

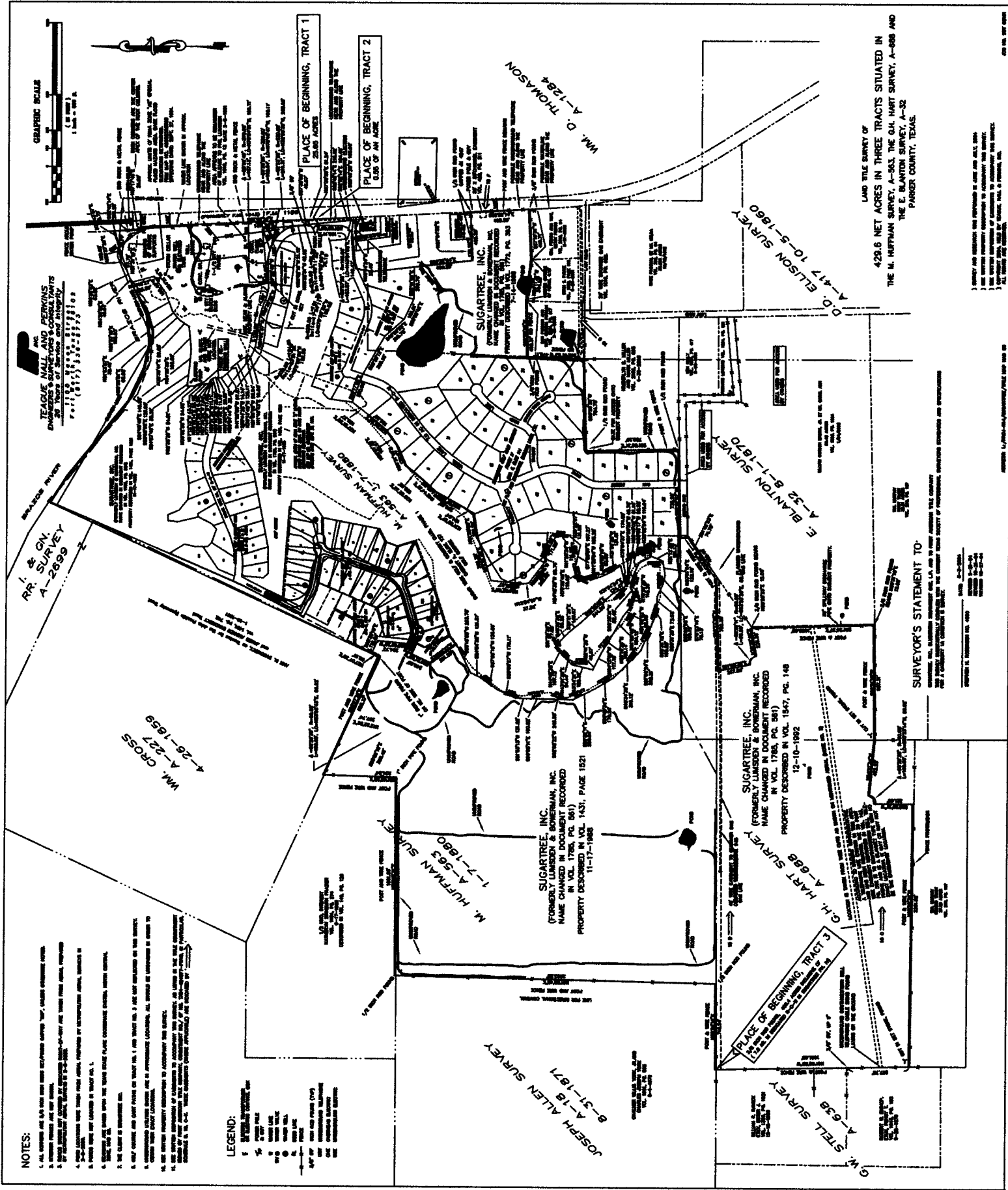
Attachment C
Plat Map
Item 2ei

NOTES:

1. ALL SURVEYS ARE BASED ON THE 1983 EDITION OF THE "RED BOOK" OF THE SURVEYING PROFESSION.
2. ALL SURVEYS ARE BASED ON THE 1983 EDITION OF THE "RED BOOK" OF THE SURVEYING PROFESSION.
3. ALL SURVEYS ARE BASED ON THE 1983 EDITION OF THE "RED BOOK" OF THE SURVEYING PROFESSION.
4. ALL SURVEYS ARE BASED ON THE 1983 EDITION OF THE "RED BOOK" OF THE SURVEYING PROFESSION.
5. ALL SURVEYS ARE BASED ON THE 1983 EDITION OF THE "RED BOOK" OF THE SURVEYING PROFESSION.
6. ALL SURVEYS ARE BASED ON THE 1983 EDITION OF THE "RED BOOK" OF THE SURVEYING PROFESSION.
7. ALL SURVEYS ARE BASED ON THE 1983 EDITION OF THE "RED BOOK" OF THE SURVEYING PROFESSION.
8. ALL SURVEYS ARE BASED ON THE 1983 EDITION OF THE "RED BOOK" OF THE SURVEYING PROFESSION.
9. ALL SURVEYS ARE BASED ON THE 1983 EDITION OF THE "RED BOOK" OF THE SURVEYING PROFESSION.
10. ALL SURVEYS ARE BASED ON THE 1983 EDITION OF THE "RED BOOK" OF THE SURVEYING PROFESSION.

LEGEND:

- 1. SURVEYED AREA
- 2. SURVEYED AREA
- 3. SURVEYED AREA
- 4. SURVEYED AREA
- 5. SURVEYED AREA
- 6. SURVEYED AREA
- 7. SURVEYED AREA
- 8. SURVEYED AREA
- 9. SURVEYED AREA
- 10. SURVEYED AREA



LAND TITLE SURVEY OF
429.6 NET ACRES IN THREE TRACTS SITUATED IN
THE M. HUFFMAN SURVEY, A-563, THE G.H. HART SURVEY, A-688 AND
THE E. BLANTON SURVEY, A-32
PARKER COUNTY, TEXAS.

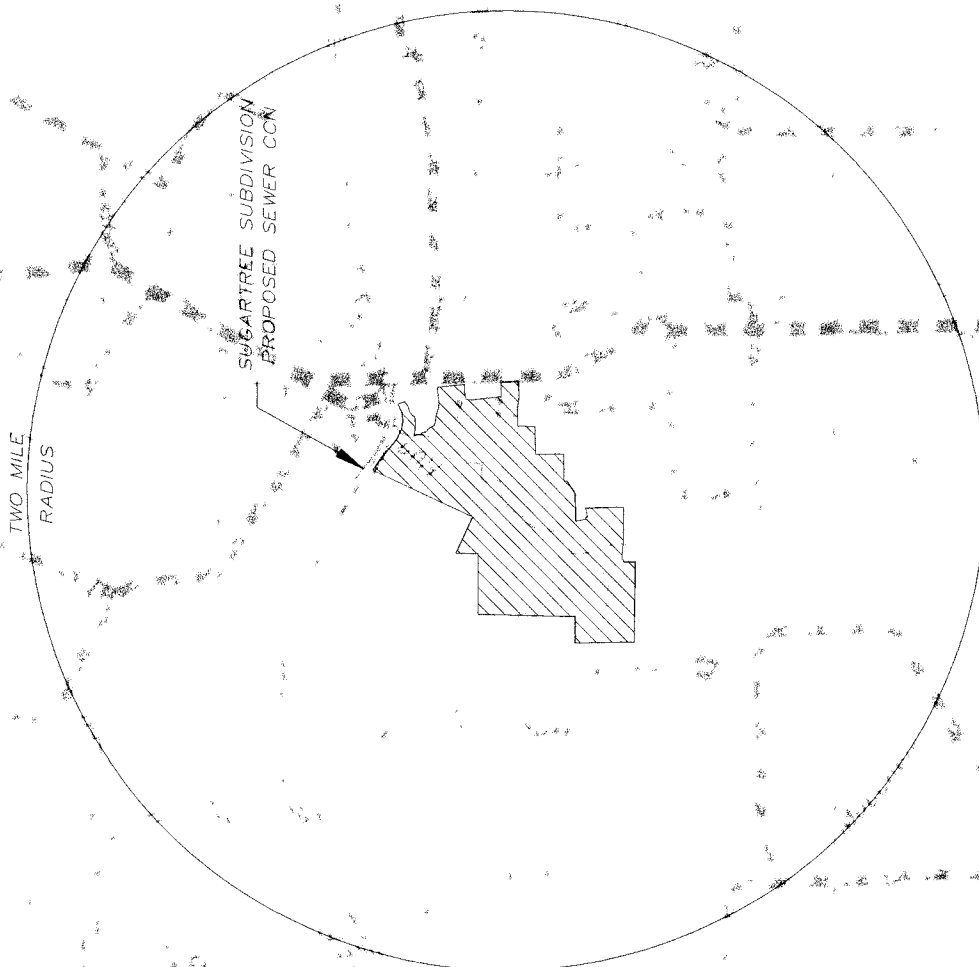
SURVEYOR'S STATEMENT TO:

THE BOARD OF COUNTY COMMISSIONERS OF PARKER COUNTY, TEXAS, FOR THE PURPOSE OF RECORDING THE SAME IN THE PUBLIC RECORDS OF SAID COUNTY.

DATE: 12-10-1982
BY: [Signature]
[Signature]

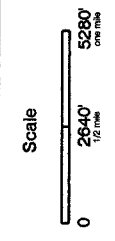
1. SURVEY AND MEASUREMENTS WERE MADE IN 1982 AND 1983.
2. THE SURVEY WAS MADE IN ACCORDANCE WITH THE SURVEYING PROFESSION.
3. THE SURVEY WAS MADE IN ACCORDANCE WITH THE SURVEYING PROFESSION.

Attachment D
TCEQ Official CCN Map
Item 2eii



APRIL 2005

SOUTH CENTRAL WATER COMPANY
PROPOSED SEWER CCN



PO BOX 570177
HOUSTON TEXAS 77257-0177
713-785-6611
FAX 713-785-6321

Attachment E
Sewer Systems within a 2 Mile Radius
Item 4a

**NOTE NO SYSTEMS ARE WITHIN 2
MILES OF THE PROPOSED SEWER CCN**

Attachment F
South Central Water Company's
Approved Sewer Tariff

SEWER UTILITY TARIFF

FOR

South Central Water Company
Houston, Texas 77257

P.O. Box 570177
(713) 783-6611

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

20964

This tariff is effective in the following county(ies):

Liberty and Harris Counties

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

None

This tariff is effective for the following subdivisions and Water Quality permit number:

Steamboat Springs: WQ 12344-001

TABLE OF CONTENTS

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

SECTION	PAGE
1.0 RATE SCHEDULE	2
2.0 SERVICE RULES	3
3.0 EXTENSION POLICY	13
APPENDIX A SERVICE AGREEMENT	

TEXAS COMM. ON ENVIRONMENTAL QUALITY

345662 CON 20964 RE 204

APPROVED TARIFF BY [Signature]

SECTION 1.0-RATE SCHEDULESection 1.01-Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallage Charge</u>
Residential	<u>\$25.00</u> (Including -0- Gallons)	<u>\$2.00</u> per 1000 gal.
Commercial and Other (based upon water meter size):		
5/8" x 3/4"	<u>\$25.00</u> (Including -0- Gallons)	<u>\$2.00</u> per 1000 gal.
3/4"	<u>\$37.50</u>	same for all meter sizes
1"	<u>\$62.50</u>	
1 1/2"	<u>\$125.00</u>	
2"	<u>\$200.00</u>	
3"	<u>\$375.00</u>	
4"	<u>\$750.00</u>	
6"	<u>\$1562.50</u>	

Gallage charges for individual residential customers shall be calculated based upon their average metered water consumption for the winter months of December, January, and February. Where an individual residential customer requests service at a location that does not have a winter consumption history, that customer shall be imputed with a monthly gallage rate of 8,000 gallons until a winter usage average is established. Gallage charges for non-residential customers, including associations of residential customers, shall be calculated using their actual monthly-metered water consumption without winter averaging.

DEVELOPER OPERATING CHARGE: A developer requesting the construction of a new utility system who does not pay all of the cost of plant constructed to serve that development shall be billed each month for the incremental difference between the revenues collected for utility services rendered and \$2,500 or other amount mutually agreed to. This charge shall cease when utility service revenues collected from consumers in that new development exceed \$1,500 for three consecutive months excluding July through September or five consecutive months including July through September. This charge shall be implemented only where the developer voluntarily agrees to pay it in a service, construction or extension contract.

RATES LISTED ARE EFFECTIVE ONLY IF
THIS PAGE HAS TCEQ APPROVAL STAMP.

TEXAS COM. ON ENVIRONMENTAL QUALITY

34506 CGN 2096 REC-20

APPROVED TARIFF BY *[Signature]* DR

SECTION 1.0-RATE SCHEDULE (Continued)

OF PAYMENT: The utility will accept the following forms of payment :

, Check x, Money Order x, Discover , MasterCard , Visa

(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.)

ATORY ASSESSMENT FEE 1%
REGULATORY ASSESSMENT, EQUAL TO ONE PERCENT OF THE CHARGE FOR RETAIL SEWER SERVICE ONLY, SHALL BE COLLECTED FROM EACH RETAIL CUSTOMER.

.02-Miscellaneous Fees

NTIAL TAP FEE (Gravity) \$650.00
THE TAP FEE IS BASED ON THE AVERAGE OF THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR STANDARD RESIDENTIAL CONNECTION PLUS ROAD BORES AND OTHER EXTRAORDINARY COST PERMITTED BY 30 TAC291.86(a)(1)(A)-(D).

NTIAL TAP FEE (Pressure) \$1140.00
THE TAP FEE IS BASED ON THE AVERAGE OF THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR STANDARD RESIDENTIAL CONNECTION PLUS ROAD BORES AND OTHER EXTRAORDINARY COST PERMITTED BY 30 TAC291.86(a)(1)(A)-(C).

ERCIAL TAP FEE Actual Cost

NECTION FEE

THE RECONNECT FEE WILL BE CHARGED BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS:

-) Non payment of bill (Maximum \$25.00) \$25.00
-) Customer's request \$45.00

OR OTHER REASONS LISTED UNDER SECTION 2.0 OF THIS TARIFF

FER FEE \$45.00
THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHERE THE SERVICE IS NOT DISCONNECTED.

LISTED ARE EFFECTIVE ONLY IF
AGE HAS TCEBQ APPROVAL STAMP

TEXAS COM. ON ENVIRONMENTAL QUALITY

24566 CCN 2096 AUG 2004

APPROVED TARIFF BY DR

SECTION 1.0-RATE SCHEDULE (Continued)

LATE CHARGE **\$5.00**
 A ONE TIME PENALTY MAY BE MADE ON DELINQUENT BILLS BUT 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 (Maximum \$50) **\$50.00**

NON-RESIDENTIAL DEPOSIT 1/6th est. annual bill

SEASONAL RECONNECT FEE: Monthly minimum bill for meter size for each month of disconnection not to exceed six months for voluntary disconnection and reconnection within 12 months or involuntary disconnection over 45 days.

LINE EXTENSION AND CONSTRUCTION CHARGES: Refer to Section 2.20 Specific Utility Service Rules.

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE CLAUSE:
 Increases in inspection fees and testing costs imposed by state or federal law may be passed through as an adjustment to the monthly base rate charge under the terms and conditions on 30 T.A.C. 291.21(k)(2) after notice to the public and the TCEQ.

PURCHASED SEWAGE TREATMENT PASS THROUGH:
 Changes in fees imposed by any non-affiliate wholesale sewer treatment supplier shall be passed through as an adjustment to the gallonage charge according to the formula:

$$AG = G+B/(1-L), \text{ Where:}$$

AG = adjusted gallonage charge, rounded to nearest one cent

G = approved per 1,000 gallon gallonage charge

B = change in district fee (per 1,000 gallons)

L = system average line loss for preceding 12 months, not to exceed 0.15

To implement or modify the Purchased Sewer Treatment Fee, the utility must comply with all notice and other requirements of 30 TAC 291.21(h).

**RATES LISTED ARE EFFECTIVE ONLY IF
 THIS PAGE HAS TCEQ APPROVAL STAMP**

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

345666 CCN-20966 HS 20

APPROVED TARIFF BY *[Signature]* / *[Initials]*

TOTAL P.10

Attachment G
Core Data Form

TNRCC Core Data Form

SECTION I: General Information

1. Reason for Submission <i>Example: new wastewater permit; IHW registration; change in customer information; etc.</i> CCN Amendment Application	
2. Attachments <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Describe Any Attachments: (ex: Title V Application, Waste Transporter Application, etc.) none
CN 01612962 (9 digits)	RN Not Issued (9 digits)

SECTION II: Customer Information

5. Customer Role (Proposed or Actual) – As It Relates to the Regulated Entity Listed on This Form			
Please check <u>one</u> of the following: <input type="checkbox"/> Owner <input type="checkbox"/> Operator <input checked="" type="checkbox"/> Owner and Operator <input type="checkbox"/> Occupational Licensee <input type="checkbox"/> Volunteer Cleanup Applicant <input type="checkbox"/> Other: _____			
6. General Customer Information <input type="checkbox"/> New Customer <input checked="" type="checkbox"/> Change to Customer Information <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.			
7. Type of Customer: <input type="checkbox"/> Individual <input type="checkbox"/> Sole Proprietorship - D.B.A. <input type="checkbox"/> Partnership <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Federal Government <input type="checkbox"/> State Government <input type="checkbox"/> County Government <input type="checkbox"/> City Government Other Government _____ Other _____			
8. Customer Name (If an individual, please print last name first) South Central Water Company			
9. Mailing Address: Po Box 570177			
City Houston	State TX	ZIP 77257	ZIP + 4 6321
10. Country Mailing Information if outside USA		11. E-Mail Address if applicable	
12. Telephone Number (713) 783 - 6611		13. Extension or Code	14. Fax Number if applicable (713) 783 - 6321
15. Federal Tax ID (9 digits)	16. State Franchise Tax ID Number if applicable 01612962		17. DUNS Number if applicable (9 digits)
18. 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			19. Independently Owned and Operated? <input type="checkbox"/> YES <input type="checkbox"/> NO

SECTION III: Regulated Entity Information

20. General Regulated Entity Information <input checked="" type="checkbox"/> New Regulated Entity <input type="checkbox"/> Change to Regulated Entity Information <input type="checkbox"/> No Change* *If "No Change" and Section I is complete, skip to Section IV - Preparer Information
21. Regulated Entity Name (If an individual, please print last name first) Pine Trace

22. Street Address: Not Known					
(No P.O. Boxes)					
City	State	ZIP	ZIP + 4		
23. Mailing Address					
City	State	ZIP	ZIP + 4		
24. E-Mail Address:					
25. Telephone Number		26. Extension or Code	27. Fax Number if applicable		
(713) 783 . 6611			(713) 783 . 6321		
28. Primary SIC Code (4 digits) 4952	29. Secondary SIC Code (4 digits)	30. Primary NAICS Code (5 or 6 digits)	31. Secondary NAICS Code (5 or 6 digits)		
32. What is the Primary Business of this entity? (Please do not repeat the SIC or NAICS description.) Water Utility					
Questions 33 - 37 address geographic location. Please refer to the instructions for applicability.					
33. County: Parker County					
34. Description of Physical Location Sugartree Subdivision is located SW of the intersection of the Brazos River and FM 1189 in Parker County					
35. Nearest City Weatherford		State TX	Nearest ZIP		
36. Latitude (N)			37. Longitude (W)		
Degrees	Minutes	Seconds	Degrees	Minutes	Seconds
32	36	41	97	55	36
38. TNRCC Programs in Which This Regulated Entity Participates Not all programs have been listed. Please add to this list as needed. If you don't know or are unsure, please mark "unknown."					
<input type="checkbox"/> Animal Feeding Operation	<input type="checkbox"/> Petroleum Storage Tank		<input type="checkbox"/> Water Rights		
<input type="checkbox"/> Title V – Air	<input checked="" type="checkbox"/> Wastewater Permit		<input type="checkbox"/>		
<input type="checkbox"/> Industrial & Hazardous Waste	<input type="checkbox"/> Water Districts		<input type="checkbox"/>		
<input type="checkbox"/> Municipal Solid Waste	<input type="checkbox"/> Water Utilities		<input type="checkbox"/> Unknown		
<input type="checkbox"/> New Source Review - Air	<input type="checkbox"/> Licensing - TYPE(s)				

SECTION IV: Preparer Information

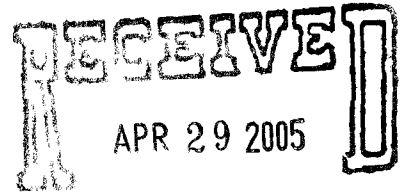
39. Name Jeff Goebel		40. Title	
41. Telephone Number (713) 783 . 6611		42. Extension or Code	43. Fax Number if applicable (713) 783 . 6321
44. E-Mail Address: texaswater@sbcglobal.net			

South Central Water Company

5818 Beverly Hill Street
Houston, Texas 77057-6710
713-783-6611

April 25, 2005

Texas Commission on Environmental Quality
Water Quality Team
MC-156
PO Box 13087
Austin Texas 78711-3087



WATER QUALITY APPLICATIONS TEAM

RE: Submittal of Application to Amend CCN No 20964

To Whom It May Concern:

Please see enclosed application to amend the above referenced sewer CCN for South Central Water Company. The required revenue of \$100.00 has been sent to the revenue section as required.

If you have any questions please call me at 713-724-9321.

Thank you,

A handwritten signature in black ink, appearing to be "Jeff Goebel", written over a horizontal line.

Jeff Goebel

South Central Water Company
Proposed Amendment CCN Application

Submitted to:

Texas Commission on Environmental Quality
Registration, Review & Reporting Division
Permits Administrative Review Section
Water Quality Team
MC-156
P.O. Box 13087
Austin, Texas 78711-3087

Sugartree



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



GENERAL INFORMATION

• • • THIS APPLICATION IS NOT A RATE CHANGE APPLICATION. THE APPROPRIATE FORMS NEEDED TO FILE A RATE CHANGE APPLICATION MAY BE OBTAINED BY CONTACTING THE UTILITIES AND DISTRICTS SECTION, TEXAS COMMISSION ON ENVIRONMENTAL QUALITY (TCEQ). • • •

- Pursuant to V.T.C.A., Water Code, Chapter 13, Subchapter G:
 - CCNs *may be obtained* by any retail public water and sewer utility.
 - CCNs *are required* for
 - a) Investor Owned Utilities (IOU);
 - b) Non-profit, member-owned, member-controlled water supply or sewer service corporations (WSC) incorporated under Water Code Chapter 67; and
 - c) 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;
 - for compensation, either directly through a monthly rate or indirectly through maintenance fees, property owners fees, etc.;
 - a delineated service area; **AND**
 - obligates the certificate holder 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 15 or less potential connections may register as “exempt” and then are not required to possess a CCN for their service area if they meet the exemption criteria.
- **If this application was downloaded from the TCEQ web site or sent via E-mail, it shall not be changed, altered or amended from its original form only available from the Commission.**

PROCESSING YOUR CCN APPLICATION

- **FLOW CHART**

Enclosed in this packet is a flow chart of the review process. Your application will go through an Administrative Review and, when accepted for filing, through 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. The dates provided in the flow chart are generally the time it takes to process an uncontested application.
- **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.
 - If necessary, you may be requested to provide additional information within **thirty (30)** days to complete the application.

- 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 describing what you need to do to correct the deficiencies
 - a) After receiving that letter, you will have **thirty (30)** days to make the necessary corrections
 - b) **If you fail to make the corrections in full**
 - (a) the application will be returned,
 - (b) the application fee will be forfeited, and
 - (c) 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, and customers are included with this application to use 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 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 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 at the time you submit 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 complete, you will be notified by mail and 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 a copy of the individual notice with copy of location map (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
 - c) to provide individual mailed notice with copy of location map (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) the application fee will be forfeited and
 - c) 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,
- the effect of the granting of a certificate on a recipient of the certificate and on any retail public utility of the same kind already serving the proximate area,
- the ability of the applicant to provide adequate service,
- the feasibility of obtaining service from an adjacent retail public utility,
- the financial stability of the applicant, including, the adequacy of the applicant's debt-equity ratio,
- environmental integrity, **AND**
- the probable improvement of service or lowering of cost to consumers in that area resulting from the granting of the certificate.

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 application and copies should be sent to:

Texas Commission on Environmental Quality
Registration, Review & Reporting Division
Permits Administrative Review Section
Water Quality Applications Team
MC-156
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 BY CONTACTING THE UTILITIES
AND DISTRICTS SECTION, TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY. • • •



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

*RN #

*CN # 01612962

*If known (See instructions)

PURPOSE OF THIS APPLICATION

OBTAIN • New Water CCN • New Sewer CCN

AMEND • Water CCN # ☒ • Sewer CCN # ☒

Received

APR 29 2005

Water Quality Application Team

1. APPLICANT INFORMATION

Utility Name: South Central Water Company

Utility Address (city/state/zip) PO Box 570177

Houston, Texas 77257-0177

Utility Phone and Fax Number (713) 783-6611 Phone (713) 783-6321 Fax

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, or other title related to the applicant.

Name: Malcolm Bailey

Title: President

Address: PO Box 570177

Telephone (713) 783-6611

City Houston St Texas Zip 77257

Fax (713) 783-6321

County(ies) in which service is proposed Harris

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

Name	Classes	License Number
Lee Conaster	B - W&S	449414184

- Attach additional sheet(s) if necessary -

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

<input checked="" type="checkbox"/>	Investor owned utility
<input type="checkbox"/>	Individual
<input type="checkbox"/>	Home or Property Owners Association
<input checked="" type="checkbox"/>	For-profit corporation
<input type="checkbox"/>	Non-profit, member-owned, member-controlled cooperative corporation (Water Code Chapter 67, Water Supply or Sewer Service Corporation)
<input type="checkbox"/>	Municipality
<input type="checkbox"/>	District
<input type="checkbox"/>	Other Please explain:

--	--

- C. If the applicant is a For-Profit Corporation:
- Please provide a copy of the corporation's "Certification of Account Status" from the Texas State Comptroller of Public Accounts. (See Note below). **See Attachment 'A'**
 - Please provide the corporation's charter number as recorded with the Office of the Texas Secretary of State. 01611296200.
- D. If the applicant is a Water Code Chapter 67 water supply or sewer service corporation or other non-profit corporation:
- Please provide a copy of the Articles of Incorporation and By-Laws.
 - Please provide the corporation's charter number as recorded with the Office of the Texas Secretary of State

2. **LOCATION INFORMATION**

- A. Are there people already living in the proposed area?
YES ☒ NO ☐
If YES, are any currently receiving utility service? **They are WATER ONLY**
YES ☐ NO ☒ if YES, from Whom Water from
Parker County WSC
- B. Have you received any requests for service in the requested service area?
YES ☒ NO ☐
If yes, please indicate the number of verbal and number of written requests and provide a clear explanation of the need for service in the requested area.
WRITTEN 1 VERBAL _____
On a separate page, list the name, address, and phone number of persons requesting service. Include any letters of intent, service inquiries, and/or any other documentation demonstrating a need for service in the proposed area. Requests for service must be identified on the large scale map. See 2.E.i.a below.
If no, please justify the need for service in the proposed area. **See Attachment 'B'**
- C. Is any portion of the proposed service area inside an incorporated city?
YES ☐ NO ☒
If YES, within the city limits of: _____
Provide a copy of any franchise, permit, or consent granted by the city. If not available, please explain: _____

- 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.
- E. Attach the following maps with each copy of the application: (*All maps should include applicant's name, address, telephone number, and date of drawing or revision. All maps should be folded to 8½ x 11 inches*). **See Attachment 'C'**
- Subdivision plat or engineering plans or other large scale map showing the following:

- A. The exact proposed service area boundary showing locations of requests for service and locations of existing connections (if applicable).
- NOTE: Applicant may send their facility line map showing current connections (if available), OR estimate the number of connections along each side of the street on the large scale map.
- B. The existing service area (if applicable).
- C. Metes and bounds (if available).
- D. Proposed and existing service area boundaries should be plotted on the map in relation to verifiable natural and man-made landmarks such as roads, creeks, rivers, railroads, etc.
- E. *Service area boundaries should be shown with such exactness that they can be located on the ground.*
- NOTE: *Applicant may use a USGS 7.5"-minute series map if no other large scale map is available.*
- ii. Small scale location map delineating the proposed service area. The proposed service area boundary should be delineated on a copy of the TCEQ official CCN map. This map will assist TCEQ staff in locating the proposed service area in relation to neighboring utility service areas. *A copy of the TCEQ official CCN map may be obtained by contacting the Utilities & Districts Section at 512/239-4691 or by mailing a written request to the following address: See Attachment 'D'*

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
 Water Supply Division
 Utilities & Districts Section
 MC-153
 P.O. Box 13087
 Austin, TX 78711-3087

- NOTE: If the proposed service areas shown on the large scale map and small scale map do not delineate the same area, the more detailed large scale map will be used to delineate the official CCN service area.

- iii. **Hard copy maps should include the following items:**
 - A. Map scale should be prominently displayed.
 - B. Color coding should be used to differentiate the applicants existing service areas from the proposed service area.
 - C. Attach a written description of the proposed service area.
 - D. Proposed service area should be the same on all maps.
 - E. Include map information in digital format (if available), *see Section 3, GIS Information.*

- iv. Each utility shall make available to the public at each of its business offices and designated sales offices within Texas the map of the proposed service area currently on file with the Commission. The applicant employees shall lend assistance to persons requesting to see a map of the proposed area upon request.

3. GIS INFORMATION

We are currently developing a state wide Geographic Information Systems (GIS) coverage of all CCN service areas. The mylar maps are being retired. In order to assist us in this move, we are requesting that a digital file of the proposed CCN service area boundary be submitted with the 3 hard copy maps. **This is not a requirement.** It is understood that not all utilities employ the services of an engineering company or

use mapping software to produce a map of the proposed CCN service area boundary. However, by submitting the information digitally, the evaluation of your CCN will be faster and more accurate. Also, by receiving the information in digital form it is easier for us to update and maintain the CCN GIS coverage.

A. **Digital Map Requirements** In order that your digital data can be properly used, the following information is necessary:

- i. Submit digital data of the proposed CCN service area on a 3.25" diskette or CD. Only one diskette or CD is necessary. Most files of CCNs (minus the base map) should be small enough to zip up and put on a diskette or CD.
- ii. The digital data should include all items represented in the hard copy maps (see Section 2, items E.i and E.ii).
- iii. Please identify data file format, projection information, map units and base map used.

Acceptable Data File Formats:

ArcView shape file (preferred)

1. AutoCAD dwg file
2. Arc/Info E00 file
3. DXF file
4. Microstation dgn files

• NOTE: If you use a format that is not listed, contact the Cartographer at the number listed below to see if we can use the data.

- a. **Projection, Datum, and Units Information** The data should be submitted in the Texas State Mapping System (TSMS) Projection. However, if it cannot be submitted in TSMS, list the Projection (e.g. State Plane Central Zone, NAD27) or coordinate system being used and Units (e.g. meters, feet, etc.)

- b. **Base Map Information**

List the base map used (e.g. TxDOT county digital road maps, USGS maps, etc.) Base map information should be included only if it has been produced in-house and is not easily available at most data repositories.

• NOTE: TCEQ uses TxDOT county (urban) digital road maps as the official CCN base map. Copies of these files can be obtained from Texas Natural Resources Information Systems (TNRIS) at (512) 463-8337 or downloaded from the TNRIS website at <http://www.tnris.state.tx.us/DigitalData/TxDOT/txdot.htm>.

- c. **Read-me text file**

Data file format, base map used, projection and units information, and other necessary information can be specified in a read-me text file.

B. **Important Information** For those applicants that submit digital data:

- i. Please make sure the proposed service area boundary shown on the hard copy map is identical to the digital data. If the proposed service area shown on the digital data does not delineate the same area shown on the hard copy map, the hard copy map will be used to delineate the official CCN service area.
- ii. Modifications may be made to submitted digital data in order to match the proposed service area boundary to features represented on the TxDOT base map, as opposed to the same features used in the applicants base map.
- iii. If an applicant proposes to amend a portion of their existing CCN service area, the existing service area shown on the digital data must match the official CCN service area that was previously certificated to the utility. If it does not, then only the proposed portion of the digital data will be used.

If you have any questions about sending the data or our GIS CCN coverage, please contact the Cartographer of the Utilities & Districts Section, Water Supply Division at (512) 239-4691.

4. **NEWSYSTEM INFORMATION OR UTILITIES REQUESTING A CCN FOR THE FIRST TIME**

- A. Please provide the following information: **See Attachment 'E'**
- A list of all public drinking water supply systems or sewer systems within a 2 mile radius of the proposed system. **No sewer systems**
 - Copies of written requests seeking to obtain service from each of the public drinking water supply systems or sewer systems listed in #4.a.i above or documentation that it is not economically feasible to obtain service from them.
 - Copies of written responses from each system or evidence that they did not reply.
- B. Were your requests for service denied? **N/A**
- If yes, continue.
 - 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 system 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 wastewater designed and sized to match the phases of development. Additional construction will coincide with the phasing of the TPDES permit and as new phases of development are opened.
- D. Date of plat approval, if required: NOT KNOWN
Approved by: _____
- E. Date Plans & Specifications submitted for approval _____ Log No. _____
Attach copy of approval letter if available. Once TPDES permit is issued plans will be submitted
- F. Date construction is scheduled to commence Roads are already constructed
- G. Date service is scheduled to commence 2005

5. **EXISTING SYSTEM INFORMATION**

- A. Please provide the following information for **each** water and/or sewer system:
- Water system's TCEQ Public Water System identification number:

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 ;

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 ;

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 ;

--	--	--	--	--	--	--
 - Sewer system's TCEQ Discharge Permit number: (for each system)
Proposed TPDES -

W	Q	1	4	1	6	3	-	0	0	1
---	---	---	---	---	---	---	---	---	---	---

 ;

W	Q									
---	---	--	--	--	--	--	--	--	--	--
 - Date of last inspection not constructed
 - Attach a copy of the most recent inspection report letter.
 - 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. 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).

- C. List 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 and reflect the number of service requests identified in Question 2.b above.

Water System			Sewer System		
Connection	Existing	Proposed	Connection	Existing	Proposed
5/8" or 3/4" meter			Residential	0	500
1" meter or larger			Commercial	0	0
Non-Metered			Industrial	0	0
Other:			Other:	0	0
Total Water			Total Sewer	0	500

- D. If this application is for a water CCN only, please explain how sewer service is provided:
N/A

- E. If this application is for a sewer CCN only, please explain how water service is provided:
THE WATER IS BEING PROVIDED BY PARKER COUNTY WSC

- F. What is the effect of the granting or amending a certificate on a recipient of the certificate and on any retail public utility of the same kind already serving the proximate area: _____
No effect is anticipated

- G. 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. Water

Yes ☐

Purchased on a () regular - () seasonal - () emergency basis?

Source	% of total supply

- iii. Sewer treatment capacity
Yes _____
Purchased on a ()regular - ()seasonal - ()emergency basis

Source	% of total treatment

- iv. Provide a **certified** copy of the most current water or sewer treatment capacity purchase agreement or contract.

6. **FINANCIAL INFORMATION**

- 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 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 growth projections in #6.A above.
 - iii. Attach a proposed rate schedule or tariff. Describe the procedure for determining the rates and fees and indicate 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.

7. **NOTICE REQUIREMENTS**

- 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.

- 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, 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 certificate of convenience and necessity 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; and
 - ii. any city whose extra-territorial jurisdiction (ETJ) overlaps the proposed service area.
 - iii. For applications for the issuance of a **NEW** certificate of public convenience and necessity, the applicant must mail the notice with a copy of the location map (CCN map) to all cities and neighboring retail public utilities providing the same utility service within **five (5) miles** of the requested service area, and any city with an ETJ which overlaps the proposed service area.
 - iv. For applications for the **AMENDMENT** of certificate of public convenience and necessity, the applicant must mail the notice with a copy of the location map (CCN map) to all cities and neighboring retail public utilities providing the same utility service within **two (2) miles** of the requested service area, and any city with an extra-territorial jurisdiction which overlaps the proposed service area.
- H. Notice to Customers
Investor Owned Utilities (IOUs) that are currently providing service without a certificate 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.
- 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

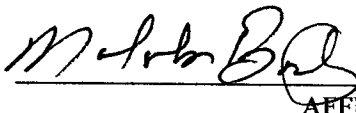
OATH

State of Texas

I, Malcolm Bailey, being duly sworn, file this application as President (indicate relationship to Applicant, that is, owner, member of partnership, title as officer of corporation, or other authorized representative of Applicant); that, in such capacity, I am qualified and authorized to file and verify such application, am personally familiar with the maps filed with this application, and have complied with all the requirements contained in this application; and, that all such statements made and matters set forth therein are true and correct. I further state that the application is made in good faith and that this application does not duplicate any filing presently before the Texas Commission on Environmental Quality.

I further represent that the application form has not been changed, altered or amended from its original form available only from the Commission.

I further represent that the Applicant will provide continuous and adequate service to all customers and qualified applicants for service within its certificated service area.



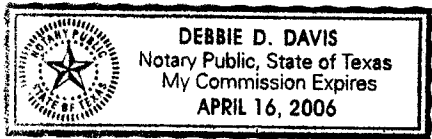
AFFIANT
(Applicant's Authorized Representative)

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

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public in and for the State of Texas, this 22nd
day of April, 2005.

SEAL

Debbie D Davis
NOTARY PUBLIC



Notice for Publication

NOTICE OF APPLICATION FOR CERTIFICATE OF CONVENIENCE
AND NECESSITY (CCN) TO PROVIDE WATER/SEWER
UTILITY SERVICE IN Parker COUNTY(IES)

South Central Water Company has filed an application for a CCN / to
Name of Applicant
amend CCN No. 20964 / and to decertify a portion(s) of (Name of Decertified Utility) with the
Texas Natural Resource Conservation Commission to provide sewer (specify 1) water or 2) sewer or
3)water & sewer) utility service in Parker County(ies).

The proposed utility service area is located approximately 2 miles East [direction] of
downtown Tomball, [City or Town] Texas, and is generally bounded on the north by
Brazos River; on the east by FM 1189
; on the south by Lacy Dr; and on the west by 10.5 miles
east of S.H. 281.

The total area being requested includes approximately 230+/- acres and 0 current customers.

A copy of the proposed service area map is available at (Utility Address and Phone Number)
5818 Beverly Hill, Suite 200, Houston, Texas 77057 - 713-783-6611

A request for a public hearing must be in writing. You must state (1) your name, mailing address, and daytime telephone number; (2) the applicant's name, application number or another recognizable reference to this application; (3) the statement, "I/we request a public hearing"; (4) a brief description of how you or the persons you represent, would be adversely affected by the granting of the application for a CCN; and (5) your proposed adjustment to the application or CCN which would satisfy your concerns and cause you to withdraw your request for a hearing.

Persons who wish to intervene or comment should write the:

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

within thirty (30) days from the date of this publication or notice. A public hearing will be held only if a legally sufficient hearing request is received or if the Commission on its own motion requests a hearing. Only those individuals who submit a written hearing request or a written request to be notified if a hearing is set will receive notice if a hearing is scheduled.

If a public hearing is requested, the Executive Director will not issue the CCN and will forward the application to the State Office of Administrative Hearings (SOAH) for a hearing. If no settlement is reached and an evidentiary hearing is held, the SOAH will submit a recommendation to the Commission for final decision. If an evidentiary

hearing is held, it will be a legal proceeding similar to a civil trial in state district court.

Notice to Neighboring Systems and Cities

NOTICE OF APPLICATION FOR CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN)
TO PROVIDE WATER/SEWER UTILITY SERVICE IN Parker COUNTY(IES)

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

(Address)

(City State Zip)

South Central Water Company has filed an application for a CCN / to
Name of Applicant

amend CCN No. 20964 / and to decertify a portion(s) of (Name of Decertificated Utility) with
the Texas Commission on Environmental Quality to provide Sewer (specify 1) water or 2) sewer or
3)water & sewer) utility service in Parker County(ies).

The proposed utility service area is located approximately 12 miles southwest [direction] of
downtown Weatherford, [City or Town] Texas, and is generally bounded on the north by
Brazos River; on the east by FM 1189
; on the south by Lacy Ln; and on the west by 10.5 miles
east of S.H. 281. See enclosed map of the proposed service area.

The total area being requested includes approximately 230+/- acres and 0 current customers.

A request for a public hearing must be in writing. You must state (1) your name, mailing address, and daytime telephone number; (2) the applicant's name, application number or another recognizable reference to this application; (3) the statement, "I/we request a public hearing"; (4) a brief description of how you or the persons you represent, would be adversely affected by the granting of the application for a CCN; and (5) your proposed adjustment to the application or CCN which would satisfy your concerns and cause you to withdraw your request for a hearing.

Persons who wish to intervene or comment should write the:

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

within thirty (30) days from the date of this publication or notice. A public hearing will be held only if a legally sufficient hearing request is received or if the Commission on its own motion requests a hearing. Only those individuals who submit a written hearing request or a written request to be notified if a hearing is set will receive notice if a hearing is scheduled.

If a public hearing is requested, the Executive Director will not issue the CCN and will forward the application to the State Office of Administrative Hearings (SOAH) for a hearing. If no settlement is reached and an evidentiary

hearing is held, the SOAH will submit a recommendation to the Commission for final decision. If an evidentiary hearing is held, it will be a legal proceeding similar to a civil trial in state district court.

NOTICE OF APPLICATION FOR CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN)
TO PROVIDE WATER/SEWER UTILITY SERVICE IN _____ COUNTY

Dear Customer: _____ Date Notice Mailed _____, 20____

_____ has filed an application for a CCN to/
Name of Applicant
amend CCN No. _____ and to decertify a portion(s) of _____ Name of Decertificated Utility _____ with the Texas
Commission on Environmental Quality to provide _____ (specify 1) water or 2) sewer or 3) water &
sewer) utility service in _____ County(ies).

The proposed utility service area is located approximately _____ miles _____ [direction] of
downtown _____, [City or Town] Texas

A copy of the proposed service area map is available at _____ (Utility Address and Phone Number) _____

The current utility rates which were first effective on _____, 20____ are:

- Monthly Flat Rate of \$_____ per connection
- OR-
- Monthly Base Rate including _____ gallons per connection for:
 - 5/8" meter \$_____
 - 1" meter \$_____
 - 1½" meter \$_____
 - 2" meter \$_____
 - Other _____ \$_____

Gallonge charge of \$_____ per 1,000 gallons
above minimum (same for all meter sizes)

Miscellaneous Fees	
-Regulatory Assessment	1%
-Tap Fee (Average Actual Cost)	\$_____
-Reconnection fee:	
-Non Payment (\$25.00 max)	\$_____
-Transfer	\$_____
-Customer's request	\$_____
-Late fee	\$5.00 or 10%
-Returned Check charge	\$_____
-Customer Deposit (\$50.00 max)	\$_____
-Meter test fee (Actual Cost not exceed \$25.00)	\$_____
-Other Fees	\$_____

Your utility service rates and fees cannot be changed by this application. If you are currently paying rates, those rates must remain in effect unchanged. Rates may only be increased if the utility files and gives notice of a separate rate change application.

A request for a public hearing must be in writing. You must state (1) your name, mailing address, and daytime telephone number; (2) the applicant's name, application number or another recognizable reference to this application; (3) the statement, "I/we request a public hearing"; (4) a brief description of how you or the persons you represent, would be adversely affected by the granting of the application for a CCN; and (5) your proposed adjustment to the application or CCN which would satisfy your concerns and cause you to withdraw

your request for a hearing.

Persons who wish to intervene or comment should write the:

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

within thirty (30) days from the date of this publication or notice. A public hearing will be held only if a legally sufficient hearing request is received or if the Commission on its own motion requests a hearing. Only those individuals who submit a written hearing request or a written request to be notified if a hearing is set will receive notice if a hearing is scheduled.

If a public hearing is requested, the Executive Director will not issue the CCN and will forward the application to the State Office of Administrative Hearings (SOAH) for a hearing. If no settlement is reached and an evidentiary hearing is held, the SOAH will submit a recommendation to the Commission for final decision. If an evidentiary hearing is held, it will be a legal proceeding similar to a civil trial in state district court.

IF A HEARING IS HELD, it is important that you or your representative attend to present your concerns. Your request serves only to cause a hearing to be held and is not used during the hearing.

Historical Profit & Loss Statement					
	Current Year (a)	(a) - 1 year	(a) - 2 years	(a) - 3 years	(a) - 4 years
Number of connections					
Income:					
Gross Revenue					
Fees					
Other					
Gross Income					
Expenses: General & Administrative:					
Salary Expense					
Office Expense					
Computer Expense					
Auto Expense					
Insurance Expense					
Telephone Expense					
Utilities Expense					
Property Tax Expense					
Professional Fees					
Other					
Total General & Administrative					
Expenses: Operational					
Salary Expense					
Auto Expense					
Utilities Expense					
Supply Expense					
Maintenance & Repair Expense					
Other Expense					
Total Operational					
Total Expenses					
Net Income					

Historical Balance Sheets - ASSETS					
	Current Year (a)	(a) - 1 year	(a) - 2 years	(a) - 3 years	(a) - 4 years
CURRENT ASSETS					
Cash					
Cost Accounts Receivable					
Inventories					
Income Tax Receivables					
Other					
TOTAL CURRENT ASSETS					
FIXED ASSETS					
Land					
Collection/Distribution System					
Buildings					
Equipment					
Other					
TOTAL FIXED ASSETS					
Less:					
Accum Depreciation/Reserve					
NET FIXED ASSETS					
TOTAL ASSETS					

Historical Balance Sheets - LIABILITIES					
	Current Year (a)	(a) - 1 year	(a) - 2 years	(a) - 3 years	(a) - 4 years
CURRENT LIABILITIES					
Accounts Payable					
Notes Payable, Due < 1 Year					
Accrued Expenses					
Customer Deposits					
Other					
TOTAL CURRENT LIABILITIES					
LONG TERM LIABILITIES					
Notes Payable, Due > 1 Year					
Other					
TOTAL LONG TERM LIABILITIES					
OWNER'S EQUITY					
Paid-in Capital					
Retained Equity					
Other					
Current Period Profit or Loss					
TOTAL OWNER'S EQUITY					
TOTAL LIABILITIES &					

Projected Profit & Loss Statement					
	Year 1	Year 2	Year 3	Year 4	Year 5
Number of connections	100	200	300	400	500
Income:					
Gross Revenue	33,600	60,000	88,800	117,600	141,600
Fees	-	-	-	-	-
Other	-	-	-	-	-
Gross Income	33,600	60,000	88,800	117,600	141,600
Expenses: General & Administrative:					
Salary Expense	4,200	7,500	111,000	14,700	17,700
Office Expense	6,000	6,000	6,000	6,000	6,000
Computer Expense	2,400	2,400	2,400	2,400	2,400
Auto Expense	2,400	2,400	2,400	2,400	2,400
Insurance Expense	3,600	3,600	3,600	3,600	3,600
Telephone Expense	1,500	1,500	1,500	1,500	1,500
Utilities Expense	-	-	-	-	-
Property Tax Expense	300	300	300	300	300
Professional Fees	5,000	1,200	1,200	5,000	1,200
Other	6,000	6,000	6,000	6,000	6,000
Total General & Administrative	31,400	30,900	34,500	41,900	41,100
Expenses: Operational					
Salary Expense	5,040	9,000	12,320	17,640	21,240
Auto Expense	-	-	-	-	-
Utilities Expense	3,250	5,625	8,325	11,025	13,275
Supply Expense	3,000	3,000	3,000	3,000	3,000
Maintenance & Repair Expense	6,000	6,000	6,000	6,000	6,000
Other Expense	5,040	9,000	13,320	17,640	21,240
Total Operational	22,330	33,625	45,965	58,305	70,755
Total Expenses	53,730	64,525	80,465	100,205	111,855
Net Income	<15,930>	<4,525>	8,335	17,395	29,745

Projected Balance Sheets - ASSETS					
	Year 1	Year 2	Year 3	Year 4	Year 5
CURRENT ASSETS					
Cash					
Cost Accounts Receivable					
Inventories					
Income Tax Receivables					
Other					
TOTAL CURRENT ASSETS					
FIXED ASSETS					
Land	10,000	10,000	10,000	10,000	10,000
Collection/Distribution System	900,000	900,000	900,000	1,750,000	1,750,000
Buildings	-	-	-	-	-
Equipment	150,000	150,000	300,000	300,000	300,000
Other					
TOTAL FIXED ASSETS	1,060,000	1,060,000	1,210,000	2,060,000	2,060,000
Less:					
Accum Depreciation/Reserve					
NET FIXED ASSETS					
TOTAL ASSETS					

Projected Balance Sheets - LIABILITIES						
	Year 1	Year 2	Year 3	Year 4	Year 5	
CURRENT LIABILITIES						
Accounts Payable						
Notes Payable, Due < 1 Year						
Accrued Expenses						
Customer Deposits						
Other						
TOTAL CURRENT LIABILITIES						
LONG TERM LIABILITIES						
Notes Payable, Due > 1 Year						
Other						
TOTAL LONG TERM LIABILITIES						
OWNER'S EQUITY						
Paid-in Capital						
Retained Equity						
Other						
Current Period Profit or Loss						
TOTAL OWNER'S EQUITY						
TOTAL LIABILITIES &						

Projected Statements of Sources & Uses of Cash					
	Year 1	Year 2	Year 3	Year 4	Year 5
SOURCES OF CASH					
Net Profit					
Depreciation (if funded)					
Loan Proceeds					
Other					
TOTAL SOURCES					
USES OF CASH					
Net Loss					
Principal portion of payments					
Fixed Asset Purchases					
Reserve					
Other					
TOTAL USES					
NET CASH FLOW					
AVAILABLE DEBT SERVICE COVERAGE (ADSC)					
Cash Available for Debt Service					
Net Profit/Loss					
Depreciation or Reserve					
Interest					
TOTAL ADSC					
REQUIRED DEBT SERVICE COVERAGE (RDSC)					
Principal + Interest					
DEBT SERVICE COVERAGE RATIO (ADSC/RDSC)					

Attachment A
Certificate of Account Status
Item 1ci



TEXAS COMPTROLLER OF PUBLIC ACCOUNTS
CAROLE KEETON STRAYHORN • COMPTROLLER • AUSTIN, TEXAS 78774

April 11, 2005

CERTIFICATE OF ACCOUNT STATUS

THE STATE OF TEXAS
COUNTY OF TRAVIS

I, Carole Keeton Strayhorn, Comptroller of Public Accounts of the State of Texas, DO HEREBY CERTIFY that according to the records of this office

SOUTH CENTRAL WATER COMPANY

is, as of this date, in good standing with this office having no franchise tax reports or payments due at this time. This certificate is valid through the date that the next franchise tax report will be due May 16, 2005.

This certificate does not make a representation as to the status of the corporation's Certificate of Authority, if any, with the Texas Secretary of State.

This certificate is valid for the purpose of conversion when the converted entity is subject to franchise tax as required by law. This certificate is not valid for the purpose of dissolution, merger, or withdrawal.

GIVEN UNDER MY HAND AND
SEAL OF OFFICE in the City of
Austin, this 11th day of
April, 2005 A.D.

A handwritten signature in cursive script that reads "Carole Keeton Strayhorn".

Carole Keeton Strayhorn
Texas Comptroller

Taxpayer number: 17606670101
File number: 0161296200

Form 05-304 (Rev. 02-03/14)

Attach
Letter c
Item

5:6 Corr

SUGARTREE ON THE BRAZOS DEVELOPMENT
SEWERAGE COLLECTION & TREATMENT SYSTEM AGREEMENT

This SEWERAGE COLLECTION & TREATMENT SYSTEM AGREEMENT (hereinafter the "Agreement"), relating to the construction of a system for the collection and treatment of sewage and the construction of a wastewater treatment facility, is made by and between BLUEGREEN SOUTHWEST ONE, L. P., by and through its General Partner BLUEGREEN SOUTHWEST LAND, INC., (hereinafter referred to as the "DEVELOPER"), and SOUTH CENTRAL WATER COMPANY, a Texas corporation (hereinafter referred to as "SCWCO"). The DEVELOPER and SCWCO shall sometimes be collectively referred to as the "Parties."

WHEREAS, the DEVELOPER is the current owner of certain tracts of land in Parker County, Texas, as described on Exhibit "A" attached hereto, and is primarily engaged in the subdivision of those tracts of land principally into residential lots which have been heretofore designated as SugarTree on the Brazos according to map or plat thereof to be recorded in the Map and Plat Records of Parker County, Texas (hereinafter "Development"). DEVELOPER has provided SCWCO a copy of the preliminary plat of the Development.

WHEREAS, the DEVELOPER desires to have a sewerage and wastewater collection system and treatment facility constructed within and exclusively for the Development to be available to serve the residents thereof.

WHEREAS, SCWCO represents that it has considerable experience in successfully constructing, maintaining and operating such wastewater systems, having continuously been and being now engaged primarily in the construction and operation of water distribution and/or wastewater treatment facilities and/or systems for both commercial properties and residential subdivisions; that its systems have been and will be constructed, maintained and operated using safe and acceptable methods common to like kind operators and suppliers and approved by all governmental authorities; that it agrees to install and operate a wastewater treatment facility and system within the Development consisting of an expandable treatment plant with adequate storage components, treatment facilities, valves, and meters of a design adequate to service all residential and commercial customers within the Development all in accordance with applicable rules and regulations of the Texas Commission on Environmental Quality (hereinafter the "TCEQ") or any other state or federal governmental authority.

NOW, therefore, DEVELOPER and SCWCO, for and in consideration of the mutual promises, covenants, agreements and provisions hereinafter contained hereby agree as follows:

1. **Development Concept:** DEVELOPER shall provide SCWCO with a development plan for the entire Development and a projected schedule (which timeline is subject to change) for each phase or section of the Development. The System (as defined below) shall be constructed in phases as the Development is constructed. DEVELOPER shall provide reasonable and prompt assistance and information to SCWCO to ensure that the Development and the expansion of the Wastewater Treatment Facility are coordinated so as to provide adequate capacity for the treatment of effluent placed into the sewerage collection system by the

customers of the DEVELOPER in a manner consistent with the guidelines and standards of the TCEQ.

2. **Construction and Design of System:** DEVELOPER at its sole expense, agrees to design, construct, install, and duly mark or identify the location of all wastewater collection lines, including low pressure force mains to the Wastewater Treatment Facility, effluent lines from the Wastewater Treatment Facility to the point of discharge to the standards and requirements of the TCEQ or any other federal authority (the "System"). DEVELOPER shall provide SCWCO a set of "as-built" drawings of the completed System for the Development within the non-exclusive easements designated by DEVELOPER for that purpose on the said recorded plat of the Development. The System is to be designed by Baird, Hampton & Brown, Inc., of Fort Worth, Texas, licensed civil engineers, and SCWCO shall have the opportunity to review and comment on the design of the System, as well as inspect the construction of the System. SCWCO may suggest modifications and changes to the designed System in the event that it should observe any potential problems with the collection system based on its past experience in operating such Systems. Such suggested changes may be higher than the minimum design standards and requirements of the TCEQ, and such suggested changes that are higher than the minimum required design standards of the TCEQ shall be at the sole expense of SCWCO unless agreed otherwise in writing by the DEVELOPER.

3. **Construction to TCEQ Standards.** DEVELOPER covenants, represents, and warrants that the System will be constructed in a good, safe, workmanlike manner in accordance with accepted engineering practices, and that when completed, the System will be of sufficient capacity to meet the minimum requirements for sewerage collection systems to handle effluent from the expected Five Hundred (500) single family residential and commercial users as promulgated by the minimum standards of the TCEQ as of the date of this Agreement or as amended in the future. The System, when completed, shall furnish sufficient and adequate sewer service for all of the improvements located or to be located, constructed or to be constructed, within the Development. SCWCO shall have an opportunity to inspect the construction of the System to ensure that it is being constructed in accordance with the plans and specifications.

4. **Non-Exclusive Easements.** DEVELOPER agrees that installation of the System will be coordinated with the construction and installation of the roads and other utilities, and DEVELOPER'S other activities in the Development. The designated and platted easements within the Development where the System will be located will be non-exclusive in as much as other utilities may be placed in close proximity of the sewerage collection and/or trunk lines. SCWCO acknowledges that it may, at its own expense and at its sole option, have inspectors on-site at all times while the sewerage collection system is being constructed.

5. **Construction and Design of Wastewater Treatment Facility.** SCWCO agrees, at its own expense, to design, construct, install, operate and maintain a Wastewater Treatment Facility on a parcel of land hereinafter identified and conveyed to SCWCO via Special Warranty Deed with Vendor's Lien. The Wastewater Treatment Facility shall be constructed in phases and shall include TCEQ required treatment facilities, holding tanks, pumps and other accessory equipment required by state and federal regulatory bodies to adequately treat the effluent of the residential and commercial users in the Development. The DEVELOPER shall have the

opportunity to review and comment on the design of the Wastewater Treatment Facility. The DEVELOPER and its agents may suggest modifications and changes to the designed Wastewater Treatment Facility in the event that it should observe any potential problems with the design based on its past experience and professional opinion. Such suggested changes may be higher than the minimum design standards and requirements of the TCEQ, and such suggested changes that are higher than the minimum required design standards of the TCEQ shall be at the sole expense of DEVELOPER unless agreed otherwise in writing by the SCWCO. The Wastewater Treatment Facility, when completed, shall furnish sufficient and adequate sewer service for at least Five Hundred (500) residential and commercial users of the improvements located or to be located constructed or to be constructed, within the Development. Construction of the Wastewater Treatment Facility shall begin upon receipt of the necessary governmental approvals. The Wastewater Treatment Facility shall be for the Development's use only, and can be expanded by SCWCO for use outside the Development only with the written consent of the DEVELOPER.

6. **Wastewater Treatment Facility Expansion by SCWCO.** SCWCO shall from time to time need to expand the capacity of the Wastewater Treatment Facility in advance of the then existing Wastewater Treatment Facility reaching a capacity level that would require expansion pursuant to the TCEQ rules and regulations governing sewage treatment facilities. It is understood by both Parties to this Agreement that the Development will be constructed and sold in Phases or Sections, and the wastewater/sewer services will be required to match the Development. SCWCO shall expand the Wastewater Treatment Facility pursuant to or earlier than the TCEQ time requirements but in no event shall allow the Wastewater Treatment Facility to inadequately serve all of the Development's required needs for sewage facilities. If SCWCO does not expand the Wastewater Treatment Facility pursuant to or earlier than the timelines created by TCEQ, then SCWCO shall be in default of this Agreement.

7. **Operational Facility.** SCWCO agrees that it will have a full operational Wastewater Treatment Facility with a 38,000 gallons per day capacity ready to receive effluent no later than ninety (90) days after the current discharge permit is amended and approved by the TCEQ for the first Phase or Section of the SugarTree Development.

8. **Regulatory Requirements:**

8.1. DEVELOPER agrees to assist SCWCO in obtaining the sewer Certificate of Convenience and Necessity (hereinafter the "CCN") for the SugarTree Development.

8.2. **Permits and Regulations.** The Parties understand that their rights and obligations under this Agreement are, or may be, subject to, without limitation: (i) the laws of the State of Texas; (ii) the laws of the United States; (iii) the regulations promulgated by the Texas Commission on Environmental Quality; (iv) the regulations promulgated by the United States Environmental Protection Agency; (v) the regulations promulgated by the United States Fish & Wildlife Service; (vi) the United States Army Corps of Engineers, and (vii) the regulations promulgated by any other regulatory agency(ies) which may now or in the future have jurisdiction over SCWCO. This Agreement is contingent upon the obtaining of all necessary permits, CCNs and tariffs.

8.3. SCWCO shall, upon execution of this agreement, promptly initiate and perform without unreasonable delay the following

8.3.1. SCWCO, at its sole expense, shall make application with the TCEQ, and any other applicable regulatory agency (state or federal) to increase the existing discharge permit as well as the conversion of the existing discharge permit from discharge into the Brazos River to the use of effluent from the Wastewater Treatment Facility for golf course irrigation. SCWCO will also obtain all other necessary permits and approvals for the Development as required to operate and construct a Wastewater Treatment Facility and System. Regulatory Agency shall mean any regulatory authority, federal, state, local or other having jurisdiction concerning the treatment of waste water, sewage and effluent discharge, water standards, or other environmental matters, zoning and subdivision permitting or otherwise having jurisdiction over the Development.

8.3.2. Create a tariff schedule acceptable to the TCEQ and DEVELOPER. The initial tariff shall be as set forth on Exhibit "B", attached hereto and made a part hereof.

9. **Ownership of System:** Contemporaneous with the completion of construction of each phase of the System and delivery of "as-built" drawings sufficient to provide an accurate description and location of the System as completed by the DEVELOPER. DEVELOPER shall convey to SCWCO that finished and particular phase of the System via Bill of Sale and subject to the terms in this Agreement. If multiple phases are completed at one time, DEVELOPER shall convey all completed and accepted phases with one (1) instrument.

10. **Ownership of the Wastewater Treatment Plant Site.** DEVELOPER agrees to grant to SCWCO an option to purchase a mutually acceptable, cleared and accessible wastewater treatment plant site (hereinafter the "Plant Site") with adequate electrical service and adjacent to an all weather road for the consideration of TEN AND NO/100 DOLLARS (\$10.00) and other good and valuable consideration in hand paid in consideration for SCWCO proceeding with the construction of the Wastewater Treatment Facilities. The form of the transfer documents shall be attached as Exhibit "C". The conveyance of the Plant Site shall be by Special Warranty Deed with Vendor's Lien and a Deed of Trust executed by SCWCO for the benefit of the DEVELOPER. The Deed of Trust shall be security that SCWCO completes its obligation under this Agreement to construct, in a timely manner, necessary expansions of the Wastewater Treatment Facility, and that it will maintain and operate pursuant to the current TCEQ standards as such may be amended or modified, as well as through using safe and acceptable methods for wastewater treatment that are required by a Regulatory Agency or are common to like kind operators and suppliers and approved by all governmental authorities. Once the entire System and the initial Wastewater Treatment Facility has been completed and put into service DEVELOPER will release the Deed of Trust thereby conveying all of its right, title and interest in the System to SCWCO free and clear of all liens or encumbrances.

11. **Subordination.** DEVELOPER agrees that its security interest may from time to time be subordinated to any financing that SCWCO may require to finance the construction of the Wastewater Treatment Facility for this Development. In no event shall the amount of financing to, which the DEVELOPER is willing to subordinate its security interest to be for an amount of value in excess of the existing Wastewater Treatment Facility and the reasonable costs of expansion expenditures.

12. **Ownership of Easements:** The DEVELOPER will retain ownership and control of the utility easement areas wherein the System is to be located. The DEVELOPER expressly, hereinafter reserves the sole power to grant to other utilities not already existing within the Development, the right to use the same easements granted to SCWCO save and except the other utilities must abide by the terms and conditions of the rules and regulations relating to the installation of utility lines in common easement areas. The DEVELOPER reserves the right to transfer and convey such easements, subject to the utilities therein, to the ST on the Brazos Property Owners Association, Inc. DEVELOPER expressly makes no representations concerning the ownership, use, purpose or rights held by others.

13. **SCWCO's Obligations and Representations.** SCWCO obligates itself to and represents to DEVELOPER the following:

13.1. SCWCO shall make all necessary applications and file all necessary documents, at SCWCO's expense, in the TCEQ for the sewer CCN that covers the Development as well as apply for and obtain all necessary modifications to the current discharge permit and expand such discharge permit in the appropriate governmental and Regulatory Agencies;

13.2. Engineer or caused to be engineered, a Wastewater Treatment Facility selected by SCWCO, in strict compliance with all applicable federal, state and local laws, rules, regulations and safety standards, and in no event shall the design be less than the minimum standards as promulgated by TCEQ.

13.3. Construct, at its expense and in accordance with the engineered plans and specifications, a Wastewater Treatment Facility within and upon the parcel of land to which the DEVELOPER has granted an option and designated on the subdivision plat of the Development for such purposes. The Wastewater Treatment Facility shall be for the Development's use only, and can be expanded by SCWCO for use outside the Development only with the written consent of the DEVELOPER.

13.4. Periodically inspect and immediately replace or repair any pipes and/or valves, and location markers thereof, which may be, or become, inoperable or in an unsafe consideration and maintain records thereof.

13.5. Comply with the rules and regulations of the TCEQ or any other state or federal governmental agency having authority over the System and Wastewater Treatment Facility, as the rules and regulations now exist or may hereafter be amended from time to