



Control Number: 42989



Item Number: 1

Addendum StartPage: 0

House Bill (HB) 1600 and Senate Bill (SB) 567 83rd
Legislature, Regular Session, transferred the functions
relating to the economic regulation of water and sewer
utilities from the TCEQ to the PUC effective
September 1, 2014.



FRITZ, BYRNE, HEAD & HARRISON, PLLC

RECEIVED

SEP 13 2013

WATER AVAILABILITY DIVISION

September 13, 2013

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

Re: Application for Sale, Transfer or Merger
The Grand Ranch Treatment Company

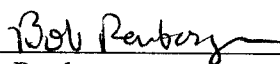
Dear Ms. Holquin-Benter:

Attached for filing are an original and three (3) copies of a Sales, Transfer or Merger ("STM") application for EMCAD Water and Wastewater, LLC ("EMCAD"). EMCAD seeks approval of the proposed sale and transfer of the assets of Grand Ranch Treatment Company, together with its Certificate of Convenience and Necessity ("CCN") No. 20832 in Tarrant County, Texas.

Please contact the undersigned should you or any member of the Executive Director's staff have any questions or need for clarification on any aspect of this proposed transaction.

Sincerely yours,

Fritz, Byrne, Head & Harrison, PLLC


Bob Renbarger

ROR/skd

cc: Mr. Kevin Haney

K:\DIR26\26115\01\LETTERS\LTR-STM APPLICATION.wpd

Value Driven Client Service



98 SAN JACINTO BOULEVARD SUITE 2000 AUSTIN, TEXAS 78701 (512) 476-2020 FAX: (512) 477-5267 WWW.FBHH.COM



TCEQ Use Only

TCEQ Core Data Form

For detailed instructions regarding completion of this form, please read the Core Data Form Instructions or call 512-239-5175.

SECTION I: General Information

1. Reason for Submission (If other is checked please describe in space provided)	
<input type="checkbox"/> New Permit, Registration or Authorization (Core Data Form should be submitted with the program application)	
<input type="checkbox"/> Renewal (Core Data Form should be submitted with the renewal form)	<input checked="" type="checkbox"/> Other Obtain Wastewater CCN
2. Attachments Describe Any Attachments: (ex. Title V Application, Waste Transporter Application, etc.)	
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Application for Sale, Transfer, Merger of a Wastewater CCN	
3. Customer Reference Number (if issued)	4. Regulated Entity Reference Number (if issued)
CN	RN 101179422

SECTION II: Customer Information

5. Effective Date for Customer Information Updates (mm/dd/yyyy)			
6. Customer Role (Proposed or Actual) – as it relates to the <u>Regulated Entity</u> listed on this form. Please check only <u>one</u> of the following:			
<input checked="" type="checkbox"/> Owner	<input type="checkbox"/> Operator	<input type="checkbox"/> Owner & Operator	
<input type="checkbox"/> Occupational Licensee	<input type="checkbox"/> Responsible Party	<input type="checkbox"/> Voluntary Cleanup Applicant	<input type="checkbox"/> Other: _____
7. General Customer Information			
<input checked="" type="checkbox"/> New Customer		<input type="checkbox"/> Update to Customer Information	
<input type="checkbox"/> Change in Legal Name (Verifiable with the Texas Secretary of State)		<input type="checkbox"/> Change in Regulated Entity Ownership	
		<input type="checkbox"/> No Change**	
**If "No Change" and Section I is complete, skip to Section III – Regulated Entity Information.			
8. Type of Customer:			
<input type="checkbox"/> Corporation	<input type="checkbox"/> Individual	<input type="checkbox"/> Sole Proprietorship- D.B.A	
<input type="checkbox"/> City Government	<input type="checkbox"/> County Government	<input type="checkbox"/> Federal Government	
<input type="checkbox"/> State Government	<input type="checkbox"/> Other Government	<input type="checkbox"/> General Partnership	
<input type="checkbox"/> Limited Partnership	<input checked="" type="checkbox"/> Other: Limited Liability Company		
9. Customer Legal Name (If an individual, print last name first: ex: Doe, John)		<i>If new Customer, enter previous Customer below</i>	
EMCAD Water and Wastewater, LLC		<i>End Date:</i>	
10. Mailing Address:			
Attn: Donald J. Clayton			
2492 Matterhorn Dr.			
City	Wexford	State	PA
ZIP	15090	ZIP + 4	
11. Country Mailing Information (if outside USA)		12. E-Mail Address (if applicable)	
13. Telephone Number		14. Extension or Code	
() -			
		15. Fax Number (if applicable)	
		(724) 934-1956	
16. Federal Tax ID (9 digits)	17. TX State Franchise Tax ID (11 digits)	18. DUNS Number (if applicable)	19. TX SOS Filing Number (if applicable)
463168815	32050717274		0801768069
20. Number of Employees		21. Independently Owned and Operated?	
<input checked="" type="checkbox"/> 0-20 <input type="checkbox"/> 21-100 <input type="checkbox"/> 101-250 <input type="checkbox"/> 251-500 <input type="checkbox"/> 501 and higher		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

SECTION III: Regulated Entity Information

22. General Regulated Entity Information (If 'New Regulated Entity' is selected below this form should be accompanied by a permit application)	
<input type="checkbox"/> New Regulated Entity <input checked="" type="checkbox"/> Update to Regulated Entity Name <input checked="" type="checkbox"/> Update to Regulated Entity Information <input type="checkbox"/> No Change** (See below)	
**If "NO CHANGE" is checked and Section I is complete, skip to Section IV, Preparer Information.	
23. Regulated Entity Name (name of the site where the regulated action is taking place)	
EMCAD Water and Wastewater, LLC	

24. Street Address of the Regulated Entity: (No P.O. Boxes)	2492 Matterhorn						
	City	Wexford	State	PA	ZIP	15090	ZIP + 4
25. Mailing Address:	Same as above						
	City		State		ZIP		ZIP + 4
26. E-Mail Address:							
27. Telephone Number		28. Extension or Code		29. Fax Number (if applicable)			
() -				(724) 934-1956			
30. Primary SIC Code (4 digits)		31. Secondary SIC Code (4 digits)		32. Primary NAICS Code (5 or 6 digits)		33. Secondary NAICS Code (5 or 6 digits)	
4952				221310			
34. What is the Primary Business of this entity? (Please do not repeat the SIC or NAICS description.)							
Wastewater Treatment							

Questions 34 – 37 address geographic location. Please refer to the instructions for applicability.

35. Description to Physical Location:	Located at 5620 Big Sky Drive, 1,000 ft south of County Rd 915 and approx. 1.3 miles west of FM 1902 in Joshua, Johnson County, TX 76058				
36. Nearest City	County		State		Nearest ZIP Code
Joshua	Johnson		TX		76058
37. Latitude (N) In Decimal:		38. Longitude (W) In Decimal:			
Degrees	Minutes	Seconds	Degrees	Minutes	Seconds
32°	30'	43.54"N	97°	27'	7.48"W

39. TCEQ Programs and ID Numbers Check all Programs and write in the permits/registration numbers that will be affected by the updates submitted on this form or the updates may not be made. If your Program is not listed, check other and write it in. See the Core Data Form instructions for additional guidance.

<input type="checkbox"/> Dam Safety	<input type="checkbox"/> Districts	<input type="checkbox"/> Edwards Aquifer	<input type="checkbox"/> Industrial Hazardous Waste	<input type="checkbox"/> Municipal Solid Waste
<input type="checkbox"/> New Source Review – Air	<input type="checkbox"/> OSSF	<input type="checkbox"/> Petroleum Storage Tank	<input type="checkbox"/> PWS	<input type="checkbox"/> Sludge
<input type="checkbox"/> Stormwater	<input type="checkbox"/> Title V – Air	<input type="checkbox"/> Tires	<input type="checkbox"/> Used Oil	<input checked="" type="checkbox"/> Utilities
<input type="checkbox"/> Voluntary Cleanup	<input checked="" type="checkbox"/> Waste Water	<input type="checkbox"/> Wastewater Agriculture	<input type="checkbox"/> Water Rights	20832
	WQ 13846-001			<input type="checkbox"/> Other:


SECTION IV: Preparer Information

40. Name:	Don Clayton	41. Title:	Manager
42. Telephone Number	43. Ext./Code	44. Fax Number	45. E-Mail Address
() -		(724) 934-1956	

SECTION V: Authorized Signature

46. By my signature below, I certify, to the best of my knowledge, that the information provided in this form is true and complete, and that I have signature authority to submit this form on behalf of the entity specified in Section II, Field 9 and/or as required for the updates to the ID numbers identified in field 39.

(See the Core Data Form instructions for more information on who should sign this form.)

Company:	EMCAD Water and Wastewater, LLC	Job Title:	Manager
Name (In Print):	Don Clayton	Phone:	(724) 934-1936
Signature:		Date:	9/5/2013



STM Checklist

Checklist must be submitted to Work Leader and Team Leader prior to final map or hearing request.

Applicant: EMCAD Water and Wastewater, LLC for Grand Ranch Treatment Company

Application No.: 37724-S

§13.301(a)	Was written application filed on or before the 120 th day before the effective date of a sale? Yes.	Date verified: 01/15/14
Description: The application was received 09/13/13. An NOD was issued 10/29/13 and was accepted for filing 12/03/13. (see question 2 of the application)		
§13.301(a)	Was proper public notice provided? Yes.	Date verified: 01/15/14
Date(s): 12/23/13		
Waivers?: None		
Additional notice required for amendment?: No.		
All appropriate entities notified?: Yes.		
§13.301(b)	Does the purchaser have adequate FMT to provide continuous and adequate service to the requested area AND any areas currently certificated to that person? Yes.	Date verified: 2/20/14
Description: See FM Memo dated 2/19/14.		
Description of qualifications: Donald Clayton is in charge of finance and administration and John Ebert is in charge of operations. Mr. Clayton has served the utility industry in executive and consulting capacities for more than 35 years. He is currently the principal at Tangible LLC who provides compliance support of the and wastewater authorities. Mr. Ebert has worked in the utility and regulated industries from more than 30 years. Since January of 2006, he has been the CEO and principal shareholder of ANG D LLC which is a holding company for two small gas utilities one which additionally focuses on renewable energy from landfills. As of 2/16/14 no enforcement cases are found in the consolidated compliance and enforcement data system. (see question 11. A. of the application)		
Description of any plans for improvements: No improvements are needed at this time. (see question 11. C and pg. 7, question 17. A of the application)		
§13.301(c)	Is a bond or other financial assurance required to ensure continuous and adequate service? No.	Date verified: 2/21/14
Description: See FM Memo dated 2/19/14. This transaction should have a minimal impact on the purchaser's financial and managerial capabilities. (review FMT Checklist and Memo for response)		
§13.301(d)	Will the transaction serve the public interest? Yes. The transaction will consolidate 3 utilities under a single professional management team which will have better access to capital and potentially provide service at a lower cost due to increased customer count. (see pg. 4, question 11. D of the application)	Date verified: 01/15/14
Is the applicant willing to make improvements? EMCAD is funded through personal equity and bank financing. Management has more than 35 years of experience in providing utility service. The transaction will consolidate 3 utilities under a single professional management team which will have better access to capital and potentially provide service at a lower cost due to increased customer count.		
Description: No improvements needed at this time. (see question 11. C of the application)		
§13.301(e)	Does the purchaser or any affiliate of the purchaser have a history of noncompliance with the requirements of the commission within the past 5 years? No.	Date verified: 01/15/14
Description: NA (see question 11. B. of the application)		

Any active enforcement actions?: NA		
Enforcement Coordinator: NA		
Date of previous enforcement orders: Agreed Order 2012-0956-MWD-E		
Penalties: NA		
In compliance with previous orders?: NA		
§13.301(e)	Does the purchaser or any affiliate of the purchaser have a history of continuing mismanagement or misuse of revenues as a utility service provider? No.	Date verified: 01/15/14
Description: NA (see question 11. B. of the application)		
§13.301(j)	If applicable, has the seller made a written disclosure to the purchaser related to customer contributions in aid of construction derived from specific surcharges? No.	Date verified: 01/15/14
Description: NA (see question 13. A. of the application)		
If applicable, have protestants' concerns been addressed by letter from the staff or utility? No protests were received.		Date verified: 01/15/14
Names of protestants: None.		
Description of protests: NA		
Protestants included on mailing list?: NA		
Have any customer deposits been accounted for? A list of customer deposits are attached with the application Appendix A. (see question 5. of the application)		Date verified: 01/15/14
Have all tariff issues including rates, tap fees and service rules/extension policy language been resolved?		Date verified: Pending
Description: The rates will not change, they will be transferred to the buyer's.		Date tariff was stamped approved: Pending
If entity is a WSC, is most recent version of tariff on file? NA		Date WSC tariff was received: NA
§13.132	Does the applicant have a current Annual Report on file? Yes.	Date verified: 01/15/14
Description: 2013 annual report		Date annual report was received: 03/28/2013
Do any of the systems being transferred have violations that need to be corrected? See Compliance Summary.		Date verified: 01/15/14
If the purchaser is a corporation, is it in good standing with the State Comptroller? Yes.		Date verified: 01/15/14
Have all TCEQ Fees and penalties and any laboratory fees owed by either the seller or purchaser been paid? Yes. (see the Admin's NOD letter)		Date verified: 01/15/14
What are the terms of the sale? EMCAD has applied to acquire the assets to include the CCN and name of Grand Ranch from the shareholders via an asset purchase agreement for \$80,000 to be paid in cash. (see question 12 of the application)		Date verified:
Sales price: \$80,000.00		
# of customers affected: 54		

Original cost of plant being transferred: \$415,867	
Accumulated depreciation: \$222,136	
Date of closing:	
If facility being transferred is a wastewater treatment system, has the applicant requested a transfer of the wastewater discharge permit? Yes. The T X PDES Permit was submitted to TCEQ with date of 04/14/14 by WQ 001846001. (see question 17 B of the application)	Date verified: 01/15/14
Miscellaneous information	Date verified: 01/15/14
Is the system under the jurisdiction of a city (if yes, name the city)? No. (see question 18 of the application)	
Is the seller's CCN being canceled?: No, the CCN will transfer to EMCAD. (see question 1 of the application)	
If applicable, the staff person must send an email to Central Registry requesting them to link the appropriate CCN, CN and RN numbers. The email should be addressed to Karen Young with a copy to Bernadette Segala and say WUD Priority in the subject line. If these numbers are not linked appropriately, the Chief Clerk's Office will not be able to accept the application for posting and the file will be returned to our program area. This will cause a delay in the getting the final order and CCN(s) signed.	Date verified: Will need to change the A2087 after TCEQ receives the closing docs and update the CCN.
Description: Application from EMCAD Water and Wastewater, LLC, A2087, to Acquire Facilities and transfer Certificate of Convenience and Necessity (CCN) No. 20832 held by Grand Ranch Treatment Company, in Johnson County; Application No. 37724-S CN: 604519330; RN107111247 (EMCAD Water and Wastewater, LLC) CN: 600627186; RN: 101179422 (Grand Ranch Treatment Company)	

COMPLIANCE SUMMARY:

(Please create a general description for every water and/or wastewater system being transferred)

General: **Water Quality System Name:** Grand Ranch Treatment Company

Public Quality System No.: WQ0013846001

Inspection Date: 03/08/12

List of deficiencies/violations: A few alleged violations were identified for which compliance documentation was required. TCEQ received compliance documentation.

Description of region inspector's comments: See above information.

Date of letter describing improvements/compliance: October 26, 2012.

Signed: _____ Date: _____

Will sign after we receive
final Sub. Debbie

STM Checklist

Checklist must be submitted to Work Leader and Team Leader prior to final map or hearing request.

Applicant: EMCAD Water and Wastewater, LLC for Grand Ranch Treatment Company
Application No.: 37724-S

§13.301(a)	Was written application filed on or before the 120 th day before the effective date of a sale? Yes.	Date verified: 01/15/14
Description: The application was received 09/13/13 and was accepted for filing 12/03/13. <i>An NOD was issued</i> (see question 2 of the application)		
§13.301(a)	Was proper public notice provided? Yes.	Date verified: 01/15/14
Date(s): 12/23/13		
Waivers?: None		
Additional notice required for amendment?: No.		
All appropriate entities notified?: Yes.		
§13.301(b)	Does the purchaser have adequate FMT to provide continuous and adequate service to the requested area AND any areas currently certificated to that person? Yes.	Date verified: 2/20/14
Description: <i>See FMT memo dated 2/19/14</i> The area will include 388 acres and serving 54 customers with no changes to the current rates.		
Description of qualifications: Donald Clayton is in charge of finance and administration and John Ebert is in charge of operations. Mr. Clayton has served the utility industry in executive and consulting capacities for more than 35 years. He is currently the principal at Tangible LLC who provides compliance support of the water and wastewater authorities. Mr. Ebert has worked in the utility and regulated industries from more than 30 years. Since January of 2006, he has been the CEO and principal shareholder of ANG D LLC which is a holding company for two small gas utilities one which additionally focuses on renewable energy from landfills. As of 2/16/14 no enforcement cases <i>are</i> found in the consolidated compliance and enforcement data system. (see question 11. A. of the application)		
Description of any plans for improvements: No improvements improvements are needed at this time. (see question 11. C and pg. 7, question 17. A of the application)		
§13.301(c)	Is a bond or other financial assurance required to ensure continuous and adequate service? No.	Date verified: 2/21/14
Description: <i>See FMT memo dated 2/19/14</i> This transaction should have a minimal impact on the purchaser's financial and managerial capabilities. (review FMT Checklist and Memo for response)		
§13.301(d)	Will the transaction serve the public interest? Yes. The transaction will consolidate 3 utilities under a single professional management team which will have better access to capital and potentially provide service at a lower cost due to increased customer count. (see pg. 4, question 11. D of the application)	Date verified: 01/15/14
Is the applicant willing to make improvements? EMCAD is funded through personal equity and bank financing. Management has more than 35 years of experience in providing utility service. The transaction will consolidate 3 utilities under a single professional management team which will have better access to capital and potentially provide service at a lower cost due to increased customer count.		
Description: No improvements needed at this time. (see question 11. C of the application)		
§13.301(e)	Does the purchaser or any affiliate of the purchaser have a history of noncompliance with the requirements of the commission within the past 5 years? No.	Date verified: 01/15/14
Description: NA (see question 11. B. of the application)		

These Corrections made 4/15/14 DLT

Any active enforcement actions?: NA		
Enforcement Coordinator: NA		
Date of previous enforcement orders: NA ? Agreed Order. 2012-0956-mwd E		
Penalties: NA		
In compliance with previous orders?: NA		
§13.301(e)	Does the purchaser or any affiliate of the purchaser have a history of continuing mismanagement or misuse of revenues as a utility service provider? No.	Date verified: 01/15/14
Description: NA (see question 11. B. of the application)		
§13.301(j)	If applicable, has the seller made a written disclosure to the purchaser related to customer contributions in aid of construction derived from specific surcharges? No.	Date verified: 01/15/14
Description: NA (see question 13. A. of the application)		
If applicable, have protestants' concerns been addressed by letter from the staff or utility? No protests were received.		Date verified: 01/15/14
Names of protestants: None.		
Description of protests: NA		
Protestants included on mailing list?: NA		
Have any customer deposits been accounted for? A list of customer deposits are attached with the application Appendix A. (see question 5. of the application)		Date verified: 01/15/14
Have all tariff issues including rates, tap fees and service rules/extension policy language been resolved?		Date verified: Pending
Description: The rates will not change, they will be transferred to the buyer's.		Date tariff was stamped approved: Pending
If entity is a WSC, is most recent version of tariff on file? NA		Date WSC tariff was received: NA
§13.132	Does the applicant have a current Annual Report on file? Yes.	Date verified: 01/15/14
Description: 2013 annual report		Date annual report was received: 03/28/2013
Do any of the systems being transferred have violations that need to be corrected? See Compliance Summary.		Date verified: 01/15/14
If the purchaser is a corporation, is it in good standing with the State Comptroller? Yes.		Date verified: 01/15/14
Have all TCEQ Fees and penalties and any laboratory fees owed by either the seller or purchaser been paid? Yes. (see the Admin's NOD letter)		Date verified: 01/15/14
What are the terms of the sale? EMCAD has applied to acquire the assets to include the CCN and name of Grand Ranch from the shareholders via an asset purchase agreement for \$80,000 to be paid in cash. (see question 12 of the application)		Date verified:
Sales price: \$80,000.00		
# of customers affected: 54		

Original cost of plant being transferred: \$415,867	
Accumulated depreciation: \$222,136	
Date of closing:	
If facility being transferred is a wastewater treatment system, has the applicant requested a transfer of the wastewater discharge permit? The transactions are structured to complete the STM first, then the transfer of the wastewater discharge permits post-sale. There will be a continuity of wastewater treatment operators pre- and post-sale. The discharge permit transfer process, while certainly required, is usually an abbreviated process compared to getting approval of the sales of the utilities. The purchase price of each respective WWTP (and respective rights under the discharge permits) is included in the total purchase price for each sewer utility. (see question 17 B of the application)	Date verified: 01/15/14
Miscellaneous information	Date verified: 01/15/14
Is the system under the jurisdiction of a city (if yes, name the city)? No. (see question 18 of the application)	
Is the seller's CCN being canceled?: No, the CCN will transfer to EMCAD. (see question 1 of the application)	
If applicable, the staff person must send an email to Central Registry requesting them to link the appropriate CCN, CN and RN numbers. The email should be addressed to Karen Young with a copy to Bernadette Segala and say WUD Priority in the subject line. If these numbers are not linked appropriately, the Chief Clerk's Office will not be able to accept the application for posting and the file will be returned to our program area. This will cause a delay in the getting the final order and CCN(s) signed.	Date verified: Will need to change the A2087 after TCEQ receives the closing docs and update the CCN.
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COMPLIANCE SUMMARY:

(Please create a general description for every water and/or wastewater system being transferred)

General: **Water Quality System Name:** Grand Ranch Treatment Company

Public Quality System No.: WQ0013846001

Inspection Date: 03/08/12

List of deficiencies/violations: A few alleged violations were identified for which compliance documentation was required. TCEQ received compliance documentation.

Description of region inspector's comments: See above information.

Date of letter describing improvements/compliance: October 26, 2012.

Signed: _____ Date: _____

Will sign after corrections

Dubbe





APPLICATION FOR SALE, TRANSFER, OR MERGER OF A RETAIL PUBLIC UTILITY

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**APPLICATION FOR SALE, TRANSFER,
OR MERGER OF A RETAIL PUBLIC UTILITY**

*RN# 101179422 *CN# Applied for *If known (See instructions)

1. Proposed action of application (check all the boxes that apply):

Sale of ☒ All ☐ Portion of the Water system(s) under CCN No.:
☒ Acquisition ☒ Sewer system(s) under CCN No.: 20832
Lease/Rental

Transfer of All ☐ Portion of the Certified water service area – CCN No.:
Certificated sewer service area – CCN No.:

If only a portion of a system or certificated service area is affected by this transaction, please specify the areas or subdivision involved:

and to:

☒ Obtain a CCN for the transferee (purchaser) – indicate if purchaser will take the seller's CCN
Amend the transferee's CCN No.: Purchaser will take the seller's CCN.
Merge or consolidate public utilities
Cancel CCN of the transferor (seller)

2. Proposed effective date of this transaction: December 2013

(Must be at least 120 days after proper notice is provided)

**QUESTIONS 3 THROUGH 5 APPLY TO THE TRANSFEROR
(CURRENT SERVICE PROVIDER OR SELLER)**

3. For the current CCN holder or service provider please indicate:

A. Name: Grand Ranch Treatment Company

(Individual, Corporation or Other Legal Entity)

who is a(n): of Individual ☒ Corporation ☐ WSC ☐ HOA or POA ☐ Other ☐

B. Utility Name (if different than above): Same as above

Address: 6850 Manhattan Blvd, Ste 108, Fort Worth, TX 76120 Telephone: (AC)

C. Contact person. Please provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney or accountant.

Name: Robert Beams Title: President
Address: Same as above Telephone: (AC)
Fax: (817) 457-2407 Email:

4. About the last rate increase for the system or facilities being transferred:
A. What was the effective date of the last rate increase?

B. Was notice of this increase provided to the Texas Commission on Environmental Quality or its predecessors?

☐ No ☒ Yes- Application/Docket Number: Date

5. Please provide a list of all customers affected by this transaction who have deposits held by the transferor or seller utility, if any, and include the following information (attach additional sheets if necessary):

Name and Address of Utility Customer	Date of Deposit	Amount of Deposit	Amount of Unpaid Interest on Deposit
See Exhibit A			

Within 30 days of the actual transaction date, and prior to the transfer of the certificate by the TCEQ, the seller must provide proof to the Commission that these customer deposits were returned to the customers or transferred to the purchasing utility. Proof should include a sworn affidavit.

QUESTIONS 6 THROUGH 16 REFER TO THE TRANSFeree OR PURCHASER

6. For the person or entity acquiring the facilities and/or CCN:

Applicant:

(Individual, Corporation, or Other Legal Entity)

Utility Name:

(If different than above)

Utility Address:

Fax: Email: Telephone (AC):

CCN Numbers held prior to the filing of this application:

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

☐ Individual

☐ Home or Property Owners Association

☐ Partnership; attach copy of partnership agreement

☒ Corporation; provide charter number as recorded with the Office of the Secretary of State for Texas:

☐ Non-profit, member-owned, member-controlled Cooperative Corporation (Article 1434(a) Water Supply or Sewer Service Corporation); provide charter number:

☐ Municipally-owned utility

☐ District (MUD, SUD, WCID, etc.)

☐ County

☐ Other (please explain):

8. If the applicant is an *Individual* or sole proprietorship, provide the following information. If not, skip to the next question.

Name:	N/A	Email	
Address			
Telephone (AC):		Fax (AC):	

9. If the applicant is other than an *Individual* provide the following information regarding the officers or partners of the legal entity applying for the transfer. You must complete either question 8 or question 9, whichever applies to the transferee applicant.

•Name:	See exhibits B, H, and I	Telephone (AC):	
Address:			
Position:		Ownership % (if applicable):	

•Name:		Telephone (AC):	
Address:			
Position:		Ownership % (if applicable):	

•Name:		Telephone (AC):	
Address:			
Position:		Ownership % (if applicable):	

•Name:		Telephone (AC):	
Address:			
Position:		Ownership % (if applicable):	

•Name:		Telephone (AC):	
Address:			
Position:		Ownership % (if applicable):	

•Name:		Telephone (AC):	
Address:			
Position:		Ownership % (if applicable):	

- Attach additional sheet(s) if necessary -

- Important:**
- If the applicant is a for-profit corporation, please provide a copy of the corporation's "Certification of Account Status" from the State Comptroller Office. This "Certification of Account Status" can be obtained from:

Texas Comptroller of Public Accounts

P. O. Box 13528, Capitol Station
Austin, Texas 78711
1-800-252-5555

- If the applicant is an Article 1434a water supply or sewer service corporation or other non-profit corporation, please provide a copy of the Articles of Incorporation and By-Laws.

10. Contact person. Please provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney or accountant.

Name:	Don Clayton	Title:	Manager
Address:	2492 Matterhorn Dr, Wexford, Pennsylvania 15090	Telephone (AC):	724-934-1936
Fax #	Fax: (724) 934-1956	Email	
Relationship to the applicant:	Member		

IF THERE ARE MORE THAN TWO PARTIES INVOLVED IN THIS TRANSACTION, PLEASE ATTACH SHEETS PROVIDING THE INFORMATION REQUIRED IN QUESTION 6 THROUGH QUESTION 10 FOR EACH PARTY

11. Please respond to each of the following questions. Attach additional sheets if necessary.

A. Describe the experience and qualifications of the applicant to provide adequate utility service to the requested area

Management has more than 50 years of experience in providing utility service. Please see Exhibit I.

B. Has the applicant acquiring the CCN or facilities or an affiliated interest of the applicant been under enforcement action by the TCEQ, Texas Department of Health (TDH), the Office of the Attorney General (OAG) or the Environmental Protection Agency (EPA) in the past for noncompliance with rules, orders or State Statutes? ☐ Yes ☒ No

If yes, please attach copies of any correspondence with these regulatory agencies concerning these enforcement actions and describe any actions and efforts to comply with those requirements. Attach additional sheets if needed.

N/A

C. Describe the source and availability of funds required to make the planned or required improvements, if any, to meet minimum requirements of the TCEQ and ensure continuous and adequate service.

EMCAD is funded through personal equity and bank financing. Additional Funding information will provided upon request.

D. Describe the anticipated impact of this transaction on the quality of utility service and explain any anticipated changes in the quality of service.

No change in the quality of service.

E. How will the transaction serve the public interest?

The transaction will consolidate 3 utilities under a single professional management team, which will have better access to capital, and potentially provide service at a lower cost due to increased customer count.

12. Please describe the nature of the proposed transaction:

EMCAD shall purchase the utility assets, including CCN and name, of Grand Ranch from its shareholders via an asset purchase agreement for \$80,000 to be paid in cash.

13. If the transferee applicant is an Investor Owned Utility (IOU) and will be under the rate jurisdiction of the TCEQ, please provide the following information. Water supply or sewer service corporations and political subdivisions of the state should mark this section N/A:

- A.
- Total Purchase Price:
 - Total Original Cost (as recorded on books of seller or merging entity):
 - Accumulated Depreciation as of the proposed effective date of the transaction:
 - Contributions in Aid of Construction:
 - Specific surcharges approved by TCEQ:
 - Revenues from explicit customer agreements:

- Developer Contributions (please explain):

No customer CIAC is included. All contributions provided by Developer.

- Other Contributions (please explain):

Total Contributions in Aid of Construction

• Net Book Value:

☞ If the Original Cost or any of the above items has been established in a rate case proceeding by the PUC, the TWC or the TCEQ, please provide the Application/Docket Number and date:

Application/Docket Number: Date:

☞ If the applicant is not under the rate jurisdiction of the TCEQ, only the purchase price and information related to Contributions in Aid of Construction is required.

B. Please provide any other information concerning the nature of the transaction you believe should be given consideration if not explained elsewhere in the application.
[attach additional sheet(s) if necessary]:

- C. Complete the following proposed entries listed below as shown in books of purchasing (or surviving) company. Additional entries may be made; the following are suggested only, and not intended to pose descriptive limitations.

Utility Plant in Service:	\$415,867
Plant Acquisition Adjustment:	(\$113,731)
Extraordinary Loss on Purchase:	
Accumulated Depreciation of Plant:	\$222,136
Cash:	\$5,000
Notes Payable:	\$56,667
Mortgage Payable:	
Others (please list):	

As the purchaser, I understand that it is **my responsibility** in any future rate proceeding to provide written evidence and support for the original cost and installation date of all facilities used and useful for providing utility service.

Purchaser's Initials: DJ MC Date: 07/15/2013

14. Please indicate the proposed effect of this transaction on the rates to be charged to the affected customers:
- ☒ All the customers will be charged the same rates as they were charged before the transaction.
- Some All customers will be charged different rates than they were charged before the transaction.

If rates are changing, please explain:

Applicant is an IOU and intends to file with the Commission or municipal regulatory authority an application to change rates of some/all of its customers as a result of this transaction. If so, please explain:

Other. Please explain:

15. List all neighboring water and /or sewer utilities, cities, and political subdivisions providing the same service within two (2) miles of area affected by this proposed transaction. This information should be available from the water utility database (WUD) or Applicant's licensed water operator.

See Exhibit D

**PLEASE ANSWER QUESTIONS 17 THROUGH 22 ON A DIFFERENT SHEET
FOR EACH PHYSICALLY DISTINCT SYSTEM BEING
TRANSFERRED OR ACQUIRED**

17. A. For Water Systems. TCEQ Public Water System Identification Number:

Date of last inspection:

B. For Wastewater Systems:

-TCEQ Discharge Permit Number: W Q 1 3 8 4 6 - 0 0 1

-Name of Permittee: Grand Ranch Treatment Company

-Date of application to transfer Discharge Permit submitted:

-Date of application to transfer Discharge Permit approved by TCEQ:

18. A. Are any improvements required to meet TCEQ standards? ☐ Yes ☒ No. If yes, please explain:

B. Is there a moratorium on new connections? ☐ Yes ☒ No. If yes, please explain:

C. Provide details of each required major capital improvement to correct the deficiencies and meet the TCEQ standards (attach additional sheets if necessary):

Description of the Required Improvement	Schedule to Complete	Estimated Cost
N/A		

19. Does the system being transferred operate within the city limits of a municipality or within district boundaries? ☐ Yes ☒ No

If yes, indicate the number of customers within the city limits or district boundaries:

 Water Sewer

Attach copy of franchise agreement or consent letter from the city or district.

20. Do you currently purchase water or sewer treatment capacity from another source? ☐ Yes ☒ No
 Water Sewer Purchased on a Regular Seasonal Emergency Basis

• Source: % of total supply:

21. List the number of existing connections to be effected by this transaction.

Water				Sewer	
	-Non Metered		-2" meter	-Residential Connection	53
	-5/8" or 3/4" meter		-3" meter	-Commercial Connection	
	-1" meter		-4" meter	-Industrial Connection	
	-1 1/2" meter		-Other	-Other	
Total Water Connections:				Total Sewer Connections	53

20. Has the system reached 85% of its capacity based on TCEQ's minimum requirements? ☐ Yes ☒ No
 If yes, please explain what steps are being taken to address the capacity issues:

23. List the name, class, and license number of the operator(s) that will be responsible for the system:

Name	Class	License#
David Bowman	A - Water, B - Waste. Treat., CSI,	WW0012791
	OSSF Main. Prov., OSSF Int. II	
Jon Bowman	"D" Water Oper., OSSF Inst. I, OSSF	WW0030795
	App., OSSF Maint., "C" WW T.O.	

24. Attach the following maps with each copy of the application:

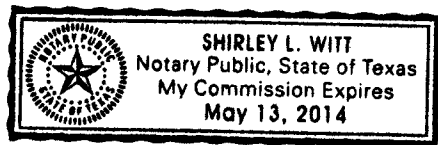
- One small scale map clearly showing affected service area with enough detail to accurately locate the area if the application is for the transfer of all or a portion of a CCN.
- One large scale map showing the proposed service area boundaries being sold, transferred, or merged and, if available, the existing and proposed facilities. Color coding should be used to differentiate existing from proposed facilities. Facilities and service area boundaries should be shown with such exactness that they can be located on the ground. If transferring area not currently in a CCN or a portion of an existing CCN area please attach the following hard copy maps with each copy of the application:
 - A general location map delineating the proposed service area with enough detail to accurately locate the proposed area within the county.
 - A map showing only the proposed area by:
 - metes and bounds survey certified by a licensed state or registered professional land surveyor; or
 - projectable digital data with metadata (proposed areas should be in a single record and clearly labeled, data disk should be included); or
 - following verifiable natural and man-made landmarks, or
 - a copy of recorded plat map with metes and bounds.
 - A written description of the proposed service area.

OATH FOR SELLER OR FORMER SERVICE PROVIDER

STATE OF Texas
COUNTY OF Tarrant

I, Robert Beams, being duly sworn, file this application for sale, lease, rental or merger or consolidation as President of Grand Ranch Treatment Company (indicate relationship to applicant) that is, owner, member of partnership, title as officer of corporation, or other authorized representative of applicant); that, in such capacity, I am qualified and authorized to file and verify such application, am personally familiar with the documents filed with this application, and have complied with all the requirements contained in the application; and, that all such statements made and matters set forth therein with respect to applicant are true and correct. Statements about other parties are made on information and belief. I further state that the application is made in good faith and that this application does not duplicate any filing presently before the Commission.

I further state that I have provided to the purchaser or transferee a written disclosure statement about any contributed property as required under Section 13.301(j) and copies of any outstanding Orders of the Commission or Attorney General and have also complied with the notice requirements in Section 13.301(k) of the Water Code.



Robert Beams
AFFIANT
(Utility's Authorized Representative)

If the Affiant to this form is any person other than the sole owner, partner, officer of the Applicant, or its attorney, a properly verified Power of Attorney must be enclosed.

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public in and for the State of Texas,
day 6 of Sept., 2013.

SEAL

Shirley L. Witt
NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS
Shirley L. Witt
PRINT OR TYPE NAME OF NOTARY
MY COMMISSION EXPIRES 5-13-2014

OATH FOR PURCHASER OR ACQUIRING ENTITY

STATE OF Texas

COUNTY OF Johnson

I, Don Clayton, being duly sworn, file this application for

sale, lease, rental or merger or consolidation as Manager of EMCAD Water and Wastewater, LLC
(*indicate relationship to applicant*) that is, owner, member of partnership, title as officer of corporation, or other authorized representative of applicant); that, in such capacity, I am qualified and authorized to file and verify such application, am personally familiar with the documents filed with this application, and have complied with all the requirements contained in the application; and, that all such statements made and matters set forth therein with respect to applicant are true and correct. Statements about other parties are made on information and belief. I further state that the application is made in good faith and that this application does not duplicate any filing presently before the Commission.

I am also authorized and do agree to be bound by and comply with any outstanding orders of the Commission or the Attorney General which have been issued to the system or facilities being acquired and recognize that I will be subject to administrative penalties or other enforcement actions if I do not comply.

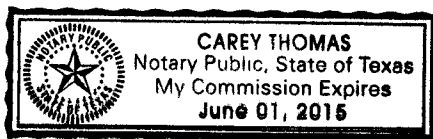

AFFIANT
(Utility's Authorized Representative)


If the Affiant to this form is any person other than the sole owner, partner, officer of the Applicant, or its attorney, a properly verified Power of Attorney must be enclosed.

Applicant represents that all other parties to this transaction have been furnished copies of this completed application.

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public in and for the State of Texas,
day 11 of September, 20 13.

SEAL




NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS


PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES 6/01/2015

One copy of this page must be submitted for each utility involved in this transaction.

Notice to Current Customers, Neighboring Systems and Cities

Grand Ranch Treatment Company 'S
(Seller's or Transferor's Name)

NOTICE OF INTENT TO SELL FACILITIES AND TRANSFER CERTIFICATE OF CONVENIENCE AND
NECESSITY (CCN) NO 20832 TO EMCAD Water and Wastewater, LLC

(Purchaser's or Transferee's Name)
IN Johnson COUNTY, TEXAS

To: _____ Date Notice Mailed _____, 20 ____
(Name of Customer, Neighboring System or City)

(Address)

City State Zip

<u>Grand Ranch Treatment Company</u>	<u>6850 Manhattan Blvd, Ste 108</u>	<u>Fort Worth / TX / 76120</u>
Sellers or Transferors' Name	Address	City/State/Zip Code

has submitted an application with the Texas Commission on Environmental Quality to sell facilities and transfer
water or sewer (please select) CCN No. 20832 in Johnson [County Name]

County to:

<u>EMCAD Water and Wastewater, LLC</u>	<u>2492 Matterhorn Dr</u>	<u>Wexford / PA / 15090</u>
Purchasers or Transferee's Name	Address	City/State/Zip Code

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 of the CCN include the following subdivision(s) and zip codes:

Grand Ranch Subdivision

The area subject to this transaction is located approximately 12 miles N-NW [direction] of
downtown Cleburne, TX on County Rd 915, [City or Town] Texas, and is **generally** bounded on the north by
County Rd 915; on the east by County Rd 1014
;on the south by _____; and on the west by _____

The total area being requested includes approximately 388 acres and serves 54 current customers.
This transaction will have the following effect on the current customer's rates and services:
No change to rates; current service level will either be maintained or improved.

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) include 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 CCN; 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

Se desea informacion on Espanol, puede llamar al 512-239-0200.

Don Clayton

Utility Representative

EMCAD Water and Wastewater, LLC

Utility Name

Notice to Current Customers, Neighboring Systems, Landowner and Cities

Grand Ranch Treatment Company 'S NOTICE OF INTENT TO SELL FACILITIES TO
(Seller's or Transferor's Name)

EMCAD Water and Wastewater, LLC AND FOR EMCAD Water and Wastewater, LLC
(Purchaser's or Transferee's Name) Purchaser's or Transferee's Name)

TO OBTAIN OR AMEND A CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) IN
Johnson COUNTY, TEXAS

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

(Address)

City State Zip

<u>Grand Ranch Treatment Company</u>	<u>6850 Manhattan Blvd, Ste 108</u>	<u>Fort Worth / TX / 76120</u>
Sellers or Transferors' Name	Address	City/State/Zip Code

has submitted an application with the Texas Commission on Environmental Quality to sell water or sewer (please select) Facilities in Johnson [County Name] County to:

<u>EMCAD Water and Wastewater, LLC</u>	<u>2492 Matterhorn Dr</u>	<u>Wexford / PA / 15090</u>
Purchasers or Transferee's Name	Address	City/State/Zip Code

The transferee has also requested to obtain/amend a CCN in this application. 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 proposed service area include the following subdivision(s) and zip codes:

Grand Ranch Subdivision

The area subject to this transaction is located approximately 12 miles N-NW [direction] of downtown Cleburne, TX on County Rd 915 ,[City or Town] Texas, and is **generally** bounded on the north by County Rd 915 ;on the east by County Rd 1014 ;on the south by _____ ;and on the west by _____

The total area being requested includes approximately 388 acres and serves 54 current customers.

This transaction will have the following effect on the current customer's rates and services:

No change to rates; current service level will either be maintained or improved.

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) include 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 CCN; 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

Se desea informacion on Espanol, puede llamar al 512-239-0200.

Don Clayton

Utility Representative

EMCAD Water and Wastewater, LLC

Utility Name

Exhibit List

Exhibit A	List of Customer Deposits
Exhibit B	Company Formation
Exhibit C	Certificate of Account Status
Exhibit D	Map and List of Neighboring Utilities
Exhibit E	Operator Information
Exhibit F	Platted Areas and Property Description
Exhibit G	Asset Purchase Agreement
Exhibit H	Organization Chart
Exhibit I	Management Staffing
Exhibit J	CCN & Tariff
Exhibit K	TCEQ Agreed Order for Grand Ranch, dated 09/28/2012
Exhibit L	Wastewater Treatment Plant Information

Exhibit A

List of Customer Deposits

GRTC Customers as of 3/31/13

LOT #	NAME	ADDRESS	CITY	STATE AND ZIP
BI 3 L 1	Christie Mendoza	5501 Baron Dr.	Joshua	TX 76058
BI 3 L 2	Marcy M. Winters	5505 Baron Dr.	Joshua	TX 76058
BI 3 L 4	Suzanne Welch	5517 Baron Dr.	Joshua	TX 76058
BI 3 L 5	Judy Wilson	5521 Baron Dr.	Joshua	TX 76058
BI 3 L 6	Johanna Lee Estes	5525 Baron Dr.	Joshua	TX 76058
BI 3 L 7	Billy G. Keller	5529 Baron Dr.	Joshua	TX 76058
BI 3 L 8	Jacqueline A. Bowman	5533 Baron Dr.	Joshua	TX 76058
BI 3 L 9	Jerry M. & Nancy Donley	5537 Baron Dr.	Joshua	TX 76058
BI 3 L 11	Steve Amon	5601 Baron Dr.	Joshua	TX 76058
BI 3 L 12	Michael & Kristi Boone	5605 Baron Dr.	Joshua	TX 76058
BI 3 L 13	Michael Boone	5609 Baron Dr.	Joshua	TX 76058
BI 3 L 14	Charles Snell	5613 Baron Dr.	Joshua	TX 76058
BI 3 L 15	Becky & Jerry Whitney	5617 Baron Dr.	Joshua	TX 76058
BI 3 L 16	Cathy Gonzalez	5621 Baron Dr.	Joshua	TX 76058
BI 3 L 19	Dick & Susan Johnson	5705 Baron Dr.	Joshua	TX 76058
BI 3 L 21	Pam Chandler	5713 Baron Dr.	Joshua	TX 76058
BI 3 L 22	Jimmy & Lori Compton	5717 Baron Dr.	Joshua	TX 76058
BI 6 L 5	Clayton Lytle	5716 Baron Dr.	Joshua	TX 76058
BI 6 L 18	Progressive Custom Homes	5701 Grand Ranch Dr.	Joshua	TX 76058
BI 7 L 1	Sherri Dewett	5621 Grand Ranch Dr.	Joshua	TX 76058
BI 7 L 3	Wade Williamson	5613 Grand Ranch Dr.	Joshua	TX 76058
BI 7 L 5	Sandy A. Jonesse	5605 Baron Dr.	Joshua	TX 76058
BI 7 L 6	Christine Ann Jennings	5601 Grand Ranch Dr.	Joshua	TX 76058
BI 7 L 8	Morgan Kuykendall	5521 Grand Ranch Dr.	Joshua	TX 76058
BI 7 L 13	James & Donna Padgett	5536 Baron Dr.	Joshua	TX 76058
BI 7 L 14	Barbara J. Smith	5540 Baron Dr.	Joshua	TX 76058
BI 7 L 15	Tracie Turner	5600 Baron Dr.	Joshua	TX 76058
BI 7 L 18	Blake Stanton	5612 Baron Dr.	Joshua	TX 76058
BI 7 L 19	James & Nancy Capps	5620 Baron Dr.	Joshua	TX 76058
BI 8 L 30	Nicki Goule	9101 Giant Dr.	Joshua	TX 76058
BI 8 L 32	Rolling Vistas LTD	9109 Giant Dr.	Joshua	TX 76058
BI 8 L 33	Robert Beams, Inc.	9113 Giant Dr.	Joshua	TX 76058
BI 8 L 34	Angela Pizzoloto	9201 Giant Dr.	Joshua	TX 76058
BI 8 L 37	Timothy & Rhonda Baugh	9213 Giant Dr.	Joshua	TX 76058
BI 10 L 1	Martin & Suzanne Lozano	5649 Big Sky Dr.	Joshua	TX 76058
BI 10 L 5	Michael & Jane Bandy	5633 Big Sky Dr.	Joshua	TX 76058
BI 10 L 6	Jeffrey & Catherine Pugliese	5629 Big Sky Dr.	Joshua	TX 76058
BI 10 L 9	Juan D. Cano	5608 Grand Ranch Dr.	Joshua	TX 76058

GRTC Customers as of 3/31/13

BI 10 L 11	Steven & Jessica Thornton	5616 Grand Ranch Dr.	Joshua	TX 76058	
BI 10 L 12	Arlene Johnson	5620 Grand Ranch Dr.	Joshua	TX 76058	
BI 11 L 1	Raul & Minerva Chavarria	9220 Giant Dr.	Joshua	TX 76058	
BI 11 L 2	Sean & Jamie Reinhart	9216 Giant Dr.	Joshua	TX 76058	
BI 11 L 3	James & Margaret Kelsey	9212 Giant Dr.	Joshua	TX 76058	
BI 11 L 4	Bobbie J. Carson	9208 Giant Dr.	Joshua	TX 76058	
BI 11 L 5	Kenny Schwartz	9204 Giant Dr.	Joshua	TX 76058	
BI 11 L 6	Shelby L. Lair	9200 Giant Dr.	Joshua	TX 76058	
BI 11 L 7	Margaret & Charles Malson	5632 Big Sky Dr.	Joshua	TX 76058	
BI 11 L 8	Dawn Varner	5628 Big Sky Dr.	Joshua	TX 76058	
BI 11 L 10	Leslie Wellborn	5612 Big Sky Dr.	Joshua	TX 76058	
BI 11 L 11	Robert Beams, Inc.	5608 Big Sky Dr.	Joshua	TX 76058	
BI 11 L 13	Donald Smith	5604 Big Sky Dr.	Joshua	TX 76058	
BI 11 L 14	Ashley Charles	5508 Grand Ranch Dr.	Joshua	TX 76058	
BI 11 L 15	Taylor & Joshua Ramsey	5500 Grand Ranch Dr.	Joshua	TX 76058	
BI 11 L 16	Robert Beams, Inc.	5420 Grand Ranch Dr.	Joshua	TX 76058	

Exhibit B
Company Formation

Exhibit B

EMCAD Water and Wastewater LLC, ad Texas limited liability company (the "Company") was founded by Don Clayton and John Ebert (see Exhibits H and I) and funded by members of management, including Mr. Clayton and Mr. Ebert.

Mr. Clayton and Mr. Ebert oversee day to day activities. The Company prepares monthly management reports for the management team addressing financial, operational, and development activities.

The Company is sufficiently funded to carry out the operations of the acquisition so referenced in this STM Application. Additional financial information will be provided upon request.

Contact information:

Don Clayton

Office: (724) 934-1936

John Ebert

Office: (276) 698-3127

Exhibit C

Certificate of Account Status



Franchise Tax Account Status

As of: 07/01/2013 12:04:07 PM

This Page is Not Sufficient for Filings with the Secretary of State

EMCAD WATER AND WASTEWATER, LLC

Texas Taxpayer Number 32050717274

Mailing Address 777 MAIN ST STE 3600
FORT WORTH, TX 76102-5341

Right to Transact ACTIVE
Business in Texas

State of Formation TX

Effective SOS 04/15/2013
Registration Date

Texas SOS File Number 0801768069

Registered Agent Name BILL F BOGLE

Registered Office Street 777 MAIN ST., STE 3600
Address FORT WORTH, TX 76102

Exhibit D

Map and List of Neighboring Utilities



Map Legend

iWUD Viewer

Program Area Layers

- Sewer CCN Facility Lines
- Water CCN Facility Lines
- Sewer CCN Service Areas
- Water CCN Service Areas

Water Districts

- DD - Drainage District
- FWSD - Fresh Water Supply District
- ID - Irrigation District
- LID - Levee Improvement District
- MMD - Municipal Management District
- MUD - Municipal Utility District
- ND - Navigation District
- OTH - Other
- RA - River Authority
- RD - Regional District
- SCD - Stormwater Control District
- SUD - Special Utility District
- SWCD - Soil & Water Conservation District
- WCID - Water Control & Improvement District
- WID - Water Improvement District

Basemap Layers

- Interstate Highway
- U.S. Highway
- Loop
- Beltway / Toll
- State Highway
- Ramp
- Street
- Zip Code
- TCEQ Regions
- Senate - Districts
- House - Districts
- Stream / Creek
- River
- Waterbody
- County
- City
- State Outline

List of Neighboring Utilities

Utility: City of Crowley
CCN No: Water: 10984; Wastewater: 20392
Address: PO DRAWER 747
CROWLEY, TEXAS 76036-0000

Utility: Crest Water Company
CCN No: 12037
Address: PO BOX 460
KEENE , TEXAS

Utility: NORTH WHISPERING MEADOWS WATER
CCN No: 12621
Address: 8616 ROARING CREEK RD
JOSHUA , TEXAS 76058-4301

Utility: SKYLINE DRIVE LANDOWNERS ASSN WATER SYSTEM
CCN No: 12479
Address: 8604 SKYLINE DR
JOSHUA , TEXAS 76058

Utility: MONARCH UTILITIES I LP
CCN No: 12983
Address: 12535 REED RD
SUGAR LAND , TEXAS 77478

Utility: JOHNSON COUNTY SUD
CCN No: 10081
Address: PO BOX 509
CLEBURNE , TEXAS 76033-0509

Utility: CHUCK BELL WATER SYSTEMS
CCN No: 12190
Address: PO BOX 731
CROWLEY , TEXAS 76036-0731

Exhibit E
Operator Information

AUG/05/2013 MON 03:55 PM

FAX No.

P. 001

FROM :
JUN/27/2013/THU 08:15 AM

FFAX NO. : 8174572407

FAX No.

Aug. 02 2013 09:45AM P1

P. 002

Bowman Environmental Enterprises, LLC

801 S. Filer St
Hesaca, TX 76055
254.687.2642
b Bowmanenv@gmail.com

June 27, 2013

BEA Land Investments - Grand Ranch
Robert Beasly
6850 Manhattan Blvd. #108
Ft. Worth, TX 76120

Bowman Environmental Enterprises, LLC ("Bowman") hereby submits specifications and estimates for the monthly operation of the Wastewater Treatment Plant under the following terms and conditions during the period of 7-01-13 to 7-01-14 in the amount of \$2600.00 monthly.

1. Provide licensed employees.
2. Maintain General Liability and Workers Compensation Insurance.
3. Inspections of the facility at least five times each week to provide the best possible effluent.
4. Provide preventative maintenance on all equipment.
5. Maintain operational log of plant and file monthly and yearly reports with TCEQ.
6. Client is to be responsible for all parts and supplies necessary for the proper operation and maintenance of the plant.
7. Emergency repairs shall be billed on the basis of manpower and equipment.
8. Non-emergency repairs, renovation and improvements shall require client's prior approval.
9. Major repairs including those due to natural disasters will be bid out at owner's expense.
10. Client to be responsible for the cost of all equipment, parts and supplies necessary for the proper operation, repair, renovation, improvement and maintenance of the plant.
11. Client is to be responsible for the cost of all testing required by TCEQ and EPA.
12. Client to be responsible for the hauling and disposal of sludge.
13. The terms and conditions of the contract shall renew annually, unless provisions are changed.
14. This contract may be cancelled at any time by either party with a 30 day written notice.

Authorized Bowman Signature: David Bowman

Date: 08/02/13

Accepted on behalf of client by: Robert Beasly

Date: 6/27/13

March 6, 1997

SEWER SERVICE BILLING AGREEMENT

WHEREAS, Grand Ranch Treatment Company, (hereinafter "GRTC"), is a public utility holding Conservation Commission Certificate of Convenience and Necessity No. _____ from the Texas Natural Resource Conservation Commission (hereinafter "TNRCC"), supplying sewer service to the Grand Ranch Addition in Tarrant County, Texas, (hereinafter "Grand Ranch"); and

WHEREAS, Johnson County Rural Water Supply Corporation, (hereinafter "JCRWSC"), is a non-profit water supply corporation organized pursuant to Tex. Rev. Civ. Stat. Art. 1434a; and

WHEREAS, JCRWSC provides retail water utility service to Grand Ranch, pursuant to Texas Natural Resource Conservation Commission Certificate of Convenience and Necessity No. 10081; and

WHEREAS, GRTC provides sanitary sewer service for Grand Ranch, some of whom are provided water utility service by JCRWSC; and

WHEREAS, it is recognized that the provision of sanitary sewer service to the residents in Grand Ranch is integrally related to JCRWSC's separate provision of water service to the same customers such that joint billing and collection practices are in the public interest; and

WHEREAS, it is the public interest for an Agreement to be entered into to facilitate the billing and collection charges from residents in Grand Ranch for sanitary sewer service.

1. Agency of JCRWSC. JCRWSC hereby agrees to serve as the agent for GRTC for the purposes of billing and collecting sanitary sewer service fees from customers of JCRWSC who: (1) are located in the Grand Ranch Addition in Tarrant County, Texas, and are recipients of sanitary sewer services from GRTC; and (2) have executed a copy of the application for sanitary sewer service or an application in substantially similar form. During the term of this Agreement, GRTC will be solely responsible for providing JCRWSC, and at all times maintaining, a current list of its customers to be billed by JCRWSC, which list shall contain the following information for each customer: (a) the customer's name and address; (b) the type of sanitary sewer service to be billed by JCRWSC on GRTC's behalf; and (c) the amount to be billed.

2. Payment Based on Sewer Rate Ordinance for Sewer Collection. JCRWSC agrees to add the fees due to GRTC in the amounts indicated by GRTC, to its monthly bills to customers. Each fee for sanitary sewer service will be stated separately on such bills. GRTC agrees to coordinate with JCRWSC so that the payment for the sanitary sewer services billed by JCRWSC on GRTC's behalf shall be due at the same time and

under the same terms as the payment billed by JCRWSC for water utility services. Upon receipt of payment due GRTC for sanitary sewer services, JCRWSC will deposit such sums in an account in JCRWSC's depository bank, commingled with payments made for JCRWSC water utility services. The funds, less unpaid fees charged by JCRWSC for services shall be forwarded to GRTC no less frequently than once a month. The funds shall be sent to GRTC in the amounts due reflected on the monthly bills to the customers, less JCRWSC's unpaid fees. JCRWSC will forward an accounting of the customers from whom payment has been received, the period and type of services and the fees retained by JCRWSC periodically or upon request with reasonable notice.

3. **Priority.** When payment for water and sewer collection by any customer is made, JCRWSC shall apply the funds paid first to any indebtedness of the customer and then to the payment of any indebtedness.

4. **Delinquency/Disconnection.** JCRWSC agrees to use its best efforts to collect amounts due to GRTC from customers for sanitary sewer service. If at any time any customer fails to pay any amounts collectible by JCRWSC pursuant to the terms of this Agreement, JCRWSC is authorized to terminate water utility services to the customer as deemed appropriate by JCRWSC in accordance with the procedure specified in any applicable water tariff and service regulations of JCRWSC then in effect. JCRWSC shall notify GRTC of all customer accounts which are delinquent and have been disconnected.

5. **Disconnection For Ill Customers.** Service will not be disconnected to any delinquent residential customer when it has been established that some person residing at that residence will become seriously ill, or more seriously ill, if service is disconnected. To avoid disconnection under these circumstances, the customer must provide a written statement from a physician to the utility prior to the stated date of disconnection. Service may be disconnected in accordance with Section 4 if the next month's bill, and the past due bill, are not paid by the due date of the next month's bill, unless the customer enters into a deferred payment plan with the utility.

6. **Reconnection.** In the event water service is disconnected for nonpayment of sanitary sewer service charges, except as otherwise required by law or as agreed to by GRTC, JCRWSC agrees not to provide water services to that customer until JCRWSC's receipt of payment of all delinquent sewer collection charges, plus any applicable charges which are then collectible in accordance with GRTC's tariff or other applicable law.

7. **Effect on Provision of Water.** This Agreement shall not affect or in any way impair JCRWSC's rights and obligations with respect to its customers or the provision of water utility services, except as specifically and expressly set forth in this Agreement, and as allowed by law.

8. **Fees.** GRTC agrees to pay JCRWSC an initial set-up fee for establishing JCRWSC's billing and collection procedures \$250.00. A set-up fee of \$5.00 will also be paid when GRTC notifies JCRWSC that a new account is to be collected by JCRWSC. In addition, GRTC agrees for JCRWSC to receive a monthly fee of 10% of the amount

collected each month to be retained as explained in Section 2. The monthly fees will be paid until the end of the month in which GRTC removes the account from the customer list provided to JCRWSC under paragraph 1 of this Agreement. If GRTC subsequently requests JCRWSC to reinstate an account which has been removed from the sewer service customer list, a reinstatement fee of \$5.00 per account will be paid to JCRWSC by GRTC.

9. Purpose of Order/Indemnity. This Agreement is made for the purpose of facilitating the billing and collection of fees for sanitary sewer services provided by GRTC. No partnership or joint venture is intended to be created hereby. JCRWSC's sole responsibility is that of GRTC's agent for billing and collection purposes and JCRWSC shall have no responsibility for, and GRTC shall indemnify, defend and hold JCRWSC harmless from any damage, claims, or causes of action arising from: (1) the construction, operation, maintenance, repair or existence of the sewer collection system; (2) the provision of sewer collection service; (3) any act or omission relating to such services; or (4) any act or omission of JCRWSC or GRTC, their agents, employees, or representatives, in the performance or nonperformance of their obligations under this Agreement, specifically including the negligence or breach of this Agreement by JCRWSC or by GRTC which does not amount to gross negligence or willful misconduct on the part of GRTC, its agents, employees, or representatives. This indemnity shall also extend to, but shall not be limited to, any cost, expense or fee, including attorney's fees, cost of court or expert fee, incurred by JCRWSC relating to or arising from any damages, claims, demands or causes of action. Further, by way of indemnity, GRTC shall at all times carry general liability insurance coverage in a form satisfactory to JCRWSC, with JCRWSC named as an additional named insured, covering all acts of JCRWSC on GRTC's behalf.

10. Termination and Attorney Fees. Either party to this Agreement may cancel same at any time for any reason by giving the other party 30 days written notice of cancellation. Such notice may be given by hand delivery or by certified mail, postage prepaid, return receipt requested, to the address shown on the signature page of this agreement. If any provision of the Agreement is determined by any regulatory or judicial body to be invalid, in violation of any law, or to be contrary to the rules, regulations, or orders of such body, or if any party to the Agreement is ordered or required by such body not to comply with any provision of this Agreement, the Agreement automatically and without notice terminates without penalty at the time such order becomes final and subject to appeal. The prevailing party in any legal proceeding against any other part of this Agreement brought under or which related to the Agreement or a breach thereof shall, in addition to its damages, shall be entitled to recover its costs and reasonable attorneys fees.

11. Notices. Any notice or communication required or permitted to be given hereunder shall be sufficiently given when received by any other party and must be: (1) delivered by hand delivery; or (2) mailed by certified mail, postage prepaid, return receipt requested, to the addresses indicated below, or at such other addresses as may hereafter be furnished in writing by any party to all other parties, such notice shall be

deemed to have been given as of the date so delivered or mailed.

EXECUTED ON THE 13 DAY OF March, 1997 AND WILL BE
IN EFFECT AS OF THE 1 DAY OF April, 1997.

JOHNSON COUNTY RURAL WATER SUPPLY CORPORATION

By: *Joseph Kealey*

Mailing Address:
P. O. Box 509
Cleburne, Texas 76033

ATTEST:

Peggy Johnson
Secretary *Office manager*

GRAND RANCH TREATMENT COMPANY

By: *Robert Beams*
Robert Beams President

Mailing Address:
3128 Handley Dr.
Fort Worth, Texas 76112

ATTEST:

Lynda Beams
Secretary *Lynda Beams*

Bowman Environmental Enterprises, LLC

801 S. Files St
Itasca, TX 76055
254.687.2642
bowmanenv@gmail.com

June 20, 2012

BEA Land Investments - Grand Ranch
Robert Beams
6850 Manhattan Blvd. # 108
Ft. Worth, TX 76120

We hereby submit specifications and estimates for the monthly operation of the Wastewater Treatment Plant under the following terms and conditions during the period of 7-01-12 to 7-01-13 in the amount of \$1600.00 monthly.

1. Provide licensed employees.
2. Maintain Workers Compensation Insurance.
3. Inspect and service the plant at least five days a week to provide the best possible effluent.
4. Provide preventative maintenance on all equipment.
5. Maintain operational log of plant and file monthly and yearly reports with TCEQ.
6. Emergency repairs shall be billed on the basis of manpower and equipment.
7. Non-emergency repairs, renovation and improvements shall have prior owner's approval.
8. Major repairs including those due to natural disasters will be bid out at owner's expense
9. Owner to be responsible for all parts and supplies necessary for the proper operation and maintenance of the plant.
10. Owner to be responsible for the cost of all testing required by TCEQ and EPA.
11. Owner to be responsible for the hauling and disposal of sludge.
12. The terms and conditions of the contract shall renew annually, unless provisions are changed.
13. This contract may be cancelled at any time by either party with a 30 day written notice.

Authorized Signature: _____

Daniel Bowman

Date: _____

June 20, 2012

Accepted By: _____

Robert Beams

Date: _____

7/1/12