



Control Number: 42994



Item Number: 1

Addendum StartPage: 0

House Bill (HB) 1600 and Senate Bill (SB) 567 83<sup>rd</sup>  
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.

42994



FRITZ, BYRNE, HEAD & HARRISON, PLLC

RECEIVED  
SEP 13 2013  
WATER AVAILABILITY DIVISION

RECEIVED  
2014 SEP 15 AM 10:33  
PUBLIC UTILITY COMMISSION  
FILING CLERK

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  
D&K Development Corporation

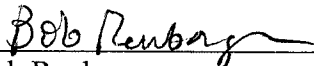
Dear Ms. Holquin-Benter:

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 D&K Development Corporation, together with its Certificate of Convenience and Necessity ("CCN") No. 20816 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\2611601\LETTERS\LTR-STM APPLICATION wpd





# 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# 101239796 \*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.: 20816  
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:

[Redacted area]

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: D&K Development Corporation  
(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: P.O. Box 172081, Arlington, TX 76003 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: Dewey D. Drury, Jr. Title: President  
Address: P.O. Box 172081, Arlington, Texas 76003 Telephone: (AC)  
Fax: (817) 346-0520 Email:

4. About the last rate increase for the system or facilities being transferred: [redacted]

A. What was the effective date of the last rate increase? 11/01/2011

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

No  Yes- Application/Docket Number: 2011-1551-UCR Date 09/01/2011

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: EMCAD Water and Wastewater, LLC

(Individual, Corporation, or Other Legal Entity)

Utility Name: Same as above

(If different than above)

Utility Address: 2492 Matterhorn Dr, Wexford, Pennsylvania 15090

Fax: Fax: (724) 934-1956 Email: Telephone (AC): 724-934-1936

CCN Numbers held prior to the filing of this application: None

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: 801768069

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

Municipally-owned utility

District (MUD, SUD, WCID, etc.)

County

Other (please explain): [redacted]

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 be 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 D&K Development from its shareholders via an asset purchase agreement for \$300,000 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:	\$847,724
Plant Acquisition Adjustment:	\$123,388
Extraordinary Loss on Purchase:	\$0
Accumulated Depreciation of Plant:	\$339,589
Cash:	20,000
Notes Payable:	230,000
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:  Date:

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

## TCEQ Interoffice Memorandum

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**To:** Debbie Reyes Tamayo  
Utilities Financial Review

**From:** Fred Bednarski  
Utilities Financial Review

**Thru:** Tammy Benter  
Utilities Financial Review

**Date:** February 19, 2014

**Subject:** Application from EMCAD Water and Wastewater, LLC, A2089, to Acquire Facilities and transfer Certificate of Convenience and Necessity (CCN) No. 20816 held by Dusty Drury dba D & K Development Corp., in Tarrant County; Application No. 37727-S

CN: pending; RN: pending (EMCAD Water and Wastewater, LLC)  
CN: 600677470; RN: 101239796 (D& K Development Corp.)

In my opinion, EMCAD Water and Wastewater, LLC, has demonstrated adequate financial and managerial capability to provide service to the area subject to this application. These conclusions are based on information provided by the applicant prior to this date and may not reflect any changes in the applicant's status subsequent to this review.

The application proposes EMCAD Water and Wastewater, LLC, to acquire facilities and transfer wastewater CCN 20816. The area subject to this transaction is located approximately 13 miles south of downtown Fort Worth, Texas and is generally bounded on the north by FM 1187; on the east by Crystal Lane; on the south by Floyd Hampton Road; and on the west by W Cleburne Road. The area includes approximately 192 acres and serves 159 current customers.

EMCAD intends to affect the current customers' rates and services as follows: No change to current rates and current service level will either be maintained or improved. EMCAD Water and Wastewater, LLC, key management staff are Donald Clayton, in charge of finance and administration and John Ebert, 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 for water and wastewater authorities. Mr. Ebert has worked in the utility and regulated industries for more than 30 years. Since January of 2006, he has been the CEO and principal shareholder of ANGD LLC which is a holding company for 2 small gas utilities one which additionally focuses on renewable energy from landfills. As of 02/16/2014, no enforcement cases were found in the Consolidated Compliance and Enforcement Data System.

## **TCEQ Interoffice Memorandum**

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Internally prepared personal financial statements were provided that indicate Mr. Clayton's net worth is \$2,120,000 as of 01/23/2014 and Mr. Ebert's net worth is \$9,607,000 as of 01/14/2014.



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

## **Central Records Personally Identifiable Information Audit**

### **NOTICE OF REDACTION**

**Documents containing Personally Identifiable Information\* have been redacted from electronic posting, in accordance with Texas privacy statutes.**

\*"Personally Identifiable Information" (PII) is defined to include information that alone or in conjunction with other information identifies an individual, including an individual's: Social security or employer taxpayer identification number, driver's license number, government-issued identification card number, or passport numbers, checking and savings account numbers, credit card numbers, debit card numbers, unique electronic identification number, address, or routing code, electronic mail names or addresses, internet account numbers, or internet identification names, digital signatures, unique biometric data, and mother's maiden name, marriage and any other numbers or information used to access an individual's financial account.

**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       -

-Name of Permittee:  **D&K Development Corporation**

-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	147
-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	147

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, OSSF Main. Prov., OSSF Int. II	WW0012791
Jon Bowman	"D" Water Oper., OSSF Inst. I, OSSF App., OSSF Maint., "C" WW T.O.	WW0030795

24. Attach the following maps with each copy of the application:
- a. 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.
  - b. 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:
    1. A general location map delineating the proposed service area with enough detail to accurately locate the proposed area within the county.
    2. A map showing only the proposed area by:
      - i. metes and bounds survey certified by a licensed state or registered professional land surveyor; or
      - ii. projectable digital data with metadata (proposed areas should be in a single record and clearly labeled, data disk should be included); or
      - iii. following verifiable natural and man-made landmarks, or
      - iv. a copy of recorded plat map with metes and bounds.
    3. A written description of the proposed service area.

OATH FOR SELLER OR FORMER SERVICE PROVIDER

STATE OF TEXAS

COUNTY OF TARRANT

I, DEWEY D. DRURY, being duly sworn, file this application for sale, lease, rental or merger or consolidation as PRESIDENT OF D & K DEVELOPMENT CORP. (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.

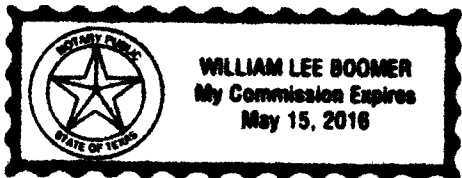
I further state that I have provided to the purchaser or transferee a written disclosure statement about any contributed property as required under Section 13.301(j) and copies of any outstanding Orders of the Commission or Attorney General and have also complied with the notice requirements in Section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

Dewey D. Drury  
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<sup>th</sup> of SEPT., 20 13.

SEAL



William L Boomer  
NOTARY PUBLIC IN AND FOR THE  
STATE OF TEXAS

WILLIAM LEE BOOMER  
PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES MAY 15, 2016

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

OATH FOR PURCHASER OR ACQUIRING ENTITY

STATE OF Texas

COUNTY OF Tarrant

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.

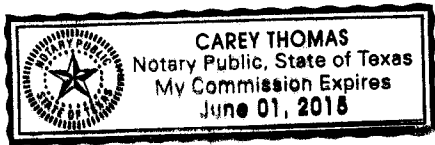
[Signature]
AFFIANT
(Utility's Authorized Representative)

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



[Signature]
NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS

Carey Thomas
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

D&K Development Corporation 'S  
(Seller's or Transferor's Name)

NOTICE OF INTENT TO SELL FACILITIES AND TRANSFER CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) NO 20816 TO EMCAD Water and Wastewater, LLC  
(Purchaser's or Transferee's Name)  
IN Tarrant COUNTY, TEXAS

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

\_\_\_\_\_  
(Address)

City State Zip

D&K Development Corporation P.O. Box 172081 Arlington / TX / 76003  
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. 20816 in Tarrant [County Name]

County to:

EMCAD Water and Wastewater, LLC 2492 Matterhorn Dr Wexford / PA / 15090  
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:

Mayfair, Mayfair South, Mayfair West

The area subject to this transaction is located approximately 13 miles south [direction] of downtown Fort Worth, [City or Town] Texas, and is generally bounded on the north by FM 1187; on the east by Pherson Rd; on the south by \_\_\_\_\_; and on the west by \_\_\_\_\_

The total area being requested includes approximately 50 acres and serves 159 current customers. This transaction will have the following effect on the current customer's rates and services:  
No change to current 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**

D&K Development Corporation '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  
Tarrant COUNTY, TEXAS

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

\_\_\_\_\_  
(Address)  
\_\_\_\_\_  
City State Zip

D&K Development Corporation P.O. Box 172081 Arlington / TX / 76003  
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 Tarrant [County Name] County to:

EMCAD Water and Wastewater, LLC 2492 Matterhorn Dr Wexford / PA / 15090  
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:

Mayfair

The area subject to this transaction is located approximately 13 miles south [direction] of downtown Fort Worth, [City or Town] Texas, and is **generally** bounded on the north by FM 1187; on the east by Pherson Rd; on the south by \_\_\_\_\_; and on the west by \_\_\_\_\_

The total area being requested includes approximately 50 acres and serves 159 current customers. This transaction will have the following effect on the current customer's rates and services:  
No change to current 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

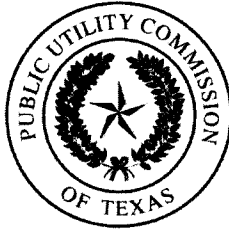
Utility Representative

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 Inspection Report for D&K Development Corp., dated 09/10/2012 and related correspondence
Exhibit L	Wastewater Treatment Plant Information



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

## **Central Records Personally Identifiable Information Audit**

### **NOTICE OF REDACTION**

**Documents containing Personally Identifiable Information\* have been redacted from electronic posting, in accordance with Texas privacy statutes.**

\*\*"Personally Identifiable Information" (PII) is defined to include information that alone or in conjunction with other information identifies an individual, including an individual's: Social security or employer taxpayer identification number, driver's license number, government-issued identification card number, or passport numbers, checking and savings account numbers, credit card numbers, debit card numbers, unique electronic identification number, address, or routing code, electronic mail names or addresses, internet account numbers, or internet identification names, digital signatures, unique biometric data, and mother's maiden name, marriage and any other numbers or information used to access an individual's financial account.

**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 Business in Texas ACTIVE  
State of Formation TX  
Effective SOS Registration Date 04/15/2013  
Texas SOS File Number 0801768069  
Registered Agent Name BILL F BOGLE  
Registered Office Street Address 777 MAIN ST., STE 3600  
FORT WORTH, TX 76102

**Exhibit D**

Map and List of Neighboring Utilities

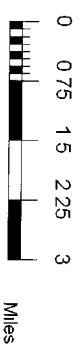




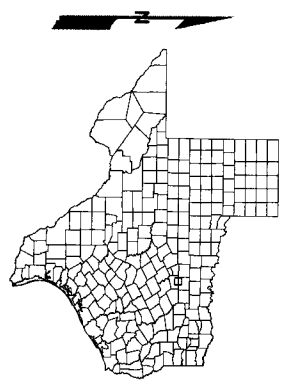
Texas Commission on Environmental Quality  
P.O. Box 13087  
Austin, Texas 78711-3087

For more information  
concerning this map, please contact the  
Water Supply Division at (512) 239-4691.  
07/12/2013

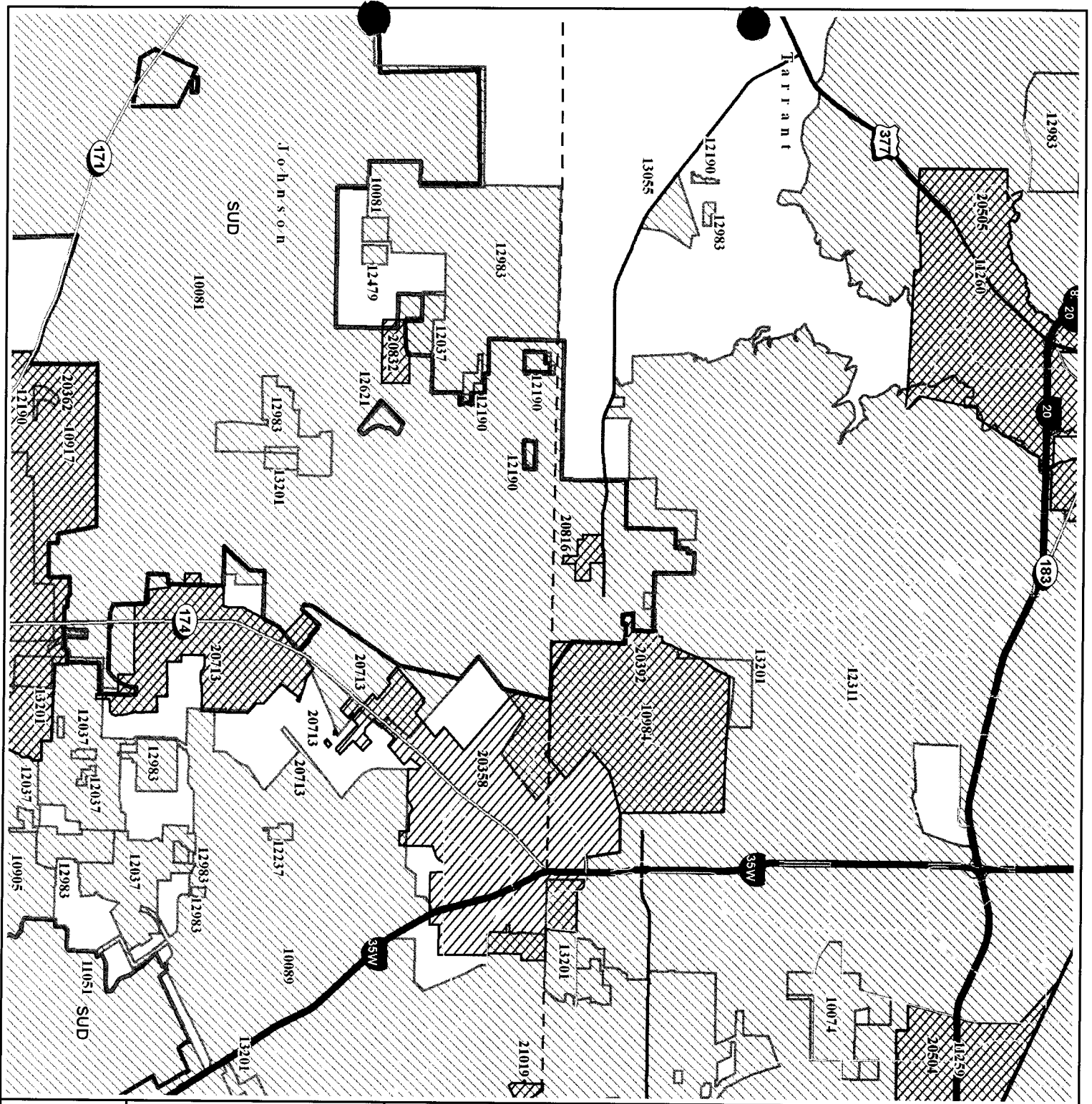
### The Selected Area of Interest



- Legend**
- Water CCN Facility Line
  - Sewer CCN Facility Line
  - Senate - Districts
  - House - Districts
  - TCEQ Service Region Boundary
  - County Boundary
  - Sewer CCN Service Area
  - Water CCN Service Area
  - City Boundary
  - CCN Overlap Key
  - Sewer-Water CCN Service Area



**Disclaimer:**  
This map was generated by the Integrated Water Utilities Database (IWUD) from the Texas Commission on Environmental Quality. No claims are made to the accuracy or completeness of the data or to its suitability for a particular use.





# 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

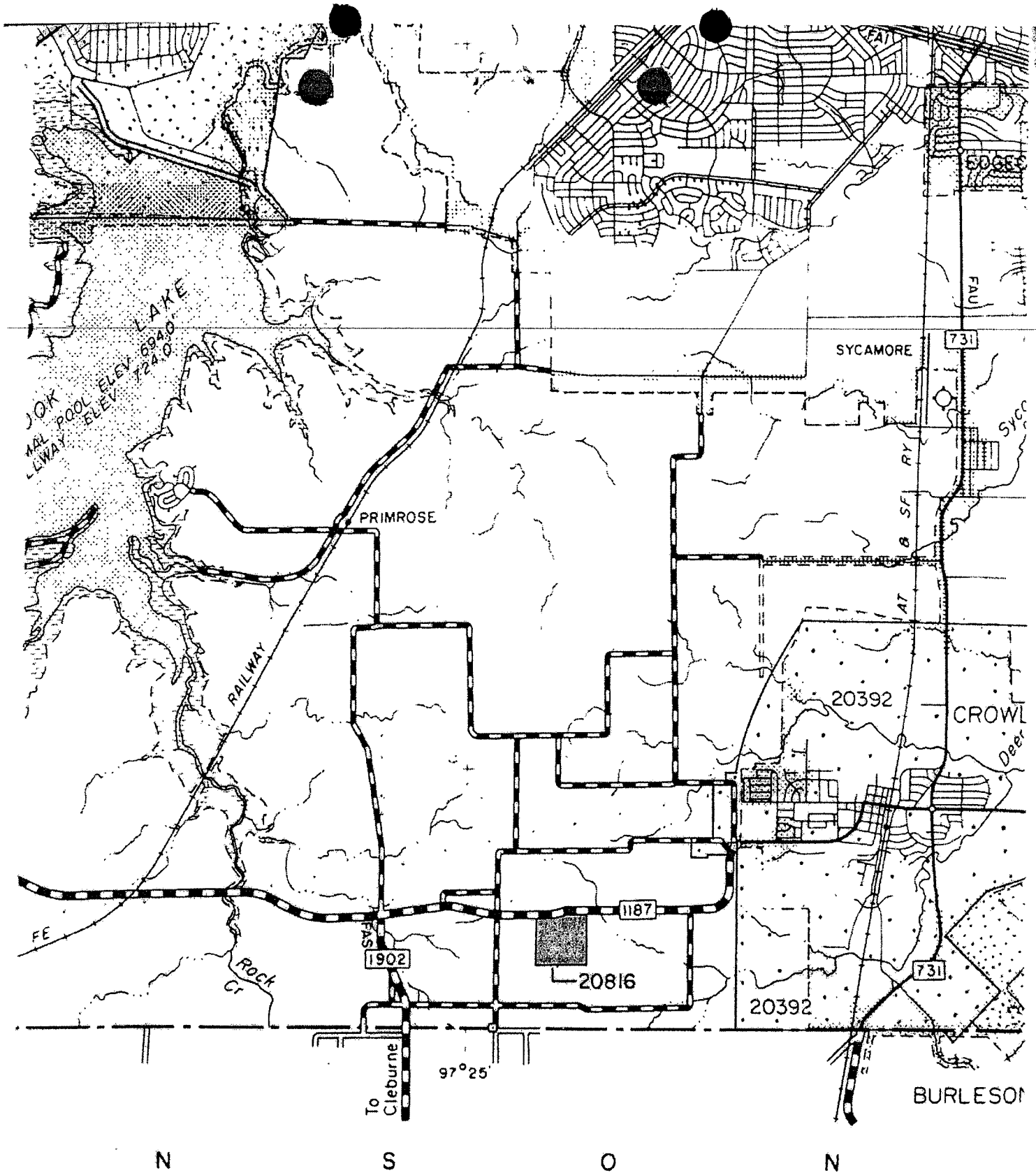
## List of Neighboring Utilities

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

**Utility:** City of Fort Worth  
**CCN No:** 12311  
**Address:** 1000 THROCKMORTON ST  
FORT WORTH , TEXAS 76102-6312

**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



WRS-220  
TARRANT COUNTY

D & K Development Corporation  
Sewer Service Area  
CCN No. 20816

Scale: 1" = 1 mile





**Exhibit E**

Operator Information

April 11, 1996

## SEWER SERVICE BILLING AGREEMENT

WHEREAS, D&K Development Corp., (hereinafter "D&K"), is a public utility holding Conversation Commission Certificate of Convenience and Necessity No. \_\_\_\_\_ from the Texas Natural Resource Conservation Commission (hereinafter "TNRCC"), supplying sewer service to the Mayfair Addition in Johnson County, Texas, (hereinafter "Mayfair"); 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 Mayfair, pursuant to Texas Natural Resource Conservation Commission Certificate of Convenience and Necessity No. 10081; and

WHEREAS, D&K provides sanitary sewer service for Mayfair, 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 Mayfair 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 Mayfair for sanitary sewer service.

1. **Agency of JCRWSC.** JCRWSC hereby agrees to serve as the agent for D&K for the purposes of billing and collecting sanitary sewer service fees from customers of JCRWSC who: (1) are located in the Mayfair Addition in Tarrant County, Texas, and are recipients of sanitary sewer services from D&K; 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, D&K will be solely responsible for providing to 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 D&K'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 D&K in the amounts indicated by D&K, to its monthly bills to customers. Each fee for sanitary sewer service will be stated separately on such bills. D&K agrees to coordinate with JCRWSC so that the payment for the sanitary sewer services billed by JCRWSC on D&K'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 D&K 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 D&K no less frequently than once a month. The funds shall be sent to D&K 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 D&K 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 D&K 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 D&K, 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 D&K'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.** For each sanitary sewer service account collected by JCRWSC, D&K agrees to pay JCRWSC a rate of \$5.00 for each account as an initial set-up fee for establishing JCRWSC's billing and collection procedures. This set-up fee is also to be paid when D&K notifies JCRWSC that a new account is to be collected by JCRWSC.

In addition, D&K agrees for JCRWSC to receive a fee of \$2.00 per account per month to be retained as explained in Section 2. The monthly fee will be paid until the end of the month in which D&K removes the account from the customer list provided to JCRWSC under paragraph 1 of this Agreement. If D&K 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 D&K.

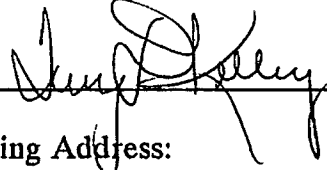
**9. Purpose of Order/Indemnity.** This Agreement is made for the purpose of facilitating the billing and collection of fees for sanitary sewer services provided by D&K. No partnership or joint venture is intended to be created hereby. JCRWSC's sole responsibility is that of D&K's agent for billing and collection purposes and JCRWSC shall have no responsibility for, and D&K 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 D&K, 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 D&K which does not amount to gross negligence or willful misconduct on the part of D&K, 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, D&K 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 D&K'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 to this Agreement brought under or which relates 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 22 DAY OF May, 1996 AND WILL BE  
IN EFFECT AS OF THE 22 DAY OF May, 1996.

JOHNSON COUNTY RURAL WATER SUPPLY CORPORATION

By: 

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

ATTEST:

\_\_\_\_\_  
Secretary

D&K DEVELOPMENT CORP.

By: 

Mailing Address:  
P. O. Box 523  
Godley, Texas 76044

ATTEST:

\_\_\_\_\_  
Secretary



# Johnson County Rural Water Supply Corp.

*"Member of the Texas Rural Water Association"*

## AMENDMENT

### SEWER SERVICE BILLING AGREEMENT

**Section 8 – Fees.** For each sanitary sewer service account collected by JCRWSC, D&K agrees to pay JCRWSC a rate of \$5.00 for each account as an initial set-up fee for establishing JCRWSC's billing and collection procedures. This set-up fee is also to be paid when D&K notifies JCRWSC that a new account is to be collected by JCRWSC. In addition, D&K agrees for JCRWSC to receive a monthly fee of 10% of the amount collected each month to be retained as explained in Section 2. If D&K 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 D&K.

EXECUTED ON THE 12 DAY OF March, 2001 AND WILL BE IN EFFECT AS OF THE 1<sup>ST</sup> DAY OF JULY, 2001.

JOHNSON COUNTY RURAL WATER SUPPLY CORPORATION

By: [Signature]

Mailing Address:  
PO Box 509  
Cleburne, TX 76033

ATTEST:

\_\_\_\_\_

D&K DEVELOPMENT CORP.

By: [Signature]

Mailing Address:  
PO Box 523  
Godley, TX 76044

ATTEST:

\_\_\_\_\_

AMENDMENT

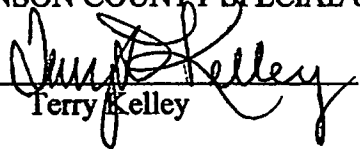
SEWER SERVICE BILLING AGREEMENT

**Section 8 – Fees.** For each sanitary sewer service account collected by Johnson County Special Utility District (JCSUD), D & K agrees to pay JCSUD a rate of \$ 5.00 for each account as an initial set-up fee for establishing JCSUD's billing and collection procedures. This set-up fee is also to be paid when D & K notifies JCSUD that a new account is to be collected by JCSUD. In addition, D & K agrees for JCSUD to receive a monthly fee in the amount of \$ 5.00 per connection billed to be retained as explained in Section 2. If D & K requests JCSUD 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 JCSUD by D & K.

EXECUTED ON THE 26 DAY OF AUGUST 2008 AND WILL BE IN EFFECT AS OF THE 1 st. DAY OF SEPTEMBER, 2008.

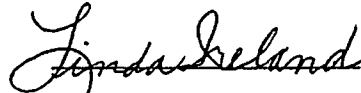
JOHNSON COUNTY SPECIAL UTILITY DISTRICT

By:

  
Terry Kelley


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

ATTEST:



D & K DEVELOPMENT CORP.

By:

  
William L. Boomer  
Attorney-In-Fact

Mailing Address:  
P. O. Box 172081  
Arlington, Texas 76003

ATTEST:

\_\_\_\_\_

### Bowman Environmental Enterprises, LLC

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

June 25, 2013

D&K Development Corp (Mayfair)  
PO Box 172081  
Arlington, TX 76003-2081

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 \$1600.00 monthly. An additional \$90.00 per day will apply for work on weekends and holidays.

1. Provide licensed employees.
2. Maintain General Liability and Workers Compensation Insurance.
3. Inspection of the facilities at least five time 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* (B2)

Date: 8-1-13

Accepted on behalf of client by: *Doreen H. Dorey*

Date: July 30, 2013



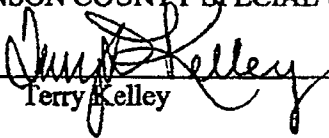
AMENDMENT

SEWER SERVICE BILLING AGREEMENT

**Section 8 – Fees.** For each sanitary sewer service account collected by Johnson County Special Utility District (JCSUD), D & K agrees to pay JCSUD a rate of \$ 5.00 for each account as an initial set-up fee for establishing JCSUD's billing and collection procedures. This set-up fee is also to be paid when D & K notifies JCSUD that a new account is to be collected by JCSUD. In addition, D & K agrees for JCSUD to receive a monthly fee in the amount of \$ 5.00 per connection billed to be retained as explained in Section 2. If D & K requests JCSUD 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 JCSUD by D & K.

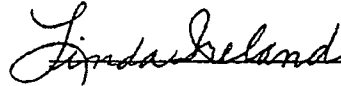
EXECUTED ON THE 26 DAY OF AUGUST 2008 AND WILL BE IN EFFECT AS OF THE 1 st. DAY OF SEPTEMBER, 2008.

JOHNSON COUNTY SPECIAL UTILITY DISTRICT


By:   
Terry Kelley

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

ATTEST:



D & K DEVELOPMENT CORP.

By:   
William L. Boomer  
Attorney-In-Fact

Mailing Address:  
P. O. Box 172081  
Arlington, Texas 76003

ATTEST:

\_\_\_\_\_

April 11, 1996

## SEWER SERVICE BILLING AGREEMENT

WHEREAS, D&K Development Corp., (hereinafter "D&K"), is a public utility holding Conversation Commission Certificate of Convenience and Necessity No. \_\_\_\_\_ from the Texas Natural Resource Conservation Commission (hereinafter "TNRCC"), supplying sewer service to the Mayfair Addition in Johnson County, Texas, (hereinafter "Mayfair"); 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 Mayfair, pursuant to Texas Natural Resource Conversation Commission Certificate of Convenience and Necessity No. 10081; and

WHEREAS, D&K provides sanitary sewer service for Mayfair, 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 Mayfair 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 Mayfair for sanitary sewer service.

1. Agency of JCRWSC. JCRWSC hereby agrees to serve as the agent for D&K for the purposes of billing and collecting sanitary sewer service fees from customers of JCRWSC who: (1) are located in the Mayfair Addition in Tarrant County, Texas, and are recipients of sanitary sewer services from D&K; 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, D&K will be solely responsible for providing to 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 D&K'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 D&K in the amounts indicated by D&K, to its monthly bills to customers. Each fee for sanitary sewer service will be stated separately on such bills. D&K agrees to coordinate with JCRWSC so that the payment for the sanitary sewer services billed by JCRWSC on D&K's behalf shall be due at the same time and

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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 D&K 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 D&K 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 D&K, 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 D&K'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.** For each sanitary sewer service account collected by JCRWSC, D&K agrees to pay JCRWSC a rate of \$5.00 for each account as an initial set-up fee for establishing JCRWSC's billing and collection procedures. This set-up fee is also to be paid when D&K notifies JCRWSC that a new account is to be collected by JCRWSC.

In addition, D&K agrees for JCRWSC to receive a fee of \$2.00 per account per month to be retained as explained in Section 2. The monthly fee will be paid until the end of the month in which D&K removes the account from the customer list provided to JCRWSC under paragraph 1 of this Agreement. If D&K 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 D&K.

**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 D&K. No partnership or joint venture is intended to be created hereby. JCRWSC's sole responsibility is that of D&K's agent for billing and collection purposes and JCRWSC shall have no responsibility for, and D&K 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 D&K, 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 D&K which does not amount to gross negligence or willful misconduct on the part of D&K, 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, D&K 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 D&K'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 to this Agreement brought under or which relates 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 \_\_\_\_\_ DAY OF \_\_\_\_\_, 1996 AND WILL BE  
IN EFFECT AS OF THE \_\_\_\_\_ DAY OF \_\_\_\_\_, 1996.

JOHNSON COUNTY RURAL WATER SUPPLY CORPORATION


By: \_\_\_\_\_

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

ATTEST:

\_\_\_\_\_  
Secretary

D&K DEVELOPMENT CORP.

By:  \_\_\_\_\_

Mailing Address:  
P. O. Box 523  
Godley, Texas 76044

ATTEST:

\_\_\_\_\_  
Secretary



# CERTIFICATE OF LIABILITY INSURANCE

DANDK-1

OP ID: KT

DATE (MM/DD/YYYY)

10/11/12

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must be endorsed. If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER First Texas Insurance Services, L.C. 700 Highlander, Ste. 350 Arlington, TX 76015	817-275-2626	CONTACT NAME:	
	817-275-2661	PHONE (A/C, No, Ext):	FAX (A/C, No):
		E-MAIL ADDRESS:	
		INSURER(S) AFFORDING COVERAGE	
		INSURER A: <b>Rockhill Insurance Company</b>	
		INSURER B:	
		INSURER C:	
		INSURER D:	
		INSURER E:	
		INSURER F:	
INSURED	D and K Development Corp Dusty Greer P O Box 172081 Arlington, TX 76003-2081		

**COVERAGES****CERTIFICATE NUMBER:****REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR   WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY		RPKGE006196-00	01/25/12	01/25/13	EACH OCCURRENCE \$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY					DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 50,000
	CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR					MED EXP (Any one person) \$ 5,000
	<input checked="" type="checkbox"/> Pollution Liab 1m					PERSONAL & ADV INJURY \$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:					GENERAL AGGREGATE \$ 2,000,000
	<input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJ <input type="checkbox"/> LOC					PRODUCTS - COMP/OP AGG \$ 2,000,000
	AUTOMOBILE LIABILITY					
	ANY AUTO					COMBINED SINGLE LIMIT (Ea accident) \$
	ALL OWNED AUTOS	<input type="checkbox"/> SCHEDULED AUTOS				BODILY INJURY (Per person) \$
	HIRED AUTOS	<input type="checkbox"/> NON-OWNED AUTOS				BODILY INJURY (Per accident) \$
	UMBRELLA LIAB	<input type="checkbox"/> OCCUR				PROPERTY DAMAGE (Per accident) \$
	EXCESS LIAB	<input type="checkbox"/> CLAIMS-MADE				
	DED	RETENTION \$				EACH OCCURRENCE \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY					AGGREGATE \$
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	Y/N <input type="checkbox"/>	N/A			WC STATUTORY LIMITS
	If yes, describe under DESCRIPTION OF OPERATIONS below					OTH-ER
						E.L. EACH ACCIDENT \$
						E.L. DISEASE - EA EMPLOYEE \$
						E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

**CERTIFICATE HOLDER****CANCELLATION**

Insured's Purposes	INSURED	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
		AUTHORIZED REPRESENTATIVE <i>D. Myers</i>

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# ENVIRONMENTAL MONITORING LABORATORY, L.L.C.

BIOLOGICAL & CHEMICAL ANALYSIS / UTILITIES MANAGEMENT & OPERATION / WATERWELL DRILLING & SERVICE / GEOLOGICAL INVESTIGATION

May 14, 2012

DK Development  
Attn: Dusty Drury  
P. O. Box 172081  
Arlington Texas 76003-2081



T104704247-11-3

## Bid Proposal For DK Development – Crowley/Mayfair

### MISSION AND INTRODUCTION

EML offers a full range of laboratory capabilities for biological and chemical analyses on water, wastewater, sludge, and soil, with "Operator Friendly" and flexible sampling, to meet any routine and special environmental requirements and needs. Serving the greater Texas region and beyond for over 24 years, our newly completed 6,400 sq. ft. state-of-the-art facility is staffed with Chemists, Biologists, Environmental Scientists as well as water and wastewater operators with a combined experience of over 70 years.

Final Effluent: BOD, TSS, pH, DO .....	\$ 51.00*
NH3N .....	\$ 30.00*
E-Coli .....	\$19.00*
Fuel Charge .....	\$ 21.00*

\*Prices shown above are per week. All prices are guaranteed for one year from the date of the accepted proposal.

ENVIRONMENTAL SCIENTIST  
C.C. "Chuck" Blair, M.S. P.G.

**LABORATORY**

Dr. Gene Newton, PhD  
Chemist / Biologist  
John Scott, B.S. - DID  
General Manager / Chief Analyst  
Serissa Beck, A.A. - DID  
Lab Manager / Chief Analyst  
Clint Blair, B.A. - Analyst, DID  
Heather Wagner  
Data Manager / Lab Tech II  
Kristen Rabe -  
Assistant Data Manager / Lab Tech IV  
Natalie Kirk, A.A.  
Lab Analyst  
Ruth Walters - Lab Tech I

**FIELD OPERATIONS**

Jim Scott, A.S. - QIC  
Jennifer Gresham, DID  
Glenn Tidwell, Jr. DID

**SPECIAL PROJECT MANAGER**  
Michele Meeks Plummer

### ACCREDITATION

EML is an EPA and TCEQ approved laboratory with exemplary audits, ERA proficiency / quality standards program, \*NELAP certified No. T104704247 and hold a Certificate of Registered Water and Wastewater Operation Company. EML is approved for the U.S. Army Corps of Engineers, TXDOT, and the State of Texas sampling programs. \*NELAP - National Environmental Laboratory Accreditation Program

Thank You For Your Consideration,

Chuck Blair, M.S.  
Environmental Scientist

## Bowman Environmental Enterprises, LLC

801 S. Files St  
Itasca, TX 76055  
254.687.2642  
[bowmanenv@gmail.com](mailto:bowmanenv@gmail.com)

June 20, 2012

D&K Development Corp (Mayfair)  
P.O. Box 172081  
Arlington, TX 76003-2081

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. An additional \$90.00 per day will apply for work on weekends and holidays.

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: \_\_\_\_\_

*Dario Bowman*

Date: \_\_\_\_\_

*June 20, 2012*

Accepted By: \_\_\_\_\_

*[Signature]*

Date: \_\_\_\_\_

*June 21, 2012*



**Exhibit F**

Platted Areas and Property Description

