

**FINANCIAL ASSUMPTIONS AND DATA
FOR CCN AMENDMENT APPLICATION
FOR WILLIS WAUKEGAN SUBDIVISION
BY CRYSTAL SPRINGS WATER CO., INC.**

INCOME AND EXPENSE

Development Rate, New Connections/Month =	6.0								
Maximum Number of Connections =	550								
AVERAGE ANNUAL WATER USE/EQUIV. CONN =	225	GAL/DAY							
AVERAGE ANNUAL WATER USE/EQUIV. CONN =	6,750	GAL/MONTH							
BASE WATER RATE =	\$39.90	Gal Included	-	Plus	\$3.33	/1000 GAL			
WATER CONSERVATION RATE =	\$0.00	Gal In Excess of		-		Gal/Month			
SEWER RATE =	\$30.00	Gal Included	-		\$2.50				
EXCESS SEWER USE RATE =	\$0.00	/Gal in Excess of		-		Gal/Month			
AVERAGE MONTHLY WATER/SEWER BILL/CONN =	\$109.25								
Water Tap Fee =	\$900.00								
Sewer Tap Fee =	\$600.00								
BAD DEBTS =	1.00%	OF SALES							
CAPITAL INVESTMENT SCHEDULE (CUMMULATIVE)	FY1	FY2	FY3	FY4	FY5	FY6	FY7	FY8	
WATER PLANT CONSTRUCTION COST =	\$400,000	\$400,000	\$500,000	\$500,000	\$600,000	\$600,000	\$600,000	\$600,000	
WWTP CONSTRUCTION COST =	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000	
WATER DISTRIBUTION SYSTEM CONSTRUCTION COST =	\$250,000	\$400,000	\$550,000	\$700,000	\$850,000	\$1,000,000	\$1,150,000	\$1,300,000	
SEWAGE COLLECTION SYSTEM CONSTRUCTION COST =	\$216,000	\$432,000	\$648,000	\$864,000	\$1,080,000	\$1,296,000	\$1,512,000	\$1,650,000	
TOTAL SYSTEM CONSTRUCTION COST =	\$1,466,000	\$1,832,000	\$2,298,000	\$2,664,000	\$3,130,000	\$3,496,000	\$3,862,000	\$4,150,000	
CONTRIBUTIONS IN AID OF CONSTRUCTION =	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
NET SYSTEM CAPITAL COST TO UTILITY =	\$1,466,000	\$1,832,000	\$2,298,000	\$2,664,000	\$3,130,000	\$3,496,000	\$3,862,000	\$4,150,000	
SALVAGE VALUE =	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
AVG LIFE, YEARS =	48	48	48	48	48	48	48	48	
DEPRECIATION/MONTH =	\$2,545	\$3,181	\$3,990	\$4,625	\$5,434	\$6,069	\$6,705	\$7,205	

VARIABLE OPERATING COSTS

EMPLOYEE SALARIES =	\$2,000	/Mo. Plus	\$0.00	/CONNECTION
OFFICE EXPENSE COST =	\$100	/Mo. Plus	\$1.00	/CONNECTION
CUSTOMER BILLING/COLLECTION COST =	\$100	/Mo. Plus	\$3.00	/CONNECTION
OPERATOR COST =	\$1,500	/Mo. Plus	\$1.00	/CONNECTION
VEHICLE & EQUIPMENT COST =	\$500	/Mo. Plus	\$1.00	/CONNECTION
ELEC. COST =	\$2,000	/Mo. Plus	\$2.00	/CONNECTION
CHEMICAL COST =	\$100	/Mo. Plus	\$1.00	/CONNECTION
SLUDGE DISPOSAL COST =	\$150	/Mo. Plus	\$2.50	/CONNECTION
TCEQ PERMIT FEES =	\$50	/Mo. Plus	\$1.00	/CONNECTION
REPAIR COST/MO., % CAP =	0.10%	Of Invested Capital		
RESERVE ACCT DEPOSIT/MO., % CAP =	0.10%	Of Invested Capital		

FIXED OPERATING COSTS

LABORATORY COST =	\$500	/Mo. Plus	\$0.50	/CONNECTION
PROFESSIONAL FEES =	\$500	/Mo. Plus	\$0.50	/CONNECTION
EFFECTIVE LOCAL TAX RATE =	\$0.75	/ \$100		
LIAB/PROP INSURANCE =	\$0.75	/ \$100		

Fiscal Year	Seasonal Use Multiplier	Projected Use Gal/Day	Projected Monthly Cost for Water/Sewer	Projected Monthly Bill (*)
1 JAN	0.65	146	\$ 96.33	\$97.30
2 FEB	0.65	146	\$ 93.77	\$94.71
3 MAR	0.75	169	\$ 100.40	\$101.40
4 APR	1.00	225	\$ 109.25	\$110.35
5 MAY	1.20	270	\$ 118.70	\$119.88
6 JUN	1.35	304	\$ 123.03	\$124.26
7 JUL	1.35	304	\$ 124.80	\$126.04
8 AUG	1.35	304	\$ 124.80	\$126.04
9 SEP	1.20	270	\$ 117.12	\$118.29
10 OCT	1.10	248	\$ 114.63	\$115.78
11 NOV	0.75	169	\$ 99.41	\$100.41
12 DEC	0.65	146	\$ 96.33	\$97.30
SUMMATION	12.00	225.00	\$1,318.57	\$1,331.76

(*) Including 1% TCEQ Regulatory Assessment (Sales Tax)

**PROJECTED INCOME & EXPENSE STATEMENT
FOR CCN AMENDMENT APPLICATION
FOR WILLIS WAUKEGAN SUBDIVISION
BY CRYSTAL SPRINGS WATER CO., INC.**

FISCAL YEAR 1

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
TOTAL ON-LINE CONNECTIONS:													
Seasonal Multiplier, mo. avg/ annual avg	6.0	12.0	18.0	24.0	30.0	36.0	42.0	48.0	54.0	60.0	66.0	72.0	468
Monthly Water Use/Customer, Gal	0.65	0.65	0.75	1.00	1.20	1.35	1.35	1.35	1.20	1.10	0.75	0.65	12.00
Monthly Water Use In Base Rate, Gal	4,534	4,095	5,231	6,750	8,370	9,113	9,416	9,416	8,100	7,673	5,063	4,534	
Monthly Water Use Subject to Water Charge, Gal	4,534	4,095	5,231	6,750	8,370	9,113	9,416	9,416	8,100	7,673	5,063	4,534	
Monthly Water Income Per Customer, \$	\$ 55.00	\$ 53.54	\$ 57.32	\$ 62.38	\$ 67.77	\$ 70.24	\$ 71.26	\$ 71.26	\$ 66.87	\$ 65.45	\$ 56.76	\$ 55.00	\$ 752.84
Monthly Sewer Use In Base Rate, Gal	-	-	-	-	-	-	-	-	-	-	-	-	
Monthly Sewer Use Subject to Sewer Charge, Gal	-	-	-	-	-	-	-	-	-	-	-	-	
Monthly Sewer Income Per Customer, \$	\$ 41.33	\$ 40.24	\$ 43.08	\$ 46.88	\$ 50.93	\$ 52.78	\$ 53.54	\$ 53.54	\$ 50.25	\$ 49.18	\$ 42.66	\$ 41.33	\$ 565.73
Monthly Water Bill, \$	\$ 96.33	\$ 93.77	\$ 100.40	\$ 109.25	\$ 118.70	\$ 123.03	\$ 124.80	\$ 124.80	\$ 117.12	\$ 114.63	\$ 99.41	\$ 96.33	\$ 1,318.57
Total Monthly Water Pumped, Gal	27,203	49,140	94,163	162,000	251,100	328,050	395,483	451,980	437,400	460,350	334,125	326,430	3,317,423
GROSS WATER/SEWER USE INCOME	\$578	\$1,125	\$1,807	\$2,622	\$3,561	\$4,429	\$5,241	\$5,990	\$6,325	\$6,878	\$6,561	\$6,936	\$52,054
RESERVE FOR BAD DEBTS	\$6	\$11	\$18	\$26	\$36	\$44	\$52	\$60	\$63	\$69	\$66	\$69	\$521
WATER/SEWER INCOME (ADJUSTED)	\$572	\$1,114	\$1,789	\$2,596	\$3,525	\$4,385	\$5,189	\$5,930	\$6,261	\$6,809	\$6,496	\$6,867	\$51,533
TAP FEE INCOME	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$108,000
TOTAL MONTHLY INCOME	\$9,572	\$10,114	\$10,789	\$11,596	\$12,525	\$13,385	\$14,189	\$14,930	\$15,261	\$15,609	\$15,496	\$15,867	\$159,533
EXPENSE													
GENERAL & ADMINISTRATIVE													
OFFICE EXPENSE	\$106	\$112	\$118	\$124	\$130	\$136	\$142	\$148	\$154	\$160	\$166	\$172	\$1,668
EMPLOYEE SALARIES	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$24,000
PROFESSIONAL FEES	\$503	\$506	\$509	\$512	\$515	\$518	\$521	\$524	\$527	\$530	\$533	\$536	\$6,234
INSURANCE	\$916	\$916	\$916	\$916	\$916	\$916	\$916	\$916	\$916	\$916	\$916	\$916	\$10,995
ADVALOREM TAXES	\$916	\$916	\$916	\$916	\$916	\$916	\$916	\$916	\$916	\$916	\$916	\$916	\$10,995
TCEQ PERMIT FEES	\$56	\$62	\$68	\$74	\$80	\$86	\$92	\$98	\$104	\$110	\$116	\$122	\$1,068
MONTHLY G&A	\$4,498	\$4,513	\$4,528	\$4,543	\$4,558	\$4,573	\$4,588	\$4,603	\$4,618	\$4,633	\$4,648	\$4,663	\$54,960
OPERATIONS													
OPERATOR COST	\$1,506	\$1,512	\$1,518	\$1,524	\$1,530	\$1,536	\$1,542	\$1,548	\$1,554	\$1,560	\$1,566	\$1,572	\$18,468
VEHICLE & EQUIPMENT COST	\$506	\$512	\$518	\$524	\$530	\$536	\$542	\$548	\$554	\$560	\$566	\$572	\$6,468
CUSTOMER BILLING COST	\$118	\$136	\$154	\$172	\$190	\$208	\$226	\$244	\$262	\$280	\$298	\$316	\$2,604
ELECTRICITY	\$2,012	\$2,024	\$2,036	\$2,048	\$2,060	\$2,072	\$2,084	\$2,096	\$2,108	\$2,120	\$2,132	\$2,144	\$24,936
CHEMICAL COST	\$106	\$112	\$118	\$124	\$130	\$136	\$142	\$148	\$154	\$160	\$166	\$172	\$1,668
SLUDGE DISPOSAL COST	\$165	\$180	\$195	\$210	\$225	\$240	\$255	\$270	\$285	\$300	\$315	\$330	\$2,970
TAP MAT'L & FIELD LABOR COST	\$6,750	\$6,750	\$6,750	\$6,750	\$6,750	\$6,750	\$6,750	\$6,750	\$6,750	\$6,750	\$6,750	\$6,750	\$81,000
REPAIR COSTS	\$1,466	\$1,466	\$1,466	\$1,466	\$1,466	\$1,466	\$1,466	\$1,466	\$1,466	\$1,466	\$1,466	\$1,466	\$17,592
CONTRIBUTION TO RESERVE ACCT	\$1,466	\$1,466	\$1,466	\$1,466	\$1,466	\$1,466	\$1,466	\$1,466	\$1,466	\$1,466	\$1,466	\$1,466	\$17,592
MONTHLY O & M COST	\$14,095	\$14,158	\$14,221	\$14,284	\$14,347	\$14,410	\$14,473	\$14,536	\$14,599	\$14,662	\$14,725	\$14,788	\$173,298
TOTAL MONTHLY EXPENSE	\$18,593	\$18,671	\$18,749	\$18,827	\$18,905	\$18,983	\$19,061	\$19,139	\$19,217	\$19,295	\$19,373	\$19,451	\$228,258
NET INCOME OR EXPENSE/MONTH	(\$9,020)	(\$8,556)	(\$7,959)	(\$7,231)	(\$6,379)	(\$5,598)	(\$4,871)	(\$4,208)	(\$3,955)	(\$3,485)	(\$3,877)	(\$3,584)	(\$68,725)

**PROJECTED INCOME & EXPENSE STATEMENT
FOR CCN AMENDMENT APPLICATION
FOR WILLIS WAUKEGAN SUBDIVISION
BY CRYSTAL SPRINGS WATER CO., INC.**

FISCAL YEAR 2

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
TOTAL ON-LINE EQUIVALENT CONN.	78	84	90	96	102	108	114	120	126	132	138	144	1,332
Seasonal Multiplier, mo. avg/ annual avg	0.65	0.65	0.75	1.00	1.20	1.35	1.35	1.35	1.20	1.10	0.75	0.65	12.00
Monthly Water Use/Customer, Gal	4,534	4,095	5,231	6,750	8,370	9,113	9,416	9,416	8,100	7,673	5,063	4,534	
Monthly Water Use In Base Rate, Gal	-	-	-	-	-	-	-	-	-	-	-	-	
Monthly Water Use Subject to Surcharge, Gal	4,534	4,095	5,231	6,750	8,370	9,113	9,416	9,416	8,100	7,673	5,063	4,534	
Monthly Water Income Per Customer, \$	\$ 55.00	\$ 53.54	\$ 57.32	\$ 62.38	\$ 67.77	\$ 70.24	\$ 71.26	\$ 71.26	\$ 66.87	\$ 65.45	\$ 56.76	\$ 55.00	\$ 752.84
Monthly Sewer Use In Base Rate, Gal	-	-	-	-	-	-	-	-	-	-	-	-	
Monthly Sewer Use Subject to Sewer Charge, Gal	4,534	4,095	5,231	6,750	8,370	9,113	9,416	9,416	8,100	7,673	5,063	4,534	
Monthly Sewer Income Per Customer, \$	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 360.00
Monthly Water Bill, \$	\$ 85.00	\$ 83.54	\$ 87.32	\$ 92.38	\$ 97.77	\$ 100.24	\$ 101.26	\$ 101.26	\$ 96.87	\$ 95.45	\$ 86.76	\$ 85.00	\$ 1,112.84
Total Monthly Water Pumped, Gal	353,633	343,980	470,813	648,000	853,740	984,150	1,073,453	1,129,950	1,020,600	1,012,770	698,625	652,860	9,242,573
GROSS WATER/SEWER USE INCOME	\$6,630	\$7,017	\$7,859	\$8,868	\$9,973	\$10,826	\$11,543	\$12,151	\$12,206	\$12,599	\$11,973	\$12,240	\$123,885
RESERVE FOR BAD DEBTS	\$66	\$70	\$79	\$89	\$100	\$108	\$115	\$122	\$122	\$126	\$120	\$122	\$1,239
WATER/SEWER INCOME (ADJUSTED)	\$6,563	\$6,947	\$7,780	\$8,780	\$9,873	\$10,718	\$11,428	\$12,029	\$12,084	\$12,473	\$11,853	\$12,117	\$122,646
TAP FEE INCOME	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$108,000
TOTAL MONTHLY INCOME	\$15,563	\$15,947	\$16,780	\$17,780	\$18,873	\$19,718	\$20,428	\$21,029	\$21,084	\$21,473	\$20,853	\$21,117	\$230,646
EXPENSE													
GENERAL & ADMINISTRATIVE													
OFFICE EXPENSE	\$178	\$184	\$190	\$196	\$202	\$208	\$214	\$220	\$226	\$232	\$238	\$244	\$2,532
EMPLOYEE SALARIES	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$24,000
PROFESSIONAL FEES	\$539	\$542	\$545	\$548	\$551	\$554	\$557	\$560	\$563	\$566	\$569	\$572	\$6,666
INSURANCE	\$1,145	\$1,145	\$1,145	\$1,145	\$1,145	\$1,145	\$1,145	\$1,145	\$1,145	\$1,145	\$1,145	\$1,145	\$13,740
ADVALOREM TAXES	\$1,145	\$1,145	\$1,145	\$1,145	\$1,145	\$1,145	\$1,145	\$1,145	\$1,145	\$1,145	\$1,145	\$1,145	\$13,740
TCEQ PERMIT FEES	\$128	\$134	\$140	\$146	\$152	\$158	\$164	\$170	\$176	\$182	\$188	\$194	\$1,932
TOTAL G&A	\$5,135	\$5,150	\$5,165	\$5,180	\$5,195	\$5,210	\$5,225	\$5,240	\$5,255	\$5,270	\$5,285	\$5,300	\$62,610
OPERATIONS													
OPERATOR COST	\$1,578	\$1,584	\$1,590	\$1,596	\$1,602	\$1,608	\$1,614	\$1,620	\$1,626	\$1,632	\$1,638	\$1,644	\$19,332
VEHICLE & EQUIPMENT COST	\$578	\$584	\$590	\$596	\$602	\$608	\$614	\$620	\$626	\$632	\$638	\$644	\$7,332
CUSTOMER BILLING COST	\$334	\$352	\$370	\$388	\$406	\$424	\$442	\$460	\$478	\$496	\$514	\$532	\$5,196
ELECTRICITY	\$2,156	\$2,168	\$2,180	\$2,192	\$2,204	\$2,216	\$2,228	\$2,240	\$2,252	\$2,264	\$2,276	\$2,288	\$26,664
CHEMICAL COST	\$178	\$184	\$190	\$196	\$202	\$208	\$214	\$220	\$226	\$232	\$238	\$244	\$2,532
SILUDGE DISPOSAL COST	\$345	\$360	\$375	\$390	\$405	\$420	\$435	\$450	\$465	\$480	\$495	\$510	\$5,130
TAP MAT'L & FIELD LABOR COST	\$6,750	\$6,750	\$6,750	\$6,750	\$6,750	\$6,750	\$6,750	\$6,750	\$6,750	\$6,750	\$6,750	\$6,750	\$81,000
REPAIR COSTS	\$1,832	\$1,832	\$1,832	\$1,832	\$1,832	\$1,832	\$1,832	\$1,832	\$1,832	\$1,832	\$1,832	\$1,832	\$21,984
CONTRIBUTION TO RESERVE ACCT	\$1,832	\$1,832	\$1,832	\$1,832	\$1,832	\$1,832	\$1,832	\$1,832	\$1,832	\$1,832	\$1,832	\$1,832	\$21,984
MONTHLY O & M COST	\$15,583	\$15,646	\$15,709	\$15,772	\$15,835	\$15,898	\$15,961	\$16,024	\$16,087	\$16,150	\$16,213	\$16,276	\$191,154
TOTAL MONTHLY EXPENSE	\$20,718	\$20,796	\$20,874	\$20,952	\$21,030	\$21,108	\$21,186	\$21,264	\$21,342	\$21,420	\$21,498	\$21,576	\$253,764
NET INCOME OR EXPENSE/MONTH	(\$5,155)	(\$4,849)	(\$4,094)	(\$3,172)	(\$2,157)	(\$1,390)	(\$756)	(\$235)	(\$258)	\$53	(\$645)	(\$459)	(\$23,118)

**PROJECTED INCOME & EXPENSE STATEMENT
FOR CCN AMENDMENT APPLICATION
FOR WILLIS WAUKEGAN SUBDIVISION
BY CRYSTAL SPRINGS WATER CO., INC.**

FISCAL YEAR 3

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
TOTAL ON-LINE EQUIVALENT CONN.	150	156	162	168	174	180	186	192	198	204	210	216	2,196
Seasonal Multiplier, mo. avg/ annual avg	0.65	0.65	0.75	1.00	1.20	1.35	1.35	1.35	1.20	1.10	0.75	0.65	12.00
Monthly Water Use/Customer, Gal	4,534	4,095	5,231	6,750	8,370	9,113	9,416	9,416	8,100	7,673	5,063	4,534	
Monthly Water Use in Base Rate, Gal	-	-	-	-	-	-	-	-	-	-	-	-	
Monthly Water Use Subject to Surcharge, Gal	4,534	4,095	5,231	6,750	8,370	9,113	9,416	9,416	8,100	7,673	5,063	4,534	
Monthly Water Income Per Customer, \$	\$ 55.00	\$ 53.54	\$ 57.32	\$ 62.38	\$ 67.77	\$ 70.24	\$ 71.26	\$ 71.26	\$ 66.87	\$ 65.45	\$ 56.76	\$ 55.00	\$ 752.84
Monthly Sewer Use Subject to Sewer Charge, Gal	4,534	4,095	5,231	6,750	8,370	9,113	9,416	9,416	8,100	7,673	5,063	4,534	
Monthly Sewer Income Per Customer, \$	\$ 41.33	\$ 40.24	\$ 43.08	\$ 46.88	\$ 50.93	\$ 52.78	\$ 53.54	\$ 53.54	\$ 50.25	\$ 49.18	\$ 42.66	\$ 41.33	\$ 565.73
Monthly Water Bill, \$	\$ 96.33	\$ 93.77	\$ 100.40	\$ 109.25	\$ 118.70	\$ 123.03	\$ 124.80	\$ 124.80	\$ 117.12	\$ 114.63	\$ 99.41	\$ 96.33	\$ 1,318.57
Total Monthly Water Pumped, Gal	680,063	638,820	847,463	1,134,000	1,456,380	1,640,250	1,751,423	1,807,920	1,603,800	1,565,190	1,063,125	979,290	15,167,723
GROSS WATER/SEWER USE INCOME	\$14,450	\$14,629	\$16,265	\$18,354	\$20,853	\$22,145	\$23,212	\$23,961	\$23,190	\$23,385	\$20,877	\$20,808	\$241,928
RESERVE FOR BAD DEBTS	\$144	\$146	\$163	\$184	\$207	\$221	\$232	\$240	\$232	\$234	\$209	\$208	\$2,419
WATER/SEWER INCOME (ADJUSTED)	\$14,305	\$14,482	\$16,102	\$18,171	\$20,447	\$21,923	\$22,980	\$23,721	\$22,958	\$23,151	\$20,668	\$20,600	\$239,509
TAP FEE INCOME	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$108,000
TOTAL MONTHLY INCOME	\$23,305	\$23,482	\$25,102	\$27,171	\$29,447	\$30,923	\$31,980	\$32,721	\$31,958	\$32,151	\$29,668	\$29,600	\$347,509
EXPENSE													
GENERAL & ADMINISTRATIVE													
OFFICE EXPENSE	\$250	\$256	\$262	\$268	\$274	\$280	\$286	\$292	\$298	\$304	\$310	\$316	\$3,396
EMPLOYEE SALARIES	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$24,000
PROFESSIONAL FEES	\$575	\$578	\$581	\$584	\$587	\$590	\$593	\$596	\$599	\$602	\$605	\$608	\$7,098
INSURANCE	\$1,436	\$1,436	\$1,436	\$1,436	\$1,436	\$1,436	\$1,436	\$1,436	\$1,436	\$1,436	\$1,436	\$1,436	\$17,235
ADVALOREM TAXES	\$1,436	\$1,436	\$1,436	\$1,436	\$1,436	\$1,436	\$1,436	\$1,436	\$1,436	\$1,436	\$1,436	\$1,436	\$17,235
TCEQ PERMIT FEES	\$200	\$206	\$212	\$218	\$224	\$230	\$236	\$242	\$248	\$254	\$260	\$266	\$2,796
TOTAL G&A	\$5,898	\$5,913	\$5,928	\$5,943	\$5,958	\$5,973	\$5,988	\$6,003	\$6,018	\$6,033	\$6,048	\$6,063	\$71,760
OPERATIONS													
OPERATOR COST	\$1,650	\$1,656	\$1,662	\$1,668	\$1,674	\$1,680	\$1,686	\$1,692	\$1,698	\$1,704	\$1,710	\$1,716	\$20,196
VEHICLE & EQUIPMENT COST	\$650	\$656	\$662	\$668	\$674	\$680	\$686	\$692	\$698	\$704	\$710	\$716	\$8,196
CUSTOMER BILLING COST	\$550	\$558	\$566	\$574	\$582	\$590	\$598	\$606	\$614	\$622	\$630	\$638	\$7,788
ELECTRICITY	\$2,300	\$2,312	\$2,324	\$2,336	\$2,348	\$2,360	\$2,372	\$2,384	\$2,396	\$2,408	\$2,420	\$2,432	\$28,392
CHEMICAL COST	\$250	\$256	\$262	\$268	\$274	\$280	\$286	\$292	\$298	\$304	\$310	\$316	\$3,396
SLUDGE DISPOSAL COST	\$525	\$540	\$555	\$570	\$585	\$600	\$615	\$630	\$645	\$660	\$675	\$690	\$7,290
TAP MAT'L & FIELD LABOR COST	\$6,750	\$6,750	\$6,750	\$6,750	\$6,750	\$6,750	\$6,750	\$6,750	\$6,750	\$6,750	\$6,750	\$6,750	\$81,000
REPAIR COSTS	\$2,298	\$2,298	\$2,298	\$2,298	\$2,298	\$2,298	\$2,298	\$2,298	\$2,298	\$2,298	\$2,298	\$2,298	\$27,576
CONTRIBUTION TO RESERVE ACCT	\$2,298	\$2,298	\$2,298	\$2,298	\$2,298	\$2,298	\$2,298	\$2,298	\$2,298	\$2,298	\$2,298	\$2,298	\$27,576
MONTHLY O & M COST	\$17,271	\$17,334	\$17,397	\$17,460	\$17,523	\$17,586	\$17,649	\$17,712	\$17,775	\$17,838	\$17,901	\$17,964	\$211,410
TOTAL MONTHLY EXPENSE	\$23,169	\$23,247	\$23,325	\$23,403	\$23,481	\$23,559	\$23,637	\$23,715	\$23,793	\$23,871	\$23,949	\$24,027	\$283,170
NET INCOME OR EXPENSE/MONTH	\$137	\$236	\$1,777	\$3,768	\$5,966	\$7,365	\$8,344	\$9,007	\$8,166	\$8,280	\$5,720	\$5,573	\$64,339

**PROJECTED INCOME & EXPENSE STATEMENT
FOR CCN AMENDMENT APPLICATION
FOR WILLIS WAUKEGAN SUBDIVISION
BY CRYSTAL SPRINGS WATER CO., INC.**

FISCAL YEAR 4

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
TOTAL ON-LINE EQUIVALENT CONN.	222	228	234	240	246	252	258	264	270	276	282	288	3,060
Seasonal Multiplier, mo. avg/ annual avg	0.65	0.65	0.75	1.00	1.20	1.35	1.35	1.35	1.20	1.10	0.75	0.65	12.00
Monthly Water Use/Customer, Gal	4,534	4,095	5,231	6,750	8,370	9,113	9,416	9,416	8,100	7,673	5,063	4,534	
Monthly Water Use In Base Rate, Gal	4,534	4,095	5,231	6,750	8,370	9,113	9,416	9,416	8,100	7,673	5,063	4,534	
Monthly Water Use Subject to Surcharge, G	\$ 55.00	\$ 53.54	\$ 57.32	\$ 62.38	\$ 67.77	\$ 70.24	\$ 71.26	\$ 71.26	\$ 66.87	\$ 65.45	\$ 56.76	\$ 55.00	\$ 752.84
Monthly Sewer Use In Base Rate, Gal	4,534	4,095	5,231	6,750	8,370	9,113	9,416	9,416	8,100	7,673	5,063	4,534	
Monthly Sewer Use Subject to Sewer Charge	\$ 41.33	\$ 40.24	\$ 43.08	\$ 46.88	\$ 50.93	\$ 52.78	\$ 53.54	\$ 53.54	\$ 50.25	\$ 49.18	\$ 42.86	\$ 41.33	\$ 565.73
Monthly Water Bili, \$	\$ 96.33	\$ 93.77	\$ 100.40	\$ 109.25	\$ 118.70	\$ 123.03	\$ 124.80	\$ 124.80	\$ 117.12	\$ 114.63	\$ 99.41	\$ 96.33	\$ 1,318.57
GROSS WATER/SEWER USE INCOME	1,006,493	933,660	1,224,113	1,620,000	2,059,020	2,296,350	2,429,393	2,485,890	2,187,000	2,117,610	1,427,625	1,305,720	21,092,873
RESERVE FOR BAD DEBTS	\$21,386	\$21,386	\$23,493	\$26,221	\$29,199	\$31,003	\$32,198	\$32,946	\$31,623	\$31,638	\$28,035	\$27,744	\$336,865
WATER/SEWER INCOME (ADJUSTED)	\$214	\$214	\$235	\$262	\$292	\$310	\$322	\$329	\$316	\$316	\$280	\$277	\$3,369
TAP FEE INCOME	\$21,172	\$21,167	\$23,258	\$25,958	\$28,907	\$30,692	\$31,876	\$32,617	\$31,307	\$31,322	\$27,755	\$27,466	\$333,497
TOTAL MONTHLY INCOME	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$108,000
EXPENSE	\$30,172	\$30,167	\$32,258	\$34,958	\$37,907	\$39,692	\$40,876	\$41,617	\$40,307	\$40,322	\$36,755	\$36,466	\$441,497
GENERAL & ADMINISTRATIVE													
OFFICE EXPENSE	\$322	\$328	\$334	\$340	\$346	\$352	\$358	\$364	\$370	\$376	\$382	\$388	\$4,260
EMPLOYEE SALARIES	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$24,000
PROFESSIONAL FEES	\$611	\$614	\$617	\$620	\$623	\$626	\$629	\$632	\$635	\$638	\$641	\$644	\$7,530
INSURANCE	\$1,665	\$1,665	\$1,665	\$1,665	\$1,665	\$1,665	\$1,665	\$1,665	\$1,665	\$1,665	\$1,665	\$1,665	\$19,980
ADVALOREM TAXES	\$1,665	\$1,665	\$1,665	\$1,665	\$1,665	\$1,665	\$1,665	\$1,665	\$1,665	\$1,665	\$1,665	\$1,665	\$19,980
TCEQ PERMIT FEES	\$272	\$278	\$284	\$290	\$296	\$302	\$308	\$314	\$320	\$326	\$332	\$338	\$3,660
TOTAL G&A	\$6,535	\$6,550	\$6,565	\$6,580	\$6,595	\$6,610	\$6,625	\$6,640	\$6,655	\$6,670	\$6,685	\$6,700	\$79,410
OPERATIONS													
OPERATOR COST	\$1,722	\$1,728	\$1,734	\$1,740	\$1,746	\$1,752	\$1,758	\$1,764	\$1,770	\$1,776	\$1,782	\$1,788	\$21,060
VEHICLE & EQUIPMENT COST	\$722	\$728	\$734	\$740	\$746	\$752	\$758	\$764	\$770	\$776	\$782	\$788	\$9,060
CUSTOMER BILLING COST	\$766	\$784	\$802	\$820	\$838	\$856	\$874	\$892	\$910	\$928	\$946	\$964	\$10,380
ELECTRICITY	\$2,444	\$2,456	\$2,468	\$2,480	\$2,492	\$2,504	\$2,516	\$2,528	\$2,540	\$2,552	\$2,564	\$2,576	\$30,120
CHEMICAL COST	\$322	\$328	\$334	\$340	\$346	\$352	\$358	\$364	\$370	\$376	\$382	\$388	\$4,260
SLUDGE DISPOSAL COST	\$705	\$720	\$735	\$750	\$765	\$780	\$795	\$810	\$825	\$840	\$855	\$870	\$9,450
TAP MAT'L & FIELD LABOR COST	\$6,750	\$6,750	\$6,750	\$6,750	\$6,750	\$6,750	\$6,750	\$6,750	\$6,750	\$6,750	\$6,750	\$6,750	\$81,000
REPAIR COSTS	\$2,664	\$2,664	\$2,664	\$2,664	\$2,664	\$2,664	\$2,664	\$2,664	\$2,664	\$2,664	\$2,664	\$2,664	\$31,968
CONTRIBUTION TO RESERVE ACCT	\$2,664	\$2,664	\$2,664	\$2,664	\$2,664	\$2,664	\$2,664	\$2,664	\$2,664	\$2,664	\$2,664	\$2,664	\$31,968
MONTHLY O & M COST	\$18,759	\$18,822	\$18,885	\$18,948	\$19,011	\$19,074	\$19,137	\$19,200	\$19,263	\$19,326	\$19,389	\$19,452	\$229,266
TOTAL MONTHLY EXPENSE	\$25,294	\$25,372	\$25,450	\$25,528	\$25,606	\$25,684	\$25,762	\$25,840	\$25,918	\$25,996	\$26,074	\$26,152	\$308,676
NET INCOME OR EXPENSE/MONTH	\$4,878	\$4,795	\$6,808	\$9,430	\$12,301	\$14,008	\$15,114	\$15,777	\$14,389	\$14,326	\$10,681	\$10,314	\$132,821

**PROJECTED INCOME & EXPENSE STATEMENT
FOR CCN AMENDMENT APPLICATION
FOR WILLIS WAUKEGAN SUBDIVISION
BY CRYSTAL SPRINGS WATER CO., INC.**

FISCAL YEAR 5

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
TOTAL ON-LINE EQUIVALENT CONN.	294	300	306	312	318	324	330	336	342	348	354	360	3,924
Seasonal Multiplier, mo. avg/ annual avg	0.65	0.65	0.75	1.00	1.20	1.35	1.35	1.35	1.20	1.10	0.75	0.65	12.00
Monthly Water Use/Customer, Gal	4,534	4,095	5,231	6,750	8,370	9,113	9,416	9,416	8,100	7,673	5,063	4,534	
Monthly Water Use in Base Rate, Gal	4,534	4,095	5,231	6,750	8,370	9,113	9,416	9,416	8,100	7,673	5,063	4,534	
Monthly Water Use Subject to Surcharge, Gal	\$ 55.00	\$ 53.54	\$ 57.32	\$ 62.38	\$ 67.77	\$ 70.24	\$ 71.26	\$ 71.26	\$ 66.87	\$ 65.45	\$ 56.76	\$ 55.00	\$ 752.84
Monthly Sewer Use in Base Rate, Gal													
Monthly Sewer Use Subject to Sewer Charge	4,534	4,095	5,231	6,750	8,370	9,113	9,416	9,416	8,100	7,673	5,063	4,534	
Monthly Sewer Income Per Customer, \$	\$ 41.33	\$ 40.24	\$ 43.08	\$ 46.88	\$ 50.93	\$ 52.78	\$ 53.54	\$ 53.54	\$ 50.25	\$ 49.18	\$ 42.66	\$ 41.33	\$ 565.73
Monthly Water Pumped, Gal	\$ 96.33	\$ 93.77	\$ 100.40	\$ 109.25	\$ 118.70	\$ 123.03	\$ 124.80	\$ 124.80	\$ 117.12	\$ 114.63	\$ 99.41	\$ 96.33	\$ 1,318.57
GROSS WATER/SEWER USE INCOME	1,332,923	1,228,500	1,600,763	2,106,000	2,661,660	2,952,450	3,107,363	3,163,860	2,770,200	2,670,030	1,792,125	1,632,150	27,018,023
RESERVE FOR BAD DEBTS	\$28,322	\$28,132	\$30,722	\$34,087	\$37,746	\$39,860	\$41,183	\$41,932	\$40,056	\$39,891	\$35,193	\$34,679	\$431,803
WATER/SEWER INCOME (ADJUSTED)	\$283	\$281	\$307	\$341	\$377	\$399	\$412	\$419	\$401	\$399	\$352	\$347	\$4,318
TAP FEE INCOME	\$28,038	\$27,851	\$30,415	\$33,746	\$37,368	\$39,462	\$40,771	\$41,512	\$39,656	\$39,493	\$34,841	\$34,333	\$427,485
TOTAL MONTHLY INCOME	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$108,000
TOTAL MONTHLY INCOME	\$37,038	\$36,851	\$39,415	\$42,746	\$46,368	\$48,462	\$49,771	\$50,512	\$48,656	\$48,493	\$43,841	\$43,333	\$535,485
EXPENSE													
GENERAL & ADMINISTRATIVE													
OFFICE EXPENSE	\$394	\$400	\$406	\$412	\$418	\$424	\$430	\$436	\$442	\$448	\$454	\$460	\$5,124
EMPLOYEE SALARIES	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$24,000
PROFESSIONAL FEES	\$647	\$650	\$653	\$656	\$659	\$662	\$665	\$668	\$671	\$674	\$677	\$680	\$7,962
INSURANCE	\$1,956	\$1,956	\$1,956	\$1,956	\$1,956	\$1,956	\$1,956	\$1,956	\$1,956	\$1,956	\$1,956	\$1,956	\$23,475
ADVALOREM TAXES	\$1,956	\$1,956	\$1,956	\$1,956	\$1,956	\$1,956	\$1,956	\$1,956	\$1,956	\$1,956	\$1,956	\$1,956	\$23,475
TCEQ PERMIT FEES	\$344	\$350	\$356	\$362	\$368	\$374	\$380	\$386	\$392	\$398	\$404	\$410	\$4,524
TOTAL G&A	\$7,298	\$7,313	\$7,328	\$7,343	\$7,358	\$7,373	\$7,388	\$7,403	\$7,418	\$7,433	\$7,448	\$7,463	\$88,560
OPERATIONS													
OPERATOR COST	\$1,794	\$1,800	\$1,806	\$1,812	\$1,818	\$1,824	\$1,830	\$1,836	\$1,842	\$1,848	\$1,854	\$1,860	\$21,924
VEHICLE & EQUIPMENT COST	\$794	\$800	\$806	\$812	\$818	\$824	\$830	\$836	\$842	\$848	\$854	\$860	\$9,924
CUSTOMER BILLING COST	\$982	\$1,000	\$1,018	\$1,036	\$1,054	\$1,072	\$1,090	\$1,108	\$1,126	\$1,144	\$1,162	\$1,180	\$12,972
ELECTRICITY	\$2,588	\$2,600	\$2,612	\$2,624	\$2,636	\$2,648	\$2,660	\$2,672	\$2,684	\$2,696	\$2,708	\$2,720	\$31,848
CHEMICAL COST	\$394	\$400	\$406	\$412	\$418	\$424	\$430	\$436	\$442	\$448	\$454	\$460	\$5,124
SLUDGE DISPOSAL COST	\$885	\$900	\$915	\$930	\$945	\$960	\$975	\$990	\$1,005	\$1,020	\$1,035	\$1,050	\$11,610
TAP MAT'L & FIELD LABOR COST	\$6,750	\$6,750	\$6,750	\$6,750	\$6,750	\$6,750	\$6,750	\$6,750	\$6,750	\$6,750	\$6,750	\$6,750	\$81,000
REPAIR COSTS	\$3,130	\$3,130	\$3,130	\$3,130	\$3,130	\$3,130	\$3,130	\$3,130	\$3,130	\$3,130	\$3,130	\$3,130	\$37,560
CONTRIBUTION TO RESERVE ACCT	\$3,130	\$3,130	\$3,130	\$3,130	\$3,130	\$3,130	\$3,130	\$3,130	\$3,130	\$3,130	\$3,130	\$3,130	\$37,560
MONTHLY O & M COST	\$20,447	\$20,510	\$20,573	\$20,636	\$20,699	\$20,762	\$20,825	\$20,888	\$20,951	\$21,014	\$21,077	\$21,140	\$249,522
TOTAL MONTHLY EXPENSE	\$27,745	\$27,823	\$27,901	\$27,979	\$28,057	\$28,135	\$28,213	\$28,291	\$28,369	\$28,447	\$28,525	\$28,603	\$338,082
NET INCOME OR EXPENSE/MONTH	\$9,294	\$9,028	\$11,514	\$14,767	\$18,312	\$20,327	\$21,559	\$22,222	\$20,287	\$20,046	\$15,316	\$14,730	\$197,403

**PROJECTED INCOME & EXPENSE STATEMENT
FOR CCN AMENDMENT APPLICATION
FOR WILLIS WAUKEGAN SUBDIVISION
BY CRYSTAL SPRINGS WATER CO., INC.**

FISCAL YEAR 6

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
TOTAL ON-LINE EQUIVALENT CONN.	366	372	378	384	390	396	402	408	414	420	426	432	4,788
Seasonal Multiplier, mo. avg/ annual avg	0.65	0.65	0.75	1.00	1.20	1.35	1.35	1.35	1.20	1.10	0.75	0.65	12.00
Monthly Water Use/Customer, Gal	4,534	4,095	5,231	6,750	8,370	9,113	9,416	9,416	8,100	7,673	5,063	4,534	
Monthly Water Use in Base Rate, Gal	4,534	4,095	5,231	6,750	8,370	9,113	9,416	9,416	8,100	7,673	5,063	4,534	
Monthly Water Use Subject to Surcharge, Gal	\$ 55.00	\$ 53.54	\$ 57.32	\$ 62.38	\$ 67.77	\$ 70.24	\$ 71.26	\$ 71.26	\$ 66.87	\$ 65.45	\$ 56.76	\$ 55.00	\$ 752.84
Monthly Sewer Income Per Customer, \$													
Monthly Sewer Use in Base Rate, Gal	4,534	4,095	5,231	6,750	8,370	9,113	9,416	9,416	8,100	7,673	5,063	4,534	
Monthly Sewer Income Per Customer, \$	\$ 41.33	\$ 40.24	\$ 43.08	\$ 46.88	\$ 50.93	\$ 52.78	\$ 53.54	\$ 53.54	\$ 50.25	\$ 49.18	\$ 42.66	\$ 41.33	\$ 565.73
Monthly Water Pumped, Gal	\$ 96.33	\$ 93.77	\$ 100.40	\$ 109.25	\$ 118.70	\$ 123.03	\$ 124.80	\$ 124.80	\$ 117.12	\$ 114.63	\$ 99.41	\$ 96.33	\$ 1,318.57
Total Monthly Water Pumped, Gal	1,659,353	1,523,340	1,977,413	2,592,000	3,264,300	3,608,550	3,785,333	3,841,830	3,353,400	3,222,450	2,156,625	1,958,580	32,943,173
GROSS WATER/SEWER USE INCOME	\$35,257	\$34,884	\$37,951	\$41,953	\$46,292	\$48,718	\$50,168	\$50,917	\$48,489	\$48,145	\$42,351	\$41,615	\$526,740
RESERVE FOR BAD DEBTS	\$353	\$349	\$380	\$420	\$463	\$487	\$502	\$509	\$485	\$481	\$424	\$416	\$5,267
WATER/SEWER INCOME (ADJUSTED)	\$34,905	\$34,535	\$37,571	\$41,533	\$45,829	\$48,231	\$49,667	\$50,408	\$48,004	\$47,663	\$41,927	\$41,199	\$521,472
TAP FEE INCOME	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$108,000
TOTAL MONTHLY INCOME	\$43,905	\$43,535	\$46,571	\$50,533	\$54,829	\$57,231	\$58,667	\$59,408	\$57,004	\$56,663	\$50,927	\$50,199	\$629,472
EXPENSE													
GENERAL & ADMINISTRATIVE													
OFFICE EXPENSE	\$466	\$472	\$478	\$484	\$490	\$496	\$502	\$508	\$514	\$520	\$526	\$532	\$5,988
EMPLOYEE SALARIES	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$24,000
PROFESSIONAL FEES	\$683	\$686	\$689	\$692	\$695	\$698	\$701	\$704	\$707	\$710	\$713	\$716	\$8,594
INSURANCE	\$1,956	\$1,956	\$1,956	\$1,956	\$1,956	\$1,956	\$1,956	\$1,956	\$1,956	\$1,956	\$1,956	\$1,956	\$23,475
ADVALOREM TAXES	\$1,956	\$1,956	\$1,956	\$1,956	\$1,956	\$1,956	\$1,956	\$1,956	\$1,956	\$1,956	\$1,956	\$1,956	\$23,475
TOCEQ PERMIT FEES	\$416	\$422	\$428	\$434	\$440	\$446	\$452	\$458	\$464	\$470	\$476	\$482	\$5,388
TOTAL G&A	\$7,478	\$7,493	\$7,508	\$7,523	\$7,538	\$7,553	\$7,568	\$7,583	\$7,598	\$7,613	\$7,628	\$7,643	\$90,720
OPERATIONS													
OPERATOR COST	\$1,866	\$1,872	\$1,878	\$1,884	\$1,890	\$1,896	\$1,902	\$1,908	\$1,914	\$1,920	\$1,926	\$1,932	\$22,788
VEHICLE & EQUIPMENT COST	\$866	\$872	\$878	\$884	\$890	\$896	\$902	\$908	\$914	\$920	\$926	\$932	\$10,788
CUSTOMER BILLING COST	\$1,188	\$1,216	\$1,234	\$1,252	\$1,270	\$1,288	\$1,306	\$1,324	\$1,342	\$1,360	\$1,378	\$1,396	\$15,564
ELECTRICITY	\$2,732	\$2,744	\$2,756	\$2,768	\$2,780	\$2,792	\$2,804	\$2,816	\$2,828	\$2,840	\$2,852	\$2,864	\$33,576
CHEMICAL COST	\$466	\$472	\$478	\$484	\$490	\$496	\$502	\$508	\$514	\$520	\$526	\$532	\$5,988
SLUDGE DISPOSAL COST	\$1,065	\$1,080	\$1,095	\$1,110	\$1,125	\$1,140	\$1,155	\$1,170	\$1,185	\$1,200	\$1,215	\$1,230	\$13,770
TAP MATL & FIELD LABOR COST	\$6,750	\$6,750	\$6,750	\$6,750	\$6,750	\$6,750	\$6,750	\$6,750	\$6,750	\$6,750	\$6,750	\$6,750	\$81,000
REPAIR COSTS	\$3,496	\$3,496	\$3,496	\$3,496	\$3,496	\$3,496	\$3,496	\$3,496	\$3,496	\$3,496	\$3,496	\$3,496	\$41,952
CONTRIBUTION TO RESERVE ACCT	\$3,496	\$3,496	\$3,496	\$3,496	\$3,496	\$3,496	\$3,496	\$3,496	\$3,496	\$3,496	\$3,496	\$3,496	\$41,952
MONTHLY O & M COST	\$21,935	\$21,998	\$22,061	\$22,124	\$22,187	\$22,250	\$22,313	\$22,376	\$22,439	\$22,502	\$22,565	\$22,628	\$267,378
TOTAL MONTHLY EXPENSE	\$29,413	\$29,491	\$29,569	\$29,647	\$29,725	\$29,803	\$29,881	\$29,959	\$30,037	\$30,115	\$30,193	\$30,271	\$358,098
NET INCOME OR EXPENSE/MONTH	\$14,492	\$14,045	\$17,003	\$20,887	\$25,104	\$27,429	\$28,786	\$29,449	\$26,968	\$26,549	\$20,735	\$19,929	\$271,374

**PROJECTED INCOME & EXPENSE STATEMENT
FOR CCN AMENDMENT APPLICATION
FOR WILLIS WAUKEGAN SUBDIVISION
BY CRYSTAL SPRINGS WATER CO., INC.**

FISCAL YEAR 7

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
TOTAL ON-LINE EQUIVALENT CONN.	438	444	450	456	462	468	474	480	486	492	498	504	5,652
Seasonal Multiplier, mo. avg/ annual avg	0.65	0.65	0.75	1.00	1.20	1.35	1.35	1.35	1.20	1.10	0.75	0.65	12.00
Monthly Water Use/Customer, Gal	4,534	4,095	5,231	6,750	8,370	9,113	9,416	9,416	8,100	7,673	5,063	4,534	
Monthly Water Use in Base Rate, Gal	4,534	4,095	5,231	6,750	8,370	9,113	9,416	9,416	8,100	7,673	5,063	4,534	
Monthly Water Use Subject to Surcharge, Gal	55.00	53.54	57.32	62.38	67.77	70.24	71.26	71.26	66.87	65.45	56.76	55.00	752.84
Monthly Water Income Per Customer, \$	4,534	4,095	5,231	6,750	8,370	9,113	9,416	9,416	8,100	7,673	5,063	4,534	
Monthly Sewer Use Subject to Sewer Charge, Gal	4,534	4,095	5,231	6,750	8,370	9,113	9,416	9,416	8,100	7,673	5,063	4,534	
Monthly Sewer Income Per Customer, \$	41.33	40.24	43.08	46.88	50.93	52.78	53.54	53.54	50.25	49.18	42.66	41.33	565.73
Monthly Water Bill, \$	96.33	93.77	100.40	109.25	118.70	123.03	124.80	124.80	117.12	114.63	99.41	96.33	1,318.57
Total Monthly Water Pumped, Gal	1,965,783	1,818,180	2,354,063	3,078,000	3,866,940	4,264,650	4,463,303	4,519,800	3,936,600	3,774,870	2,521,125	2,285,010	38,868,323
GROSS WATER/SEWER USE INCOME	\$42,193	\$41,636	\$45,179	\$49,819	\$54,838	\$57,576	\$59,154	\$59,902	\$56,922	\$56,398	\$49,508	\$48,551	\$621,677
RESERVE FOR BAD DEBITS	\$422	\$416	\$452	\$498	\$548	\$576	\$592	\$599	\$569	\$564	\$495	\$486	\$6,217
WATERSEWER INCOME (ADJUSTED)	\$41,771	\$41,219	\$44,727	\$49,321	\$54,290	\$57,000	\$58,562	\$59,303	\$56,353	\$55,834	\$49,013	\$48,066	\$615,460
TAP FEE INCOME	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$108,000
TOTAL MONTHLY INCOME	\$50,771	\$50,219	\$53,727	\$58,321	\$63,290	\$66,000	\$67,562	\$68,303	\$65,353	\$64,834	\$58,013	\$57,066	\$723,460
EXPENSE													
GENERAL & ADMINISTRATIVE													
OFFICE EXPENSE	\$538	\$544	\$550	\$556	\$562	\$568	\$574	\$580	\$586	\$592	\$598	\$604	\$6,852
EMPLOYEE SALARIES	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$24,000
PROFESSIONAL FEES	\$719	\$722	\$725	\$728	\$731	\$734	\$737	\$740	\$743	\$746	\$749	\$752	\$8,826
INSURANCE	\$1,956	\$1,956	\$1,956	\$1,956	\$1,956	\$1,956	\$1,956	\$1,956	\$1,956	\$1,956	\$1,956	\$1,956	\$23,475
ADVALOREM TAXES	\$1,956	\$1,956	\$1,956	\$1,956	\$1,956	\$1,956	\$1,956	\$1,956	\$1,956	\$1,956	\$1,956	\$1,956	\$23,475
TCEQ PERMIT FEES	\$488	\$494	\$500	\$506	\$512	\$518	\$524	\$530	\$536	\$542	\$548	\$554	\$6,252
TOTAL G&A	\$7,658	\$7,673	\$7,688	\$7,703	\$7,718	\$7,733	\$7,748	\$7,763	\$7,778	\$7,793	\$7,808	\$7,823	\$92,880
OPERATIONS													
OPERATOR COST	\$1,938	\$1,944	\$1,950	\$1,956	\$1,962	\$1,968	\$1,974	\$1,980	\$1,986	\$1,992	\$1,998	\$2,004	\$23,652
VEHICLE & EQUIPMENT COST	\$938	\$944	\$950	\$956	\$962	\$968	\$974	\$980	\$986	\$992	\$998	\$1,004	\$11,652
CUSTOMER BILLING COST	\$1,414	\$1,432	\$1,450	\$1,468	\$1,486	\$1,504	\$1,522	\$1,540	\$1,558	\$1,576	\$1,594	\$1,612	\$18,156
ELECTRICITY	\$2,876	\$2,888	\$2,900	\$2,912	\$2,924	\$2,936	\$2,948	\$2,960	\$2,972	\$2,984	\$2,996	\$3,008	\$35,304
CHEMICAL COST	\$538	\$544	\$550	\$556	\$562	\$568	\$574	\$580	\$586	\$592	\$598	\$604	\$6,852
SLUDGE DISPOSAL COST	\$1,245	\$1,260	\$1,275	\$1,290	\$1,305	\$1,320	\$1,335	\$1,350	\$1,365	\$1,380	\$1,395	\$1,410	\$15,930
TAP MAT'L & FIELD LABOR COST	\$6,750	\$6,750	\$6,750	\$6,750	\$6,750	\$6,750	\$6,750	\$6,750	\$6,750	\$6,750	\$6,750	\$6,750	\$81,000
REPAIR COSTS	\$3,862	\$3,862	\$3,862	\$3,862	\$3,862	\$3,862	\$3,862	\$3,862	\$3,862	\$3,862	\$3,862	\$3,862	\$46,344
CONTRIBUTION TO RESERVE ACCT	\$3,862	\$3,862	\$3,862	\$3,862	\$3,862	\$3,862	\$3,862	\$3,862	\$3,862	\$3,862	\$3,862	\$3,862	\$46,344
MONTHLY O & M COST	\$23,423	\$23,486	\$23,549	\$23,612	\$23,675	\$23,738	\$23,801	\$23,864	\$23,927	\$23,990	\$24,053	\$24,116	\$285,234
TOTAL MONTHLY EXPENSE	\$31,081	\$31,159	\$31,237	\$31,315	\$31,393	\$31,471	\$31,549	\$31,627	\$31,705	\$31,783	\$31,861	\$31,939	\$378,114
NET INCOME OR EXPENSE/MONTH	\$19,691	\$19,061	\$22,491	\$27,006	\$31,897	\$34,530	\$36,014	\$36,677	\$33,648	\$33,052	\$26,153	\$25,127	\$345,346

**PROJECTED INCOME & EXPENSE STATEMENT
FOR CCN AMENDMENT APPLICATION
FOR WILLIS WAUKEGAN SUBDIVISION
BY CRYSTAL SPRINGS WATER CO., INC.**

FISCAL YEAR 8

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
TOTAL ON-LINE EQUIVALENT CONN.	510	516	522	528	534	540	546	550	550	550	550	550	6,446
Seasonal Multiplier, mo. avg/ annual avg	0.65	0.65	0.75	1.00	1.20	1.35	1.35	1.35	1.20	1.10	0.75	0.65	12.00
Monthly Water Use/Customer, Gal	4,534	4,095	5,231	6,750	8,370	9,113	9,416	9,416	8,100	7,673	5,063	4,534	
Monthly Water Use in Base Rate, Gal	-	-	-	-	-	-	-	-	-	-	-	-	
Monthly Water Use Subject to Surcharge, Gal	4,534	4,095	5,231	6,750	8,370	9,113	9,416	9,416	8,100	7,673	5,063	4,534	
Monthly Water Income Per Customer, \$	\$ 55.00	\$ 53.54	\$ 57.32	\$ 62.38	\$ 67.77	\$ 70.24	\$ 71.26	\$ 71.26	\$ 66.87	\$ 65.45	\$ 56.76	\$ 55.00	\$ 752.84
Monthly Sewer Use in Base Rate, Gal	-	-	-	-	-	-	-	-	-	-	-	-	
Monthly Sewer Use Subject to Sewer Charge, Gal	4,534	4,095	5,231	6,750	8,370	9,113	9,416	9,416	8,100	7,673	5,063	4,534	
Monthly Sewer Income Per Customer, \$	\$ 41.33	\$ 40.24	\$ 43.08	\$ 46.88	\$ 50.93	\$ 52.78	\$ 53.54	\$ 53.54	\$ 50.25	\$ 49.18	\$ 42.66	\$ 41.33	\$ 565.73
Monthly Water Bill, \$	\$ 96.33	\$ 93.77	\$ 100.40	\$ 109.25	\$ 118.70	\$ 123.03	\$ 124.80	\$ 124.80	\$ 117.12	\$ 114.63	\$ 99.41	\$ 96.33	\$ 1,318.57
Total Monthly Water Pumped, Gal	2,312,213	2,113,020	2,730,713	3,564,000	4,469,580	4,920,750	5,141,273	5,178,938	4,455,000	4,219,875	2,784,375	2,493,563	44,383,298
GROSS WATER/SEWER USE INCOME	\$49,129	\$48,387	\$52,408	\$57,685	\$63,384	\$66,434	\$68,139	\$68,638	\$64,418	\$63,047	\$54,678	\$52,982	\$709,330
RESERVE FOR BAD DEBTS	\$491	\$484	\$524	\$577	\$634	\$664	\$681	\$686	\$644	\$630	\$547	\$530	\$7,093
WATER/SEWER INCOME (ADJUSTED)	\$48,638	\$47,903	\$51,884	\$57,108	\$62,750	\$65,770	\$67,458	\$67,952	\$63,773	\$62,416	\$54,131	\$52,453	\$702,237
TAP FEE INCOME	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$0	\$0	\$0	\$0	\$69,000
TOTAL MONTHLY INCOME	\$57,638	\$56,903	\$60,884	\$66,108	\$71,750	\$74,770	\$76,458	\$73,952	\$63,773	\$62,416	\$54,131	\$52,453	\$771,237
EXPENSE													
GENERAL & ADMINISTRATIVE													
OFFICE EXPENSE	\$610	\$616	\$622	\$628	\$634	\$640	\$646	\$650	\$650	\$650	\$650	\$650	\$7,646
EMPLOYEE SALARIES	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$24,000
PROFESSIONAL FEES	\$755	\$758	\$761	\$764	\$767	\$770	\$773	\$775	\$775	\$775	\$775	\$775	\$9,223
INSURANCE	\$1,956	\$1,956	\$1,956	\$1,956	\$1,956	\$1,956	\$1,956	\$1,956	\$1,956	\$1,956	\$1,956	\$1,956	\$23,475
ADVALOREM TAXES	\$1,956	\$1,956	\$1,956	\$1,956	\$1,956	\$1,956	\$1,956	\$1,956	\$1,956	\$1,956	\$1,956	\$1,956	\$23,475
TCEQ PERMIT FEES	\$560	\$566	\$572	\$578	\$584	\$590	\$596	\$600	\$600	\$600	\$600	\$600	\$7,046
TOTAL G&A	\$7,838	\$7,853	\$7,868	\$7,883	\$7,898	\$7,913	\$7,928	\$7,938	\$7,938	\$7,938	\$7,938	\$7,938	\$94,865
OPERATIONS													
OPERATOR COST	\$2,010	\$2,016	\$2,022	\$2,028	\$2,034	\$2,040	\$2,046	\$2,050	\$2,050	\$2,050	\$2,050	\$2,050	\$24,446
VEHICLE & EQUIPMENT COST	\$1,010	\$1,016	\$1,022	\$1,028	\$1,034	\$1,040	\$1,046	\$1,050	\$1,050	\$1,050	\$1,050	\$1,050	\$12,446
CUSTOMER BILLING COST	\$1,630	\$1,648	\$1,666	\$1,684	\$1,702	\$1,720	\$1,738	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750	\$20,538
ELECTRICITY	\$3,020	\$3,032	\$3,044	\$3,056	\$3,068	\$3,080	\$3,092	\$3,100	\$3,100	\$3,100	\$3,100	\$3,100	\$36,892
CHEMICAL COST	\$610	\$616	\$622	\$628	\$634	\$640	\$646	\$650	\$650	\$650	\$650	\$650	\$7,646
SLUDGE DISPOSAL COST	\$1,425	\$1,440	\$1,455	\$1,470	\$1,485	\$1,500	\$1,515	\$1,525	\$1,525	\$1,525	\$1,525	\$1,525	\$17,915
TAP MAT'L & FIELD LABOR COST	\$6,750	\$6,750	\$6,750	\$6,750	\$6,750	\$6,750	\$6,750	\$4,500	\$0	\$0	\$0	\$0	\$51,750
REPAIR COSTS	\$4,150	\$4,150	\$4,150	\$4,150	\$4,150	\$4,150	\$4,150	\$4,150	\$4,150	\$4,150	\$4,150	\$4,150	\$49,800
CONTRIBUTION TO RESERVE ACCT	\$4,150	\$4,150	\$4,150	\$4,150	\$4,150	\$4,150	\$4,150	\$4,150	\$4,150	\$4,150	\$4,150	\$4,150	\$49,800
MONTHLY O & M COST	\$24,755	\$24,818	\$24,881	\$24,944	\$25,007	\$25,070	\$25,133	\$22,925	\$18,425	\$18,425	\$18,425	\$18,425	\$271,233
TOTAL MONTHLY EXPENSE	\$32,593	\$32,671	\$32,749	\$32,827	\$32,905	\$32,983	\$33,061	\$30,863	\$26,363	\$26,363	\$26,363	\$26,363	\$366,098
NET INCOME OR EXPENSE/MONTH	\$25,045	\$24,233	\$28,135	\$33,282	\$38,846	\$41,787	\$43,397	\$43,089	\$37,411	\$36,054	\$27,769	\$26,090	\$405,139

SUMMARY OF INCOME & EXPENSE
FOR CCN AMENDMENT APPLICATION
FOR WILLIS WAUKEGAN SUBDIVISION
BY CRYSTAL SPRINGS WATER CO., INC.

PROJECTED INCOME & EXPENSE PROJECTIONS

	FY 0	FY 1	FY 2	FY 3	DECEMBER 31 FY 4	FY 5	FY 6	FY 7	FY 8
AVERAGE NUMBER OF CUSTOMERS	0	39	111	183	255	327	399	471	537
TOTAL ANNUAL WATER USE, 1000 GAL	0	3,317,423	9,242,573	15,167,723	21,092,873	27,018,023	32,943,173	38,868,323	44,383,298
WATER/SEWER USE INCOME (ADJUSTED)	\$0	\$51,533	\$122,646	\$239,509	\$333,497	\$427,485	\$521,472	\$615,460	\$702,237
TAP FEE INCOME	\$0	\$108,000	\$108,000	\$108,000	\$108,000	\$108,000	\$108,000	\$108,000	\$69,000
TOTAL ANNUAL INCOME	\$0	\$159,533	\$230,646	\$347,509	\$441,497	\$535,485	\$629,472	\$723,460	\$771,237
EXPENSE									
GENERAL & ADMINISTRATIVE									
OFFICE EXPENSE	\$0	\$1,668	\$2,532	\$3,396	\$4,260	\$5,124	\$5,988	\$6,852	\$7,646
EMPLOYEE SALARIES	\$0	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000
PROFESSIONAL FEES	\$0	\$6,234	\$6,666	\$7,098	\$7,530	\$7,962	\$8,394	\$8,826	\$9,223
INSURANCE	\$0	\$10,995	\$13,740	\$17,235	\$19,980	\$23,475	\$23,475	\$23,475	\$23,475
ADVANCEMENT TAXES	\$0	\$10,995	\$13,740	\$17,235	\$19,980	\$23,475	\$23,475	\$23,475	\$23,475
TCEQ PERMIT FEES	\$0	\$1,068	\$1,932	\$2,796	\$3,660	\$4,524	\$5,388	\$6,252	\$7,046
TOTAL G&A	\$0	\$54,960	\$62,610	\$71,760	\$79,410	\$88,560	\$90,720	\$92,880	\$94,865
OPERATIONS									
OPERATOR COST	\$0	\$18,468	\$19,332	\$20,196	\$21,060	\$21,924	\$22,788	\$23,652	\$24,446
VEHICLE & EQUIPMENT COST	\$0	\$6,468	\$7,332	\$8,196	\$9,060	\$9,924	\$10,788	\$11,652	\$12,446
CUSTOMER BILLING COST	\$0	\$2,604	\$5,196	\$7,788	\$10,380	\$12,972	\$15,564	\$18,156	\$20,538
ELECTRICITY	\$0	\$24,936	\$26,664	\$28,392	\$30,120	\$31,848	\$33,576	\$35,304	\$36,892
CHEMICAL COST	\$0	\$1,668	\$2,532	\$3,396	\$4,260	\$5,124	\$5,988	\$6,852	\$7,646
SLUDGE DISPOSAL COST	\$0	\$2,970	\$5,130	\$7,290	\$9,450	\$11,610	\$13,770	\$15,930	\$17,915
TAP MAT'L & FIELD LABOR COST	\$0	\$81,000	\$81,000	\$81,000	\$81,000	\$81,000	\$81,000	\$81,000	\$51,750
REPAIR COSTS	\$0	\$17,592	\$21,984	\$27,576	\$31,968	\$37,560	\$41,952	\$46,344	\$49,800
CONTRIBUTION TO RESERVE ACCT	\$0	\$17,592	\$21,984	\$27,576	\$31,968	\$37,560	\$41,952	\$46,344	\$49,800
TOTAL OPERATING COST	\$0	\$173,298	\$191,154	\$211,410	\$229,266	\$249,522	\$267,378	\$285,234	\$271,233
TOTAL MONTHLY EXPENSE	\$0	\$228,258	\$253,764	\$283,170	\$308,676	\$338,082	\$358,098	\$378,114	\$366,098
INCOME (LOSS) BEFORE DEPRECIATION	\$0	(\$68,725)	(\$23,118)	\$64,339	\$132,821	\$197,403	\$271,374	\$345,346	\$405,139
DEPRECIATION	\$0	\$30,542	\$38,167	\$47,875	\$55,500	\$65,208	\$72,833	\$80,458	\$86,458
NET INCOME (LOSS)	\$0	(\$99,266)	(\$61,285)	\$16,464	\$77,321	\$132,194	\$198,541	\$264,888	\$318,680

PROJECTED BALANCE SHEET

	FY 0	FY 1	FY 2	FY 3	FY 4	FY 5	FY 6	FY 7	FY 8
ASSETS									
CASH (CHECKING)	\$100,000	\$6,275	(\$51,843)	(\$27,504)	\$105,317	\$302,719	\$574,094	\$919,440	\$1,324,579
RESERVE ACCOUNT	\$0	\$17,592	\$39,576	\$67,152	\$99,120	\$136,680	\$178,632	\$224,976	\$274,776
ACCOUNTS RECEIVABLE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL CURRENT ASSETS	\$100,000	\$23,867	(\$12,267)	\$39,648	\$204,437	\$439,399	\$752,726	\$1,144,416	\$1,599,355
PROPERTY AND EQUIPMENT									
WATER PLANT	\$0	\$400,000	\$400,000	\$500,000	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000
WASTEWATER PLANT	\$0	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000
WATER DISTRIBUTION LINES	\$0	\$250,000	\$400,000	\$700,000	\$850,000	\$850,000	\$1,000,000	\$1,150,000	\$1,300,000
SEWAGE COLLECTION LINES	\$0	\$216,000	\$432,000	\$864,000	\$1,080,000	\$1,080,000	\$1,296,000	\$1,512,000	\$1,650,000
TOTAL PROPERTY AND EQUIPMENT	\$0	\$1,466,000	\$1,832,000	\$2,664,000	\$3,130,000	\$3,130,000	\$3,496,000	\$3,862,000	\$4,150,000
LESS ACCUMULATED DEPRECIATION	\$0	\$30,542	\$68,708	\$116,583	\$172,083	\$237,292	\$310,125	\$390,583	\$477,042
TOTAL PROPERTY & EQUIPMENT, NET	\$0	\$1,435,458	\$1,763,292	\$2,547,417	\$2,957,917	\$2,892,708	\$3,185,875	\$3,471,417	\$3,672,958
TOTAL ASSETS	\$100,000	\$1,459,326	\$1,751,025	\$2,587,065	\$3,162,353	\$3,332,108	\$3,938,601	\$4,615,833	\$5,272,313
RETURN ON INVESTED CAPITAL ASSETS, %		-6.92%	-3.48%	0.65%	2.61%	4.57%	6.23%	7.63%	8.68%
LIABILITIES AND CAPITAL									
LIABILITIES									
ACCOUNTS PAYABLE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SHORT TERM DEBT	\$100,000	\$75,000	\$40,000	\$0	\$0	\$0	\$0	\$0	\$0
ACCRUED RESERVES	\$0	\$17,592	\$39,576	\$67,152	\$99,120	\$136,680	\$178,632	\$224,976	\$274,776
LONG TERM DEBT	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL LIABILITIES	\$100,000	\$92,592	\$79,576	\$67,152	\$99,120	\$136,680	\$178,632	\$224,976	\$274,776
OWNER/STOCKHOLDER EQUITY									
COMMON STOCK	\$0	\$1,466,000	\$1,832,000	\$2,664,000	\$3,130,000	\$3,130,000	\$3,496,000	\$3,862,000	\$4,150,000
RETAINED EARNINGS (CUMULATIVE)	\$0	\$0	(\$99,266)	(\$160,551)	(\$144,087)	(\$66,767)	\$65,428	\$263,969	\$528,857
NET INCOME	\$0	(\$99,266)	(\$61,285)	\$16,464	\$77,321	\$132,194	\$198,541	\$264,888	\$318,680
TOTAL CAPITAL	\$0	\$1,366,734	\$1,671,449	\$2,519,913	\$3,063,233	\$3,195,428	\$3,759,969	\$4,390,857	\$4,997,537
TOTAL LIABILITIES + CAPITAL	\$100,000	\$1,459,326	\$1,751,025	\$2,587,065	\$3,162,353	\$3,332,108	\$3,938,601	\$4,615,833	\$5,272,313

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04/28/14
Cash Basis

Crystal Springs Water Co., Inc.
Profit & Loss
January through December 2013

	Jan - Dec 13
Ordinary Income/Expense	
Income	
4565 · Reimbursed Expenses	11,792.64
4510 · Water Receipts	3,143,518.98
4520 · Water Deposit	68,719.16
4650 · Interest Income-CSWC	97.17
4690 · Misc. Income-CSWC	51,214.00
Total Income	3,275,341.95
Expense	
6000 · Building Rent	42,000.00
6010 · Accounting	4,580.00
6050 · Answering service	3,120.00
6070 · Auto Expenses	
6071 · Fuel Expenses	125,828.57
6070 · Auto Expenses - Other	103,619.30
Total 6070 · Auto Expenses	229,447.87
6090 · Bank Charges	2,834.08
6110 · Call Outs	4,970.00
6130 · Chemicals	26,575.13
6230 · Donations	650.00
6260 · Education	2,163.07
6270 · Engineering	27,473.83
6290 · Equipment Rental	30,700.69
6310 · Fee	195,651.94
6350 · Insurance	
6351 · Auto Ins.	14,706.90
6352 · Health Ins.	68,497.06
6353 · Liability Ins.	9,397.51
6354 · Group Life Ins.	1,506.50
6355 · Equipment Ins.	2,503.00
6356 · Workmans Comp	8,767.00
Total 6350 · Insurance	105,377.97
6360 · Interest Expense	5,949.69
6370 · Lab Fees	35,707.86
6390 · Land Lease	18,000.00
6410 · Legal and Professional	3,710.20
6430 · Maintenance and Repairs	106,403.99
6460 · Meals and Entertainment	3,000.00
6470 · Meter Readings	45,651.40
6490 · Miscellaneous expense	61,318.94
6510 · Office expenses	44,999.71
6530 · Operating expenses	229,200.00
6550 · Permit	19,405.10
6570 · Postage	18,369.85
6610 · Salaries and Wages	669,059.56
6630 · Salaries-Bonuses	26,700.00

1:34 PM
04/28/14
Cash Basis

Crystal Springs Water Co., Inc.
Profit & Loss
January through December 2013

	Jan - Dec 13
6690 · Sewer Plant C. W.	
6689 · C.W. Sewer Taxes	100.00
6691 · Sewer Plant C.W.-Utilities	19,061.26
6692 · Sewer Plant C.W. Chemicals	3,706.86
6693 · Sewer Plant C.W. Repairs	2,677.36
6694 · Sewer Plant C.W. Sludge Removal	27,250.27
6695 · Sewer Plant C.W. Supplies	6,517.46
6696 · Sewer Plant C.W. Lab Fees	9,116.00
6697 · Sewer Plant C.W.-Ins.	1,719.48
6699 · Sewer Plant C W Permit Fee	1,250.00
6690 · Sewer Plant C. W. - Other	5,532.98
Total 6690 · Sewer Plant C. W.	76,931.67
6700 · Sewer Plant-TLN	
6701 · Sewer Plant-TLN Repairs	20,106.13
6702 · Sewer Plant-TLN Chemicals	4,675.87
6703 · Sewer Plant-TLN Ins.	3,308.86
6704 · Sewer Plant TLN-Sludge Removal	47,749.29
6705 · Sewer Plant TLN Lab Exp	9,541.18
6706 · Sewer Plant TLN-Utilities	19,852.24
6707 · TLN Engineering	27,614.88
6708 · Sewer Plant TLN Permit Fee	1,250.00
6709 · Sewer Plant-Supplies	7,345.09
6700 · Sewer Plant-TLN - Other	682.97
Total 6700 · Sewer Plant-TLN	142,126.51
6710 · Simple IRA	15,723.00
6750 · Supplies	268,962.03
6760 · Surveying Exp.	3,820.25
6770 · Taxes-payroll	47,916.22
6790 · Taxes-property	36,922.61
6810 · Taxes-other	27,116.38
6820 · Telephone	15,123.47
6830 · Utilities	93,299.07
Total Expense	2,690,962.09
Net Ordinary Income	584,379.86
Net Income	584,379.86

10:55 AM
08/04/14
Cash Basis

Crystal Springs Water Co., Inc.
Balance Sheet
As of August 4, 2014

	Aug 4, 14
ASSETS	
Current Assets	
Checking/Savings	
11011 · Cash-Compass Bank 2	49,292.65
11012 · CSWC Accrual Acct Compass Bank	104,544.50
11013 · CSWC Cash Reserve- Compass Bank	69,705.71
11050 · CD-Spirit of TX Bank 4001178	77,445.00
11062 · CD-Woodforest	25,470.00
11064 · Cd Woodforest	14,262.00
11090 · Bank Transfers	-21,093.76
Total Checking/Savings	319,626.10
Other Current Assets	
11340 · Advances-Employees	-1,116.71
11410 · Advances to/from Affiliates	
11426 · Advances-Tom Martin	38,977.06
11415 · Advances - B & T Properties	1,000.00
11424 · Advances L&P Properties	2,000.00
11413 · Advances-MRE Maint	-2,500.00
11414 · Advances - Timberland	-13,000.00
11416 · Advances-Mark Martin	23,709.37
11417 · Advances-Crywd	-2,500.00
11419 · Advances-Old H. Acres	2,500.00
11420 · Advances-MJM	-10,000.00
11460 · Adv to/from Affiliates prior 2000	-4,217.06
Total 11410 · Advances to/from Affiliates	35,969.37
11480 · Advances to/from MRE	128,463.07
Total Other Current Assets	163,315.73
Total Current Assets	482,941.83
Fixed Assets	
11710 · Fixed Assets	4,064,064.96
11750 · Accumulated Depreciation	-2,761,087.42
11810 · Land	4,580.00
Total Fixed Assets	1,307,557.54
Other Assets	
11940 · Cumberland Crossing	6,485.55
11930 · Lot 1 Block 19C	12,500.00
Total Other Assets	18,985.55
TOTAL ASSETS	1,809,484.92
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
12537 · N/P Kubota 00033093485	23,543.71
12150 · Aflac Ins.	2,954.92
12151 · Assurant Employee Benefits	-11,355.35
12555 · N/P John Financial 510000820501	111,812.14

10:55 AM
08/04/14
Cash Basis

Crystal Springs Water Co., Inc.
Balance Sheet
As of August 4, 2014

	<u>Aug 4, 14</u>
12556 · N/P Woodforest TL Sewer 6937431	315,644.08
12557 · John Deere Fin 510000882348	69,860.81
12558 · N/PCapitalOneAuto#3927679	23,390.18
12574 · NP Toyota Fin Ser 0126492599	15,104.62
12578 · Toyota Fin Ser 012 6564374	41,063.00
12611 · N/P Toyota 0126468820	-39.95
12535 · Spirit of TX Bank LC 7001183	63,384.69
12110a · P/R Tax Pay 123199	-108.93
12110 · Payroll Taxes Payable	4,928.14
12120 · FUTA Payable	38.74
12130 · SUTA Payable	114.54
12140 · Simple IRA W/H	3,932.73
12145 · Medical Ins. W/H	42,543.71
12530 · NP-Compass Bank L/C 0057130202	-71.95
12710 · Water Deposits	361,969.91
12711 · Water Deposit Refund	-97,543.38
12715 · Rent Deposit	3,600.00
12999 · Payroll Liabilities	7,305.36
Total Other Current Liabilities	<u>982,071.72</u>
Total Current Liabilities	<u>982,071.72</u>
Total Liabilities	982,071.72
Equity	
13010 · Common Stock	1,000.00
13150 · Distributions	-613,750.00
13090 · Paid in Capital	27,389.22
13900 · Retained Earnings	1,064,908.15
Net Income	347,865.83
Total Equity	<u>827,413.20</u>
TOTAL LIABILITIES & EQUITY	<u><u>1,809,484.92</u></u>

Crystal Springs Water Co., Inc.

P.O. Box 603
Porter, Texas 77365
281-354-5136

Financial Statement

October 13, 2014

Assets:

Cash & Current Assets;

Cash & Checking Accounts	\$ 200,994	
C.D.'s, Money Market Accounts, Reserves	221,828	
		\$ 422,822

Customer Base – 24 Systems, 3271 Customers	\$4,906,500	
2 Sewer Systems – 1180 Customers	1,770,000	
Sewer Infra Structure – New Sections	325,000	
		\$7,001,500

Company Equipment	\$ 410,000	
Company Vehicles	175,000	
		\$ 585,000

Total Assets		\$7,586,500
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Liabilities:

Short Term Notes Payable	\$ 85,550
Sewer Plant Expansion	313,915
Misc.	10,000

Total Liabilities		(\$409,465)
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Net Worth		\$7,177,035
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November 10, 2014

RE: Crystal Springs Water Company, Inc.

TO WHOM IT MAY CONCERN:

Crystal Springs Water Company, Inc. and its owners have been highly valued customers of Woodforest National Bank for over 20 years.

We have extended credit in the medium six figure range to Crystal Springs Water Company, Inc. with all payments being handled as agreed.

Based on our experience, I am confident in their ability to satisfy any financial obligation they undertake.

If you need additional information, please feel free to contact me at 936-538-1411.

Sincerely,

Carolyn Price
Sr. Vice President
NMLS ID: 723321

ATTACHMENT "L"

SEWER TARIFF

CRYSTAL SPRINGS WATER CO., INC.

**SEWER UTILITY TARIFF
FOR**

Crystal Springs Water Company, Inc.
(Utility Name)

P. O. Box 603
(Business Address)

Porter, Texas 77365
(City, State, Zip Code)

218/354-5141
(Area Code/Telephone)

This tariff is effective for utility operations under the following Certificate of Convenience and Necessity:

20782

This tariff is effective in the following county:

Montgomery

This tariff is effective in the following cities or unincorporated towns (if any):

None

This tariff is effective in the following subdivisions or systems:

Timberland North and adjoining acreage

This tariff is effective for the following water quality permit number:

14081-001

The above utility lists the following sections of its tariff (if additional pages are needed for a section, all pages should be numbered consecutively):

TABLE OF CONTENTS

SECTION 1.0 - RATE SCHEDULE	3
SECTION 2.0 -- SERVICE RULES AND POLICIES	5
SECTION 3.0 -- EXTENSION POLICY	11
APPENDIX A -- SAMPLE SERVICE AGREEMENT	15

332930 CON 20782 JUL 16 '01

Signature

SECTION 1.0 - RATE SCHEDULE

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallonge Charge</u>
5/8" or 3/4"	\$30.00 (Includes 0 gallons)	\$2.50 per 1000 gallons
1"	\$50.00	

Volume charges are determined based on average consumption for winter period which includes the following months: _____

FORM OF PAYMENT: The utility will accept the following form(s) of payment:

Cash X, Check X, Money Order X, Credit Card _____, Other (specify) _____

THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH PAYMENTS.

REGULATORY ASSESSMENT 1.0%

TNRCC RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL.

Section 1.02 - Miscellaneous Fees

TAP FEE \$600.00

TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL CONNECTION. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

TAP FEE (Large Connection Tap) Actual Cost

TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR TAP SIZE INSTALLED.

RATES LISTED ARE EFFECTIVE ONLY
IF THIS PAGE HAS TNRCC APPROVAL STAMP

332930 CN 20782 JUL 16 '01

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SECTION 1.0 – RATE SCHEDULE (CONT.)

RECONNECTION FEE

THE RECONNECT FEE MUST BE PAID BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS (OR OTHER REASONS LISTED UNDER SECTION 2.0 OF THIS TARIFF):

- a) Non payment of bill (Maximum \$25.00) \$25.00
- b) Customer's request that service be disconnected \$25.00

TRANSFER FEE \$25.00

THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED

LATE CHARGE (EITHER \$5.00 OR 10% OF THE BILL) \$5.00

TNRCC RULES ALLOW A ONE-TIME PENALTY TO BE CHARGED ON DELINQUENT BILLS. A LATE CHARGE MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

RETURNED CHECK CHARGE \$25.00

RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50) \$50.00

COMMERCIAL & NON-RESIDENTIAL DEPOSIT 1/6TH OF ESTIMATED ANNUAL BILL

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE N/a

WHEN AUTHORIZED IN WRITING BY TNRCC AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [30 TAC 291.21(K)(2)]

LINE EXTENSION AND CONSTRUCTION CHARGES:

REFER TO SECTION 3.0--EXTENSION POLICY FOR TERMS, CONDITIONS, AND CHARGES WHEN NEW CONSTRUCTION IS NECESSARY TO PROVIDE SERVICE.

RATES LISTED ARE EFFECTIVE ONLY
IF THIS PAGE HAS TNRCC APPROVAL STAMP

382930 CN 20782 JUL 16 '01

[Signature]

SECTION 2.0 -- SERVICE RULES AND POLICIES

The utility will have the most current Texas Natural Resource Conservation Commission Rules, Chapter 291, Water Utility Regulation, available at its office for reference purposes. The Rules and this tariff shall be available for public inspection and reproduction at a reasonable cost. The latest Rules or Commission approved changes to the Rules supersede any rules or requirements in this tariff.

Section 2.01 - Application for Water Service

All applications for service will be made on the utility's standard application or contract form (attached in the Appendix to this tariff), will be signed by the applicant, any required fees (deposits, reconnect, tap, extension fees, etc. as applicable) will be paid and easements, if required, will be granted before service is provided by the utility. A separate application or contract will be made for each service location.

Section 2.02 - Refusal of Service

The utility may decline to serve an applicant until the applicant has complied with the regulations of the regulatory agencies (state and municipal regulations) and for the reasons outlined in the TNRCC Rules. In the event that the utility refuses to serve an applicant, the utility will inform the applicant in writing of the basis of its refusal. The utility is also required to inform the applicant that a complaint may be filed with the Commission.

Section 2.03 - Fees and Charges & Easements Required Before Service Can Be Connected

(A) Customer Deposits

If a residential applicant cannot establish credit to the satisfaction of the utility, the applicant may be required to pay a deposit as provided for in Section 1.02 - Miscellaneous Fees of this tariff. The utility will keep records of the deposit and credit interest in accordance with TNRCC Rules.

Residential applicants 65 years of age or older may not be required to pay deposits unless the applicant has an outstanding account balance with the utility or another water or sewer utility which accrued within the last two years.

Nonresidential applicants who cannot establish credit to the satisfaction of the utility may be required to make a deposit that does not exceed an amount equivalent to one-sixth of the estimated annual billings.

Refund of deposit - If service is not connected, or after disconnection of service, the utility will promptly refund the customer's deposit plus accrued interest or the balance, if any, in excess of the unpaid bills for service furnished. The utility may refund the deposit at any time prior to termination of utility service but must refund the deposit plus interest for any customer who has paid 18 consecutive billings without being delinquent.

SECTION 2.0 -- SERVICE RULES AND POLICIES (CONT.)

(B) Tap or Reconnect Fees

A new customer requesting service at a location where service has not previously been provided must pay a tap fee as provided in Section 1. A customer requesting service where service has previously been provided must pay a reconnect fee as provided in Section 1. Any applicant or existing customer required to pay for any costs not specifically set forth in the rate schedule pages of this tariff shall be given a written explanation of such costs prior to request for payment and/or commencement of construction. If the applicant or existing customer does not believe that these costs are reasonable or necessary, the applicant or existing customer shall be informed of their right to appeal such costs to the TNRCC or such other regulatory authority having jurisdiction over the utility's rates in that portion of the utility's service area in which the applicant's or existing customer's property(ies) is located.

Fees in addition to the regular tap fee may be charged if listed specifically in Section 1 to cover unique costs not normally incurred as permitted by 30 T. A. C. 291.86(a)(1)(C). For example, a road bore for customers outside a subdivision or residential area could be considered a unique cost.

(C) Easement Requirement

Where recorded public utility easements on the service applicant's property do not exist or public road right-of-way easements are not available to access the applicant's property, the Utility may require the applicant to provide it with a permanent recorded public utility easement on and across the applicant's real property sufficient to provide service to that applicant. Such easement(s) shall not be used for the construction of production, storage, transmission or pressure facilities unless they are needed for adequate service to that applicant.

Section 2.04 - Utility Response to Applications for Service

After the applicant has met all the requirements, conditions and regulations for service, the utility will install tap, meter and utility cut-off valve and/or take all necessary actions to initiate service. The utility will serve each qualified applicant for service within 5 working days unless line extensions or new facilities are required. If construction is required to fill the order and if it cannot be completed within 30 days, the utility will provide the applicant with a written explanation of the construction required and an expected date of service.

Except for good cause where service has previously been provided, service will be reconnected within one working day after the applicant has met the requirements for reconnection.

Section 2.05 - Customer Responsibility

The customer will be responsible for furnishing and laying the necessary customer service pipe from the tap location to the place of consumption. Customers will not be allowed to use the utility's cutoff.

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SECTION 2.0 -- SERVICE RULES AND POLICIES (CONT.)

Section 2.06 - Customer Service Inspections

All customers or service applicants shall provide access to utility cutoffs at all times reasonably necessary to conduct ordinary utility business and after normal business hours as needed to protect and preserve the integrity of the public drinking water supply.

Section 2.07 - Back Flow Prevention Devices

No water connection shall be made to any establishment where an actual or potential contamination or system hazard exists without an approved air gap or mechanical backflow prevention assembly. The air gap or backflow prevention assembly shall be installed in accordance with the American Water Works Association (AWWA) standards C510, C511 and AWWA Manual M14 or the University of Southern California Manual of Cross-Connection Control, current edition. The backflow assembly installation by a licensed plumber shall occur at the customer's expense.

The back flow assembly shall be tested upon installation by a recognized prevention assembly tester and certified to be operating within specifications. Back flow prevention assemblies which are installed to provide protection against high health hazards must be tested and certified to be operating within specifications at least annually by a recognized back flow prevention device tester. The maintenance and testing of the back flow assembly shall occur at the customer's expense.

Section 2.10 - Billing

(A) Regular Billing

Bills from the utility will be mailed monthly unless otherwise authorized by the Commission. The due date of bills for utility service will be at least sixteen (16) days from the date of issuance. The postmark on the bill or, if there is no postmark on the bill, the recorded date of mailing by the utility will constitute proof of the date of issuance. Payment for utility service is delinquent if full payment, including late fees and the regulatory assessment, is not received at the utility or the utility's authorized payment agency by 5:00 p.m. on the due date. If the due date falls on a holiday or weekend, the due date for payment purposes will be the next workday after the due date.

(B) Late Fees

A late penalty of either \$5.00 or 10.0% will be charged on bills received after the due date. The penalty on delinquent bills will not be applied to any balance to which the penalty was applied in a previous billing. The utility must maintain a record of the date of mailing to charge the late penalty.

(C) Information on Bill

Each bill will provide all information required by the TNRCC Rules. For each of the systems it operates, the utility will maintain and note on the monthly bill a local or toll-free telephone number (or numbers) to which customers can direct questions about their utility service.

(D) Prorated Bills - If service is interrupted or seriously impaired for 24 consecutive hours or more, the utility will prorate the monthly base bill in proportion to the time service was not available to reflect this loss of service.

382930 CN 20782 JUL 16 '01

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SECTION 2.0 -- SERVICE RULES AND POLICIES (CONT.)

Section 2.11 - Payments

All payments for utility service shall be delivered or mailed to the utility's business office. If the business office fails to receive payment prior to the time of noticed disconnection for non-payment of a delinquent account, service will be terminated as scheduled. Utility service crews shall not be allowed to collect payments on customer accounts in the field.

Payment of an account by any means that has been dishonored and returned by the payor or payee's bank, shall be deemed to be delinquent. All returned payments must be redeemed with cash or valid money order. If a customer has two returned payments within a twelve month period, the customer shall be required to pay a deposit if one has not already been paid.

(A) With Notice

Utility service may be disconnected if the bill has not been paid in full by the date listed on the termination notice. The termination date must be at least 10 days after the notice is mailed or hand delivered.

The utility is encouraged to offer a deferred payment plan to a customer who cannot pay an outstanding bill in full and is willing to pay the balance in reasonable installments. However, a customer's utility service may be disconnected if a bill has not been paid or a deferred payment agreement entered into within 26 days from the date of issuance of a bill and if proper notice of termination has been given.

Notice of termination must be a separate mailing or hand delivery in accordance with the TNRCC Rules.

(B) Without Notice

Utility service may also be disconnected without notice for reasons as described in the TNRCC Rules.

Section 2.13 - Reconnection of Service

Utility personnel must be available during normal business hours to accept payments on the day service is disconnected and the following day unless service was disconnected at the customer's request or due to a hazardous condition.

Service will be reconnected within 24 hours after the past due bill, reconnect fees and any other outstanding charges are paid or the conditions which caused service to be disconnected are corrected.

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SECTION 2.0 -- SERVICE RULES AND POLICIES (CONT.)

Section 2.14 - Service Interruptions

The utility will make all reasonable efforts to prevent interruptions of service. If interruptions occur, the utility will re-establish service within the shortest possible time. Except for momentary interruptions due to automatic equipment operations, the utility will keep a complete record of all interruptions, both emergency and scheduled and will notify the Commission in writing of any service interruptions affecting the entire system or any major division of the system lasting more than four hours. The notice will explain the cause of the interruptions.

Section 2.15 - Quality of Service

The utility will plan, furnish, and maintain and operate production, treatment, storage, transmission, and collection facilities of sufficient size and capacity to provide continuous and adequate service for all reasonable consumer uses and to treat sewage and discharge effluent of the quality required by its discharge permit issued by the Commission. Unless otherwise authorized by the Commission, the utility will maintain facilities as described in the TNRCC Rules.

Section 2.16 - Customer Complaints and Disputes

If a customer or applicant for service lodges a complaint, the utility will promptly make a suitable investigation and advise the complainant of the results. Service will not be disconnected pending completion of the investigation. If the complainant is dissatisfied with the utility's response, the utility must advise the complainant that he has recourse through the Texas Natural Resource Conservation Commission complaint process. Pending resolution of a complaint, the commission may require continuation or restoration of service.

The utility will maintain a record of all complaints which shows the name and address of the complainant, the date and nature of the complaint and the adjustment or disposition thereof, for a period of two years after the final settlement of the complaint.

In the event of a dispute between a customer and a utility regarding any bill for utility service, the utility will conduct an investigation and report the results to the customer. If the dispute is not resolved, the utility will inform the customer that a complaint may be filed with the Commission.

Section 2.17 - Customer Liability

Customer shall be liable for any damage or injury to utility-owned property shown to be caused by the customer.

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SECTION 3.0 -- EXTENSION POLICY

Section 3.01 - Standard Extension Requirements

LINE EXTENSION AND CONSTRUCTION CHARGES: NO CONTRIBUTION IN AID OF CONSTRUCTION MAY BE REQUIRED OF ANY CUSTOMER EXCEPT AS PROVIDED FOR IN THIS APPROVED EXTENSION POLICY.

The Utility is not required to extend service to any applicant outside of its certified service area and will only do so under terms and conditions mutually agreeable to the Utility and the applicant, in compliance with TNRCC rules and policies, and upon extension of the Utility's certified service area boundaries by the TNRCC.

The applicant for service will be given an itemized statement of the costs, options such as rebates to the customer, sharing of construction costs between the utility and the customer, or sharing of costs between the customer and other applicants prior to beginning construction.

The Utility is not required to extend service to any applicant outside of its certificated service area and will only do so under terms and conditions mutually agreeable to the Utility and the applicant, in compliance with TNRCC rules and policies, and upon extension of the Utility's certificated service area boundaries by the TNRCC.

Section 3.02 - Costs Utilities and Service Applicants Shall Bear

Within its certified area, the utility will pay the cost of the first 200 feet of any water main or distribution line necessary to extend service to an individual residential customer within a platted subdivision.

However, if the residential customer requesting service purchased the property after the developer was notified in writing of the need to provide facilities to the utility, the utility may charge for the first 200 feet. The utility must also be able to document that the developer of the subdivision refused to provide facilities compatible with the utility's facilities in accordance with the utility's approved extension policy after receiving a written request from the utility.

Residential customers will be charged the equivalent of the costs of extending service to their property from the nearest collection line even if that line does not have adequate capacity to serve the customer. However, if the customer places unique, non-standard service demands upon the system, the customer may be charged the additional cost of extending service to and throughout their property, including the cost of all necessary transmission and storage facilities necessary to meet the service demands anticipated to be created by that property.

Unless an exception is granted by the TNRCC's Executive Director, the residential service applicant shall not be required to pay for costs of main extensions greater than 6" in diameter for gravity wastewater lines.

Crystal Springs Water Company, Inc.

442430 CTN 20782 JUL 16 '01

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SECTION 3.0 -- EXTENSION POLICY (CONT.)

Exceptions may be granted by the TNRCC Executive Director if

- adequate service cannot be provided to the applicant using the maximum line sizes listed due to distance or elevation, in which case, it shall be the utility's burden to justify that a larger diameter pipe is required for adequate service;
- or larger minimum line sizes are required under subdivision platting requirements or building codes of municipalities within whose corporate limits or extraterritorial jurisdiction the point of use is located; or the residential service applicant is located outside the CCN service area.

If an exception is granted, the Utility shall establish a proportional cost plan for the specific extension or a rebate plan which may be limited to seven years to return the portion of the applicant's costs for oversizing as new customers are added to ensure that future applicants for service on the line pay at least as much as the initial service applicant.

For purposes of determining the costs that service applicants shall pay, commercial customers with service demands greater than residential customer demands in the certified area, industrial, and wholesale customers shall be treated as developers. A service applicant requesting a one inch meter for a lawn sprinkler system to service a residential lot is not considered nonstandard service.

If an applicant requires service other than the standard service provided by the utility, such applicant will be required to pay all expenses incurred by the utility in excess of the expenses that would be incurred in providing the standard service and connection beyond 200 feet and throughout his property including the cost of all necessary transmission facilities.

The utility will bear the full cost of any over-sizing of water mains necessary to serve other customers in the immediate area. The individual residential customer shall not be charged for any additional production, storage, or treatment facilities. Contributions in aid of construction may not be required of individual residential customers for production, storage, treatment or transmission facilities unless otherwise approved by the Commission under this specific extension policy.

Section 3.03 - Contributions in Aid of Construction

Developers may be required to provide contributions in aid of construction in amounts sufficient to furnish the development with all facilities necessary to provide for reasonable local demand requirements and to comply with Texas Natural Resource Conservation Commission minimum design criteria for facilities used in the production, collection, transmission, pumping, or treatment of sewage or Texas Natural Resource Conservation Commission minimum requirements. For purposes of this subsection, a developer is one who subdivides or requests more than two meters on a piece of property. Commercial, industrial, and wholesale customers will be treated as developers.

Any applicant who places unique or non-standard service demands on the system may be required to provide contributions in aid of construction for the actual costs of any additional facilities required

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SECTION 3.0 -- EXTENSION POLICY (CONT.)

to maintain compliance with the Texas Natural Resource Conservation Commission minimum design criteria for water production, treatment, pumping, storage and transmission.

Any service extension to a subdivision (recorded or unrecorded) may be subject to the provisions and restrictions of 30 TAC 291.86(d). When a developer wishes to extend the system to prepare to service multiple new connections, the charge shall be the cost of such extension, plus a pro-rata charge for facilities which must be committed to such extension compliant with the Texas Natural Resource Conservation Commission minimum design criteria. As provided by 30 T.A.C. 291.85(e)(3), for purposes of this section, commercial, industrial, and wholesale customers shall be treated as developers.

A utility may only charge a developer standby fees for unrecovered costs of facilities committed to a developer's property under the following circumstances:

- Under a contract and only in accordance with the terms of the contract; or
- if service is not being provided to a lot or lots within two years after installation of facilities necessary to provide service to the lots has been completed and if the standby fees are included on the utility's approved tariff after a rate change application has been filed. The fees cannot be billed to the developer or collected until the standby fees have been approved by the commission or executive director.
- for purposes of this section, a manufactured housing rental community can only be charged standby fees under a contract or if the utility installs the facilities necessary to provide individually metered service to each of the rental lots or spaces in the community.

Section 3.04 - Appealing Connection Costs

The imposition of additional extension costs or charges as provided by Sections 3.0 - Extension Policy of this tariff shall be subject to appeal as provided in this tariff, TNRCC rules, or the rules of such other regulatory authority as may have jurisdiction over the utility's rates and services. Any applicant required to pay for any costs not specifically set forth in the rate schedule pages of this tariff shall be given a written explanation of such costs prior to payment and/or commencement of construction. If the applicant does not believe that these costs are reasonable or necessary, the applicant shall be informed of the right to appeal such costs to the TNRCC or such other regulatory authority having jurisdiction over the utility's rates in that portion of the utility's service area in which the applicant's property(ies) is located.

Section 3.05 - Applying for Service

The Utility will provide a written service application form to the applicant for each request for service received by the Utility's business offices. A separate application shall be required for each potential service location if more than one service connection is desired by any individual applicant. Service application forms will be available at the Utility's business office during normal weekday business hours. Service applications will be sent by prepaid first class United States mail to the address provided by the applicant upon request.

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SECTION 3.0 -- EXTENSION POLICY (CONT.)

Completed applications should be returned by hand delivery in case there are questions which might delay fulfilling the service request. Completed service applications may be submitted by mail if hand delivery is not possible.

Where a new tap or service connection is required, the service applicant shall be required to submit a written service application and request that a tap be made. A diagram, map, plat, or written metes and bounds description of precisely where the applicant desires each tap or service connection is to be made and, if necessary, where the meter is to be installed, along the applicant's property line may also be required with the tap request. The actual point of connection and meter installation must be readily accessible to Utility personnel for inspection, servicing, and meter reading while being reasonably secure from damage by vehicles and mowers. If the Utility has more than one main adjacent to the service applicant's property, the tap or service connection will be made to the Utility's nearest service main with adequate capacity to service the applicant's full potential service demand. Beyond the initial 200 feet, the customer shall bear only the equivalent cost of extending from the nearest main. If the tap or service connection cannot be made at the applicant's desired location, it will be made at another location mutually acceptable to the applicant and the Utility. If no agreement on location can be made, the applicant may refer the matter to the TNRCC for resolution.

Section 3.06 - Qualified Service Applicant

A "qualified service applicant" is an applicant who has: (1) met all of the Utility's requirements for service contained in this tariff, TNRCC rules and/or TNRCC order, (2) has made payment or made arrangement for payment of tap fees, (3) has provided all easements and rights-of-way required to provide service to the requested location, (4) delivered an executed customer service inspection certificate to the Utility, if applicable, and (5) has executed a customer service application for each location to which service is being requested.

The Utility shall serve each qualified service applicant within its certified service area as soon as practical after receiving a completed service application. All service requests will be fulfilled within the time limits prescribed by TNRCC rules once the applicant has met all conditions precedent to achieving "qualified service applicant" status. If a service request cannot be fulfilled within the required period, the applicant shall be notified in writing of the delay, its cause and the anticipated date that service will be available. The TNRCC service dates shall not become applicable until the service applicant has met all conditions precedent to becoming a qualified service applicant as defined by TNRCC rules.

Section 3.07 - Developer Requirements

As a condition of service to a new subdivision, the Utility shall require a developer (as defined by TNRCC rule) to provide permanent recorded public utility easements as a condition of service to any location within the developer's property.

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APPENDIX A -- SAMPLE SERVICE AGREEMENT

From 30 TAC Chapter 290.47(b), Appendix B

SERVICE AGREEMENT

- I. **PURPOSE.** The NAME OF SEWER SYSTEM is responsible for protecting the drinking water supply from contamination or pollution which could result from improper private water distribution system construction or configuration. The purpose of this service agreement is to notify each customer of the restrictions which are in place to provide this protection. The utility enforces these restrictions to ensure the public health and welfare. Each customer must sign this agreement before the NAME OF SEWER SYSTEM will begin service. In addition, when service to an existing connection has been suspended or terminated, the water system will not re-establish service unless it has a signed copy of this agreement.
- II. **RESTRICTIONS.** The following unacceptable practices are prohibited by State regulations.
 - A. No direct connection between the public drinking water supply and a potential source of contamination is permitted. Potential sources of contamination shall be isolated from the public water system by an air-gap or an appropriate backflow prevention device.
 - B. No cross-connection between the public drinking water supply and a private water system is permitted. These potential threats to the public drinking water supply shall be eliminated at the service connection by the installation of an air-gap or a reduced pressure-zone backflow prevention device.
 - C. No connection which allows water to be returned to the public drinking water supply is permitted.
 - D. No pipe or pipe fitting which contains more than 8.0% lead may be used for the installation or repair of plumbing at any connection which provides water for human use.
 - E. No solder or flux which contains more than 0.2% lead can be used for the installation or repair of plumbing at any connection which provides water for human use.

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III. **SERVICE AGREEMENT.** The following are the terms of the service agreement between the NAME OF SEWER SYSTEM (the Sewer System) and NAME OF CUSTOMER (the Customer).

- A. The Sewer System will maintain a copy of this agreement as long as the Customer and/or the premises is connected to the Water System.
- B. The Customer shall allow his property to be inspected for possible cross-connections and other potential contamination hazards. These inspections shall be conducted by the Sewer System or its designated agent prior to initiating new water service; when there is reason to believe that cross-connections or other potential contamination hazards exist; or after any major changes to the private water distribution facilities. The inspections shall be conducted during the Sewer System's normal business hours.
- C. The Sewer System shall notify the Customer in writing of any cross-connection or other potential contamination hazard which has been identified during the initial inspection or the periodic reinspection.
- D. The Customer shall immediately remove or adequately isolate any potential cross-connections or other potential contamination hazards on his premises.
- E. The Customer shall, at his expense, properly install, test, and maintain any backflow prevention device required by the Sewer System. Copies of all testing and maintenance records shall be provided to the Sewer System.

IV. **ENFORCEMENT.** If the Customer fails to comply with the terms of the Service Agreement, the Sewer System shall, at its option, either terminate service or properly install, test, and maintain an appropriate backflow prevention device at the service connection. Any expenses associated with the enforcement of this agreement shall be billed to the Customer.

CUSTOMER'S SIGNATURE: _____

DATE: _____

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