

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

June 25, 2012

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: Application from Aqua Utilities, Inc. CCN Nos. 11157 and 20453, to purchase facilities and to transfer and cancel CCNs 13114 and 21005 from Texas-American Water Company in Brazoria, Harris, Liberty, Matagorda, and Montgomery Counties. SOAH Docket No. 582-12-0707; TCEQ Docket No. 2011-1566-UCR.

Dear Ms. Bohac:

Enclosed for filing with the Texas Commission on Environmental Quality is the original plus seven copies of "The Executive Director's Exceptions to the Proposal for Decision and Proposed Order" for the above referenced matter.

If you have any questions, please call me at (512) 239-0608.

Sincerely,

A handwritten signature in black ink, appearing to read "Ron M. Olson".

Ron M. Olson
Staff Attorney
Environmental Law Division

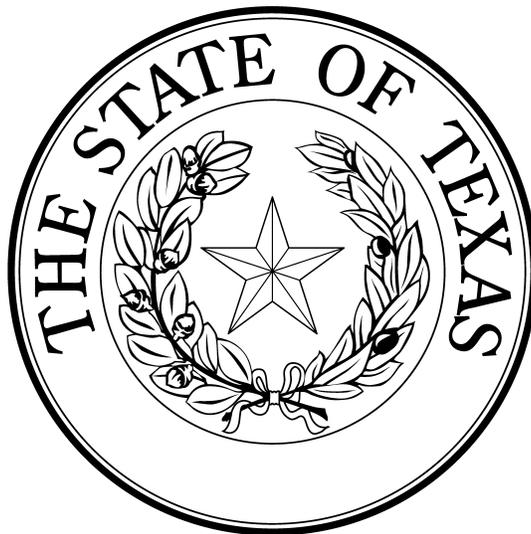
Enclosure

cc: Mailing List

**SOAH DOCKET NO. 582-12-0707
TCEQ DOCKET NO. 2011-1566-UCR**

APPLICATION FROM AQUA	§	BEFORE THE TEXAS COMMISSION
UTILITIES, INC., CCN NOS. 11157	§	
AND 20453, TO PURCHASE	§	
FACILITIES AND TO TRANSFER	§	
AND CANCEL CCNS 13114 AND	§	ON
21005 FROM TEXAS-AMERICAN	§	
WATER COMPANY IN	§	
BRAZORIA, HARRIS, LIBERTY,	§	
MATAGORDA, AND	§	
MONTGOMERY COUNTIES	§	ENVIRONMENTAL QUALITY

**THE EXECUTIVE DIRECTOR'S EXCEPTIONS TO THE PROPOSAL FOR
DECISION AND PROPOSED ORDER**



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

JUNE 25, 2012

affected parties.² On March 30, 2011, the Applicant provided affidavits to the ED which ostensibly indicated that proper notice had been mailed to those legally required to receive such notice.³ In reliance on the Applicant's affidavit that proper notice of its STM application had been provided as required by the Texas Water Code and the TCEQ rules, the ED mailed a letter to the Applicant stating that Aqua Texas may proceed with the transaction.⁴ However, it was later discovered that Aqua Texas had failed to provide notice to the City of Houston as required by Texas Water Code Section 13.301 and Commission rule Sections 291.109 and 291.112, even though portions of Texas-American's service areas that would be transferred to the Applicant pursuant to the STM application are within two miles of Houston's city limits or overlap Houston's ETJ.⁵ Through additional briefing, it was also discovered that Aqua Texas failed to provide the statutorily required notice to at least three other municipalities – City of Hillcrest Village, City of Woodbranch Village, and City of Stagecoach. Therefore, the Commission has jurisdiction to request a hearing on this application to ensure that proper notice has been provided.

Texas Water Code Section 13.301 and TCEQ rule Sections 291.109 and 291.112⁶ require an applicant who files a STM application to provide public notice of the action.⁷ Proper notice is so essential to the STM process that it is one of the express reasons why the ED can refer a STM application to the State Office of Administrative Hearings ("SOAH").⁸ Unless waived for good cause by the ED⁹, the law requires an applicant to provide proper public notice of a STM application before the transaction can be completed.¹⁰ This notice requirement is not dependent upon the ED issuing a letter stating whether a hearing will be requested. Rather, proper public notice is a mandatory directive independent of the other requirements in Texas Water Code Section 13.301 and TCEQ rule Sections 291.109 and 291.112. The law requires Aqua Texas to provide proper public notice before it can complete

² See, Attachment 1; See also, 30 TEX. ADMIN. CODE § 291.112(c)(3) ("The applicant shall mail the notice to cities and neighboring retail public utilities providing the same utility service whose corporate limits or certified service area boundaries are within two miles of the requested service area boundaries, and any city with an extraterritorial jurisdiction which overlaps the proposed service boundaries.")

³ See, Attachment 2.

⁴ See Attachment 3.

⁵ See, 30 TEX. ADMIN. CODE § 291.112(c)(3); 30 TEX. ADMIN. CODE § 291.109

⁶ 30 TEX. ADMIN. CODE § 291.112 applies in this case because Aqua Texas' STM application is seeking to transfer Texas-American's CCN to Aqua Texas. Therefore, all notice requirements in this rule must be satisfied by the Applicant.

⁷ TEX. WATER CODE § 13.301(a)(2); 30 TEX. ADMIN. CODE § 291.109(a); 30 TEX. ADMIN. CODE § 291.112(c)

⁸ TEX. WATER CODE § 13.301(e)(1).

⁹ The ED did not waive any public notice in this case.

¹⁰ TEX. WATER CODE §§ 13.301(a)(2), 13.301(g), and 13.301(h); See also, 30 TEX. ADMIN. CODE §§ 291.109(a) and 291.112(c)(3).

its STM transaction regardless of whether the ED has informed the Applicant that a hearing will not be requested. Therefore, since Aqua Texas failed to provide proper public notice of its application, the Commission has the jurisdiction to ensure that the notice requirements of the Texas Water Code and the TCEQ rules have been met before it issues a final order. Accordingly, the ED respectfully disagrees with the ALJ's PFD and proposed order.

II. THE ALJ'S PFD IS CONTRARY TO THE TEXAS WATER CODE, THE TCEQ RULES, AND THE PUBLIC POLICY OF THE COMMISSION

The ALJ's PFD ignores the mandatory notice requirements in the Texas Water Code and the TCEQ rules and erroneously recommends that the ED's June 15, 2011 letter divests the Commission of jurisdiction because it automatically approved the STM transaction. Accordingly, the ED respectfully recommends that the Commissioners *not* adopt the PFD and proposed order, but instead make a finding that the Commission does have jurisdiction in this case and remand the matter to SOAH for a hearing consistent with the ED's following exceptions:

A. The PFD incorrectly finds that the STM transaction can be completed despite Aqua Texas' failure to provide proper notice.

The ALJ's PFD incorrectly states that the ED waived his right to a hearing when he mailed his June 15, 2011 letter indicating that Aqua Texas may proceed with its STM transaction.¹¹ The ALJ reasons that the STM transaction could be completed, and was approved, once the ED issued his letter pursuant to Section 13.301(f) of the Texas Water Code.¹² However, the ALJ's finding completely ignores the express mandate in the Texas Water Code and the TCEQ rules which state that a STM transaction cannot be completed if the Applicant did not satisfy all of the requirements of TEX. WATER CODE § 13.301 and 30 TEX. ADMIN. CODE §§ 291.109 and 291.112.¹³

The ALJ's PFD misses the key issue in this case. In a footnote in the PFD, the ALJ states that she offers no opinion on whether the Applicant was actually required to provide notice.¹⁴ However, the Applicant's legal obligation to provide proper notice is a

¹¹ PFD at 4.

¹² *Id.*

¹³ See, TEX. WATER CODE §§ 13.301(g) and 13.301(h); 30 TEX. ADMIN. CODE §§ 291.109(h) and 291.109(i)

¹⁴ PFD at 5.

determinative issue regarding whether a STM transaction can be completed, regardless of whether the ED informed the Applicant that a hearing will not be requested. To emphasize the importance of proper notice, Texas Water Code Sections 13.301(g) and (h), along with the corresponding Commission rules¹⁵, unambiguously state that a STM transaction cannot be completed when proper notice has not been provided.¹⁶ These statutory and regulatory notice provisions are independent of, and take precedence over, Texas Water Code Section 13.301(f). In other words, Section 13.301(f) does not automatically approve a STM transaction despite the applicant's failure to provide proper notice. The law requires the applicant to provide proper notice *before* the start of the deadlines established in Section 13.301(f) become effective.¹⁷ Specifically, Texas Water Code Section 13.301(a) states that on or before the 120th day *before the effective date* of a sale, acquisition, lease, rental, merger, or consolidation of a water or sewer system, the utility shall file a written application with the Commission *and give public notice of the action*.¹⁸ Accordingly, proper public notice must be provided by the applicant before the effective date of the transaction and, therefore, must be provided before the start of the timeframes established in Section 13.301(f). Any action taken under Section 13.301(f) is dependent upon the applicant having already provided proper public notice. Furthermore, pursuant to TCEQ rule 50.133, the ED does not have the authority to approve an application when the public notice requirements have not been met.¹⁹

In this case, it is undisputed that Aqua Texas failed to provide proper notice to the City of Houston, and failed to provide any notice to the cities of Hillcrest Village, Woodbranch Village, and Stagecoach. Even though the ED discovered that Aqua Texas failed to provide proper notice after he mailed the June 15, 2011 letter, the Texas Water Code and the TCEQ rules are clear that any action taken under Section 13.301(f) of the Water Code cannot authorize the completion of a STM transaction when proper notice has not been provided. Therefore, the ED's June 15th letter had no legal effect because of Aqua Texas' improper

¹⁵ 30 TEX. ADMIN. CODE §§ 291.109(h) and 291.109(i)

¹⁶ TEX. WATER CODE § 13.301(g) (“...if the utility or water or sewer service corporation fails to make application as required or to provide public notice, the sale acquisition, lease, or rental may not be completed unless the commission determines that the proposed transaction serves the public interest.”); TEX. WATER CODE § 13.301(h) (“A sale, acquisition, lease, or rental of any water or sewer system required by law to possess a certificate of public convenience and necessity that is not completed in accordance with the provisions of this section is void.”)

¹⁷ TEX. WATER CODE § 13.301(a); *See also*, 30 TEX. ADMIN. CODE § 291.109(a). Likewise, the 120-day period described in Texas Water Code § 13.301(f) does not begin until the “last date the applicant mailed the required notices...” 30 TEX. ADMIN. CODE § 291.109(a)(2).

¹⁸ TEX. WATER CODE § 13.301(a) (emphasis added)

¹⁹ 30 TEX. ADMIN. CODE § 50.133

notice. The ED's letter cannot circumvent the notice requirements. As described above, the notice requirements are independent of any action taken by the Executive Director under Section 13.301(f). The ED's letter was issued in reliance on the Applicant's affidavit that it provided proper notice and was legally dependent upon such notice being actually provided to all entities required by law to receive the notice. The ED's letter cannot legally authorize the completion of the STM transaction despite Aqua Texas' failure to provide proper notice²⁰, did not acquiesce to the notice being properly provided, and does not divest the Commission of jurisdiction. A STM transaction is not final until the ED or the Commission issues a final order; and neither the ED nor the Commission has issued a final order in this matter.

Therefore, since Aqua Texas did not satisfy all the legal requirements of the Texas Water Code and the TCEQ rules, the ED's letter cannot authorize the completion of the STM transaction when Aqua Texas failed to provide proper notice. Hence, it was within the Commission's jurisdiction to request a hearing and refer this matter to SOAH pursuant to Texas Water Section 13.301(e)(1).²¹ Accordingly, the ED recommends that the Commissioners not adopt the ALJ's PFD because it erred in finding that a STM transaction can be completed, and is approved, even though the Applicant failed to provide proper notice.

B. The PFD incorrectly states that the ED does not have authority to rescind its June 15, 2011 letter.

Once the ED discovered that Aqua Texas failed to provide proper notice, staff notified the Applicant that the ED was rescinding the June 15, 2011 letter for failure to provide proper notice and was referring this matter to SOAH for a hearing.²² The ALJ's PFD erroneously states that there is nothing in the statute or rules which give the ED authority to rescind the June 15th letter.²³ However, the Texas Water Code and the TCEQ rules support the ED's authority for rescinding the June 15th letter which became invalid due to Aqua Texas' failure to provide proper notice.

As discussed *supra*, Texas Water Code Sections 13.301(g) and (h) do not allow an applicant to complete a STM transaction if proper notice has not been provided. Therefore,

²⁰ Pursuant to TCEQ rule 50.133, the ED does not have authority to act on an application when the applicant fails to provide proper notice and must refer the matter for consideration by the Commission.

²¹ TEX. WATER CODE § 13.301(e)(1) ("The executive director may request a hearing if the application filed with the commission or the public notice was improper."); *See also*, 30 TEX. ADMIN. CODE § 291.109(e)(1).

²² *See*, Attachment 4.

²³ PFD at 4.

because Aqua Texas failed to provide proper notice, the Executive Director's June 15th letter had no legal effect. Accordingly, it is within the ED's authority to notify the Applicant of this fact and to rescind the letter.

Furthermore, pursuant to TCEQ rule 50.133, the Executive Director does not have the authority to act on a STM application when the public notice requirements have not been satisfied.²⁴ Commission rule 50.133(c) states that if the public notice requirements have not been satisfied, the ED shall refer the application for consideration and action by the Commission.²⁵ The language in this TCEQ rule coincides with the statutory directive under Texas Water Code Section 13.301(g) which states that if the utility fails to provide public notice, the Commission, not the ED, must determine if the proposed STM transaction serves the public interest.²⁶

Therefore, under both the Texas Water Code and the TCEQ rules, the ED's June 15th letter had no legal effect due to Aqua Texas' failure to provide proper notice. The ED cannot authorize the completion of a STM transaction when the public notice requirements have not been met. It is the Commission who must make the final determination. As such, the ED has the authority to rescind the June 15th letter and has the jurisdiction to request a hearing.²⁷

As soon as the ED discovered Aqua Texas' defect in notice, the ED notified the Applicant that it was rescinding the June 15th letter and was requesting a hearing. Both actions by the Executive Director are supported by the Texas Water Code and the TCEQ rules. Accordingly, the ED recommends that the Commissioners not adopt the ALJ's PFD because it incorrectly finds that the ED cannot rescind his letter and request a hearing.

C. The PFD erroneously states that the ED cannot evaluate the adequacy of notice after issuance of the June 15, 2011 letter.

The ALJ's PFD states that there is no basis in the statute or rules for the ED to reevaluate the adequacy of the notice after he issues a letter pursuant to Texas Water Code Section 13.301(f)(2).²⁸ However, the ALJ's conclusory statement offers no analysis to harmonize her pronouncement with the express mandate in the Texas Water Code and the

²⁴ 30 TEX. ADMIN. CODE § 50.133

²⁵ 30 TEX. ADMIN. CODE § 50.133(c)

²⁶ TEX. WATER CODE § 13.301(g)

²⁷ Typically, the Commission delegates to an administrative law judge of SOAH the responsibility to hear matters that come before the Commission pursuant to TEX. WATER CODE § 5.311.

²⁸ PFD at 4.

TCEQ rules which require the Applicant to provide proper notice before a STM transaction can be completed.²⁹

As detailed in the sections above, the Texas Water Code and the TCEQ rules prohibit the completion of a STM transaction when an applicant has failed to provide proper notice, notwithstanding the ED's letter indicating that a hearing will not be requested. The Executive Director has the statutory obligation to ensure all requirements of Texas Water Code Section 13.301 and TCEQ rule Sections 291.109 and 291.112 have been met. The adequacy of notice is an essential requirement which sets the framework for proceeding with the transaction. If proper notice was not provided, the STM transaction cannot be completed.

In this case, the ED relied on Aqua Texas' affidavit signifying that it had provided proper notice. However, it was later discovered that Aqua Texas did not notify all entities required by law to receive notice of its STM application. Therefore, it is incumbent upon the ED to reevaluate the adequacy of notice to determine the effect Aqua Texas' defect in notice has on the transaction. As the Texas Water Code and the TCEQ rules make clear, failure to provide proper notice prevents the STM transaction from being completed.³⁰ Thus, the ED's June 15th letter cannot authorize the completion of the STM transaction, and a final order cannot be issued, when Aqua Texas failed to provide proper notice. The appropriate recourse for Aqua Texas' improper notice is for the ED to request a hearing on that issue for consideration and action by the Commission.³¹ Therefore, the Texas Water Code and the TCEQ rules support the ED's jurisdiction to reevaluate the adequacy of notice in order to determine if the STM transaction is correctly authorized by law.

Accordingly, the ED recommends that the Commissioners not adopt the ALJ's PFD because it attempts to limit the ED's authority to determine if an applicant has provided proper notice of its STM transaction.

²⁹ See, TEX. WATER CODE §§ 13.301(g) and 13.301(h); 30 TEX. ADMIN. CODE §§ 291.109(h) and 291.109(i)

³⁰ See, TEX. WATER CODE §§ 13.301(g) and 13.301(h); 30 TEX. ADMIN. CODE §§ 291.109(h) and 291.109(i)

³¹ TEX. WATER CODE §§ 13.301(e)(1) and 13.301(g); 30 TEX. ADMIN. CODE §§ 291.109(e)(1), 291.109(h), and 50.133(c)

D. It is the responsibility of the Applicant to provide proper public notice.

The ALJ's PFD states that the ED had the opportunity to determine whether Aqua Texas had complied with all notice requirements before issuing the June 15th letter.³² The ALJ's PFD implies that the ED should not have relied on Aqua Texas' affidavit indicating that proper notice was provided. However, the ED appropriately relied on the Applicant's affidavit until there was a question of whether proper notice was actually provided.

The burden of providing and proving proper notice is on the applicant.³³ TCEQ rule 291.109(a)(2) requires the applicant to submit an affidavit stating that the applicant provided proper notice.³⁴ The ED relies on this affidavit because the applicant is more familiar with the exact locations of the utility systems to be transferred in relation to the other retail public utilities that are required to receive notice of the STM transaction. The ED does not have the mapping data necessary to determine the corporate boundaries of nearby municipalities or to determine if the proposed facilities to be transferred are located in a municipality's ETJ. The ED relies on the applicant to determine who must receive notice in accordance with the law. The Executive Director will investigate beyond the representations made by the applicant if questions of improper notice arise. However, until that time, the applicant's affidavit of proper notice signifies that the applicant has complied with all notice requirements. Therefore, it is the responsibility of the applicant to perform an adequate and diligent search in order to identify every entity who is required by law to receive notice of its STM transaction. This is an important step in the process since a STM transaction cannot be completed if the applicant fails to provide proper notice.³⁵

Once the ED received Aqua Texas' STM application, the ED notified Aqua Texas of its legal responsibility to provide notice. In bold, underlined lettering, the ED's March 16, 2011 letter states "**It is the responsibility of the applicant to provide correct notice...**"³⁶ The Executive Director's letter also made it clear to Aqua Texas that it is the Applicant's duty to provide proper notice to "any utilities, cities, cities with an extraterritorial jurisdiction within two miles of [the] proposed service areas, any city with an extraterritorial jurisdiction

³² PFD at 4.

³³ 30 TEX. ADMIN. CODE § 291.12 (The burden of proof is on the moving party); *See also*, 30 TEX. ADMIN. CODE § 291.109(a) ("...the *utility* or water or sewer service corporation shall file a written application with the commission and give public notice of the action.") (emphasis added); TEX. WATER CODE § 13.301(a) ("A *utility*... shall... give public notice of the action") (emphasis added); and 30 TEX. ADMIN. CODE § 291.112(c)(3) ("The *applicant* shall mail the notice...") (emphasis added).

³⁴ 30 TEX. ADMIN. CODE § 291.109(a)(2)

³⁵ *See*, TEX. WATER CODE §§ 13.301(g) and 13.301(h); 30 TEX. ADMIN. CODE §§ 291.109(h) and 291.109(i)

³⁶ *See*, Attachment 1.

which overlaps the proposed service area, customers transferred, or other affected parties...”³⁷ It was Aqua Texas’ statutory duty to perform adequate and diligent research to determine all the entities that were entitled by law to receive notice of Aqua Texas’ STM transaction.

Aqua Texas submitted an affidavit which signified that it had provided proper notice. However, as it turns out, Aqua Texas failed to provide proper notice to the cities of Houston, Hillcrest Village, Woodbranch Village, and Stagecoach. The ED’s June 15, 2011 letter, issued based on the Applicant’s affidavit that proper notice has been provided, did not waive notice to those entities that did not receive the notice. Once the question of improper notice was raised, the ED informed Aqua Texas that it appears that proper notice has not been provided and that the ED is referring this matter to SOAH for a hearing. The ED’s initial reliance on the Applicant’s affidavit was appropriate and in accordance with the Texas Water Code and the TCEQ rules. However, when the question of improper notice arose, the ED correctly rescinded his letter and referred this matter to SOAH. It is the determination of improper notice that stops the STM transaction from being completed and obligates Aqua Texas to prove that proper notice has been provided before the Commission can issue a final order.

Accordingly, since the Applicant knows the specific locations of all the systems to be transferred and has the legal obligation to provide proper notice, it is appropriate for the ED to rely on the Applicant’s affidavit until questions arise as to whether proper notice was actually provided. When proper notice has not been provided, the ED has the jurisdiction to request a hearing in accordance with the Texas Water Code and the TCEQ rules.

E. The PFD is not consistent with the Commission’s policy of meaningful public participation.

One of the cornerstones of the Commission’s public policy is to allow meaningful public participation. The essential requirement of an applicant to provide notice of its STM application to all cities and neighboring retail public utilities is to allow those entities an opportunity to provide public comment to the TCEQ.³⁸ The Commission has stated that “public input is essential to quality decision making at the agency.”³⁹ That is why the Commission has adopted as one of its core philosophies the need to ensure “that the public

³⁷ See, Attachment 1. See also, 30 TEX. ADMIN. CODE § 291.112

³⁸ 30 TEX. ADMIN. CODE § 291.109(a); See also, 30 TEX. ADMIN. CODE § 291.112(c)(1)(D)

³⁹ See, The TCEQ’s “Resolution Concerning Public Participation” which is attached to this brief as Attachment 5.

has knowledge of and can participate to the full extent allowed by law in all matters which affect them.”⁴⁰

The TCEQ rules establish a 30-day comment period in which cities and neighboring utilities can provide comments to the ED regarding the proposed STM transaction.⁴¹ Comments received by the Executive Director from those entities aid in the ED’s determination of whether the proposed STM transaction is in the public interest. Without proper notice being provided, those entities who did not receive notice were not afforded their right to participate in the STM application process. Therefore, failure to provide proper notice not only hinders the ED’s ability to determine public interest, but also inhibits meaningful public participation.

In this case, Aqua Texas failed to provide proper notice to the cities of Houston, Hillcrest Village, Woodbranch Village, and Stagecoach. As a result, all four cities were deprived of their opportunity to provide public comment on Aqua Texas’ STM application during the 30-day comment period. The ALJ’s PFD precludes those cities from participating in the STM process by disregarding their right to receive proper notice of the transaction. Failure to provide proper notice not only prevents the STM transaction from being completed, it also denies the right of those entities to comment on the application as allowed by law. Therefore, the PFD is inconsistent with the Commission’s policy of meaningful public participation. Accordingly, the ED recommends that the Commissioners not adopt the ALJ’s PFD.

III. CONCLUSION

Based upon the above exceptions, the Executive Director respectfully recommends that the Commissioners **not** adopt the PFD and proposed order, but instead make a finding that the Commission has jurisdiction in this case and remand this matter to SOAH for a hearing.

The ALJ’s PFD ignores the public notice requirements in the Texas Water Code and the TCEQ rules and disregards the effect that Aqua Texas’ failure to provide proper notice has on its STM transaction. The Texas Water Code and the TCEQ rules mandate that proper

⁴⁰ *Id.*; *See also*, TEX. WATER CODE § 5.112 (“The commission shall develop and implement policies that will provide the public with a reasonable opportunity to appear before the commission and to speak on any issue under the jurisdiction of the commission.”).

⁴¹ 30 TEX. ADMIN. CODE § 291.109(a); *See also*, 30 TEX. ADMIN. CODE § 291.112(c)(1)(D)

notice must be provided before a STM transaction can be completed and approved, regardless of whether the ED indicates that a hearing will not be requested. Due to Aqua Texas' failure to provide proper notice to at least four municipalities, the ED's June 15th letter has no legal effect and cannot legally approve the STM transaction. When a question of improper notice arises, the ED has the obligation to reevaluate the adequacy of notice in order to determine if the STM transaction is correctly authorized by law. When proper notice has not been provided, it is the Commission who must make the final determination on the STM transaction. As such, the ED has the authority to rescind the June 15th letter and has the jurisdiction to request a hearing for consideration and action by the Commission. The ED's actions in this matter are in accordance with the Texas Water Code and the TCEQ rules and promote the Commission's policy of meaningful public participation by ensuring all requirements of the Texas Water and TCEQ rules are satisfied in a way that protects the rights of those entities that were entitled to receive proper public notice.

Respectfully submitted,

Texas Commission on Environmental Quality

Zak Covar
Executive Director

Robert Martinez, Director
Environmental Law Division

By 

Ron M. Olson, Staff Attorney
State Bar of Texas No. 24056070
Environmental Law Division
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Phone: 512.239.0600
Fax: 512.239.0606

REPRESENTING THE
EXECUTIVE DIRECTOR OF THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY

CERTIFICATE OF SERVICE

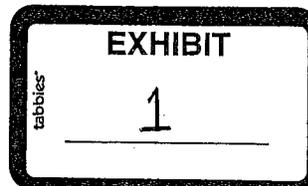
I certify that on June 25, 2012, a copy of the foregoing document was sent by first class, agency mail, electronic mail, to the persons on the attached Mailing List.

A handwritten signature in black ink, appearing to read "Ron Olson", written over a horizontal line.

Ron Olson, Staff Attorney
Environmental Law Division

Attachment "1"

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

March 16, 2011

Mr. Glen E. Lewis, Director of Corp. Development
Aqua Texas, Inc.
1106 Clayton Lane, Suite 400W
Austin, Texas 78723

Re: Application from Aqua Utilities, Inc. dba Aqua Texas, Inc., Certificate of Convenience and Necessity (CCN) No. 11157, to Purchase Facilities and to Transfer and Cancel CCN No. 13114 from Texas-American Water Company, in Brazoria, Harris, Liberty, Matagorda and Montgomery Counties; Application No. 36983-S

Application from Aqua Utilities, Inc. dba Aqua Texas, Inc., CCN No. 20453, to Purchase Facilities and to Transfer and Cancel CCN No. 21005 from Texas-American Water Company, in Brazoria, Harris, Liberty, Matagorda and Montgomery Counties; Application No. 36984-S

CN: 602787509; RN: 102674215 (water) and 102674504 (sewer) (Aqua Utilities, Inc. dba Aqua Texas, Inc.)

CN: 603067000; RN: 105004246 (water) and 105004253 (sewer) (Texas-American Water Company)

Dear Mr. Lewis:

Your applications for Aqua Utilities, Inc. dba Aqua Texas, Inc., to purchase facilities from Texas-American Water Company were received on February 28, 2011, and have been accepted for filing. Ms. Karen Blaschke has been assigned to perform the technical review. The applications have been assigned Application Nos. 36983-S and 36984-S, respectively. Please refer to these numbers in future correspondence.

It is the responsibility of the applicant to provide correct notice of the applications to any utilities, cities, cities with an extraterritorial jurisdiction within two miles of your proposed service area, any city with an extraterritorial jurisdiction which overlaps the proposed service area, customers transferred, or other affected parties in your requested area.

A review of our files and maps indicates that additional utilities should be given notice of your applications. **Therefore, in addition to the neighboring utilities noted on your applications, please provide notice to the following utilities:**

Aldine Bender Development Corp. (CCN No. 20822)
Blue Bell Manor Utility Co., Inc. (CCN Nos. 10963 & 20722)
Cedar Grove Mobile Home Park dba Forestaire Estates (CCN Nos. 13088 & 20983)
Champ's Water Company, Inc. (CCN Nos. 10972 & 20385)
City of Alvin (CCN Nos. 10716 & 20312)

P.O. Box 13087 • Austin, Texas 78711-3087 • 512-239-1000 • www.tceq.texas.gov

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Mr. Glen E. Lewis, Director of Corp. Development

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March 16, 2011

City of Pearland (CCN Nos. 11008 & 20403)
Galco Utilities (CCN Nos. 10736 & 20546)
Hartwick Green Wastewater Co. (CCN No. 20851)
Hooks Mobile Home Park LTD (CCN Nos. 13027 & 20932)
Imperial Valley MUD (CCN Nos. 10865 & 20341)
J & S Water Co., LLC (CCN Nos. 12085 & 20658)
KC Utilities, Inc. (CCN Nos. 12108 & 20693)
Meadowland Utility Corp. (CCN No. 20828)
Mount Houston Utilities (CCN Nos. 12870 & 20844)
Nitsch & Son Utility Co., Inc. (CCN Nos. 11124 & 20446)
North Freeway Center (CCN Nos. 11582 & 20556)
Southern Water Corp. (CCN Nos. 11389 & 20500)
Sunbelt FWSD (CCN Nos. 10833 & 20347)
West Road WSC (CCN No. 20701)
Westfield MHP Inc. (CCN Nos. 11782 & 20596)
Aldine ISD Raymond Elem. School (Registration No. N0062)
Aqua Development, Inc. dba Aqua, Texas, Inc. (CCN No. 12902)
Bayer Water System, Inc. (CCN No. 12281)
Bayou Shadows (CCN No. 12869)
BCWK, LP (CCN No. 13174)
C & R Water Supply, Inc. (CCN No 13098)
City of Conroe (CCN No. 10339)
City of Magnolia (CCN No. 11466)
City of Manvel (CCN No. 12653)
City of Splendor (CCN No. 11727)
Consumers Water, Inc. (10347)
Crystal Springs Water Co., Inc. (CCN No. 11373)
Cypresswood Estates (CCN No. 12498)
Dobbin Plantersville WSC (CCN No. 11052)
East Montgomery County MUD 1 (CCN No. 11030)
East River Estates Water Supply (CCN No. 12572)
Five Land, Inc. (CCN No. 12502)
Flamingo Lake Lot Owners Assn., Inc. (CCN No. 12040)
Frontier Water Company (CCN No. 12509)
Greens Road Mobile Home Comm. (CCN No. 13161)
Greenwood Place Civic Club, Inc. (CCN No. 12544)
H C MUD, Inc. (CCN No. 11952)
H-M-W SUD (CCN No. 10342)
Intercontinental WSC (CCN No. 12531)
Inverness Forest Improvement District (CCN No. 10862)

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JMP Utilities, Inc. (CCN No. 12838)
Johnston Utilities, Inc. (CCN No. 12788)
Lake Forest Falls, Inc. (CCN No. 11443)
Lake South WSC (CCN No. 12700)
LHL Industries (CCN No. 11271)
Manvel Terrace Utilities, Inc. (CCN No. 12080)
Manvel Utilities, LP (CCN No. 12924)
MSEC Enterprises, Inc. (CCN No. 12887)
New Caney MUD (CCN No. 11969)
Northwest Water Systems, Inc. (CCN No. 10336)
Orbit Systems, Inc. (CCN No. 11982)
Patton Village Water Company, Inc. (CCN No. 11193)
Peach Creek Dam & Lake Club, Inc. (CCN No. 12574)
Pinehurst Decker Prairie WSC (CCN No. 11768)
Porter WSC/SUD (CCN No. 11473)
Quadvest, LP (CCN No. 11612)
Ranch Utilities, Inc. (CCN No. 11911)
Robin Cove Water (CCN No. 12801)
Roger Lewis Water System (CCN No. 12255)
Roman Forest Consolidated MUD (CCN No. 11327)
S P Utility Company, Inc. (CCN No. 12978)
Sedona Lakes MUD (CCN No. 13167)
Seller Water Company (CCN No. 12288)
Shearer Oak Knoll Water System (Registration No. N0047)
Southern Horizons (CCN No. 12863)
Southgate, Inc. Water Company (Registration No. N0054)
Spring Creek Trails Water System (CCN No. 11444)
Stone Hedge Utility Co., Inc. (CCN No. 12624)
Suburban Utility Co. (CCN No. 10835)
SWEA Gardens Estates (CCN No. 11872)
T & W Water Service Co. (CCN No. 12892)
Town of Cut and Shoot (CCN No. 11615)
Trent Water Works (CCN No. 11050)
Woodland Oaks Utility Co., Inc. (CCN No. 12947)
Aldine PUD
Brazoria County MUD 16
Brazoria County MUD 17
Brazoria County MUD 18
Brazoria County MUD 19
Brazoria County MUD 2

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Brazoria County MUD 24
Brazoria County MUD 26
Brazoria County MUD 28
Brazoria County MUD 3
Brazoria County MUD 35
Brazoria County MUD 36
Brazoria County MUD 4
Brazoria County MUD 5 - Tract A4
Brazoria County MUD 6
Brazoria County MUD 7
Conroe MUD 1
Cy Fair Community Improvement District
East Aldine Management District
East Montgomery County Improvement District
East Montgomery County MUD 1
East Montgomery County MUD 4
East Montgomery County MUD 5
East Montgomery County MUD 6
East Montgomery County MUD 7
El Dorado Utility District
Fall Creek Management District
Fallbrook UD
Forest Hills MUD
Greater Northside Management District
Greens Parkway MUD
Greenspoint District
Gulf Coast Waste Disposal Authority
Gulf Coast Water Authority
Harris County MUD 118
Harris County MUD 119
Harris County MUD 182
Harris County MUD 220
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Harris County MUD 43

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Harris County MUD 461
Harris County MUD 6
Harris County MUD 82
Harris County UD 14
Harris County WCID 133
Harris County WCID 74
Harris County WCID 89
Harris County WCID 92
Harris County WCID 96
Inverness Forest ID
Lower Colorado River Authority
Magnolia Woods MUD 1
Matagorda County WCID 5
Montgomery County MUD 100
Montgomery County MUD 101
Montgomery County MUD 119
Montgomery County MUD 16
Montgomery County MUD 18
Montgomery County MUD 38
Montgomery County MUD 42
Montgomery County MUD 90
Montgomery County MUD 92
Montgomery County MUD 94
Mount Houston Road MUD
Near Northwest Management District
New Caney MUD
North Belt UD
North Green MUD
North Harris County Regional Water Authority
Northwest Harris County MUD 24
Northwest Park MUD
Oak Manor MUD
Old Town Spring ID
Pine Village PUD
Rolling Fork PUD
Roman Forest Consolidated MUD
San Jacinto River Authority
Sedona Lakes MUD 1
Sequoia ID
Smith Ridge MUD

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Texas National MUD
Timber Lane UD
Wood Trace MUD 2
MBC Water Systems (proposed area)
Coastal Plains GCD
Brazoria County GCD
Lone Star GCD
Harris-Galveston Subsidence District
Brazoria County
Harris County
Liberty County
Matagorda County
Montgomery County

The notice in your application is deficient. You must revise it to include the modifications indicated on the enclosed copy and re-notice all affected parties as described in the second paragraph of this letter.

Information related to utilities and districts including addresses can be obtained from the TCEQ web site located at www10.tceq.texas.gov/iwud/.

As proof that notice was given, you are required to return to this office a copy of the actual notice attached to a signed affidavit that the notice was given.

Affidavit forms are enclosed. Please complete the affidavits and submit an original and two copies (attached to the notice) to this office.

Additional technical or other information may also be requested through future correspondence.

These items must be completed and returned to our office by **April 22, 2011**. Processing of these applications cannot proceed until the close of the 30 day public comment period which begins after all the required notices have been given. If we do not receive the requested information by this date, your applications will be returned for failure to prosecute.

If you have any questions, please contact Ms. Karen Blaschke at 512/239-6932, or if by correspondence, include Mail Code 153 in the letterhead address.

Sincerely,



Tammy Benter, Manager
Utilities & Districts Section
Water Supply Division
Texas Commission on Environmental Quality

TB/KLB/ln

Enclosures: as stated

cc: Mr. Michael W. Merka, General Manager, Texas American Water Company

Attachment "2"

EXHIBIT

tabbies

2

AQUA

Aqua Texas, Inc.
1105 Clayton Lane, Suite 400W
Austin, Texas 78723

Glen E. Lewis
Corporate Development
(512) 990-4400 Ext 104
(512) 990-4410 (Fax)
(512) 829-4280 (Cell)
gelewis@aquamerica.com

March 30, 2011

EMAIL & USPS

Ms. Karen Blaschke
Utilities & Districts Section MC-153
Water Supply Division
TCEQ
P. O. Box 13087
Austin, Texas 78711-3087

Re: Application from Aqua Utilities, Inc. dba Aqua Texas, Inc., Certificate of Convenience and Necessity (CCN) No. 11157, to Purchase Facilities and to Transfer and Cancel CCN No. 13114 from Texas-American Water Company, in Brazoria, Harris, Matagorda and Montgomery Counties; Application No. 36983-S

Application from Aqua Utilities, Inc. dba Aqua Texas, Inc., CCN No. 20453, to Purchase Facilities and to Transfer and Cancel CCN No. 21005 from Texas-American Water Company, in Brazoria, Harris, Matagorda and Montgomery Counties; Application No. 36984-S

CN: 602787509; RN: 102674215 (water) and 102674504 (sewer) (Aqua Utilities, Inc. dba Aqua Texas, Inc.)

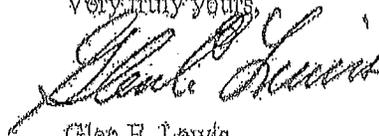
CN: 603067000; RN: 105004246 (water) and 105004253 (sewer) (Texas-American Water Company)

Dear Ms. Blaschke:

With regard to the above referenced application, enclosed are an executed original and two copies of the Affidavit of Notice to Customers and Affected Parties of the above systems. Also enclosed are an executed original and two copies of the Affidavit of Notice to Neighboring Utilities and Affected Parties.

Thank you for your assistance in this matter. Please give me a call with any questions.

Very truly yours,



Glen E. Lewis

Enclosures - 6

An Aqua America Company

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

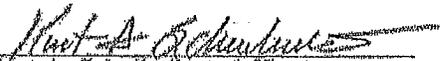
APPLICATION NO. 36983-S & 36984-S

AFFIDAVIT OF NOTICE TO NEIGHBORING UTILITIES & AFFECTED PARTIES

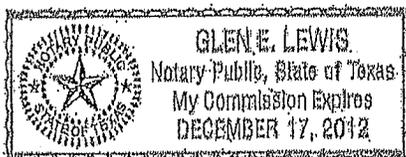
THE STATE OF TEXAS

COUNTY OF TRAVIS

I, Kurt A. Scheibelhut, being duly sworn, am the Controller for Aqua Texas, Inc. That in such capacity, I am qualified and authorized to file and verify such form, am personally familiar with the notices given with this application, and have complied with all notice requirements in the application and application acceptance letters; and that all such statements made and matters set forth therein are true and correct. I certify and attest that, with the exception of Montgomery County MUD 100 and Montgomery County MUD 101, whose mailing addresses were not located after thorough search of the TCEQ Utility Database, TCEQ Central Records, and the Internet, the attached notice was sent to all neighboring utilities and affected parties listed in the attached Exhibit A by prepaid, United States Mail on the 23rd day of March, 2011.


Kurt A. Scheibelhut, Affiant

SWORN AND SUBSCRIBED TO under oath by Kurt A. Scheibelhut before the undersigned notary public on the 30th day of March, 2011 to certify which witness my hand and seal of office.




NOTARY PUBLIC in and for the
State of Texas

Application Nos. 36983-S and 36984-S

Notice to Current Customers, Neighboring Systems and Cities

TEXAS AMERICAN WATER COMPANY'S NOTICE OF INTENT TO SELL FACILITIES AND TRANSFER CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) NOS. 13114 AND 21005 TO AQUA UTILITIES, INC. DBA AQUA TEXAS, INC. IN BRAZORIA, HARRIS, LIBERTY, MATAGORDA AND MONTGOMERY COUNTIES, TEXAS

To: All Customers, Neighboring Utilities or Cities Date Notice Mailed: March 23, 2011

Texas American Water Company 727 Craig Road St. Louis Missouri 63141
(Seller's or Transferor's Name) (Address) (City) (State) (Zip Code)

has submitted an application with the Texas Commission on Environmental Quality to sell facilities and transfer water and sewer CCN Nos. 13114 and 21005 in Brazoria, Harris, Liberty and Montgomery Counties to:

Aqua Utilities, Inc. dba Aqua Texas, Inc., 1106 Clayton Lane, Ste. 400W, Austin, Texas 78723
(Purchaser's or Transferee's Name) (Address) (City) (State) (Zip)

The sale is scheduled to take place as approved by the Executive Director (V.T.C.A., Water Code §13.301). The transaction and the transfer and cancellation of the CCNs include the following subdivisions and zip codes: See Subdivisions listed below. Zip Codes 77440, 77456, 77419, 77422, 77584, 77511, 77578, 77093, 77032, 77050, 77086, 77060, 77373, 77355, 77354, 77304, 77378, 77356, 77301, 77372.

Brazoria County

Bernard Acres Subdivision is located approximately 18 miles southwest of downtown Angleton, Texas on Farm to Market Road 2918. The service area is generally bounded on the east by the San Bernard River and on the southwest by Farm to Market Road 2918. The total area being requested serves 73 current customers.

Oakbend Estates Subdivision is located approximately 14 miles northeast of downtown Angleton, Texas on Parker Road. The service area is generally bounded on the south by Parker Road and on the west by Chocolate Bayou. The total area being requested serves 52 current customers.

Las Playas Subdivision is located approximately 18 miles southwest of downtown Angleton, Texas on Farm to Market Road 2918. The service area is generally bounded on the east by the San Bernard River, on the northwest by an unnamed county road and on the southwest by Farm to Market 2918. The total area being requested serves 108 current customers.

Harris County

Aldine Meadows Subdivision is located approximately 12 miles north of downtown Houston, Texas on Aldine Bender Road (Farm to Market Road 525). The service area is generally bounded on the east by Aldine Westfield Road, on the south by Aldine Bender Road, on the west by Hardy Road, and on the north by North Belt Drive. The total area being requested serves 76 current customers.

Bergville Addition Subdivision is located approximately 9 miles north of downtown Houston, Texas on Hardy Road. The service area is generally located along Aldine Hill Road and bounded on the west by Hardy Road. The total area being requested serves 9 current customers.

Bertrand/Mary Francis Subdivision is located approximately 9 miles north of downtown Houston, Texas on Aldine Westfield Road. The service area is generally bounded on the east by Hartley Street, on the south by Hartwick Road, on the west by Hardy Road and on the north by Mietranne Road. The total area being requested serves 554 current customers.

Colonial Hills Subdivision is located approximately 10.5 miles north of downtown Houston, Texas on Sellers Street. The service area is generally bounded on the east by a pipeline, on the south by Pearl Street and on the west by Alifine Road. The total area being requested serves 277 current customers.

Dorsett Place Subdivision is located approximately 12.5 miles northwest of downtown Houston, Texas on Comet Road 0.25 miles west of North Houston/Rosslyn Road. The service area is generally bounded on the east by Comet Street, on the south by Killough Street, on the west by North Houston/Rosslyn Road, and on the north by Chippewa Street. The total area being requested serves 13 current customers.

Greenwood Village Subdivision is located approximately 7.5 miles north of downtown Houston, Texas on U. S. Highway 59. The service area is generally bounded on the east by U. S. Highway 59, on the south by Nuggett Street, on the west by Halls Bayou and on the north by Mooney Street. The total area being requested serves 796 current customers.

Kenwood-Allen Field Subdivision is located approximately 11 miles northeast of downtown Houston, Texas on Greens Bayou. The service area is generally bounded on the east by the Southern Pacific Railroad, on the south by Norments Street, on the west by Homestead Road and on the north by Greens Bayou. The total area being requested serves 46 current customers.

Spring Creek Forest Subdivision is located approximately 22 miles north of downtown Houston, Texas on Spring Creek Road. The service area is generally bounded on the northwest by Spring Creek Road. The total area being requested serves 40 current customers.

Stettner Subdivision is located approximately 8 miles north of downtown Houston, Texas on Hopper Road. The service area is generally located along Norlinda Road and bounded on the east by Aldine Westfield Road and on the south by Hopper Road. The total area being requested serves 45 current customers.

Liberty County

Maywood Acres Subdivision is located approximately 21 miles northwest of downtown Liberty, Texas on the East Fork of the San Jacinto River. The service area is generally bounded on the east by the East Fork of the San Jacinto River, on the south by Cordy Branch and on the west by the Liberty/Montgomery County line. The service area extends into Montgomery County. The total area being requested serves 39 current customers.

Matagorda County

Oak Hollow Subdivision is located approximately 8 miles southwest of downtown Bay City, Texas 0.23 miles from State Highway 71 on an unnamed county road. The service area is generally bounded on the north and east by the Tres Palacios River and on the west by State

Highway 71. The total area being requested serves 23 current customers.

Tidewater Oaks Subdivision is located approximately 7.5 miles southwest of downtown Bay City, Texas on Farm to Market Road 2853. The service area is generally bounded on the east by the Tres Palacios River and on the west by Farm to Market Road 2853. The total area being requested serves 62 current customers.

Tres Palacios Oaks Subdivision is located approximately 8 miles southwest of downtown Bay City, Texas on Farm to Market Road 2853. The service area is generally bounded on the north, east and south by the Tres Palacios River and on the west by Farm to Market Road 2853. The total area being requested serves 188 current customers.

Montgomery County

Airport Heights Subdivision is located approximately 1 mile northeast of downtown Conroe, Texas on Airport Beach Road. The service area is generally located along a single street bounded on the east by Airport Beach Road. The total area being requested serves 16 current customers.

Arrowhead Lake & Frontier Lakes Subdivision is located approximately 10 miles north of downtown Conroe, Texas on Dalton Road. The service area is generally bounded on the east by Indian Hill Trail, on the south by Arrowhead Bend, on the west by Dalton Road and on the north by Arrowhead Loop. The total area being requested serves 289 current customers.

Enchanted Forest Subdivision is located approximately 19.5 miles southwest of downtown Conroe, Texas on Walnut Creek. The service area is generally bounded on the east by Walnut Creek, on the west by Dogwood Trail, and on the north by Creek Bend Road. The total area being requested serves 17 current customers.

Forest Woods Estates (Big Oaks) Subdivision is located approximately 15 miles northwest of downtown Conroe, Texas on Shoreline Road. The service area is generally bounded on the east by Lake Mt. Pleasant Road, on the south by Big Oaks Drive, on the west by Shoreline Road and on the north by Forest Woods Lane. The total area being requested serves 55 current customers.

Hidden Forest Estates Subdivision is located approximately 17 miles northeast of downtown Conroe, Texas on Gaskil Road. The service area is generally bounded on the east by Hickory Drive, on the south by Lake Mount Pleasant and on the north by Gaskil Road. The total area being requested serves 105 current customers.

Laird Estates Subdivision is located approximately 17.5 miles southeast of downtown Conroe, Texas on U. S. Highway 59. The service area is generally bounded on the east by U. S. Highway 59, on the south by Brook Forest Boulevard, on the west by Florence Street and on the north by Stella Lane. The total area being requested serves 16 current customers.

Lake Conroe West Subdivision is located approximately 6 miles northwest of downtown Conroe, Texas on Blake Road. The service area is generally bounded on the east by Sapp Road, on the southwest by Old State Highway 105 and on the north by Blake Road. The total area being requested serves 57 current customers.

Pine Vista Mobile Home Village Subdivision is located approximately 16.5 miles southwest of downtown Conroe, Texas on Farm to Market Road 1488. The service area is generally bounded

on the east by Mill Creek and on the south by Farm to Market Road 1488. The total area being requested serves 67 current customers.

Piney Point Subdivision is located approximately 3 miles east of downtown Conroe, Texas on Farm to Market Road 3083. The service area is generally bounded on the east by Farm to Market Road 3083, on the south by White Oak Lane and on the north by Piney Point Road. The total area being requested serves 71 current customers.

Brazoria County

Sterling Estates is located approximately 28 miles north/northeast of downtown Angleton, Texas on Sterling Drive. The service area is generally bounded on the north by County Road 403, on the south by a drainage ditch, on the east by Farm to Market Road Highway 865, and on the west by County Road 93. The total area being requested serves 32 current customers.

Quail Meadows is located approximately 27 miles north/northeast of downtown Angleton, Texas on Covey Lane. The service area is generally bounded on the north by County Road 91, on the south by Blue Sage Street, on the east by Farm to Market Road Highway 1128, and on the west by County Road 298. The total area being requested serves 31 current customers.

Sharondale Subdivision is located approximately 26.5 miles north/northeast of downtown Angleton, Texas on Harkey Road. The service area is generally bounded on the north by County Road 554, on the south by County Road 406, on the east by Harkey Road, and on the west by County Road 844H. The total area being requested serves 28 current customers.

Centennial Place is located approximately 26.5 miles north/northeast of downtown Angleton, Texas on Centennial Place Drive. The service area is generally bounded on the north by county Road 101, on the south by Wendy Lane, on the east by Allen Road, and on the west by County Road 89. The total area being requested serves 31 current customers.

Windsong Subdivision is located approximately 25.3 miles north/northeast of downtown Angleton, Texas on Wendy Lane. The service area is generally bounded on the north by Centennial Place Subdivision, on the south by Brazos River Authority Canal, on the east by Allen Road, and on the west by County Road 89. The total area being requested serves 44 current customers.

Westwood Subdivision is located approximately 25.2 miles north/northeast of downtown Angleton, Texas on County Road 89. The service area is generally bounded on the north by Brazos River Authority Canal, on the east by Allen Road, and on the west by County Road 89. The total area being requested serves 28 current customers.

Sandy Ridge Subdivision is located approximately 24.8 miles north/northeast of downtown Angleton, Texas on Sandy Ridge Lane. The service area is generally bounded on the south by County Road 100, on the east by Sandy Long Trail, and on the west by County Road 89. The total area being requested serves 18 current customers.

Flora Addition, Section 6 is located approximately 26.2 miles northeast of downtown Angleton, Texas on Griffin Lane. The service area is generally bounded on the north by County Road 101, on the south by County Road 879, on the east by County Road 104, and on the west by County Road 879C. The total area being requested serves 17 current customers.

Flora Addition, Section 7 is located approximately 25.8 miles northeast of downtown Angleton, Texas on Lynn Lane. The service area is generally bounded on the north by County Road 101, on the south by County Road 100, on the east by Harkey Road, and on the west by County Road 831. The total area being requested serves 15 current customers.

Meadowlark Subdivision is located approximately 26 miles northeast of downtown Angleton, Texas on Glenn Lane. The service area is generally bounded on the north by County Road 101, on the south by Bryan Street, on the east by County Road 478, and on the west by County Road 103. The total area being requested serves 29 current customers.

Wellborn Acres is located approximately 26.2 miles northeast of downtown Angleton, Texas on Wellborn Drive. The service area is generally bounded on the north by County Road 101, on the east by Wellborn Drive, and on the west by County Road 104. The total area being requested serves 18 current customers.

Palmetto Subdivision is located approximately 25 miles northeast of downtown Angleton, Texas on Mimosa Lane. The service area is generally bounded on the north by Honeysuckle Lane, on the south by County Road 128, and on the west by County Road 143. The total area being requested serves 42 current customers.

Meadowview Subdivision is located approximately 25 miles northeast of downtown Angleton, Texas on County Road 365. The service area is generally bounded on the north by County Road 365B, on the south by County Road 128, and on the east by County Road 143. The total area being requested serves 43 current customers.

Pleasant Meadows is located approximately 23 miles northeast of downtown Angleton, Texas on Pleasant Meadow Lane. The service area is generally bounded on the north by County Road 541, on the south by a drainage ditch, on the east by County Road 144, and on the west by County Road 139. The total area being requested serves 26 current customers.

Meadowland Subdivision is located approximately 23.3 miles northeast of downtown Angleton, Texas on John Avenue. The service area is generally bounded on the north by County Road 144, on the south by a drainage ditch, and on the west by County Road 144. The total area being requested serves 113 current customers.

Pleasantdale Subdivision is located approximately 23 miles northeast of downtown Angleton, Texas on Pleasantdale Lane. The service area is generally bounded on the north by County Road 144 and on the west by County Road 144. The total area being requested serves 17 current customers.

Country Creek Estates is located approximately 23.5 miles northeast of downtown Angleton, Texas on Melanie Lane. The service area is generally bounded on the north by County Road 144, on the south by Tonya Lane, on the east by County Road 480, and on the west by County Road 835A. The total area being requested serves 66 current customers.

Heights Country Subdivision is located approximately 23.3 miles northeast of downtown Angleton, Texas on Farrell Drive. The service area is generally bounded on the north by County Road 144, on the south by a drainage ditch, on the east by Santa Fe Railway, and on the west by County Road 144. The total area being requested serves 35 current customers.

Moreland Subdivision, Blocks 1, 2, 3 & 4 is located approximately 23.5 miles northeast of downtown Angleton, Texas on County Road 296. The service area is generally bounded on the north by County Road 296A, on the south by American Canal, on the east by State Highway 35, and on the west by American Canal. The total area being requested serves 88 current customers.

Calico Farms is located approximately 19 miles northeast of downtown Angleton, Texas on County Road 890. The service area is generally bounded on the north by State Highway 35, on the south by County Road 424, on the east by County Road 833, and on the west by Farm to Market Highway 2403. The total area being requested serves 24 current customers.

Ashley Oaks Mobile Home Community and South Meadows Subdivision are located approximately 18 miles northeast of downtown Angleton, Texas and 3 miles south of downtown Alvin, Texas on Farm to Market Road 2403. The service area is generally bounded on the west by Farm to Market Road 2403, on the south by a drainage ditch, on the east by County Road 833, and on the north by County Road 424. The total area being requested serves 146 current customers.

Weybridge Subdivision is located approximately 15.5 miles northeast of downtown Angleton, Texas and 8 miles south of downtown Alvin, Texas. The service area is generally bounded on the north by the Missouri Pacific Railroad, on the south and west by the city limits of Liverpool, Texas and on the east by County Road 171. The area is approximately 2.5 miles south of the intersection of State Highway 35 and Farm to Market Road 2917. The total area being requested serves 25 current customers.

Village Trace Subdivision is located approximately 6 miles northwest of downtown Alvin, Texas. The service area is generally bounded on the north by Hastings Cannon Road, on the east by Stonewall Road, on the south by a line 0.5 miles south of Hastings Cannon Road, on the west by County Road 143 (Pearland Sites Road). The total area being requested serves 150 current customers.

Hastings Subdivision is located approximately 6 miles north of downtown Alvin, Texas. The service area is generally bounded on the north by Choate Street, on the west by Hastings Street, on the south by Hastings Circle, and on the east by the Brazoria/Galveston County line. The total area being requested serves 58 current customers.

The total area being requested includes approximately 963 acres for sewer and 4,305 acres for water. This transaction will have the following effect on the current customers' rates and services: None.

Affected persons may file written protests and/or request a public hearing within 30 days of this notice.

To request a hearing, you must:

- (1) state your name, mailing address and daytime telephone number;
- (2) state the applicant's name, application number or another recognizable reference to this application;
- (3) file the statement "I/we request a public hearing";
- (4) write a brief description of how you, the persons you represent, or the public interest would be adversely affected by the proposed transaction and transfer of the GCN; and

- (5) state your proposed adjustment to the application or CCN which would satisfy your concerns and cause you to withdraw your request for a hearing.

Only those persons who submit a written request to be notified of a hearing will receive notice if a hearing is scheduled. The Executive Director will issue the CCN requested in the referenced application unless a hearing is scheduled to consider the transaction. If no protests or requests for hearing are filed during the comment period, the Executive Director may issue the CCN 30 days after publication of this notice.

Persons who wish to protest or request a hearing on this application should write the:
Texas Commission on Environmental Quality
Water Supply Division
Utilities and Districts Section, MC-153
P. O. Box 13087, Austin, TX 78711-3087

Si desea información en Español, puede llamar al 1-512-239-0200.



Utility Representative.
Aqua Utilities, Inc. dba Aqua Texas, Inc.

EXHIBIT A

Mall Receipts:

ALDINE BENDER DEVELOPMENT CORP (20822)	Harris Co WCID 92
ALDINE ISD RAYMOND ELEM SCHOOL (N0062)	Harris Co WCID 96
Aldine PUD	Harris-Galveston Subsidence District
AQUA DEVELOPMENT INC (12902)	HARTWICK GREEN WW CO (20851)
BAYER WATER SYSTEM (12281)	H-M-W SUD (10342)
BAYOU SHADOWS (12869)	Hon. Alan B. Sadler, Montgomery County Judge
BOWK LP (13174)	Hon. Nate McDonald, Matagorda County Judge
BLUE BELL MANOR UTILITY CO INC (20722)(10963)	Honorable Craig McNair, Liberty County Judge
Brazoria Co MUD 16	Honorable Ed Emmett, Harris County Judge
Brazoria Co MUD 17	Honorable Joe King, Brazoria County Judge
Brazoria Co MUD 18	HOOKS MOBILE HOME PARK LTD (13027)(20932)
Brazoria Co MUD 19	INTERCONTINENTAL WSC (12531)
Brazoria Co MUD 2	Inverness Forest ID
Brazoria Co MUD 23	INVERNESS FOREST IMP DIST (10862)
Brazoria Co MUD 24	J & S WATER CO LLC (12085)(20658)
Brazoria Co MUD 26	JMP UTILITIES INC (12838)
Brazoria Co MUD 28	JOHNSTON UTILITIES INC (12788)
Brazoria Co MUD 3	KC UTILITIES INC (12108) (20693)
Brazoria Co MUD 35	LAKE FOREST FALLS INC (11443)
Brazoria Co MUD 36	LAKE SOUTH WSC (12700)
Brazoria Co MUD 4	LHL INDUSTRIES (11271)
Brazoria Co MUD 5 - Tract A4	Lone Star GCD
Brazoria Co MUD 6	Lower Colorado River Authority
Brazoria Co MUD 7	Magnolia Woods MUD 1
Brazoria County GCD	MANVEL TERRACE UTILITIES, INC, (12080)
C & R WATER SUPPLY INC (13093)	MANVEL UTILITIES LP (12924)
CEDAR GROVE MOBILE HOME PARK (20983)(13088)	Matagorda Co WCID 5
CHAMP'S WATER COMPANY INC (20385)(10972)	MBC Water Systems (proposed)
CITY OF ALVIN (10716)(20312)	MEADOWLAND UTILITY CORP (20828)
CITY OF CONROE (10339)	Montgomery Co MUD 119
City of Friendswood	Montgomery Co MUD 16
City of Liverpool	Montgomery Co MUD 18
CITY OF MAGNOLIA (11466)	Montgomery Co MUD 38
CITY OF MANVEL (12653)	Montgomery Co MUD 42
City of Patton Village	Montgomery Co MUD 90
CITY OF PEARLAND (11008)(20403)	Montgomery Co MUD 92
CITY OF SPLENDORA (11727)	Montgomery Co MUD 94
City of Willis	Mount Houston Road MUD
Coastal Plains GCD	MOUNT HOUSTON UTILITIES (12870)(20844)
Conroe MUD 1	MSEC ENTERPRISES INC (12887)
CONSUMERS WATER INC (10347)	Near Northwest Management District
CRYSTAL SPRINGS WATER CO INC (11373)	NEW CANEY MUD (11969)
Cy Fall Community Improvement District	NITSCHE & SON UTIL CO INC (11124) (20446)
CYPRESSWOOD ESTATES (12498)	North Belt UD

EXHIBIT A

Water Receipts:

DOBBIN PLANTERSVILLE WSC (1.1052)	NORTH FREEWAY CENTER (1.1582) (20556)
East Aldine Management District	North Green MUD
East Montgomery Co Improvement District	North Harris Co Regional Water Authority
EAST MONTGOMERY CO MUD 1 (1.1030)	Northwest Harris Co MUD 24
East Montgomery Co MUD 4	Northwest Park MUD
East Montgomery Co MUD 5	NORTHWEST WATER SYSTEMS INC (1.0336)
East Montgomery Co MUD 6	Oak Manor MUD
East Montgomery Co MUD 7	Old Town Spring ID
EAST RIVER ESTATES WTR SUPPLY (1.2572)	ORBIT SYSTEMS INC (1.1982)
El Dorado Utility District	PATTON VILLAGE WTR COMPANY INC (1.1198)
Fall Creek Management District	PEACH CRK DAM & LAKE CLUB INC (1.2574)
Fallbrook UD	Pine Village PUD
FIVE LAND WATER SYSTEM (1.2502)	PINEHURST DECKER PRAIRIE WSC (1.1768)
FLAMINGO LAKE LOT OWNERS ASSN (1.2040)	PORTER WSC (1.1473)
Forest Hills MUD	QUADVEST LP (1.1612)
FRONTIER WATER COMPANY (1.2509)	RANCH UTILITIES INC (1.1911)
GALCO UTILITIES (1.0736) (20546)	ROBIN COVE WATER (1.2801)
Greater Northside Mgmt District	ROGER LEWIS WATER SYSTEM (1.2255)
Greens Parkway MUD	Rolling Fork PUD
GREENS ROAD MOBILE HOME COMM (1.3161)	ROMAN FOREST CONSOLIDATED MUD (1.1327)
Greenspoint District	S P UTILITY COMPANY INC (1.2978)
GREENWOOD PLACE CIVIC CLUB INC (1.2544)	San Jacinto River Authority
Gulf Coast Waste Disposal Authority	SEDONA LAKES MUD (1.3167)
Gulf Coast Water Authority	SELLER WATER COMPANY (1.2288)
H C M U D INC (1.1952)	Sequoia ID
Harris Co MUD 118	SHEARER OAK KNOLL WATER SYSTEM (N0047)
Harris Co MUD 119	Smith Ridge MUD
Harris Co MUD 182	SOUTHERN HORIZONS (1.2863)
Harris Co MUD 220	SOUTHERN WATER CORP (1.1389) (20500)
Harris Co MUD 23	SPRING CREEK TRAILS WTR SYSTEM (1.1444)
Harris Co MUD 249	STONE HEDGE UTILITY CO INC (1.2624)
Harris Co MUD 321	SUBURBAN UTILITY CO. (1.0835)
Harris Co MUD 366	SUNBELT FWSD (1.0833) (20347)
Harris Co MUD 393	SWEA GARDENS ESTATES (1.1872)
Harris Co MUD 406	T & W WATER SERVICE CO (1.2892)
Harris Co MUD 43	Texas National MUD
Harris Co MUD 461	Timber Lane UD
Harris Co MUD 6	TOWN OF CUT AND SHOOT (1.1615)
Harris Co MUD 82	TRENT WATER WORKS (1.1050)
Harris Co UD 14	WEST ROAD WSC (20701)
Harris Co WCID 133	WESTFIELD MHP INC (1.1782) (20596)
Harris Co WCID 74	Wood Trace MUD 2
Harris Co WCID 89	WOODLAND OAKS UTILITY CO INC (1.2947)

Texas Commission on Environmental Quality

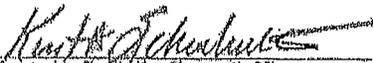
APPLICATION NO. 36983-S & 36984-S

AFFIDAVIT OF NOTICE TO CUSTOMERS

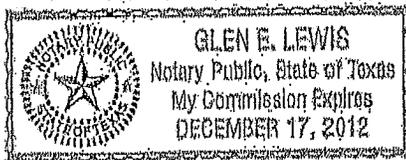
THE STATE OF TEXAS

COUNTY OF TRAVIS

I, Kurt A. Scheibelhut, am the Controller for Aqua Texas, Inc. I certify and attest that the attached notice was sent to all affected customers and other parties at their addresses as recorded in the utility's normal business records by prepaid, United States mail on the 23rd day of March, 2011.


Kurt A. Scheibelhut, Affiant

SWORN AND SUBSCRIBED TO under oath by Kurt A. Scheibelhut before the undersigned notary public on the 30th day of March, 2011 to certify which witness my hand and seal of office.




NOTARY PUBLIC, in and for the
State of Texas

Application Nos. 36983-S and 36984-S

Notice to Current Customers, Neighboring Systems and Cities

TEXAS AMERICAN WATER COMPANY'S NOTICE OF INTENT TO SELL FACILITIES AND TRANSFER CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) NOS. 13114 AND 21005 TO AQUA UTILITIES, INC, DBA AQUA TEXAS, INC, IN BRAZORIA, HARRIS, LIBERTY, MATAGORDA AND MONTGOMERY COUNTIES, TEXAS

To: All Customers, Neighboring Utilities or Cities Date Notice Mailed: March 23, 2011

<u>Texas American Water Company</u>	<u>727 Craig Road</u>	<u>St. Louis</u>	<u>Missouri</u>	<u>63141</u>
(Seller's or Transferor's Name)	(Address)	(City)	(State)	(Zip Code)

has submitted an application with the Texas Commission on Environmental Quality to sell facilities and transfer water and sewer CCN Nos. 13114 and 21005 in Brazoria, Harris, Liberty and Montgomery Counties to;

<u>Aqua Utilities, Inc. dba Aqua Texas, Inc.,</u>	<u>1106 Clayton Lane, Ste. 400W,</u>	<u>Austin, Texas</u>	<u>78723</u>
(Purchaser's or Transferee's Name)	(Address)	(City)	(State) (Zip)

The sale is scheduled to take place as approved by the Executive Director (V.T.G.A., Water Code §13.301). The transaction and the transfer and cancellation of the CCNs include the following subdivisions and zip codes: See Subdivisions listed below. Zip Codes 77440, 77456, 77419, 77422, 77584, 77511, 77578, 77093, 77032, 77050, 77086, 77060, 77373, 77353, 77354, 77304, 77378, 77356, 77301, 77372.

Brazoria County

Bernard Acres Subdivision is located approximately 18 miles southwest of downtown Angleton, Texas on Farm to Market Road 2918. The service area is generally bounded on the east by the San Bernard River and on the southwest by Farm to Market Road 2918. The total area being requested serves 73 current customers.

Oakbend Estates Subdivision is located approximately 14 miles northeast of downtown Angleton, Texas on Parker Road. The service area is generally bounded on the south by Parker Road and on the west by Chocolate Bayou. The total area being requested serves 52 current customers.

Las Playas Subdivision is located approximately 18 miles southwest of downtown Angleton, Texas on Farm to Market Road 2918. The service area is generally bounded on the east by the San Bernard River, on the northwest by an unnamed county road and on the southwest by Farm to Market 2918. The total area being requested serves 108 current customers.

Harris County

Aldine Meadows Subdivision is located approximately 12 miles north of downtown Houston, Texas on Aldine Bender Road (Farm to Market Road 525). The service area is generally bounded on the east by Aldine Westfield Road, on the south by Aldine Bender Road, on the west by Hardy Road, and on the north by North Belt Drive. The total area being requested serves 76 current customers.

Bergville Addition Subdivision is located approximately 9 miles north of downtown Houston, Texas on Hardy Road. The service area is generally located along Aldine Hill Road and bounded on the west by Hardy Road. The total area being requested serves 9 current customers.

Bertrand/Mary Francis Subdivision is located approximately 9 miles north of downtown Houston, Texas on Aldine Westfield Road. The service area is generally bounded on the east by Hartley Street, on the south by Hartwick Road, on the west by Hardy Road and on the north by Mierranne Road. The total area being requested serves 554 current customers.

Colonial Hills Subdivision is located approximately 10.5 miles north of downtown Houston, Texas on Sellers Street. The service area is generally bounded on the east by a pipeline, on the south by Pearl Street and on the west by Aldine Road. The total area being requested serves 277 current customers.

Dorsett Place Subdivision is located approximately 12.5 miles northwest of downtown Houston, Texas on Comet Road 0.25 miles west of North Houston/Rosslyn Road. The service area is generally bounded on the east by Comet Street, on the south by Killough Street, on the west by North Houston/Rosslyn Road, and on the north by Chippewa Street. The total area being requested serves 13 current customers.

Greenwood Village Subdivision is located approximately 7.5 miles north of downtown Houston, Texas on U. S. Highway 59. The service area is generally bounded on the east by U. S. Highway 59, on the south by Nugent Street, on the west by Halls Bayou and on the north by Mooney Street. The total area being requested serves 796 current customers.

Kenwood-Allen Field Subdivision is located approximately 1.1 miles northeast of downtown Houston, Texas on Greens Bayou. The service area is generally bounded on the east by the Southern Pacific Railroad, on the south by Norments Street, on the west by Homestead Road and on the north by Greens Bayou. The total area being requested serves 46 current customers.

Spring Creek Forest Subdivision is located approximately 22 miles north of downtown Houston, Texas on Spring Creek Road. The service area is generally bounded on the northwest by Spring Creek Road. The total area being requested serves 40 current customers.

Stettner Subdivision is located approximately 8 miles north of downtown Houston, Texas on Hopper Road. The service area is generally located along Northlinda Road and bounded on the east by Aldine Westfield Road and on the south by Hopper Road. The total area being requested serves 45 current customers.

Liberty County

Maywood Acres Subdivision is located approximately 21 miles northwest of downtown Liberty, Texas on the East Fork of the San Jacinto River. The service area is generally bounded on the east by the East Fork of the San Jacinto River, on the south by Cordy Branch and on the west by the Liberty/Montgomery County line. The service area extends into Montgomery County. The total area being requested serves 39 current customers.

Matagorda County

Oak Hollow Subdivision is located approximately 8 miles southwest of downtown Bay City, Texas 0.33 miles from State Highway 71 on an unnamed county road. The service area is generally bounded on the north and east by the Tres Palacios River and on the west by State

Highway 71. The total area being requested serves 23 current customers.

Tidewater Oaks Subdivision is located approximately 7.5 miles southwest of downtown Bay City, Texas on Farm to Market Road 2853. The service area is generally bounded on the east by the Tres Palacios River and on the west by Farm to Market Road 2853. The total area being requested serves 62 current customers.

Tres Palacios Oaks Subdivision is located approximately 8 miles southwest of downtown Bay City, Texas on Farm to Market Road 2853. The service area is generally bounded on the north, east and south by the Tres Palacios River and on the west by Farm to Market Road 2853. The total area being requested serves 188 current customers.

Montgomery County

Airport Heights Subdivision is located approximately 1 mile northeast of downtown Conroe, Texas on Airport Beach Road. The service area is generally located along a single street bounded on the east by Airport Beach Road. The total area being requested serves 16 current customers.

Arrowhead Lake & Frontier Lakes Subdivision is located approximately 10 miles north of downtown Conroe, Texas on Dalton Road. The service area is generally bounded on the east by Indian Hill Trail, on the south by Arrowhead Bend, on the west by Dalton Road and on the north by Arrowhead Loop. The total area being requested serves 289 current customers.

Enchanted Forest Subdivision is located approximately 19.5 miles southwest of downtown Conroe, Texas on Walnut Creek. The service area is generally bounded on the east by Walnut Creek, on the west by Dogwood Trail, and on the north by Creek Bend Road. The total area being requested serves 17 current customers.

Forest Woods Estates (Big Oaks) Subdivision is located approximately 15 miles northwest of downtown Conroe, Texas on Shoreline Road. The service area is generally bounded on the east by Lake Mt. Pleasant Road, on the south by Big Oaks Drive, on the west by Shoreline Road and on the north by Forest Woods Lane. The total area being requested serves 53 current customers.

Hidden Forest Estates Subdivision is located approximately 17 miles northeast of downtown Conroe, Texas on Gaskil Road. The service area is generally bounded on the east by Hickory Drive, on the south by Lake Mount Pleasant and on the north by Gaskil Road. The total area being requested serves 105 current customers.

Laird Estates Subdivision is located approximately 17.5 miles southeast of downtown Conroe, Texas on U. S. Highway 59. The service area is generally bounded on the east by U. S. Highway 59, on the south by Brock Forest Boulevard, on the west by Florence Street and on the north by Stella Lane. The total area being requested serves 16 current customers.

Lake Conroe West Subdivision is located approximately 6 miles northwest of downtown Conroe, Texas on Blake Road. The service area is generally bounded on the east by Sapp Road, on the southwest by Old State Highway 105 and on the north by Blake Road. The total area being requested serves 57 current customers.

Pine Vista Mobile Home Village Subdivision is located approximately 16.5 miles southwest of downtown Conroe, Texas on Farm to Market Road 1488. The service area is generally bounded

on the east by Mill Creek and on the south by Farm to Market Road 1488. The total area being requested serves 67 current customers.

Piney Point Subdivision is located approximately 3 miles east of downtown Coura, Texas on Farm to Market Road 3083. The service area is generally bounded on the east by Farm to Market Road 3083, on the south by White Oak Lane and on the north by Piney Point Road. The total area being requested serves 71 current customers.

Brazoria County

Sterling Estates is located approximately 28 miles north/northeast of downtown Angleton, Texas on Sterling Drive. The service area is generally bounded on the north by County Road 403, on the south by a drainage ditch, on the east by Farm to Market Road Highway 863, and on the west by County Road 93. The total area being requested serves 32 current customers.

Quail Meadows is located approximately 27 miles north/northeast of downtown Angleton, Texas on Covey Lane. The service area is generally bounded on the north by County Road 91, on the south by Blue Sage Street, on the east by Farm to Market Road Highway 1128, and on the west by County Road 298. The total area being requested serves 31 current customers.

Shayondale Subdivision is located approximately 26.5 miles north/northeast of downtown Angleton, Texas on Harkey Road. The service area is generally bounded on the north by County Road 554, on the south by County Road 406, on the east by Harkey Road, and on the west by County Road 844H. The total area being requested serves 28 current customers.

Centennial Place is located approximately 26.5 miles north/northeast of downtown Angleton, Texas on Centennial Place Drive. The service area is generally bounded on the north by county Road 101, on the south by Wendy Lane, on the east by Allen Road, and on the west by County Road 89. The total area being requested serves 31 current customers.

Windsong Subdivision is located approximately 25.3 miles north/northeast of downtown Angleton, Texas on Wendy Lane. The service area is generally bounded on the north by Centennial Place Subdivision, on the south by Brazos River Authority Canal, on the east by Allen Road, and on the west by County Road 89. The total area being requested serves 44 current customers.

Westwood Subdivision is located approximately 25.2 miles north/northeast of downtown Angleton, Texas on County Road 89. The service area is generally bounded on the north by Brazos River Authority Canal, on the east by Allen Road, and on the west by County Road 89. The total area being requested serves 28 current customers.

Sandy Ridge Subdivision is located approximately 24.8 miles north/northeast of downtown Angleton, Texas on Sandy Ridge Lane. The service area is generally bounded on the south by County Road 100, on the east by Sandy Long Trail, and on the west by County Road 89. The total area being requested serves 18 current customers.

Elova Addition, Section 6 is located approximately 26.2 miles northeast of downtown Angleton, Texas on Griffin Lane. The service area is generally bounded on the north by County Road 101, on the south by County Road 879, on the east by County Road 104, and on the west by County Road 879C. The total area being requested serves 17 current customers.

Flora Addition, Section 7 is located approximately 25.8 miles northeast of downtown Angleton, Texas on Lynn Lane. The service area is generally bounded on the north by County Road 101, on the south by County Road 100, on the east by Harkney Road, and on the west by County Road 831. The total area being requested serves 15 current customers.

Meadowlark Subdivision is located approximately 26 miles northeast of downtown Angleton, Texas on Glenn Lane. The service area is generally bounded on the north by County Road 101, on the south by Bryan Street, on the east by County Road 478, and on the west by County Road 103. The total area being requested serves 29 current customers.

Wellborn Acres is located approximately 26.2 miles northeast of downtown Angleton, Texas on Wellborn Drive. The service area is generally bounded on the north by County Road 101, on the east by Wellborn Drive, and on the west by County Road 104. The total area being requested serves 18 current customers.

Palmetto Subdivision is located approximately 25 miles northeast of downtown Angleton, Texas on Mimosa Lane. The service area is generally bounded on the north by Hounsuckle Lane, on the south by County Road 128, and on the west by County Road 143. The total area being requested serves 42 current customers.

Meadowview Subdivision is located approximately 25 miles northeast of downtown Angleton, Texas on County Road 365. The service area is generally bounded on the north by County Road 365B, on the south by County Road 128, and on the east by County Road 143. The total area being requested serves 43 current customers.

Pleasant Meadows is located approximately 23 miles northeast of downtown Angleton, Texas on Pleasant Meadow Lane. The service area is generally bounded on the north by County Road 541, on the south by a drainage ditch, on the east by County Road 144, and on the west by County Road 139. The total area being requested serves 26 current customers.

Meadowland Subdivision is located approximately 23.3 miles northeast of downtown Angleton, Texas on John Avenue. The service area is generally bounded on the north by County Road 144, on the south by a drainage ditch, and on the west by County Road 144. The total area being requested serves 113 current customers.

Pleasantdale Subdivision is located approximately 23 miles northeast of downtown Angleton, Texas on Pleasantdale Lane. The service area is generally bounded on the north by County Road 144 and on the west by County Road 144. The total area being requested serves 17 current customers.

Country Creek Estates is located approximately 23.5 miles northeast of downtown Angleton, Texas on Melanie Lane. The service area is generally bounded on the north by County Road 144, on the south by Tonya Lane, on the east by County Road 480, and on the west by County Road 855A. The total area being requested serves 66 current customers.

Heights Country Subdivision is located approximately 23.3 miles northeast of downtown Angleton, Texas on Farrell Drive. The service area is generally bounded on the north by County Road 144, on the south by a drainage ditch, on the east by Santa Fe Railway, and on the west by County Road 144. The total area being requested serves 35 current customers.

Moreland Subdivision, Blocks 1, 2, 3 & 4 is located approximately 23.5 miles northeast of downtown Angleton, Texas on County Road 296. The service area is generally bounded on the north by County Road 296A, on the south by American Canal, on the east by State Highway 35, and on the west by American Canal. The total area being requested serves 88 current customers.

Calico Farms is located approximately 19 miles northeast of downtown Angleton, Texas on County Road 890. The service area is generally bounded on the north by State Highway 35, on the south by County Road 424, on the east by County Road 833, and on the west by Farm to Market Highway 2403. The total area being requested serves 24 current customers.

Ashley Oaks Mobile Home Community and South Meadows Subdivision are located approximately 18 miles northeast of downtown Angleton, Texas and 3 miles south of downtown Alvin, Texas on Farm to Market Road 2403. The service area is generally bounded on the west by Farm to Market Road 2403, on the south by a drainage ditch, on the east by County Road 833, and on the north by County Road 424. The total area being requested serves 146 current customers.

Weybridge Subdivision is located approximately 13.5 miles northeast of downtown Angleton, Texas and 8 miles south of downtown Alvin, Texas. The service area is generally bounded on the north by the Missouri Pacific Railroad, on the south and west by the city limits of Liverpool, Texas and on the east by County Road 171. The area is approximately 2.5 miles south of the intersection of State Highway 35 and Farm to Market Road 2917. The total area being requested serves 25 current customers.

Village Trace Subdivision is located approximately 6 miles northwest of downtown Alvin, Texas. The service area is generally bounded on the north by Hastings Cannon Road, on the east by Stonewall Road, on the south by a line 0.5 miles south of Hastings Cannon Road, on the west by County Road 143 (Pearland Sites Road). The total area being requested serves 150 current customers.

Hastings Subdivision is located approximately 6 miles north of downtown Alvin, Texas. The service area is generally bounded on the north by Choate Street, on the west by Hastings Street, on the south by Hastings Circle, and on the east by the Brazoria/Galveston County line. The total area being requested serves 58 current customers.

The total area being requested includes approximately 963 acres for sewer and 4,305 acres for water. This transaction will have the following effect on the current customers' rates and services: None.

Affected persons may file written protests and/or request a public hearing within 30 days of this notice.

To request a hearing, you must:

- (1) state your name, mailing address and daytime telephone number;
- (2) state the applicant's name, application number or another recognizable reference to this application;
- (3) the statement "I/we request a public hearing";
- (4) write a brief description of how you, the persons you represent, or the public interest would be adversely affected by the proposed transaction and transfer of the CON; and

- (5) state your proposed adjustment to the application or CCN which would satisfy your concerns and cause you to withdraw your request for a hearing.

Only those persons who submit a written request to be notified of a hearing will receive notice if a hearing is scheduled. The Executive Director will issue the CCN requested in the referenced application unless a hearing is scheduled to consider the transaction. If no protests or requests for hearing are filed during the comment period, the Executive Director may issue the CCN 30 days after publication of this notice.

Persons who wish to protest or request a hearing on this application should write the:

Texas Commission on Environmental Quality
Water Supply Division
Utilities and Districts Section, MC-153
P. O. Box 13087, Austin, TX. 78711-3087

Si desea información en Español, puede llamar al 1-812-239-0200.



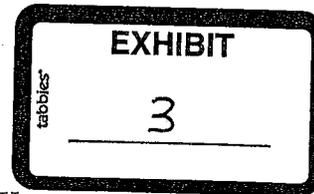
Utility Representative
Aqua Utilities, Inc. dba Aqua Texas, Inc.

Attachment “3”

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



91 7 3 2133 3935 2176 5453



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

June 15, 2011

BY FAX TO 512/990-4410 AND
BY CERTIFIED MAIL

Mr. Glen E. Lewis, Director of Corp. Development
Aqua Texas, Inc.
1106 Clayton Lane, Suite 400W
Austin, Texas 78723

Re: Application from Aqua Utilities, Inc. dba Aqua Texas, Inc., Certificate of Convenience and Necessity (CCN) No. 11157, to Purchase Facilities and to Transfer and Cancel CCN No. 13114 from Texas-American Water Company, in Brazoria, Harris, Liberty, Matagorda and Montgomery Counties; Application No. 36983-S

Application from Aqua Utilities, Inc. dba Aqua Texas, Inc., CCN No. 20453, to Purchase Facilities and to Transfer and Cancel CCN No. 21005 from Texas-American Water Company, in Brazoria, Harris, Liberty, Matagorda and Montgomery Counties; Application No. 36984-S

CN: 602787509; RN: 102674215 (water) and 102674504 (sewer) (Aqua Utilities, Inc. dba Aqua Texas, Inc.)

CN: 603067000; RN: 105004246 (water) and 105004253 (sewer) (Texas-American Water Company)

Dear Mr. Lewis:

We have reviewed the criteria in Texas Water Code (TWC), Section 13.301(e) and determined that a public hearing will not be requested. You may complete your proposed transaction as scheduled, or any time after you receive this notification. Please note that the transaction must comply with the requirements of TWC Section 13.301(d) and therefore cannot be completed prior to the issuance of this letter.

The second part of the applications, which is transferring the CCNs, will occur following receipt of following documents:

- a copy of the signed contract or bill of sale, and
- documents supporting the disposition of customer deposits.

The applications cannot be approved nor the CCNs transferred and issued until we receive evidence that the transaction was completed. These items must be received by the Utilities & Districts Section, Water Supply Division, within 30 days after the effective date of the transaction.

Mr. Glen E. Lewis, Director of Corp. Development

Page 2

June 15, 2011

After the proper documentation is received, staff will prepare the proposed maps, certificates, and recommendation for both applicants to review before submitting them to the Executive Director for approval and the issuance of the CCNs. A copy of this information will be sent to both the buyer and seller.

If you concur with the recommendation, the consent forms must be signed and returned by both applicants before the recommendation to transfer the CCNs can be approved by the Executive Director. If both consents are not received, the CCNs will remain in the name of the seller and the seller remains responsible for the systems for purposes of TWC Section 13 regulations. (See TWC, Section 5.122 and 30 Texas Administrative Code Section 50.33).

As an alternative to the seller's continued involvement in the process, the closing document(s) and any accompanying correspondence may include a statement that the seller consents with the transfer of the CCNs to the buyer with specific references to the statute and rule noted above. The statement will serve to authorize the Executive Director to take action upon receipt of the buyer's signed consent form. In this situation, however, the seller is relying on the buyer to provide the final consent on the CCN transfers.

Finally, please note that from the time the applications are filed until the CCNs are issued, it is the applicants' (buyer and seller) responsibility to notify and update the Utilities & Districts Section, Water Supply Division, of changes in the financial, managerial, or technical information provided in the applications.

If you have any questions, please contact Ms. Karen Blaschke by phone at 512/239-6932, by fax at 512/239-0030, by email at karen.blaschke@tceq.texas.gov. If contacting our office by correspondence, please include MC 153 in the letterhead address below.

Sincerely,



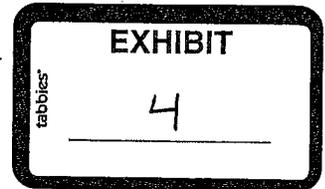
Tammy Benter, Manager
Utilities & Districts Section
Water Supply Division
Texas Commission on Environmental Quality

TB/KLB/lm

CC: Ms. Jennifer Asencio

Attachment "4"

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

July 29, 2011

BY CERTIFIED MAIL®

91 7108 2133 3934 8964 2056

BY EMAIL TO gelewis@aquaaamerica.com

Mr. Glen E. Lewis, Director of Corp. Development
Aqua Texas, Inc.
1106 Clayton Lane, Suite 400W
Austin, Texas 78723

Application from Aqua Utilities, Inc. dba Aqua Texas, Inc. (Aqua Texas), Certificate of Convenience and Necessity (CCN) No. 11157, to Purchase Facilities and to Transfer and Cancel CCN No. 13114 from Texas-American Water Company (Texas-American), in Brazoria, Harris, Liberty, Matagorda and Montgomery Counties; Application No. 36983-S

Application from Aqua Texas, CCN No. 20453, to Purchase Facilities and to Transfer and Cancel CCN No. 21005 from Texas-American, in Brazoria, Harris, Liberty, Matagorda and Montgomery Counties; Application No. 36984-S

CN: 602787509; RN: 102674215 (water) and 102674504 (sewer) (Aqua Utilities, Inc. dba Aqua Texas, Inc.)

CN: 603067000; RN: 105004246 (water) and 105004253 (sewer) (Texas-American Water Company)

Dear Mr. Lewis:

It has come to our attention that Texas-American's service area may be within the extraterritorial jurisdiction (ETJ) of the City of Houston (Houston) and a portion of it may also be located inside the corporate limits of Houston. If this is the case, then Houston should have been given notice of Aqua Texas' application to acquire Texas-American pursuant to 30 Texas Administrative Code (TAC), §291.106(b)(2).

As specified in our acceptance letter for the applications referenced above, it is the applicant's responsibility to provide proper notice of the applications. Based on a review of the notices and affidavits provided for the applications referenced above, it appears that Houston was not given notice of the application.

Pursuant to Texas Water Code, Chapter 13.301(e)(1), the Executive Director (ED) of the TCEQ may request a hearing if the application filed with the Commission or the public notice was improper. To help us determine if notice was proper, please respond in writing to this letter with one of the following:

- Provide proof that proper notice was provided to Houston; or
- Provide information that demonstrates that Houston was not required to receive notice pursuant to 30 TAC, §291.106(b)(2).

P.O. Box 13087 • Austin, Texas 78711-3087 • 512-239-1000 • www.tceq.texas.gov

How is our customer service? www.tceq.texas.gov/goto/customer/survey

printed on recycled paper using soy based ink

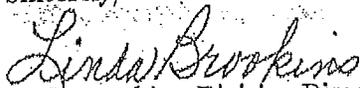
Mr. Glen E. Lewis, Director of Corp. Development
Page 2
July 29, 2011

Pursuant to Texas Water Code (TWC), Chapter 13.301(e)(1), the Executive Director (ED) of the TCEQ may request a hearing if the application filed with the Commission or the public notice was improper.

On June 15, 2011, the TCEQ notified you that a hearing would not be requested and the sale may be completed as proposed. The letter was sent before it came to the TCEQ's attention that Houston may not have received notice and may have been required to receive notice of the transaction. If Houston should have been provided notice and was not provided notice of the STM application, then the TCEQ will refer the application to the State Office of Administrative Hearings (SOAH) for a hearing pursuant to TWC, §13.301(e)(1) and will rescind its June 15, 2011 letter authorizing Aqua Texas and Texas-American to close the transaction.

If you have additional questions or concerns regarding this issue, please contact me at (512) 239-4625 or Ms. Tammy Benter, Manger of the Utilities & Districts Section, at 512/239-6136.

Sincerely,



Linda Brookins, Division Director
Water Supply Division
Texas Commission on Environmental Quality

LB/THB/hh

Attachment "5"

TEXAS NATURAL RESOURCE CONSERVATION COMMISSION



A RESOLUTION concerning Public Participation at the TNRC

WHEREAS, protecting human health and our state's resources are the fundamental missions of the Texas Natural Resource Conservation Commission;

WHEREAS, in accomplishing this mission it is imperative that the commission and the agency seek and consider a full range of views and opinions from members of the public;

WHEREAS, in recognition of this the Commission has adopted as one of its guiding principles the need to ensure meaningful public participation in the agency's decision making process;

WHEREAS, the Commission is committed to full participation by the public in its permitting and rule-making processes consistent with Texas law;

WHEREAS, the Commission believes that public input is essential to quality decision-making at the agency;

WHEREAS, the Commission recognizes that there are many avenues for participation in agency decision making, including but not limited to, the formal hearing process;

WHEREAS, the Legislature established the Public Interest Counsel specifically to represent the public interest and to be an advocate for the public in environmental matters;

WHEREAS, the agency has previously on its own initiative undertaken to create mechanisms and processes to aid the public in its participation in the decisions of the agency, such as through the Ombudsman's Office and the Environmental Equity Program;

WHEREAS, the Commission desires to emphasize its commitment to increased and improved public participation at the agency;

NOW THEREFORE, BE IT RESOLVED that:

The Commission shall strengthen its public assistance and outreach activities to provide greater responsiveness to the public and additional opportunities for public participation;

The Commission strongly renews its commitment to the need for and the workings of the Office of Public Interest Counsel and directs the Public Interest Counsel to focus its efforts on providing greater assistance to citizens who are challenging actions of the agency;

The Commission shall continue and expand the use of Alternative Dispute Resolution as a means of ensuring and enhancing public participation in the permitting process and bringing to resolution matters before the need for a contested case hearing;

The Commission directs staff to review the rules and policies regarding public notice of meetings and hearings to ensure that the public has knowledge of and can participate to the full extent allowed by law in all matters which affect them;

The Commission directs the Executive Director to review the agency's records management practices to assure that the public has access to all public records and documents to the full extent allowed by law;

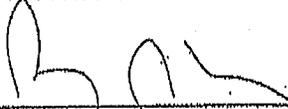
The Commission directs the Executive Director to develop ways to ensure and enhance public involvement in the agency's administrative enforcement process and in civil proceedings involving enforcement actions of the agency;

The Commission directs the Executive Director to keep an information file for every formal complaint of a violation of the State's environmental laws and rules which is filed with or brought to the agency, and to ensure that parties are notified of the status of the complaint at least quarterly until final disposition, unless notice would jeopardize an investigation; and

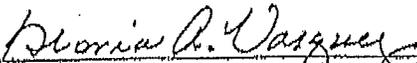
The Commission directs staff to provide timely responses to comments received from the public on agency rules, permits and policy matters.

Issued: April 22, 1996.

TEXAS NATURAL RESOURCE
CONSERVATION COMMISSION


Barry R. McBee, Chairman

ATTEST:


Gloria A. Vasquez, Chief Clerk

Mailing List
Aqua Texas STM Application
SOAH Docket No. 582-12-0707
TCEQ Docket No. 2011-1566-UCR

FOR SOAH:

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Administrative Law Judge
State Office of Administrative Hearings
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