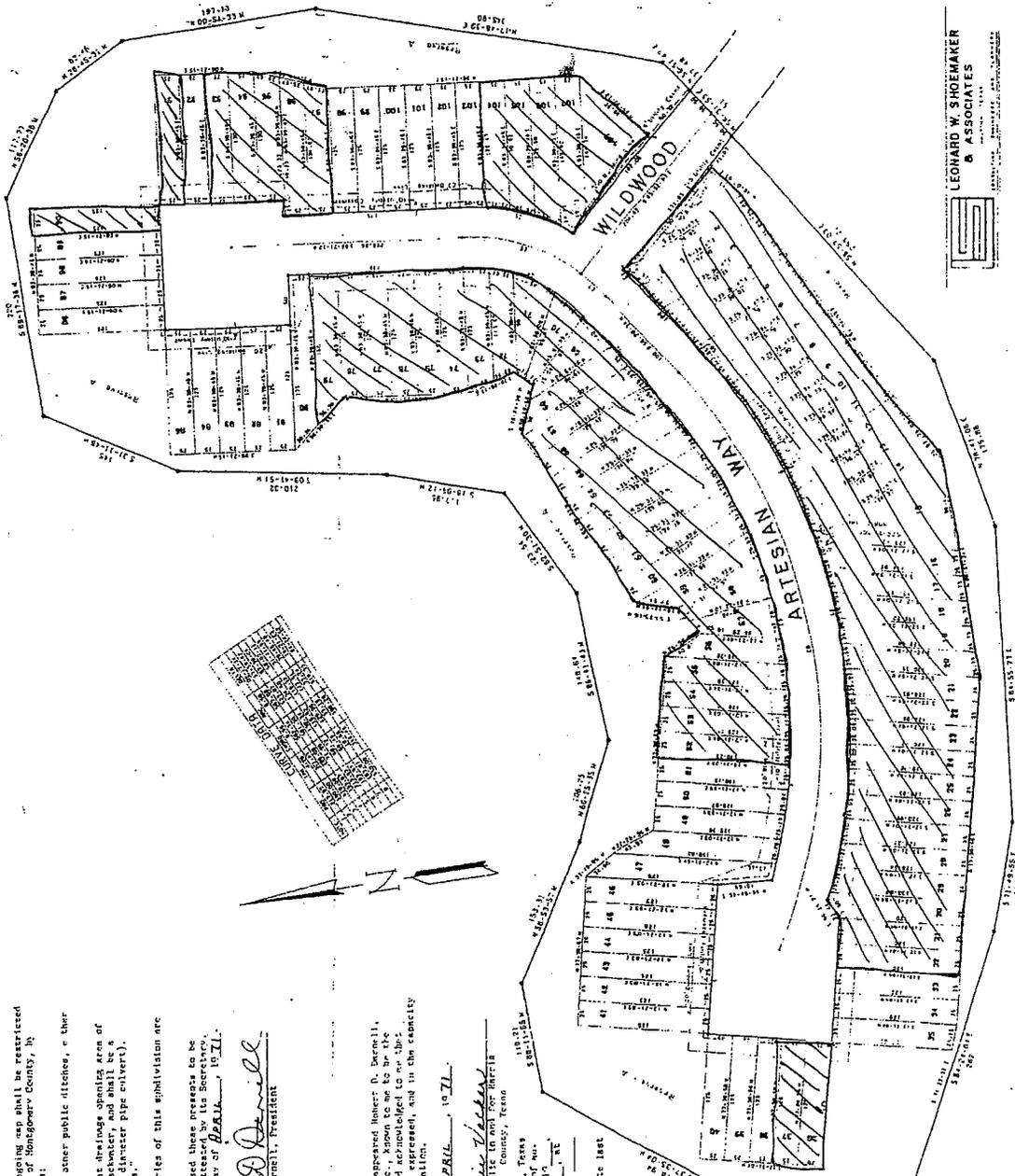
Robert D. Darnell
Commissioner, Precinct 1

Robert D. Darnell
Commissioner, Precinct 2

County Judge

Commissioner, Precinct 3

Commissioner, Precinct 4



LEONARD W. SHOEMAKER
& ASSOCIATES

APRIL 10, 1971

STATE OF TEXAS }
COUNTY OF HARRIS }

WE, Robert D. Darnell and Dana Harris, President and Secretary respectively of Texas Gulf Industries, Inc., a domestic corporation organized under the laws of the State of Texas, do hereby cause subdivision of said property for and on behalf of said Texas Gulf Industries, Inc., according to the lines, lots, alleys, paths, building lines, and easements thereon shown, and designate said subdivision as being of Reserve 16, Block 1, Section One, Roman Forest, Precinct 1, Montgomery County, Texas, and on behalf of said Texas Gulf Industries, Inc., and dedicate to public use, as a driveway, alley, easement, and easements shown thereon, and do hereby waive any claim for damages occasioned by the establishing of grades as approved for the streets and alleys shown on said plat, and do hereby bind ourselves, our successors, and assigns to warrant and forever defend the title to the land so delineated.

This is to certify that we, Robert D. Darnell and Dana Harris, President and Secretary respectively of Texas Gulf Industries, Inc., a domestic corporation organized under the laws of the State of Texas, do hereby cause subdivision of said property for and on behalf of said Texas Gulf Industries, Inc., according to the lines, lots, alleys, paths, building lines, and easements thereon shown, and designate said subdivision as being of Reserve 16, Block 1, Section One, Roman Forest, Precinct 1, Montgomery County, Texas.

WHEREAS, we, Texas Gulf Industries, Inc., do hereby dedicate forever to the public a strip of land fifteen (15) feet wide on each side of the center line of several streets, drives, alleys, paths, and other natural courses located in the said subdivision, as easements for drainage purposes, giving Montgomery County and/or any other public agency the right to enter upon said easements at any and all times for the purpose of construction and/or maintenance, under any and/or streets;

WHEREAS, all of the premises subdivided in the above and foregoing map shall be restricted in its use, which restriction shall be enforceable by the County of Montgomery County, or Montgomery County or any citizen thereof, or by injunction, as follows:

- That drainage of septic tanks into road, street, alley, or other public ditches, or thru directly or indirectly, is strictly prohibited.
- Drainage structures under private driveways shall have a not drainage opening area of sufficient size to permit the free flow of water without backwater, and shall be a minimum of one and three quarters (1-3/4) square feet (18" diameter pipe equivalent). Culverts or bridges must be used for driveways and/or alleys.

We hereby covenant and agree that all lots within the boundaries of this subdivision are for residential purposes unless otherwise noted.

IN WITNESS WHEREOF, the Texas Gulf Industries, Inc., has caused these presents to be signed by Robert D. Darnell, its President, who is duly authorized, and Dana Harris, its Secretary, whose names are subscribed hereunto, and acknowledged to me, the undersigned, a Notary Public in and for the County of Harris, State of Texas, at the place and on the date and for the purposes and considerations therein expressed, and in the capacity therein and herein set out, and as "the act and deed of said corporation."

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 28th day of APRIL, 1971.

Dana Harris
Dana Harris, Secretary

Robert D. Darnell
Robert D. Darnell, President

STATE OF TEXAS }
COUNTY OF HARRIS }

I, Dana Harris, Clerk of the County Court of Montgomery County, Texas, do hereby certify that the above and foregoing map was filed for registration in my office on _____ at _____ o'clock _____ P.M., and it is recorded on _____ of _____ of _____ Precinct _____ of _____ County, Texas.

WITNESS MY HAND AND SEAL OF OFFICE, at Conroe, the day and date last above written.

Dana Harris, Clerk, County Court
Montgomery County, Texas

This is to certify that I, Leonard W. Shoemaker, P.E., a Registered Engineer of the State of Texas, have plotted the above Shaded Plat from an actual survey on the ground; that the lines, lots, alleys, paths, building lines, and easements shown are properly marked with iron rods, 3/8" pipe or 1" long, and that this plat correctly represents that survey made by me.

Leonard W. Shoemaker
Leonard W. Shoemaker, P.E.

Seal

THE STATE OF TEXAS }
COUNTY OF HARRIS }

BEFORE ME, the undersigned authority, on this day personally appeared Robert D. Darnell, President, and Dana Harris, Secretary of Texas Gulf Industries, Inc., a domestic corporation organized under the laws of the State of Texas, and acknowledged to me, the undersigned, a Notary Public in and for the County of Harris, State of Texas, at the place and on the date and for the purposes and considerations therein expressed, and in the capacity therein and herein set out, and as "the act and deed of said corporation."

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 28th day of APRIL, 1971.

Dana Harris
Dana Harris, Secretary

Robert D. Darnell
Robert D. Darnell, President

STATE OF TEXAS }
COUNTY OF HARRIS }

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Dana Harris, Clerk, County Court
Montgomery County, Texas

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Leonard W. Shoemaker
Leonard W. Shoemaker, P.E.

Seal

THE STATE OF TEXAS }
COUNTY OF HARRIS }

BEFORE ME, the undersigned authority, on this day personally appeared Robert D. Darnell, President, and Dana Harris, Secretary of Texas Gulf Industries, Inc., a domestic corporation organized under the laws of the State of Texas, and acknowledged to me, the undersigned, a Notary Public in and for the County of Harris, State of Texas, at the place and on the date and for the purposes and considerations therein expressed, and in the capacity therein and herein set out, and as "the act and deed of said corporation."

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 28th day of APRIL, 1971.

Dana Harris
Dana Harris, Secretary

Robert D. Darnell
Robert D. Darnell, President

STATE OF TEXAS }
COUNTY OF HARRIS }

I, Dana Harris, Clerk of the County Court of Montgomery County, Texas, do hereby certify that the above and foregoing map was filed for registration in my office on _____ at _____ o'clock _____ P.M., and it is recorded on _____ of _____ of _____ Precinct _____ of _____ County, Texas.

WITNESS MY HAND AND SEAL OF OFFICE, at Conroe, the day and date last above written.

Dana Harris, Clerk, County Court
Montgomery County, Texas

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



DOCKET NO. 2009-1872-DIS

AN ORDER AUTHORIZING THE APPROVAL OF ROMAN FOREST CONSOLIDATED MUNICIPAL UTILITY DISTRICT TO LEVY OPERATION AND MAINTENANCE STANDBY FEES

An application by Roman Forest Consolidated Municipal Utility District (the "District") was presented to the Executive Director of the Texas Commission on Environmental Quality (the "Commission") for consideration of approval pursuant to TEX. WATER CODE §§ 5.122 and 49.231. The District requests approval to adopt and impose an operations and maintenance standby fee of \$216 per equivalent single-family connection (ESFC) on unimproved property in the District. The Commission has jurisdiction to consider this matter and the following Findings of Fact and Conclusions of Law are appropriate after examining the application and supporting documentation:

FINDINGS OF FACT

1. The application of the District requesting authority to adopt and impose an operations and maintenance standby fee was filed with the Commission and the statutory filing fee was paid.
2. Notice of this application was published in the Conroe Courier, a newspaper of general circulation in Montgomery County, Texas, once a week for two consecutive weeks, on October 9, 2009, and October 16, 2009, the first publication thereof being more than thirty days prior to the date of consideration of this application.
3. Notice of this application was mailed to each owner of unimproved property within the District to be assessed a standby fee by certified mail, return receipt requested, more than thirty (30) days prior to the date of consideration of this application.
4. The District's projected operation and maintenance budget for the year ending May 31, 2010, indicates a deficit of \$117,737 without standby fee revenue or expenses based on a rate of \$56.00 for 10,000 gallons usage.
5. The unimproved property subject to the standby fee is shown in the Utilities and Districts Section memorandum dated February 26, 2010, a copy of which is attached hereto and incorporated herein by reference.

6. The District's current service rate for 10,000 gallons of water and wastewater is \$56.00 per ESFC.
7. The standby fee will be applied to supplement the District's operation and maintenance account.
8. The Executive Director has investigated the financial condition of the District, including the District's assets, liabilities, sources of revenue, level of utility service rates, and level of debt service and maintenance tax rates.
9. The Utilities and Districts Section memorandum, considered by the Commission, is true and correct and demonstrates that the adoption and imposition of a standby fee by the District, for operation and maintenance, on all developable but unimproved acreage in the District (as described in the Utilities and Districts Section memorandum) which has available wastewater facilities and services by the District, is necessary to maintain the financial integrity and stability of the District. The Utilities and Districts Section memorandum further demonstrates that an operation and maintenance standby fee assessed in the amount of \$190 per ESFC per year on the unimproved property in the District, will fairly allocate the costs of District facilities and services among property owners in the District.

CONCLUSIONS OF LAW

1. The Commission has jurisdiction to consider and grant this application pursuant to TEX. WATER CODE § 49.231.
2. The application of the District conforms in all respects to TEX. WATER CODE § 49.231 and the Commission's order is in proper and legal form, and the purposes thereof are lawful. In reviewing this application, the Commission has considered, among other things, the Utilities and Districts Section memorandum, the necessity for the standby fee to maintain the financial integrity and stability of the District, and the fair allocation of the costs of District facilities among property owners in the District.
3. The application of Roman Forest Consolidated Municipal Utility District for authority to adopt and impose a standby fee on unimproved property in the District should be granted as recommended in the Utilities and Districts Section memorandum.

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

1. The District may adopt and impose a standby fee for a period of time not to exceed three (3) years from the date of issuance of this Order, on all developable, but unimproved property in the District that has available water and wastewater facilities and services by the District as identified in Findings of Fact No. 5 and described in the Utilities and Districts Section memorandum, in the amount of \$190 per ESFC per year for operations and maintenance.

2. The proceeds of the standby fee authorized for operations and maintenance shall be applied to the District's operation and maintenance account. The Commission's approval for the adoption and imposition of a standby fee may be renewed for additional periods of not more than three (3) years each as provided by TEX. WATER CODE § 49.231(h). Any increase in the amounts of the approved standby fee or assessment of such fees to any additional tracts not identified in the Utilities and Districts Section memorandum will require Commission approval. The District may impose the standby fee approved herein by monthly, quarterly, or annual billing periods but may not assess in arrears beyond January 1, 2010.
3. The District may, as authorized by TEX. WATER CODE § 49.231, exercise any of the rights and privileges associated with the imposition of standby fees.
4. The governing board of the District shall, within thirty (30) days from the date of this Order, cause a certified copy of this Order approving the standby fee to be recorded in the office of the County Clerk of each county in which a portion of the District lies.
5. The governing board of the District shall, within seven (7) days from the date of the issuance of this Order levying a standby fee, file with the Commission's Executive Director and the County Clerk of each county in which a portion of the District lies an update of the information, required by TEX. WATER CODE § 49.452.
6. 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:

For the Commission