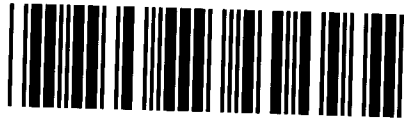


Control Number: 43255



Item Number: 9

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.



Wet Rock Groundwater Services, L.L.C.
Groundwater Specialists

TBPG Firm No: 50038
311 Ranch Road 620 South, Suite 203
Austin, Texas 78734 • Ph: 512-773-3226
www.wetrockgs.com

RECEIVED
2014 SEP 15 AM 10:01
PUBLIC UTILITY COMMISSION
FILING CLERK

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

May 7, 2014
2014 MAY 9 AM 7 12
WATER SUPPLY DIV.

Re: Application from NLP Summit Springs, LLC to Obtain a New Water Certificate of Convenience and Necessity

CN: pending; RN: pending (NLP Summit Springs, LLC - Applicant)

To Whom it May Concern:

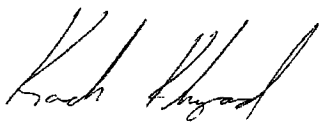
This letter serves as a brief summary of the NLP Summit Springs, LLC (Summit Springs) application for a new water Certificate of Convenience and Necessity (CCN) in Blanco and Burnet Counties. Wet Rock Groundwater Services, LLC is submitting this application on behalf of Summit Springs. Enclosed with the application is a core data form and various attachments that complete the necessary information required as part of the application.

Summit Springs was created as a limited liability corporation by National Land Partners to develop the Summit Springs Subdivision and a centralized public water system to serve the subdivision. Mr. Davy Roberts is the president of Summit Springs and has an excellent track record of developing subdivisions with public water supply systems in the State of Texas. Summit Springs will be solely responsible for developing the water system which will be operated by a qualified independent contractor.

Summit Springs is in the process of developing an 860-acre tract in Blanco and Burnet Counties which will consist of 238 lots at full build out. In conjunction with this CCN application, Summit Springs is submitting plans and specifications for public supply wells and a public water system to the Texas Commission on Environmental Quality, and groundwater permits have been obtained from the Central Texas Groundwater Conservation District. A groundwater availability report was completed for the property and concluded that wells completed in the Ellenburger-San Saba Aquifer on the Summit Springs property will provide adequate water quality and supply to meet the Texas Commission on Environmental Quality public supply standards.

Please call me at 512-773-3226 if you have any questions or require additional information.

Respectfully submitted,
Wet Rock Groundwater Services, L.L.C.



Kaveh Khorzad, P.G.
President/ Senior Hydrogeologist



NLP Summit Springs, LLC

**Application to Obtain a Water
Certificate of Convenience and Necessity**

May 2014

for

**NLP Summit Springs, LLC
9508 E. Hwy 71
Spicewood, Texas 78669**

Core Data Form



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 checked="" 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 New CCN Applicant
2. Attachments Describe Any Attachments: (ex. Title V Application, Waste Transporter Application, etc.)	
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	New CCN Application
3. Customer Reference Number (if issued)	4. Regulated Entity Reference Number (if issued)
CN	RN

SECTION II: Customer Information

5. Effective Date for Customer Information Updates (mm/dd/yyyy)		May 1, 2014	
6. Customer Role (Proposed or Actual) – as it relates to the Regulated Entity listed on this form. Please check only one 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"/> General Partnership	<input checked="" type="checkbox"/> Limited Partnership	
<input type="checkbox"/> Other Government	<input type="checkbox"/> Other: _____		
9. Customer Legal Name (If an individual, print last name first: ex: Doe, John)			
NLP Summit Springs, LLC		If new Customer, enter previous Customer below	
		End Date:	
9508 E Hwy 71		N/A	
10. Mailing Address:			
City Spicewood State TX ZIP 78669 ZIP + 4			
11. Country Mailing Information (if outside USA)		12. E-Mail Address (if applicable)	
		davy@lonestarlampartners.com	
13. Telephone Number		14. Extension or Code	
(281) 705 - 0214		N/A	
15. Fax Number (if applicable)			
() -			
16. Federal Tax ID (9 digits)		17. TX State Franchise Tax ID (11 digits)	
46-4284887		32052659813	
18. DUNS Number (if applicable)		19. TX SOS Filing Number (if applicable)	
		0801897440	
20. Number of Employees			
<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			
21. Independently Owned and Operated?			
<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 checked="" type="checkbox"/> New Regulated Entity	<input type="checkbox"/> Update to Regulated Entity Name
<input 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)	
NLP Summit Springs, LLC	

24. Street Address of the Regulated Entity: (No P.O. Boxes)	9508 E Hwy 71							
	City	Spicewood	State	TX	ZIP	78669	ZIP + 4	
25. Mailing Address:	9508 E Hwy 71							
	City	Spicewood	State	TX	ZIP	78669	ZIP + 4	
26. E-Mail Address:	droberts@lonestarlandpartners.com							
27. Telephone Number	28. Extension or Code		29. Fax Number (if applicable)					
(281) 705- 0214	N/A		() -					
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)			
6552	N/A		531390		N/A			
34. What is the Primary Business of this entity? (Please do not repeat the SIC or NAICS description.)								
Land development								

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

35. Description to Physical Location:	6325 County Road 401, Marble Falls, TX - Approximately 2.6 miles south of the intersection of State Hwy 71 and County Road 401 in southern Burnet County					
36. Nearest City	County		State		Nearest ZIP Code	
Marble Falls	Burnet		TX		78669	
37. Latitude (N) In Decimal:	30.46215742		38. Longitude (W) In Decimal:		-98.26043152	
Degrees	Minutes	Seconds	Degrees	Minutes	Seconds	

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 checked="" 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 type="checkbox"/> Waste Water	<input type="checkbox"/> Wastewater Agriculture	<input type="checkbox"/> Water Rights	<input type="checkbox"/> Other:

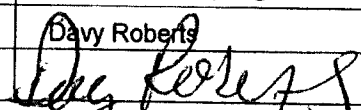
SECTION IV: Preparer Information

40. Name:	Kaveh Khorzad	41. Title:	Professional Geologist
42. Telephone Number	43. Ext./Code	44. Fax Number	45. E-Mail Address
(512) 773- 3226		() -	k.khorzad@wetrockgs.com

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:	NLP Summit Springs, LLC	Job Title:	Limited Partner
Name (In Print):	Davy Roberts	Phone:	(281) 705- 0214
Signature:		Date:	5/6/14



APPLICATION TO OBTAIN OR AMEND A WATER OR SEWER CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN)

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GENERAL INFORMATION

★★★★★THIS APPLICATION IS **NOT** A RATE CHANGE APPLICATION. THE APPROPRIATE FORMS NEEDED TO FILE A RATE CHANGE APPLICATION MAY BE OBTAINED AT THE FOLLOWING WEBSITE ¹ OR BY CONTACTING THE UTILITIES AND DISTRICTS SECTION ², TEXAS COMMISSION ON ENVIRONMENTAL QUALITY. YOU CAN ALSO CALL OUR MAIN WATER SUPPLY DIVISION LINE AT 512-239-4691. ★★★★★

- ☛ Pursuant to V.T.C.A., Water Code, Chapter 13, Subchapter G:
 - CCNs may be obtained by any retail public water and/or sewer utility.
 - CCNs are required for:
 - a) Investor Owned Utilities (IOU);
 - b) Non-profit, member-owned, member-controlled water supply or sewer service
 - c) corporations (WSC) incorporated under Water Code, Chapter 67; and Affected counties.
 - CCNs may be required for political subdivisions, except affected counties, before utility service can be provided to an area already lawfully being served.
- ☛ A CCN gives the holder:
 - the legal right to provide water and/or sewer utility service;
 - the legal right to be compensated, either directly through a monthly rate or indirectly through maintenance fees, property owners fees, etc.;
 - a delineated service area; **AND**
 - the obligation to provide service to every customer and qualified applicant who requests service within that area.
- ☛ A CCN is not required when service is either submetered pursuant to Water Code, Chapter 13, Subchapter M, or included in the rental of the property.
- ☛ IOUs and WSCs with less than 15 potential retail water service connections may register as "exempt" and then are not required to possess a CCN for their service area if they meet the exemption criteria. This exemption **does not apply** to sewer providers with less than 15 potential retail sewer connections. Retail sewer utilities **must** obtain a CCN to provide retail sewer service to more than one connection.

This application shall not be changed, altered or amended from its original form only available from the TCEQ.

PROCESSING YOUR CCN APPLICATION

☛ FLOW CHART

Attached are flowcharts of the review process. Your application will go through an Administrative Review and, when accepted for filing, a Technical Review. For uncontested applications, processing time depends on the response time of the applicant. Contested applications generally take longer because of the need for scheduling a public hearing, and processing time depends on whether a settlement agreement between the applicant and the protestor(s) is reached.

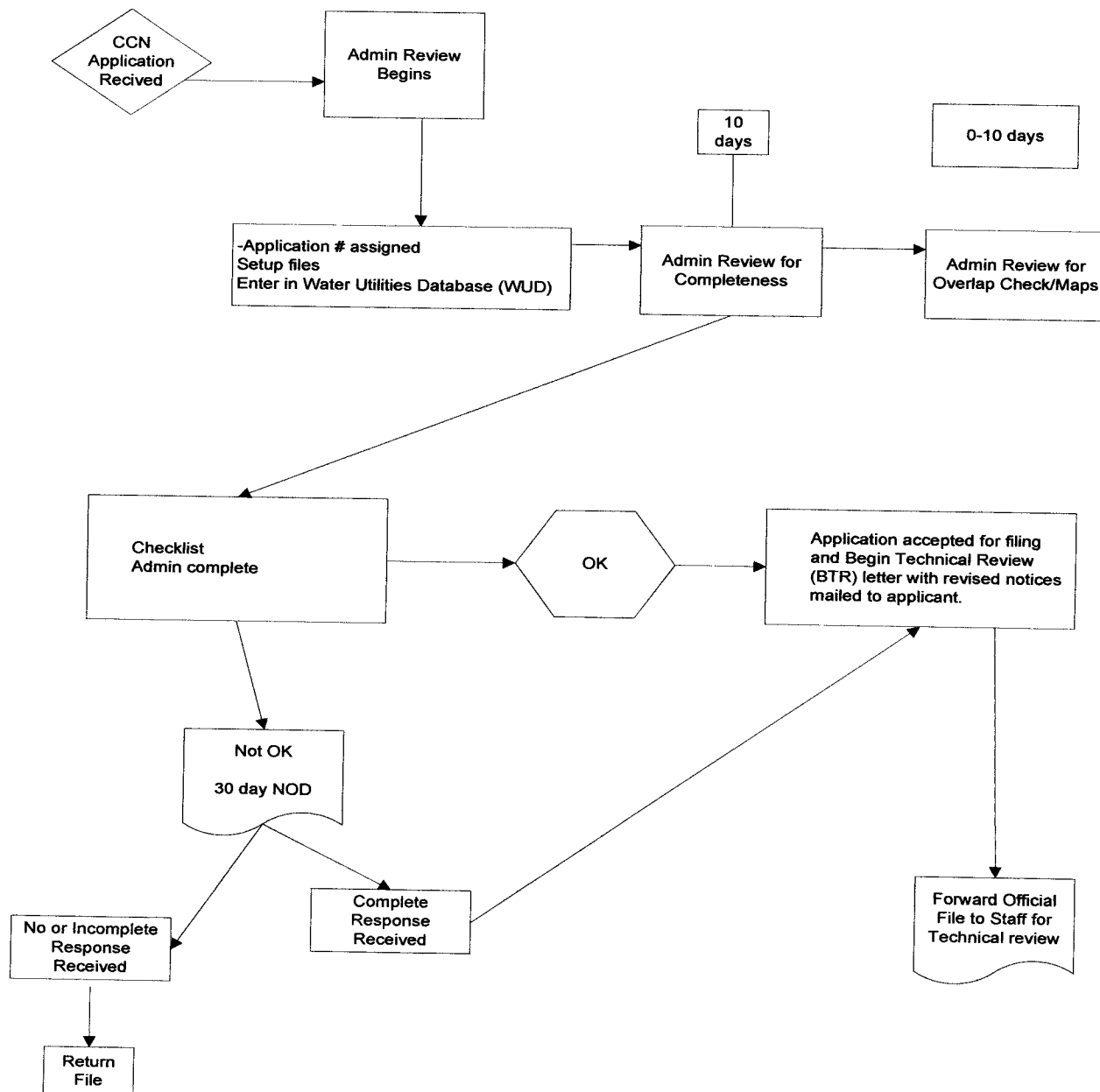
¹. http://www.tceq.texas.gov/utilities/utility_rulesguide.html#ratechange

². utildist@tceq.texas.gov

CCN Administrative (Admin) Review Process – Flowchart

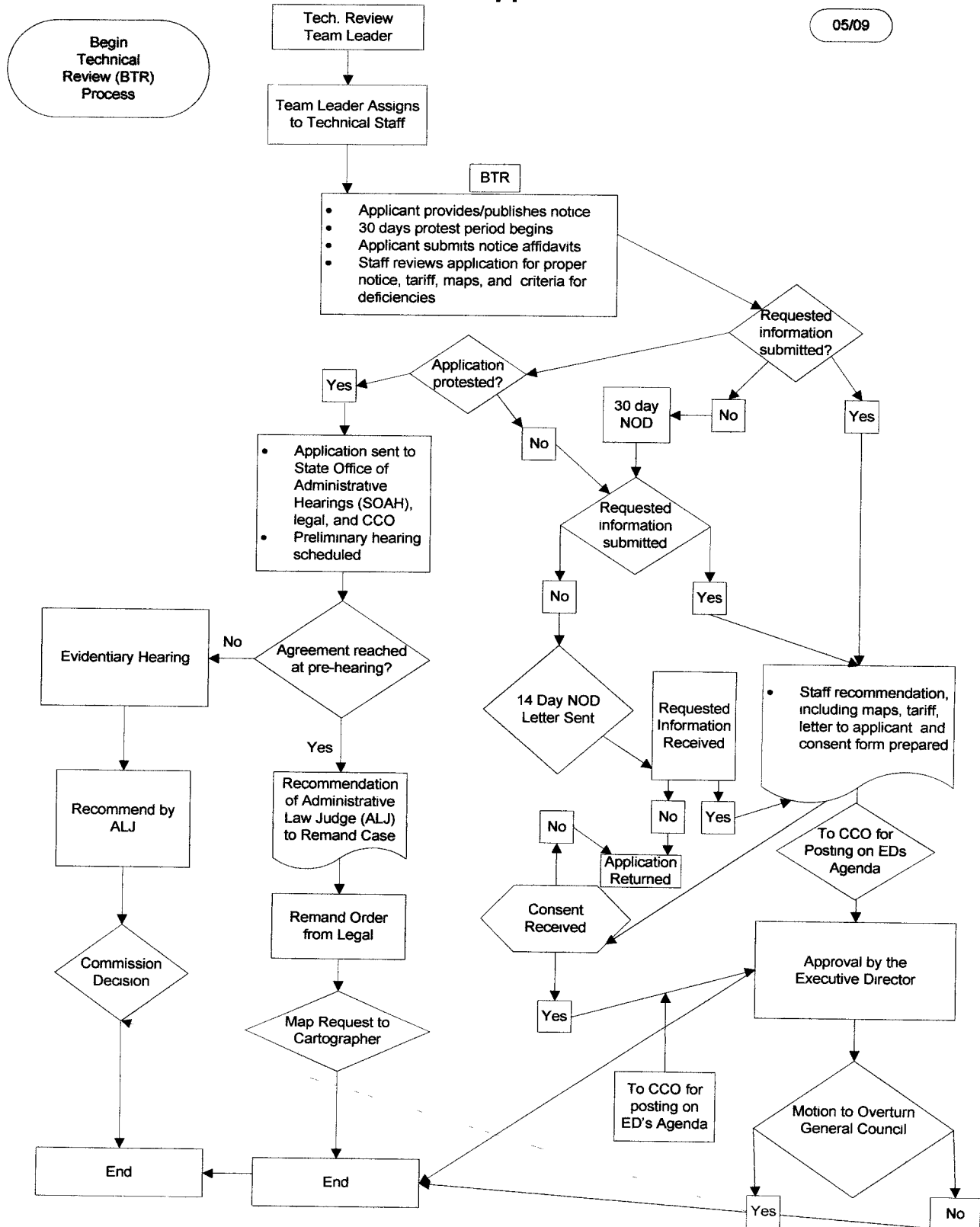
Administrative
Review
Process

05/09



* Includes TWC 13.255, 13.254 and 13.246 type applications.

CCN Technical (Tech) Review Application Process – Flowchart



* Includes TWC 13.255, 13.254 and 13.246 type applications.

ADMINISTRATIVE REVIEW OF YOUR CCN APPLICATION

- Your application will be reviewed for completeness by the Commission staff within ten (10) working days after it is received in our offices.
- Proposed notice forms are included with the application.
- If the application is administratively incomplete, you will be sent a letter that outlines the application's deficiencies and describes what is needed to correct the deficiencies. After receiving that letter, you will have thirty (30) days to make the necessary corrections.

If you fail to make the corrections in full,

a) the application will be returned,

b) And if you are already operating a system, you will be referred for enforcement action which may include administrative penalties of up to \$500 per day.

NOTICE

The Commission cannot grant a CCN until proper notice of the application has been given. **It is the applicant's responsibility to ensure that proper notice is given.** Notice forms for publication, neighboring cities and systems, customers, and landowners are included with this application to use as a template in preparing your proposed notices. These notice forms are also available in Spanish upon request. If the applicant is an operating IOU currently providing service without a CCN, then proposed notices must be provided for publication, to neighboring cities and systems, landowners with 25 acres or more, and current customers in the proposed service area. **All three forms must be completed and submitted with the application.** However, if the applicant has no customers in the proposed area at the time of filing and is only proposing to provide service at some future date, or if the applicant is a WSC or political subdivision, then only the notices for landowners with 25 acres or more, publication and neighboring cities and systems must be submitted. **Do not publish the notice or send copies of the proposed notices or maps to anyone before submitting this application to the Commission.** Your proposed notices and maps will be reviewed for completeness. When your application is accepted for filing, you will be directed to provide the appropriate notices for publication, to the neighboring cities and systems and, if necessary, to current customers.

TECHNICAL REVIEW OF YOUR CCN APPLICATION

When the application is accepted for filing, you will be notified by mail and will be required:

- to publish notice once each week for two (2) consecutive weeks in a newspaper of general circulation in your local area and county. If the proposed area is in more than one county, publication in each county is required;
- to provide individual notice with a copy of the proposed CCN map to neighboring cities and systems within:
 - a) two (2) miles of your proposed service area, if you are an existing retail public utility amending the existing service area, **or**
 - b) five (5) miles if you are obtaining a new CCN to serve a new service area, and
- to provide individual mailed notice with a copy of the proposed CCN map to all affected current customers if you are required to have a CCN but are currently providing service without a CCN.

If the application is **technically incomplete**, you will be sent a letter that outlines the application's deficiencies and describing what you need to do to correct the deficiencies. After receiving that letter, you will have **thirty (30)** days to make the necessary corrections. **If you fail to make the corrections in full:**

a) the application will be returned,

b) And if you are already operating a system, you will be referred for enforcement action which may include administrative penalties of up to \$500 per day.

V.T.C.A. Water Code Section 13.246(c) requires the Commission to consider the following factors before it can issue a CCN:

- the adequacy of service currently provided to the requested area;
- the need for additional service in the requested area, including whether any landowners; prospective landowners, tenants, or residents have requested service;
- the effect of the granting of a certificate or amendment on the recipient of the certificate or amendment, on the landowners in the area, and on any retail public utility of the same kind already serving the proximate area;
- the ability of the applicant to provide adequate service, including meeting the standards of the commission, taking into consideration the current and projected density and land use of the area;
- the feasibility of obtaining service from an adjacent retail public utility;
- the financial stability of the applicant to pay for the facilities necessary to provide continuous and adequate service and the financial stability of the applicant including, if applicable, the adequacy of the applicant's debt-equity ratio;
- environmental integrity;
- the probable improvement of service or lowering of cost to consumers in that area resulting from the granting of the certificate or amendment; **AND**
- the effect on the land to be included in the certificated area.

In addition to these factors,

- the Commission must ensure that the applicant possesses the financial, managerial, and technical capability to provide continuous and adequate service **AND**
- the applicant must also demonstrate that regionalization or consolidation with another retail public utility is not economically feasible.

If there are **no protests**, you will be provided a copy of the technical staff recommendation and proposed CCN. If you have any questions or concerns, you should contact the technical staff person assigned to your application immediately. If you disagree with the staff recommendation and/or proposed CCN, the application will be considered contested, and a hearing may be requested.

If the application is ***contested and a hearing is requested***, the application may be referred to the State Office of Administrative Hearings (SOAH). During the preliminary hearing, the presiding Administrative Law Judge (ALJ) may give the parties time to negotiate a settlement. Alternative Dispute Resolution (ADR) is available upon request of all of the parties. If a settlement is reached, the application will be remanded to staff for administrative processing. If a settlement is not reached, a discovery schedule and a date for an evidentiary hearing will be set. The ALJ will take testimony from each party and present a report to the Commission to consider in making a final decision on the application.

The completed original application and three copies should be sent to:

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

★★★★★THIS APPLICATION IS **NOT** A RATE CHANGE APPLICATION. THE APPROPRIATE FORMS NEEDED TO FILE A RATE CHANGE APPLICATION MAY BE OBTAINED AT THE FOLLOWING WEBSITE ¹ OR BY CONTACTING THE UTILITIES AND DISTRICTS SECTION ², TEXAS COMMISSION ON ENVIRONMENTAL QUALITY. YOU CAN ALSO CALL OUR MAIN WATER SUPPLY DIVISION LINE AT 512-239-4691.
★★★★★

¹. http://www.tceq.texas.gov/utilities/utility_rulesguide.html#ratechange

² utildist@tceq.texas.gov



APPLICATION TO OBTAIN OR AMEND A WATER/SEWER CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN)

*CN# _____ *RN# _____
*If known (See Instructions)

PURPOSE OF THIS APPLICATION

☒ OBTAIN ☒ New Water CCN ☐ New Sewer CCN

☐ AMEND ☐ Water CCN# (s) _____

☐ AMEND ☐ Sewer CCN#(s) _____

1. APPLICANT INFORMATION

Utility Name NLP Summit Springs, LLC

Utility Address (City/ST/ZIP/Code) 9508 E. Hwy 71, Spicewood, TX 78669

Utility Phone Number and Fax 281-705-0214

Contact Person: Please provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney, accountant manager, or other title related to the applicant.

Name Davy Roberts

Title President

Street Address (City/ST/ZIP/Code) 9508 E. Hwy 71, Spicewood, TX 78669

Telephone and Fax 281-705-0214

E-Mail Address droberts@lonestarlandpartners.com

County (ies) in which service is proposed: Please list below:

- Burnet County
- Blanco County

- A. Check the appropriate box and provide information regarding the legal status of the applicant:

- ☒ Investor owned utility ☐ Individual ☐ Partnership
- ☐ Home or Property Owners Association ☐ For-profit corporation
- ☐ Non-profit, member-owned, member-controlled cooperative corporation
(Water Code Chapter 67, Water Supply or Sewer Service Corporation)
- ☐ Municipality ☐ District ☐ Other Please Explain:

NLP Summit Springs, LLC is a limited liability corporation

- B. If the applicant is a For-Profit business or corporation, please include the following information: **See Attachment 1**
- i. Provide a copy of the corporation's "Certification of Account Status" from the Texas State Comptroller of Public Accounts.
 - ii. Provide the corporation's charter number as recorded with the Office of the Texas Secretary Of State 0801897440
 - iii. Provide a listing of all stockholders and their respective percentages of ownership.
 - iv. Provide a copy of the company's organizational chart, if available.
 - v. Provide a list of all directors and disclose the title of each individual.
 - vi. Provide a list of all affiliated organizations (if any) and explain the relationship with the applicant.
- C. If the applicant is a Water Code Chapter 67 water supply or sewer service corporation:
- i. Provide a copy of the Articles of Incorporation and By-Laws.
 - ii. Provide the corporation's charter number as recorded with the Office of the Texas Secretary of State.
 - iii. Identify all board members including name, address, title, and telephone number.
 - iv. Provide a copy of the corporation's Certificate of Account Status from the Texas Comptroller of Public Accounts.

2. LOCATION INFORMATION

- A. Are there people already living in the proposed area? ☐ Yes ☒ No
If YES, are any currently receiving utility service?
☐ Yes ☐ No If YES, from Whom? N/A

Demonstrate the Need for Service by providing the following: **See Attachment 2**

- B. Have you received any requests for service in the requested service area?
☐ Yes ☒ No If YES, provide the following:
- Describe the service area and circumstances driving the need for service in the requested area. Indicate the name(s) and address(es) of landowner(s), prospective landowner(s), tenant(s), or resident(s) that have requested service; and/or
 - Describe the economic need(s) for service in the requested area (i.e. plat approvals, recent annexation(s) or annexation request(s), building permits, septic tank permits, hospitals, etc.); and/or
 - Discuss in detail the environmental need(s) for service in the requested area (i.e. failing septic tanks in the requested area, fueling wells, etc.); and/or
 - Provide copies of any written applications or requests for service in the requested area; and/or
 - Provide copies of any reports and/or market studies demonstrating existing or anticipated growth in the requested area. If no, please justify the need for service in the proposed area.
 - If none of these items exist or are available, please justify the need for service in the proposed area in writing.

Note: Failure to demonstrate a need for additional service in the proposed service area may result in the delay and /or possible denial of the application.

- C. Is any portion of the proposed service area inside an incorporated city or district? ☐ Yes ☒ No

If YES, within the corporate limits of: N/A

Provide a copy of any franchise, permit, or consent granted by the city or district. If not available please explain:

N/A

- D. Is any portion of the proposed service area inside another utility's CCN area?

☐ Yes ☒ No

If YES, has the current CCN holder agreed to decertify the proposed area?

☐ Yes ☐ No

If **NO**, are you seeking dual or single certification of the area? Explain why decertification of the area is in the public interest.

N/A

3. MAP REQUIREMENTS: See Attachment 3

Attach the following hard copy maps with each copy of the application:

- A. A general location map delineating the proposed service area with enough detail to accurately locate the proposed area within the county.
- B. A map showing only the proposed area by:
 - i. metes and bounds survey certified by a licensed state or register professional land surveyor; or
 - ii. projectable digital data with metadata (proposed areas should be in a single record and clearly labeled). Also, a data disk labeled with the applicant's name must be provided; or
 - iii. following verifiable natural and man-made landmarks; or
 - iv. a copy of recorded plat map with metes and bounds.
- C. A written description of the proposed service area.
- D. Provide separate and additional maps of the proposed area(s) to show the following:
 - i. all facilities, illustrating separately facilities for production, transmission, and distribution of the applicant's service(s); and
 - ii. any facilities, customers or area currently being served outside the applicant's certificated area(s).

Note: Failure to provide adequate mapping information may result in the delay or possible denial of your application. Digital data submitted in a format other than ESRI ArcGIS may result in the delay or inability to review applicant's mapping information.

4. NEW SYSTEM INFORMATION OR UTILITIES REQUESTING A CCN FOR THE FIRST TIME See Attachment 4

- A. Please provide the following information:
 - i. a list of public drinking water supply system(s) or sewer system(s) within a 2 mile radius of the proposed system;

- ii. copies of written requests seeking to obtain service from each of the public drinking water systems or sewer systems listed in #4.A.i above or documentation that it is not economically feasible to obtain service from each entity;
 - iii. copies of written responses from each system or evidence that they did not reply; and
 - iv. for sewer utilities, documentation showing that you have obtained or applied for a wastewater discharge permit.
- B. Were your requests for service denied?
- i. If yes, please provide documentation of the denial of service and go to 4.C.
 - ii. If no, please provide a detailed analysis which justifies your reasons for not accepting service. A separate analysis must be prepared and submitted for each utility that granted your request for service.

C. Please summarize how the proposed utility system will be constructed and describe each projected construction phase, if any:

The project will be constructed pending approval of the public water supply system. The submittal for the system is currently being reviewed by the TCEQ in conjunction with a public supply well design package. The system will be constructed once approval is obtained from the TCEQ. The wells and system are centrally located within the subdivision and will be constructed approximately at the same time.

The utility will be constructed in one phase consisting of a centralized plant with ground storage, booster pumps and chlorinator building. In addition 3 public supply wells will be constructed with transmission lines set throughout the subdivision.

- D. Date of plat approval, if required: 01/28/2014
 Approved by: Burnet County
- E. Date Plans & Specifications submitted for approval: 06/01/2014
 Log # N/A - Plans are in progress for future submittal Attach copy of approval letter if available.
- F. Date construction is scheduled to commence: 01/01/2015
- G. Date service is scheduled to commence: 08/01/2015

5. EXISTING SYSTEM INFORMATION

A. Please provide the following information for **each** water and/or sewer system, attach additional sheets if necessary.

i. Water system's TCEQ Public Water System identification number(s):

[illegible]

ii. Sewer system's TCEQ Discharge Permit number(s)

W	Q	N	/	A		-				
W	Q					-				
W	Q					-				

iii Date of last inspection:

iv Attach a copy of the most recent inspection report letter.

V For each system deficiency listed in the inspection report letter; attach a brief explanation listing the actions taken or being taken by the utility to correct the listed deficiencies, including the proposed completion dates.

B. Provide the following information about the utility's certified operators

[illegible]

- Attach additional sheet(s) if necessary -

C. Using the current number of customers, is any facility component in systems named in #5A above operating at 85% or greater of minimum standard capacity?

☐ Yes ☒ No

Attach an explanation listing the actions to be taken to make system improvements including proposed completion dates (See 291.93(3)(A) of TCEQ Rules).

- D. In the table below, the number of existing and/or proposed metered and non-metered connections (by size). The proposed number should reflect the information presented in the business plan or financial documentation and reflect the number of service requests identified in Question 2.b in the application.

Water System			Sewer System		
Connection	Existing	Proposed	Connection	Existing	Proposed
5/8" or 3/4" meter		238	Residential	N/A	N/A
1" meter or larger			Commercial		
Non-Metered			Industrial		
Other:			Other:		
Total Water	N/A	238	Total Sewer	N/A	N/A

- E. If this application is for a water CCN only, please explain how sewer service is or will be provided:

Sewer service will be provided by individual septic systems

- F. If this application is for a sewer CCN only, please explain how water service is or will be provided:

N/A

- G Effect of Granting a Certificate Amendment. **See Attachment 5**
 Explain in detail the effect of granting of a certificate or an amendment, including, but not limited to regionalization, compliance and economic effects on the following:
- i the applicant,
 - ii any retail public utility of the same kind already serving the proximate area; and
 - iii any landowner(s) in the requested area.

H. Do you currently purchase or plan to purchase water or sewer treatment capacity from another source?

i ☒ No, (skip the rest of this question and go to #6)

ii ☐ Yes, Water

Purchased on a ☐ Regular ☐ Seasonal ☐ Emergency basis?

Source	% of Total Treatment
N/A	

iii Sewer treatment capacity,

iv ☐ Yes

Purchased on a ☐ Regular ☐ Seasonal ☐ Emergency basis?

Source	% of Total Treatment
N/A	

vi Provide a signed and dated copy of the most current water or sewer treatment capacity purchase agreement or contract.

I. Ability to Provide Adequate Service. See Attachment 5

Describe the ability of the applicant to provide adequate service, including meeting the standards of the commission, taking both of the following items into consideration:

- i. the current and projected density, and
- ii. the land use of the requested area.

J. Effect on the Land.

Explain the effect on the land to be included in the certificated area.

The proposed CCN includes the area of an approved platted subdivision within Burnet and Blanco counties. The area is being developed as a residential single family subdivision of houses and will require water.

The CCN will provide a centralized source of water to the residents which will eliminate the need for single wells. This will reduce the usage of groundwater in an area of the State which is located within a Priority Groundwater Management Area (PGMA).

Other than the development of the subdivision and water system, there will be no effects on the land. The owners highly value the natural beauty and develop the land in a responsible way and preserve the rural-natural setting in the subdivision.

6. FINANCIAL INFORMATION See Attachment 7

- A. For new systems and for applicants with existing CCNs who are constructing a new stand alone system:
 - i. the applicant must provide an analysis of all necessary costs for constructing, operating, and maintaining the system, and the source of that capital (such as a financial statement for the developing entity) for which the CCN is requested for at least the first five years. In addition, if service has been offered by an existing water service provider as stated in #4.A., but the applicant has determined that the cost of service as finally offered renders the project not economically feasible, the applicant must provide a comparison analysis of all necessary costs for acquiring and continuing to receive service from the existing system for the same period.
 - ii. Attach projected profit and loss statements, cash flow worksheets, and balance sheets (projected five year financial plan worksheet is attached) for each of the first five years of operation. Income from rates should correlate to the projected growth in connections, shown on the projected profit and loss statement.
 - iii. Attach a proposed rate schedule or tariff. Describe the procedure for determining the rates and fees and indicate the date of last change, if applicable. Attach copies of any cost of service studies or rate analysis worksheets.
- B. For existing systems:
 - i. Attach a profit and loss statement and current balance sheet for existing businesses (end of last fiscal year is acceptable). Describe sources and terms for borrowed capital such as loans, bonds, or notes (profit and loss and balance sheet worksheets are attached, if needed).
 - ii. Attach a proposed rate schedule or tariff.

★NOTE: An existing system may be required to provide the information in 6.A.i. above during the technical review phase if necessary for staff to completely evaluate the application.

- C. Identify any funds you are required to accumulate and restrict by lenders or capital providers.
- D. In lieu of the information in #6.A. thru #6.C., you may provide information concerning loan approvals within the last three (3) years from lending institutions or agencies including the most recent financial audit of the applicant.

Note: Failure to provide adequate financial information may result in the delay or possible denial of your application.

7. NOTICE REQUIREMENTS See Attachment 8

- A. All proposed notice forms must be completed and submitted with the application. However, do not mail or publish them until you receive written approval from the Commission to do so.
- B. The Commission cannot grant a CCN until proper notice of the application has been given. **Commission rules do not allow a waiver of these notice requirements for CCN applicants.**

- C. **It is the applicant's responsibility to ensure that proper notice is given to all entities that are required to receive notice.**
- D. Recommended notice forms for publication, neighboring cities and systems, landowners with 25 acres or more, and customers are included with this application to use in preparing your proposed notices. (These notice forms are also available in Spanish upon request.)
- E. After reviewing and, if necessary, modifying the proposed notice, the Commission will send the notice to the applicant after the application is accepted for filing along with instructions for publication and/or mailing. Please review the notice carefully and note any additional neighboring utilities which may be included in the acceptance letter.
- F. Notice For Publication:
The applicant shall publish the notice in a newspaper having general circulation in the county or counties where a CCN is being requested, once each week for two consecutive weeks beginning with the week after the notice is received from the Commission. Proof of publication in the form of a publisher's affidavit shall be submitted to the Commission within 30 days of the last publication date. The affidavit shall state with specificity each county in which the newspaper is of general circulation.
- G. Notice To Neighboring Utilities:
- i. List all neighboring retail public utilities and cities providing the same utility service within the following vicinities of the applicant's proposed certificate area.
 - ii. For applications for the issuance of a **NEW** CCN, the applicant must mail the notice with a copy of the proposed CCN map to all cities and neighboring retail public utilities providing the same utility service within **five (5) miles** of the requested service area.
 - iii. For applications for the **AMENDMENT** of a CCN, the applicant must mail the notice with a copy of the proposed CCN map to all cities and neighboring retail public utilities providing the same utility service within **two (2) miles** of the requested service area.
- H. Notice to Customers
Investor Owned Utilities (IOUs) that are currently providing service without a CCN must provide individual mailed notice to all current customers. The notice must contain the current rates, the date those rates were instituted and any other information required in the application. The notice must also list all zip codes affected by the application.
- I. The Commission may require the applicant to deliver notice to other affected persons or agencies.

Do not publish or send copies of the proposed notices to anyone at the time you submit the application to the Commission. Wait until you receive written authorization to do so. This will occur after the Commission has reviewed the notices for completeness, and your application has been accepted for filing. Once the application is accepted for filing, you will receive written authorization to provide notice. Please check the notices for accuracy before providing them to the public. It is the applicant's burden to ensure that correct and accurate notice is provided.

Attachment 1

1.B.i. Certification of Account Status

1.B.iii - v. Ownership and Organization



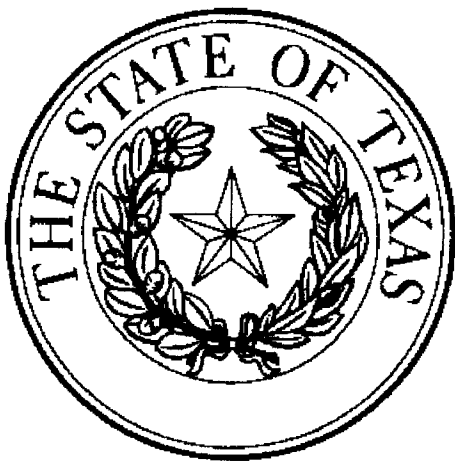
Office of the Secretary of State

Certificate of Fact

The undersigned, as Secretary of State of Texas, does hereby certify that the document, Application for Registration for NLP SUMMIT SPRINGS, LLC (file number 801897440), a DELAWARE, USA, Foreign Limited Liability Company (LLC), was filed in this office on December 11, 2013.

It is further certified that the entity status in Texas is in existence.

In testimony whereof, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in Austin, Texas on March 11, 2014.



NANDITA BERRY

Nandita Berry
Secretary of State

1.B.iii. Ownership – NLP Summit Springs, LLC is wholly owned by National Land Partners, LLC.

1.B.v. Organization:

- Mr. Harry Patten – CEO of National Land Partners, LLC
- Mr. Alan Murray – CFO of National Land Partners, LLC
- Mr. Davy Roberts – President of NLP Summit Springs, LLC

Attachment 2

2.B. Need for Service

2.B. Need for Service:

The proposed service area includes all the land within an approved platted subdivision located within Burnet and Blanco Counties. NLP Summit Springs, LLC has purchased the land within the CCN and has acquired plat approvals. Since individual lots are just being sold there are no landowners at this point in time to acquire requests for service. The CCN is needed to provide a centralized water utility for the residents of the subdivision which will include a total of 238 lots. The area is also located approximately 2 miles from the nearest utility and requests for service were denied and in addition are not economically feasible.

The area is located within a Priority Groundwater Management System (PGMA) and the approved CCN will allow for a centralized water system which will eliminate the need for many single wells which would be drilled if a CCN were not granted. NLP Summit Springs, LLC has already submitted reports to the local Groundwater Conservation District and has acquired permits to produce enough groundwater to serve the system to meet TCEQ requirements.

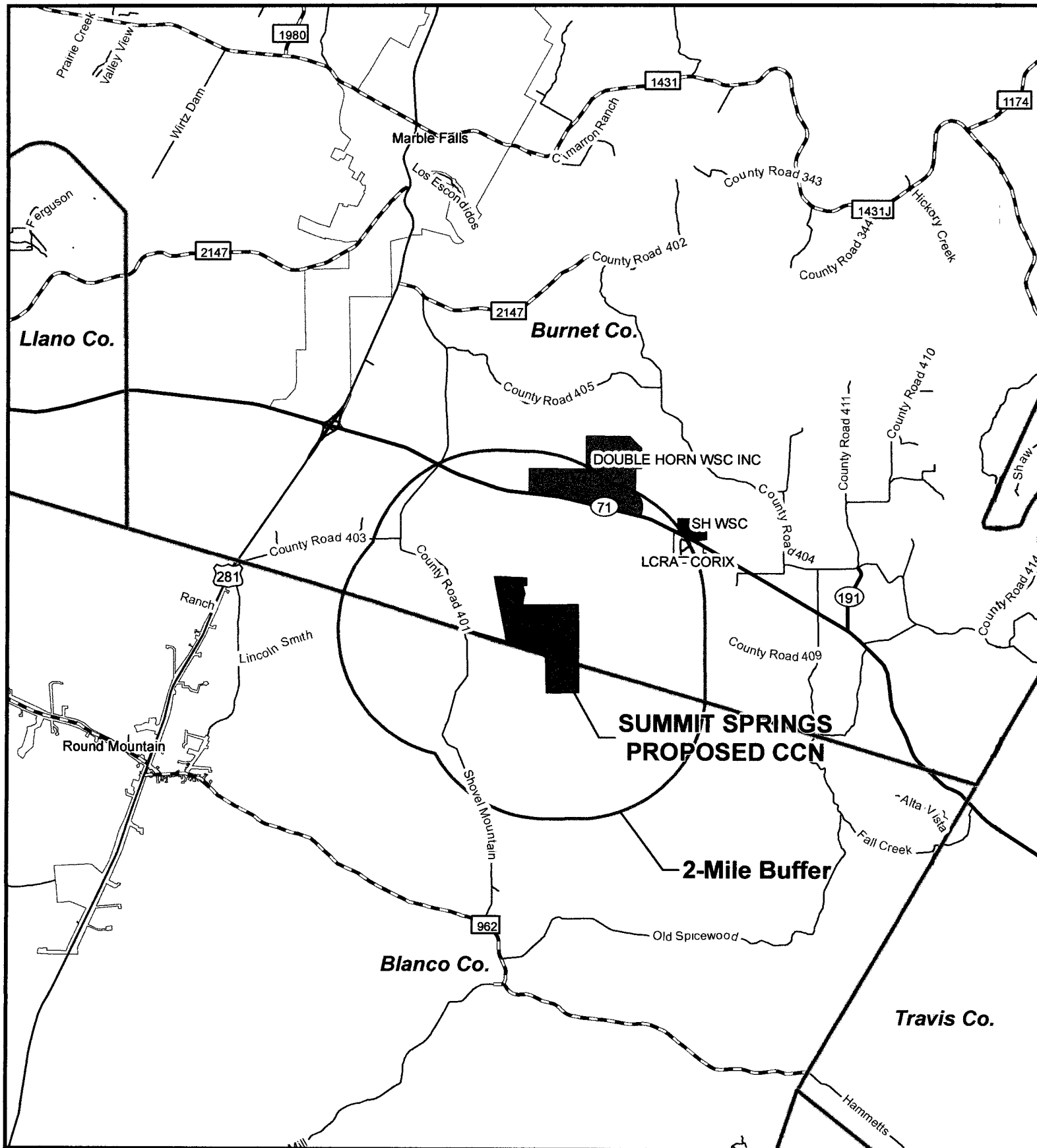
Attachment 3

3.A. General Location Map

3.B. Proposed CCN Area and Projectable Digital Data

3.C. Written Description of Proposed Service Area

3.D. Proposed Facility Location Maps



Scale: 0 1 2 Miles

Drawn By: KK Date: 2-14

Quad Name and No:

Projection:
UTM NAD 83 Zone 14



Summit Springs Proposed CCN - General Location

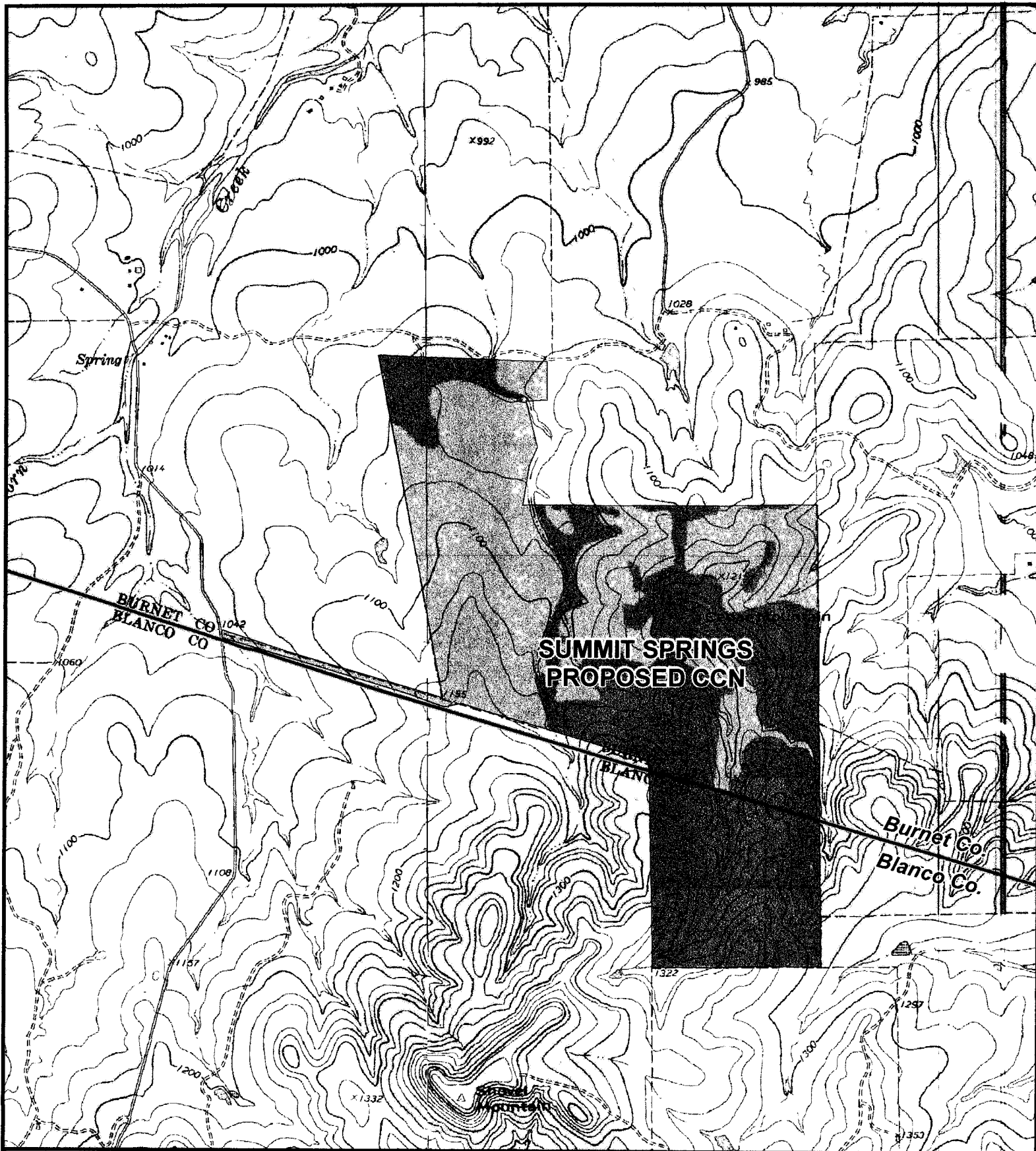
**Blanco and
Burnet Counties, Texas**



Wet Rock Groundwater Services, L.L.C.
Groundwater Specialists

TBPG Firm No. 50038

311 Ranch Road 620 South, Ste. 103
Austin, Texas 78734 Ph: 512.773.3226
www.wetrockgs.com



Scale: 0 1,000 2,000 Feet

Drawn By: KK Date: 2-14

Quad Name and No:

Projection:
UTM NAD 83 Zone 14



Summit Springs Proposed CCN

Blanco and
Burnet Counties, Texas



Wet Rock Groundwater Services, L.L.C.
Groundwater Specialists

TBPG Firm No. 50038
311 Ranch Road 620 South, Ste. 103
Austin, Texas 78734 Ph: 512.773.3226
www.wetrockgs.com

NON-SCANABLE

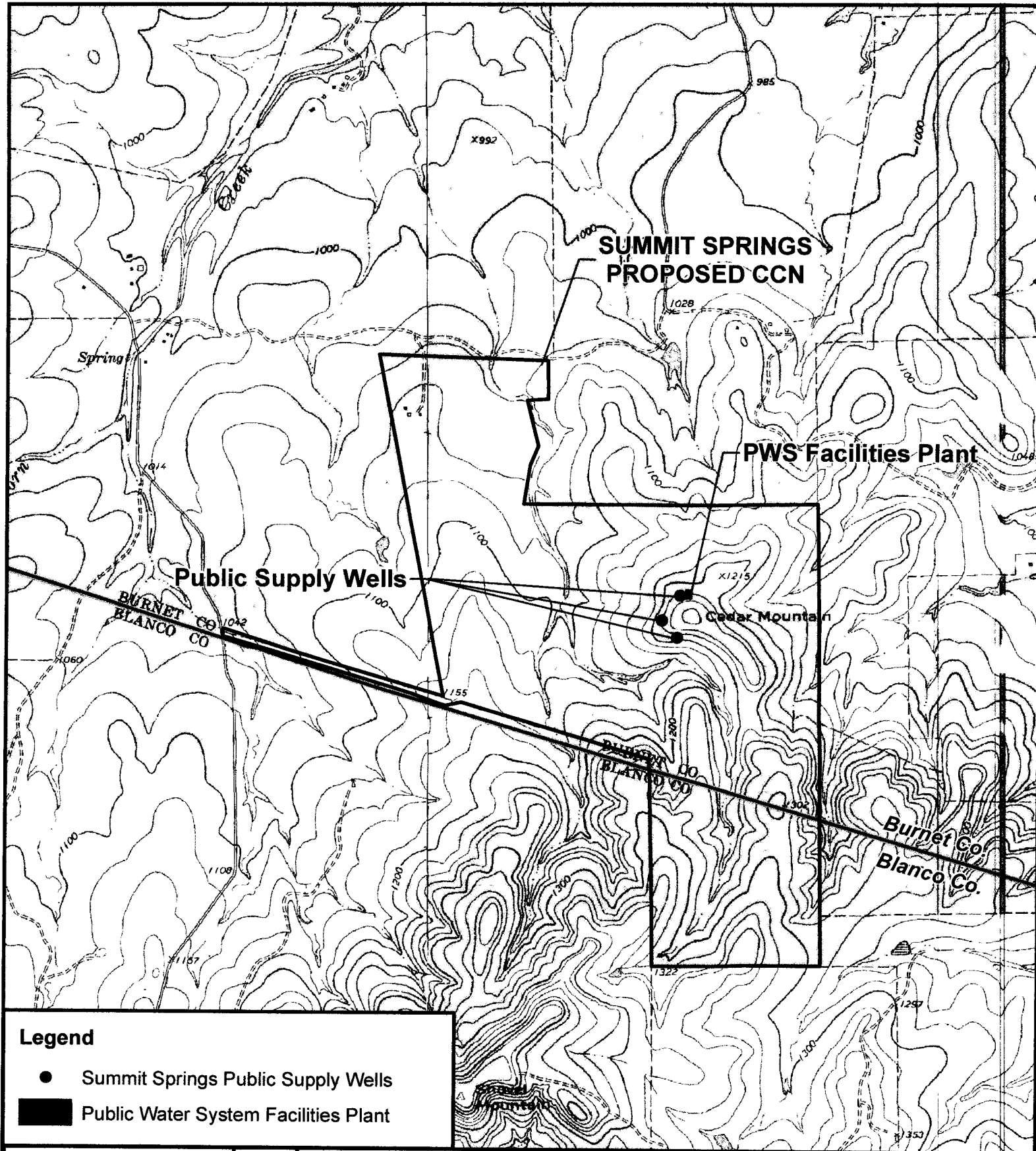
page

(CD)

For Any Questions
Please Call Central Records
Main Line (512) 936-7180

3.C. Description of Summit Springs Proposed CCN:

The Summit Springs Proposed CCN service area is located approximately 4.5 miles southeast of Marble Falls, Texas. The property is approximately 860-acres of undeveloped native pasture land located in Burnet and Blanco Counties. The property has been platted for a subdivision consisting of 238 individual lots and is currently in the early phases of development. It is bound by undeveloped native pasture land with the entrance road intersecting County Road 401 in Burnet County approximately 2.5 miles to the south the intersection of County Road 401 and State Highway 71.



Legend

- Summit Springs Public Supply Wells
- Public Water System Facilities Plant

Scale: 0 1,000 2,000 Feet

Drawn By: KK Date: 2-14

Quad Name and No:

Projection:
UTM NAD 83 Zone 14



Summit Springs Facilities Location Map

Blanco and
Burnet Counties, Texas



Wet Rock Groundwater Services, L.L.C.
Groundwater Specialists

TBPG Firm No. 50038
311 Ranch Road 620 South, Ste. 103
Austin, Texas 78734 Ph. 512.773.3226
www.wetrockgs.com

Attachment 4

4.A.i. List of Public Drinking Water Supply Systems Within 2 Miles

4.A.ii. Copies of Written Service Requests to Systems

**4.A.iii. Copies of Written Responses from Systems and
Documentation of Denial of Service**

4.A.i. List of Public Drinking Water Supply Systems within 2-mile Radius:

- Corix Utilities (Quail Creek Public Water System) - 1812 Centre Creek Drive, Suite 207, Austin, Texas, 78754
- Double Horn Creek Water Supply Coporation - 101 Double Horn Trail, Spicewood, Texas, 78669
- Sunset Utilities (SH WSC) - PO Box 502, Spicewood, Texas, 78669



January 20, 2014

R. Darrin Barker

Utilities Operations Manager

Corix Utilities (Texas)

Phone: 940-231-7964

RE: NLP Summit Springs, LLC Application for Certificate of Convenience and

Necessity (CCN) - Request for Service

Dear Mr. Barker:

This letter serves as a request for public water supply service from Corix Utilities to supply the proposed Certificate of Convenience and Necessity (CCN) for NLP Summit Springs, LLC (Summit Springs Subdivision) in Burnet County Texas. Summit Springs Subdivision is located on County Road 401 in Burnet County approximately two (2) miles to the southwest of Quail Creek Public Water System (PWS #0270078) which is being purchased by Corix Utilities.

Corix Utilities is in the process of purchasing the Quail Creek Public Water System located at the intersection of US Highway 71 and County Road 425 in Burnet County Texas from the Lower Colorado River Authority (LCRA). The Texas Commission on Environmental Quality (TCEQ) has approved the Sale, Transfer, or Merger (STM) of the Quail Creek Public Water Supply system from the LCRA to Corix Utilities, and Corix Utilities will be the owner and operator of the system moving forward.

If you have any questions regarding this request or if you require any further information please feel free to call me at 281-705-0214.

Respectfully,

A handwritten signature in black ink, appearing to read "Davy Roberts", is written over a horizontal line. The signature is fluid and cursive.

NLP Summit Springs, LLC

Davy Roberts

Limited Partner



1812 Centre Creek Drive
Suite 207
Austin, Texas
United States 78754

T 512.306.4000
F 512.306.4009
www.corix.com

February 4, 2014

Davy Roberts
NLP Summit Springs, LLC
9508 E Hwy 71
Spicewood, 78669

RE: NLP Summit Springs, LLC Application for Certificate of Convenience and Necessity (CCN) - Request for Service Denied

Dear Mr. Roberts:

This letter serves as a response to your request for public drinking water service for your proposed Certificate of Convenience and Necessity (CCN) for NLP Summit Springs, LLC (Summit Springs). Unfortunately, it is not feasible for Corix Utilities to serve your proposed CCN at Summit Springs) from the Quail Creek Public Water System. Therefore, we must deny your request for public drinking water service.

Regards,

A handwritten signature in black ink, appearing to read "R. Darrin Barker".

R. Darrin Barker
Utilities Operations Manager
Corix Utilities



January 20, 2014
Kerry Spradley
Double Horn WSC
Board President

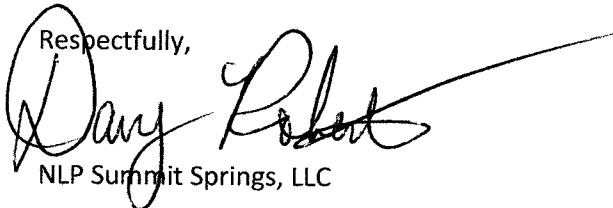
**RE: NLP Summit Springs, LLC Application for Certificate of Convenience and
Necessity (CCN) - Request for Service**

Dear Mr. Spradley:

This letter serves as a request for public water supply service from Double Horn WSC to supply the proposed Certificate of Convenience and Necessity (CCN) for NLP Summit Springs, LLC (Summit Springs Subdivision) in Burnet County Texas. Summit Springs Subdivision is located on County Road 401 in Burnet County approximately two (2) miles to the south of Double Horn WSC (PWS# 0270120).

If you have any questions regarding this request or if you require any further information please feel free to call me at 281-705-0214.

Respectfully,

A handwritten signature in black ink, appearing to read "Davy Roberts", with a long horizontal flourish extending to the right.

NLP Summit Springs, LLC

Davy Roberts

Limited Partner

Double Horn Creek Water Supply Corporation
101 Double Horn Trail
Spicewood, TX 78669

February 3, 2014

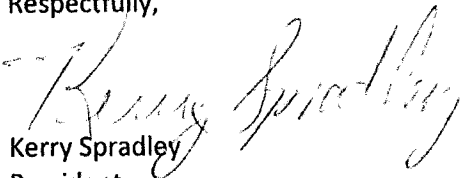
Davy Roberts
NLP Summit Springs, LLC
9508 E Hwy 71
Spicewood, TX 78669

RE: NLP Summit Springs, LLC Application for Certificate of Convenience and Necessity (CCN) –
Request for Service Denied

Dear Mr. Roberts:

This letter serves as a response to your request for public drinking water service for your proposed Certificate of Convenience and Necessity (CCN) for NLP Summit Springs, LLC (Summit Springs). Unfortunately, it is both unfeasible for Double Horn Creek WSC to serve your proposed CCN at Summit Springs and would also be a violation of our own By-Laws at the current time. Therefore, we must deny your request for public drinking water service.

Respectfully,



Kerry Spradley
President

Double Horn Creek WSC



January 20, 2014

Ricky Rowe
Sunset Utilities
SH WSC

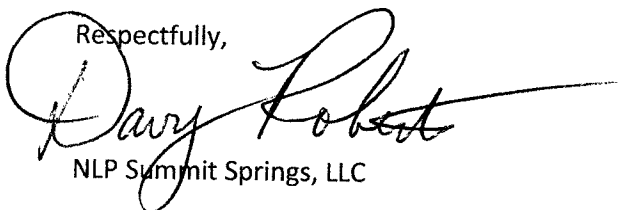
**RE: NLP Summit Springs, LLC Application for Certificate of Convenience and
Necessity (CCN) - Request for Service**

Dear Mr. Rowe:

This letter serves as a request for public water supply service from Sunset Utilities to supply the proposed Certificate of Convenience and Necessity (CCN) for NLP Summit Springs, LLC (Summit Springs Subdivision) in Burnet County Texas. Summit Springs Subdivision is located on County Road 401 in Burnet County approximately two (2) miles to the southwest of SH WSC (PWS# 0270118) which is owned by Sunset Utilities.

If you have any questions regarding this request or if you require any further information please feel free to call me at 281-705-0214.

Respectfully,


NLP Summit Springs, LLC

Davy Roberts

Limited Partner

Davy Roberts
NLP Summit Springs, LLC
9508 E Hwy 71
Spicewood, 78669

January 17, 2013

**RE: NLP Summit Springs, LLC Application for Certificate of Convenience and
Necessity (CCN) - Request for Service Denied**

Dear Mr. Roberts:

This letter serves as a response to your request for public drinking water service for your proposed Certificate of Convenience and Necessity (CCN) for NLP Summit Springs, LLC (Summit Springs). Unfortunately, it is not feasible for Sunset Utilities to serve your proposed CCN at Summit Springs) from the SH WSC. Therefore, we must deny your request for public drinking water service.

Respectfully,

Sunset Utilities
SH WSC



Ricky Rowe
Owner

Attachment 5

5.G. Effect of Granting Certificate

5.I. Ability to Provide Adequate Service

5.G. Effect of Granting Certificate:

The public interest is served when a centralized water utility provides water to a subdivision, especially one located within a Priority Groundwater Management Area. In addition, the public interest and future landowners within the approved platted subdivision are served when a water utility with access to capital and the resources necessary to provide a safe, reliable drinking water source. This will eliminate the need for many single wells which otherwise would be drilled, causing additional stress on the aquifer.

NLP Summit Springs, LLC has experience in the water utility industry in Texas providing service to residents in the Houston Area. Their financial resources and access to capital will provide for a quality infrastructure to the water system including the required storage and water supply capacity requirements. As part of their platting for the subdivision and permitting with the Central Texas Groundwater Conservation District, NLP Summit Springs, LLC was required to submit and acquire approval of a Groundwater Availability Study which certified the ability to provide an adequate supply of water which meets the TCEQ water quality requirements.

Other retail public utilities within the area will be unaffected. The proposed service area is located approximately 2 miles from the nearest utility and requests for service were denied and in addition are not economically feasible. The application is for a water CCN only, and sewer service will be provided by individual septic systems owned by individual residents.

5.I. Ability to Provide Adequate Service:

NLP Summit Springs, LLC has experience in the water utility industry in Texas providing service to residents in the Houston Area. The management of NLP Summit Springs, LLC has overseen numerous development projects with centralized public water supply systems which include but are not limited to: Chenango Ranch (Houston Area), Suncreek Estates (Houston Area), Suncreek Ranch (Houston Area), and Sunrise Bay (Port Lavaca Area). Their financial resources and access to capital will provide for a quality infrastructure to the water system including the required storage and water supply capacity requirements. As part of their platting for the subdivision and permitting with the Central Texas Groundwater Conservation District, NLP Summit Springs, LLC was required to submit and acquire approval of a Groundwater Availability Study which certified the ability to provide an adequate supply of water which meets the TCEQ water quality requirements.

Since the platting was approved within a Priority Groundwater Management Area, NLP Summit Springs, LLC was required to prove the ability to provide the required supply and quality of water for the subdivision. This includes the projected density of 238 single family residents at full build out including land use.

Attachment 6

Proposed Drought Contingency Plan

DROUGHT CONTINGENCY PLAN FOR

Summit Springs Subdivision Water System (SSSWS)

(Name of Utility)

9508 E. Hwy 71, Spicewood, TX 78669

(Address, City, Zip Code)

CCN Application is under review with TCEQ

(CCN#)

PWS Submittal is under review with TCEQ

(PWS #s)

February 20, 2014

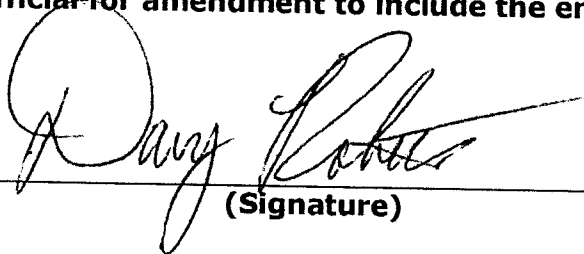
(Date)

Section 1 Declaration of Policy, Purpose, and Intent

In cases of extreme drought, periods of abnormally high usage, system contamination, or extended reduction in ability to supply water due to equipment failure, temporary restrictions may be instituted to limit non-essential water usage. The purpose of the Drought Contingency Plan is to encourage customer conservation in order to maintain supply, storage, or pressure or to comply with the requirements of a court, government agency or other authority.

Please note: Water restriction is not a legitimate alternative if a water system does not meet the Texas Commission on Environmental Quality's (TCEQ) capacity requirements under normal conditions **or** if the utility fails to take all immediate and necessary steps to replace or repair malfunctioning equipment.

I Davy Roberts (print name), **being the responsible official for amendment to include the enclosed Drought Contingency Plan.**



(Signature)

2/25/14
DATE

Section 2 Public Involvement

Opportunity for the public to provide input into the preparation of the Plan was provided by:

(check at least one of the following)

_____ scheduling and providing public notice of a public meeting to accept input on the Plan.

The meeting took place at:

Date _____ Time _____ Location: _____

_____ mailed survey with summary of results (**attach survey and results**)

_____ bill insert inviting comment (**attach bill insert**)

☒ other method

At this time there is no customer base as the CCN and PWS are in the approval stages. Upon approval, customers will be invited to provide comment via bill insert surveys.

Section 3 Public Education

The NLP Summit Springs, LLC (name of utility) will periodically provide the public with information about the Plan, including information about the conditions under which each stage of the Plan is to be initiated or terminated and the drought response measures to be implemented in each stage.

Drought plan information will be provided by: (check at least one of the following)

_____ public meeting

_____ press releases

☒ utility bill inserts

_____ Other: _____

Section 4 Coordination with Regional Water Planning Groups (RWPG)

The service area of the SSSWS (name of your utility) is located within RWPG K

SSWS (name of your utility) has mailed a copy of this Plan to the RWPG.

Section 5 Notice Requirements

Written notice will be provided to each customer prior to implementation or termination of each stage of the water restriction program. Mailed notice must be given to each customer 72 hours prior to the start of water restriction. If notice is hand delivered, the utility cannot enforce the provisions of the plan for 24 hours after notice is provided. The written notice to customers will contain the following information:

1. the date restrictions will begin,
2. the circumstances that triggered the restrictions,
3. the stages of response and explanation of the restrictions to be implemented, and, an explanation of the consequences for violations.

The utility must notify the TCEQ by telephone at (512) 239-4691, or electronic mail at watermon@tceq.state.tx.us prior to implementing Stage III and must notify in writing the Public Drinking Water Section at MC - 153, P.O. Box 13087, Austin, Texas 78711-3087 within five (5) working days of implementation including a copy of the utility's restriction notice. The utility must file a status report of its restriction program with the TCEQ at the initiation and termination of mandatory water use restrictions (i.e., Stages III and IV).

Section 6 Violations

1. First violation - The customer will be notified by written notice of their specific violation.
2. Subsequent violations:
 - a. After written notice, the utility may install a flow restricting device in the line to limit the amount of water which will pass through the meter in a 24-hour period. The utility may charge the customer for the actual cost of installing and removing the flow restricting device, not to exceed \$50.00.
 - b. After written notice, the utility may discontinue service at the meter for a period of seven (7) days, or until the end of the calendar month, whichever is LESS. The normal reconnect fee of the utility will apply for restoration of service.

Section 7 Exemptions or Variances

The utility may grant any customer an exemption or variance from the drought contingency plan for good cause **upon written request**. A customer who is refused an exemption or variance may appeal such action of the utility in writing to the Texas Commission on Environmental Quality. The utility will treat all customers equally concerning exemptions and variances, and shall not discriminate in granting exemptions and variances. No exemption or variance shall be retroactive or otherwise justify any violation of this Plan occurring prior to the issuance of the variance.

Section 8 Response Stages

Unless there is an immediate and extreme reduction in water production, or other absolute necessity to declare an emergency or severe condition, the utility will initially declare Stage I restrictions. If, after a reasonable period of time, demand is not reduced enough to alleviate outages, reduce the risk of outages, or comply with restrictions required by a court, government agency or other authority, Stage II may be implemented with Stage III to follow if necessary.