



Control Number: 44844



Item Number: 1

Addendum StartPage: 0

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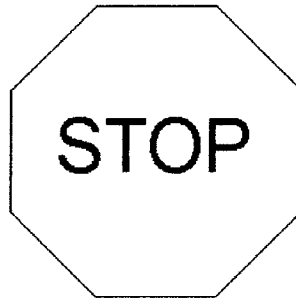


Application for a Water or Wastewater Rate/Tariff Change

Pursuant to Texas Water Code §13.187 and PUC Substantive Rules Chapter 24

Docket No. 44844

(this number will be assigned by the Public Utility Commission after your application is filed)



When you are filling out this application, you cannot go from one line to the next and fill it out correctly. You will need to complete some tables partially and come back to them later in the process.

Therefore, it is important that you follow the instructions that accompany this application. They are designed to give you a step-by-step process for completing the application.

APPLICATION FOR A RATE/TARIFF CHANGE

SECTION IA - GENERAL INFORMATION

Applicant Sunset Water LLC

(Individual, Corporation, or Other Legal Entity)

Utility Name: Sunset Water

(If different than above)

Legal form of Application:

☐ Individual ☐ Partnership ☐ Sub Chapter-S Corporation

☒ Corporation Provide Charter Number 801551023

☐ Other Please Explain:

Utility Address: 7203 I-40 West Suite B Amarillo TX 79106
Street Address or Location City State Zip Code

County(ies) where services are provided: Moore

CCN Number(s): 13224

Contact Person: Heather Mask Telephone Number: (806) 236-1977

Position: Owner / Operator Fax Number: (806) 331-3876

Address: 7203 I-40 West Suite B Amarillo TX 79106
Street Address or Location City State Zip Code

If the applicant is a corporation, please provide a copy of the corporation's "Certificate of Account Status" (regarding the payment of franchise taxes) from the State Comptroller's Office. This "Certificate of Account Status" can be obtained from the website at:

Comptroller of Public Accounts, Office Management ¹

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

1. <https://ourcpa.cpa.state.tx.us/coa/Index.html>

INFORMATION REQUIRED
FOR A
WATER RATE/TARIFF CHANGE

SECTION III. PLANT & EQUIPMENT INFORMATION – WATER

A. CUSTOMER CONTRIBUTIONS

If any of the items included in your plant and equipment were 100% financed with customer contributions, assessments, surcharges, extension fees, etc., you may not include depreciation or return on those items in your cost of service. However, if those customer contributions did not cover the entire cost of the asset, you may include the amount that the utility paid for. Please list below all items that were funded either all or in part by customer contributions and indicate amount that the customers contributed for each item.

Table III. A.

Item [A]	Date of installation [B]	Total Cost [C]	Amount of Customer Contribution [D]	Difference [E]= [C] - [D]
N/A				\$0.00 ①
				①
				①
				①
				①

- Attach additional sheet(s) if necessary -

- ① If any amount in this column is greater than zero, enter that item in the appropriate category in **Table III. B**

C. DEVELOPER CONTRIBUTIONS - WATER

If any of the Items listed in the Depreciation Schedule were contributed by a developer, please list those items and the associated cost below.

Table III. C.

Item	Date of installation or Contribution	Total Cost	Amount of Developer Contribution	Net Book Value (from Table III.B.)
N/A				
Total		\$0.00	\$0.00	\$0.00 (1)

① Insert this amount in **Table IV. E., Line [E]**

- Attach additional sheet(s) if necessary -

SECTION IV - LONG TERM DEBT & EQUITY INFORMATION – WATER

A. EQUITY

How much equity or total capital does the company have in the utility? \$45,262.13
Enter also in **Table IV. D.**, Box (3) below

B. RATE OF RETURN

What rate of return (profit) on investment in plant (equity) is expected? 5.0000 %
Enter also in **Table IV. D., Box (4)** below

NOTE: You may choose

- an average equity return established by the staff each year and included with the Annual Report Instructions **OR**
- an interest rate that you think is fair that is less than the rate established by the staff **OR**
- to use the **Rate of Return Worksheet** which is attached to the **Instructions**.

C. BANKRUPTCY

Has the utility or utility owner filed bankruptcy within the last seven years? _____ Yes X No
If YES, explain status of applicant at this time.

--

E. INVESTED CAPITAL & RETURN – WATER

Table IV. E.

Net Book Value - From Table III. B., Box ③	[A]	\$	31,485.36
Working cash allowance -Amount From Table VI. A., Line [L] Column ③ , Box ⑦(÷⑧)	[B]	\$	0.90
Materials and supplies	[C]	\$	0.00
Subtotal - Sum of [A] thru [C]	[D]	\$	31,486.26
Developer Contributions - From Table III. C., Box ①	[E]	\$	0.00
Total invested capital [D] - [E]	[F]	\$	31,486.26
Rate of return - From Table IV. D., Box ⑧	[G]		5.00 %
Return/Interest - If [F] is greater than -0-, then enter [F] * [G]. If [F] is less than -0-, enter -0-. Enter this amount in Table V., Line [A] and Table VI. A., Line [Q], Column ②	[H]	\$	1,574.31

SECTION V - INCOME TAX CALCULATION – WATER

Use the following table to determine the amount of income tax that can be included in your revenue requirement.

Table V.

Return - From Table IV. E., Line [H]	[A]	\$	1,574.31
Interest Calculation			
Total Invested Capital - From Table IV. E., Line [F]	[B]	\$	31,486.26
Weighted Cost of Debt Capital - Percentage From Table IV. D., Box ⑥	[C]		0.00 %
Interest [B]*[C]	[D]	\$	0.00
Taxable Income [A] - [D]	[E]	\$	1,574.31
Enter Income Tax from Tax Table (Appendix A)	[F]	\$	353.00 ①

①To Table VI. A., Line [P], Column ②

B. KNOWN & MEASURABLE

If you listed anything in **TABLE VI. A.** above as an increase/decrease expected in the next 12 months, please provide a short explanation by item why there will be a change and how you projected the cost. Changes in cost must be known and measurable and supported by invoices or other documentation.

SALARIES AND WAGES - OWNER / OPERATOR HAS NOT TAKEN A SALARY AND REQUIRES ONE FOR THE FUTURE.

INSURANCE - THE PREVIOUS OWNER HAS KEPT A POLICY ON THE WATER SYSTEM. NEW OWNER WILL NEED TO OBTAIN AN INSURANCE POLICY.

PAYROLL - NEW SALARIES REQUIRE PAYROLL TAXES.

-Attach additional sheet(s) or a separate listing for sewer service if necessary-

SECTION VII - CUSTOMER INFORMATION - WATER

NUMBER OF CUSTOMERS

How many customers (active connections) did you have at the beginning and at the end of the twelve month test year?

TABLE VII

Connection Type	Line	Beginning of period ①	End of period ②	Equivalency Factor ③	Meter Equivalents ④=②*③
Non-Metered Connections:					
Residential	[A]	0.0	0.0	1	0.0
Commercial	[B]	0.0	0.0	1	0.0
Standby	[C]	0.0	0.0	1	0.0
Metered Connections:					
5/8" x 3/4"	[D]	46.0	46.0	1	46.0
3/4"	[E]	0.0	0.0	1.5	0.0
1"	[F]	0.0	0.0	2.5	0.0
1 1/2"	[G]	0.0	0.0	5	0.0
2"	[H]	0.0	0.0	8	0.0
3"	[I]	0.0	0.0	15	0.0
Other: N/A	[J]	0.0	0.0	0.0	0.0
Total	[K]	46.0	46.0		46.0 ⑤

⑤To Table IX. B., Line [B] AND Table X. A., Line [F]

SECTION IX - RATE DESIGN - WATER

A. VARIABLE RATE CALCULATIONS

Table IX. A.

	Line	Instructions
Total Variable Costs	[A]	\$ 15,014.27
Total # of Gallons Billed to Customers	[B]	7,277,619
Total # of 1,000 Gallons billed	[C]	7,278
Variable Cost per 1,000 gallons	[D]	\$ 2.06
Divide Line [B] by 1,000		
Divide Line [A] by Line [C] Transfer to Table IX. B., Lines [E] through [J], Box ⑥		

B. BASE RATE CALCULATIONS

Table IX. B.

	Line	# of 1000 gallons in base bill	Variable cost per 1,000 gals	Variable cost to be added to base rate	Total base rate per meter size
Total fixed costs - From Table VI. A., Line [T], Box ⑤ or Line [U], Box ⑥	[A]	①	③	④ = ② * ③	⑤ = ① + ④
Total meter equivalents at end of test year - From Table VII, Line [K], Box ⑤	[B]	46.0			
Base charge per meter equivalent or for each unmetered connection [A] ÷ [B] and then divide by 12	[C]	\$ 400.54			
Base charge per meter size					
5/8" x 3/4" or unmetered	[D]	100.5	2.06 ⑥	0.00	100.54
3/4"	[E]	150.8	2.06 ⑥	0.00	150.81
1"	[F]	251.4	2.06 ⑥	0.00	251.35
1 1/2"	[G]	502.7	2.06 ⑥	0.00	502.70
2"	[H]	804.3	2.06 ⑥	0.00	804.32
3"	[I]	1,508.1	2.06 ⑥	0.00	1,508.10
Other: N/A	[J]	0.0	0.00 ⑥	0.00	0.00

⑥ From Table IX. A., Line [D]

INFORMATION REQUIRED
FOR A
SEWER RATE/TARIFF CHANGE

SECTION III. PLANT & EQUIPMENT INFORMATION – SEWER

A. CUSTOMER CONTRIBUTIONS

If any of the items included in your plant and equipment were 100% financed with customer contributions, assessments, surcharges, extension fees, etc., you may not include depreciation or return on those items in your cost of service. However, if those customer contributions did not cover the entire cost of the asset, you may include the amount that the utility paid for. Please list below all items that were funded either all or in part by customer contributions and indicate amount that the customers contributed for each item.

Table III. A.

Item [A]	Date of installation [B]	Total Cost [C]	Amount of Customer Contribution [D]	Difference [E]= [C] - [D]
N/A				①
				①
				①
				①
				①

- Attach additional sheet(s) if necessary –

- ① If any amount in this column is greater than zero, enter that item in the appropriate category in **Table III. B**

E. INVESTED CAPITAL & RETURN - SEWER N/A

Table IV. E.

Net Book Value - From Table III. B., Box ③	[A]	\$
Working cash allowance - (Amount From Table VI. A., Line [L] Column ③, Box ⑦ ÷ 8)	[B]	\$
Materials and supplies	[C]	\$
Subtotal - Sum of [A] thru [C]	[D]	\$
Developer Contributions - From Table III. C., Box ①	[E]	\$
Total invested capital [D] - [E]	[F]	\$
Rate of return - From Table IV. D., Box ③	[G]	%
Return/Interest - If [F] is greater than -0-, then enter [F] * [G]. If [F] is less than -0-, enter -0-. Enter this amount in Table V., Line [A] and Table VI. A., Line [Q], Column ②	[H]	\$

SECTION V - INCOME TAX CALCULATION - SEWER

Use the following table to determine the amount of income tax that can be included in your revenue requirement.

Table V.

Return - From Table IV. E., Line [H]	[A]	\$
Interest Calculation		
Total Invested Capital - From Table IV. E., Line [F]	[B]	\$
Weighted Cost of Debt Capital - Percentage From Table IV. D., Box ⑥	[C]	%
Interest [B]*[C]	[D]	\$
Taxable Income [A] - [D]	[E]	\$
Enter Income Tax from Tax Table (Appendix A)	[F]	\$ ①

① To Table VI. A., Line [P], Column ②

B. KNOWN & MEASURABLE N/A

If you listed anything in **TABLE VI. A.** above as an increase/decrease expected in the next 12 months, please provide a short explanation by item why there will be a change and how you projected the cost. Changes in cost must be known and measurable and supported by invoices or other documentation.

-Attach additional sheet(s) or a separate listing for sewer service if necessary-

SECTION VII - CUSTOMER INFORMATION – SEWER**NUMBER OF CUSTOMERS**

How many customers (active connections) did you have at the beginning and at the end of the twelve month test year?

TABLE VII

Connection Type	Line	Beginning of period ①	End of period ②	Equivalency Factor ③	Meter Equivalents ④=②*③
Non-Metered Connections:					
Residential	[A]			1	
Commercial	[B]			1	
Standby	[C]			1	
Metered Connections:					
5/8" x 3/4"	[D]			1	
3/4"	[E]			1.5	
1"	[F]			2.5	
1 1/2"	[G]			5	
2"	[H]			8	
3"	[I]			15	
Other:	[J]				
Total	[K]				⑤

⑤To Table IX. B., Line [B] AND Table X. A., Line [F]

N/A

Base charge per meter size

5/8" x 3/4" or unmetered	Multiply [C] by 1	[D]			⑥	
3/4"	Multiply [C] by 1.5	[E]			⑥	
1"	Multiply [C] by 2.5	[F]			⑥	
1 1/2"	Multiply [C] by 5.0	[G]			⑥	
2"	Multiply [C] by 8.0	[H]			⑥	
3"	Multiply [C] by 15.0	[I]			⑥	
Other:		[J]			⑥	

⑥ From Table IX. A., Line [D]

SECTION X - ALTERNATE METHOD OF RATE DESIGN - SEWER

After you have performed the calculations in SECTION IX, you may find that the cost per 1,000 gallons is not what you think your customers will approve. If that is the case, then the following will allow you to calculate a rate structure that still recovers your revenue requirement, but with rates that you think may be more appropriate for your customers.

Table X. A.

	Line		
Cost per 1,000 gallons	[A]	\$	This is the rate that you think is appropriate
Total # of 1,000 Gallons billed	[B]		From Table IX. A., Line [C]
Total Cost to be recovered through gallonage charge	[C]	\$	Multiply Line [A] times Line [B]
Total Revenue Requirement	[D]	\$	From Table VI. A., Line [T] ③
Total to be recovered through base rate	[E]	\$	Subtract Line [C] from Line [D]
Total number of meter Equivalents	[F]		From Table VII, Line [K], Box ⑤
Base rate per meter equivalent	[G]	\$	Divide Line [E] by Line [F] & then divide by 12months Enter this in Table X. B, Line [A] Column ①

AFFIDAVIT
WATER &/OR SEWER
RATE/TARIFF CHANGE

NOTICE OF RATE/TARIFF CHANGE
TO BE PROVIDED TO CUSTOMERS

CURRENT RATES			PROPOSED RATES		
Monthly base rate including _____ 0.00 gallons			Monthly base rate including _____ 0.00 gallons		
Meter Size:			Meter Size:		
RESIDENTIAL			RESIDENTIAL		
"5/8/or 3/4"	\$	13.75	"5/8/or 3/4"	\$	76.98
1"	\$	23.50	1"	\$	192.45
1 1/2"	\$	50.26	1 1/2"	\$	384.90
2"	\$	86.50	2"	\$	615.84
3"	\$	0.00	3"	\$	1,154.70
Other: N/A	\$	0.00	Other: N/A	\$	0.00
GALLONAGE CHARGE:			GALLONAGE CHARGE:		
\$ 1.45 for each additional 1000 gallons over the the minimum.			\$ 3.85 for each additional 1000 gallons over the the minimum.		

MISCELLANEOUS FEES			MISCELLANEOUS FEES		
Tap Fee	\$	325.00	Tap Fee	\$	350.00
Reconnect fee:			Reconnect fee:		
Non-payment			Non-payment		
(Maximum - \$25.00)	\$	25.00	(Maximum - \$25.00)	\$	25.00
Customer's Request	\$	30.00	Customer's Request	\$	30.00
Transfer Fee	\$	30.00	Transfer Fee	\$	30.00
Late Charge	\$	5.00	Late charge: (Indicate either \$5.00 or 10%)	\$	5.00
Returned Check Charge	\$	25.00	Returned Check Charge	\$	25.00
Deposit	\$	50.00	Deposit (Maximum \$50.00)	\$	50.00
Meter test fee	\$	25.00	Meter test fee	\$	25.00

Regulatory Assessment of 1% is added to base rate and gallonage charges.

If applicable, list any bill payment assistance programs to low income Ratepayers.

NONE

WATER & SEWER

TARIFF PAGES

N/A

Sewer Tariff Page No. 2

(Sewer Utility Name)

Revision Date: _____

SECTION 1.0 –RATE SCHEDULE

Monthly base rate including		gallons
Meter Size:		
Residential		
5/8" or 3/4"	\$	
1"	\$	
1 1/2"	\$	
2"	\$	
3"	\$	
Other:	\$	
Gallage Charge:		
	\$	

for each additional 1000 gallons over the minimum.

Regulatory Assessment Fee

A REGULATORY ASSESSMENT, EQUAL TO ONE PERCENT OF THE CHARGE FOR RETAIL WATER SERVICE ONLY, SHALL BE COLLECTED FROM EACH RETAIL CUSTOMER **1%**

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

Section 1.02 - Miscellaneous Fees**TAP FEE**

\$ _____

TAP FEE IS BASED ON THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR STANDARD RESIDENTIAL CONNECTION

RECONNECTION FEE

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

a) **Non payment of bill (Maximum \$25.00)**

\$ _____

b) **Customer's request**

\$ _____

Or other reasons listed under Section 2.0 of this tariff

\$ _____

TRANSFER FEE

\$ _____

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

LATE CHARGE (Not more than \$5.00 or 10%)(Indicate one)

\$ _____

A ONE TIME PENALTY 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

\$ _____

CUSTOMER DEPOSIT (Maximum \$50)

\$ _____

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

If your TAXABLE INCOME from Table V., Line [E] is

More	Less	The tax	More	Less	The tax	More	Less	The tax	More	Less	The tax is
0	501	88	25,000	25,501	4,500	50,000	50,501	10,166	75,000	75,501	21,091
500	1,001	176	25,500	26,001	4,588	50,500	51,001	10,333	75,500	76,001	21,349
1,000	1,501	265	26,000	26,501	4,676	51,000	51,501	10,500	76,000	76,501	21,606
1,500	2,001	353	26,500	27,001	4,765	51,500	52,001	10,666	76,500	77,001	21,864
2,000	2,501	441	27,000	27,501	4,853	52,000	52,501	10,833	77,000	77,501	22,121
2,500	3,001	529	27,500	28,001	4,941	52,500	53,001	11,000	77,500	78,001	22,410
3,000	3,501	618	28,000	28,501	5,029	53,000	53,501	11,166	78,000	78,501	22,730
3,500	4,001	706	28,500	29,001	5,118	53,500	54,001	11,333	78,500	79,001	23,049
4,000	4,501	794	29,000	29,501	5,206	54,000	54,501	11,500	79,000	79,501	23,370
4,500	5,001	882	29,500	30,001	5,294	54,500	55,001	11,666	79,500	80,001	23,689
5,000	5,501	971	30,000	30,501	5,382	55,000	55,501	11,833	80,000	80,501	24,008
5,500	6,001	1,059	30,500	31,001	5,471	55,500	56,001	12,000	80,500	81,001	24,328
6,000	6,501	1,147	31,000	31,501	5,559	56,000	56,501	12,166	81,000	81,501	24,648
6,500	7,001	1,235	31,500	32,001	5,647	56,500	57,001	12,333	81,500	82,001	24,967
7,000	7,501	1,324	32,000	32,501	5,735	57,000	57,501	12,500	82,000	82,501	25,287
7,500	8,001	1,412	32,500	33,001	5,824	57,500	58,001	12,666	82,500	83,001	25,607
8,000	8,501	1,500	33,000	33,501	5,912	58,000	58,501	12,833	83,000	83,501	25,926
8,500	9,001	1,588	33,500	34,001	6,000	58,500	59,001	13,000	83,500	84,001	26,246
9,000	9,501	1,676	34,000	34,501	6,088	59,000	59,501	13,166	84,000	84,501	26,566
9,500	10,001	1,765	34,500	35,001	6,176	59,500	60,001	13,333	84,500	85,001	26,885
10,000	10,501	1,853	35,000	35,501	6,265	60,000	60,501	13,500	85,000	85,501	27,205
10,500	11,001	1,941	35,500	36,001	6,353	60,500	61,001	13,666	85,500	86,001	27,525
11,000	11,501	2,029	36,000	36,501	6,441	61,000	61,501	13,833	86,000	86,501	27,844
11,500	12,001	2,118	36,500	37,001	6,529	61,500	62,001	14,000	86,500	87,001	28,164
12,000	12,501	2,206	37,000	37,501	6,618	62,000	62,501	14,166	87,000	87,501	28,484
12,500	13,001	2,294	37,500	38,001	6,706	62,500	63,001	14,333	87,500	88,001	28,803
13,000	13,501	2,382	38,000	38,501	6,794	63,000	63,501	14,500	88,000	88,501	29,123
13,500	14,001	2,471	38,500	39,001	6,882	63,500	64,001	14,666	88,500	89,001	29,443
14,000	14,501	2,559	39,000	39,501	6,971	64,000	64,501	14,833	89,000	89,501	29,762
14,500	15,001	2,647	39,500	40,001	7,059	64,500	65,001	15,000	89,500	90,001	30,082
15,000	15,501	2,735	40,000	40,501	7,147	65,000	65,501	15,166	90,000	90,501	30,402
15,500	16,001	2,824	40,500	41,001	7,235	65,500	66,001	15,333	90,500	91,001	30,721
16,000	16,501	2,912	41,000	41,501	7,324	66,000	66,501	15,500	91,000	91,501	31,041
16,500	17,001	3,000	41,500	42,001	7,412	66,500	67,001	15,666	91,500	92,001	31,361
17,000	17,501	3,088	42,000	42,501	7,500	67,000	67,501	15,833	92,000	92,501	31,680
17,500	18,001	3,176	42,500	43,001	7,588	67,500	68,001	16,000	92,500	93,001	32,000
18,000	18,501	3,265	43,000	43,501	7,676	68,000	68,501	16,166	93,000	93,501	32,320
18,500	19,001	3,353	43,500	44,001	7,765	68,500	69,001	16,333	93,500	94,001	32,639
19,000	19,501	3,441	44,000	44,501	7,853	69,000	69,501	16,500	94,000	94,501	32,959
19,500	20,001	3,529	44,500	45,001	7,941	69,500	70,001	16,666	94,500	95,001	33,279
20,000	20,501	3,618	45,000	45,501	8,029	70,000	70,501	16,833	95,000	95,501	33,598
20,500	21,001	3,706	45,500	46,001	8,118	70,500	71,001	17,000	95,500	96,001	33,918
21,000	21,501	3,794	46,000	46,501	8,206	71,000	71,501	17,166	96,000	96,501	34,238
21,500	22,001	3,882	46,500	47,001	8,294	71,500	72,001	17,333	96,500	97,001	34,557
22,000	22,501	3,971	47,000	47,501	8,382	72,000	72,501	17,500	97,000	97,501	34,877
22,500	23,001	4,059	47,500	48,001	8,471	72,500	73,001	17,666	97,500	98,001	35,197
23,000	23,501	4,147	48,000	48,501	8,559	73,000	73,501	17,833	98,000	98,501	35,516
23,500	24,001	4,235	48,500	49,001	8,647	73,500	74,001	18,000	98,500	99,001	35,836
24,000	24,501	4,324	49,000	49,501	8,735	74,000	74,501	18,166	99,000	99,501	36,156
24,500	25,001	4,412	49,500	50,001	8,824	74,500	75,001	18,333	99,500	100,001	36,475

APPENDIX A: RATE OF RETURN WORKSHEET

Step			%
A	Most current Baa Public Utility Bond average.		
B	Add 2% - for utilities (include affiliates) with 0-200 OR		2
	Add 1.5% - for utilities (include affiliates) with 201-500 connections OR		
	Add 1.0% - for utilities (include affiliates) with 501-1,000 connections		
C	Add 1% if the utility can demonstrate that it has both:		
	1 Debt/equity ratio is greater than 50% (Table IV. D. - Box 2 ÷ Box 3) AND		
	2 No affiliated companies with access to revenues or other funds to support utility operations		
D	Add 1% if the utility can demonstrate that it has at least 1 of the following 3 conditions:		1
	1 unstable population - Weekender/seasonal population: a. >25% of total customers; OR b. >10% of total customers and do not use seasonal reconnect fee;		
	2 low growth a. less than 5% customer growth over the last three years; OR b. documentation of potential anticipated future customer growth of less than 5% over a three year period; declining population	X	
	3 aging system: 50% or more depreciated; OR b. low rate base (<\$500/customer)	X	
E	Add 1% if the utility is a stand alone sewer system with no agreement for: billing and collection OR discontinuance for nonpayment with the water supplier.		
F	Add 1% if the utility can demonstrate that it has at least 3 of the 4 following conditions:		1
	1 Number of complaints: 2 complaints or less per year to TCEQ or PUC for every 200 connections served by system	X	
	2 No major deficiencies in the most recent PWS inspection report	X	
	3 No current or prior enforcement actions under current management within a three year period including the test year		
	4 Good faith efforts to solve any current problems	X	
G	Add 1% if the utility can demonstrate that it has at least 3 of the following 5 conditions:		1
	1 well-maintained, up-to-date books and records	X	
	2 Effective communications and good customer relations (ex: evidence of a community outreach plan funded without utility revenues from customers; program which includes information about utility policies; evidence reflecting cooperation and service within the community AND/OR a semi-annual newsletter.)		
	3 Consistent and timely in meeting reporting requirements (ex: annual reports for last 3 years) and payment of fees	X	
	4 exhibit fiscal responsibility with respect to rate filings, including completeness, accuracy and frequency	X	
	5 Less than 15% line loss - (Section VIII of the Application - Page 16 of 41)	X	
H	Add 1% if the utility can demonstrate that it has at least 4 of the following 5 conditions:		
	1 rate structure - any two of the following a. zero gallons included in minimum bill; b. gallonage rate set high enough to encourage conservation (> \$2.00/1000 gal.; or c. use of inclining blocks, (i.e. with at least \$1.00 between rate tiers which meets other regulatory requirements for inclining block structures)		
	2 drought contingency plan included in tariff with written evidence of use in years required		
	3 conservation plan including encouragement of the use of water conserving devices, efficient lawn watering, or xeriscaping		
	4 program to educate the customers about the nature of the system, its production and distribution ability, PWS standards, and the need for water conservation		
	5 Line Loss: a. less than or equal to 15% and b. successful program to reduce losses (ex., leak detection & repair) (within a three year period reflecting a 25% or more reduction in line loss since program implementation)		
I	Total Rate of Return %		5%

Bryan W. Shaw, Ph.D., P.E., *Chairman*
Toby Baker, *Commissioner*
Zak Covar, *Commissioner*
Richard A. Hyde, P.E., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

April 17, 2014

CERTIFIED MAIL - 7009 0820 0000 2248 4969
RETURN RECEIPT REQUESTED

INFORMATION COPY

Mr. Branch Brinson
President
Sunset Country Water System
12534 Westheimer Road
Houston, Texas 77077

Re: Notice of Violation for the Comprehensive Compliance Investigation at:
Sunset Country Water System, Moore County, Texas
RN101232916, TCEQ ID No.: 1710023, Investigation No.: 1159909

Dear Mr. Brinson:

On April 8, 2014, Mr. Gregory Nagel of the Texas Commission on Environmental Quality (TCEQ) Amarillo Region Office conducted an investigation of the above-referenced facility to evaluate compliance with applicable requirements for a public water supply. Enclosed is a summary which lists the investigation findings. In addition, certain outstanding alleged violations were identified for which compliance documentation is required. Please submit to this office by **July 16, 2014**, a written description of corrective action taken and the required documentation demonstrating compliance has been achieved for the outstanding alleged violations.

In the listing of the alleged violations, we have cited applicable requirements, including TCEQ rules. Please note both the rules themselves and the agency brochure entitled *Obtaining TCEQ Rules* (GI 032) are located on our agency website at <http://www.tceq.state.tx.us> for your reference. If you would like a hard copy of this brochure mailed to you, you may call and request one from either the Amarillo Region Office at 806/353-9251 or the Central Office Publications Ordering Team at 512/239-0028.

The TCEQ appreciates your assistance in this matter. Please note the Legislature has granted TCEQ enforcement powers which we may exercise to ensure compliance with environmental regulatory requirements. We anticipate you will resolve the alleged violations as required in order to protect the State's environment.

If you have additional information we are unaware of, you have the opportunity to contest the violations documented in this notice. Should you choose to do so, you must notify the Amarillo Region Office within 10 days from the date of this letter. At that time, I will schedule a violation review meeting to be conducted within 21 days from the date of this letter. However, please be

PWS_1710023_CO_20140408_Compliance Investigation
Texas Commission on Environmental Quality
Investigation Report

The TCEQ is committed to accessibility. If you need assistance in accessing this document, please contact oce@tceq.texas.gov

Customer: Brinson, Inc.
Customer Number: CN604008714

Regulated Entity Name: SUNSET COUNTRY

Regulated Entity Number: RN101232916

Investigation # 1159909

Incident Numbers

Investigator: GREGORY NAGEL

Site Classification GW <=50 CONNECTION

Conducted: 04/08/2014 -- 04/08/2014

No Industry Code Assigned

Program(s): PUBLIC WATER SYSTEM/SUPPLY

Investigation Type: Compliance Investigation

Location: FRITCH MOORE COUNTY TEXAS

Additional ID(s): 1710023

Address: ,
, ,

Local Unit: REGION 01 - AMARILLO

Activity Type(s): PWSCCIGWCD - CCI
GROUNDWATER PURCHASE -
COMMUNITY DISCRETIONARY

Principal(s):

Role	Name
RESPONDENT	BRINSON INC

Contact(s):

Role	Title	Name	Phone
Notified	OPERATOR	MRS HEATHER L MASK	
Participated in Investigation	OPERATOR	MRS HEATHER L MASK	Cell (806) 236-1977
Regulated Entity Contact	OWNER	MR BRANCH BRINSON	Cell (281) 450-0756 Work (281) 589-1600

Other Staff Member(s):

Role	Name
QA Reviewer	CHRISTOPHER PODZEMNY
Supervisor	JIMMY MCWILLIAMS

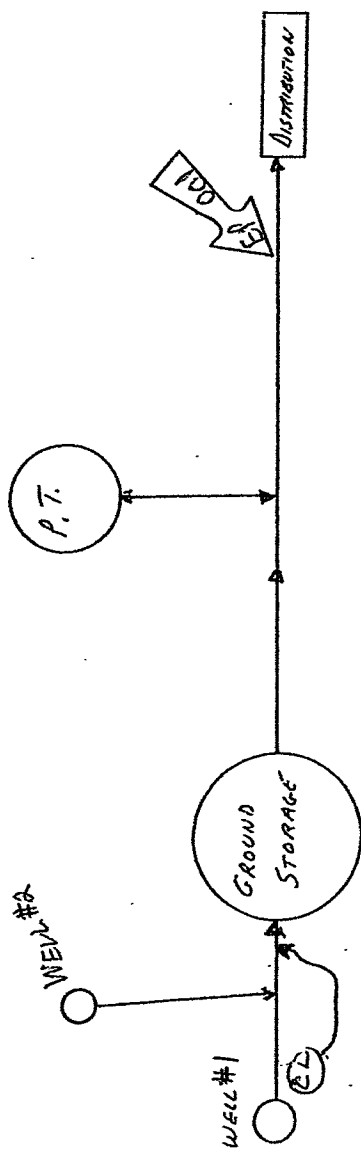
Associated Check List

<u>Checklist Name</u>	<u>Unit Name</u>
PWS STANDARD FIELD	Standard
PWS INVESTIGATION - EQUIPMENT	Sampling
MONITORING AND SAMPLING revised 06/2013	

Investigation Comments:

INTRODUCTION:

SUNSET COUNTRY
1710023



04/11/2014
8:16:39AM

Texas Commission on Environmental Quality
Water System Data Sheet

WSDSR

PWS ID	PWS Name	Central Registry RN
1710023	SUNSET COUNTRY	RN101232916

Organization/Customer *	Central Registry CN
BRINSON INC	CN604008714

* Regulatory mail will be addressed to this organization / person

Responsible Official **		Title	
BRANCH BRINSON		DIRECTOR Owner	
License Type		License Number	
Mailing Address:			
Street Address		C/O or Address Line 2	
12539 Westheimer Rd.			
City		State	Zip
Houston		Texas	77077
Business Phone		Other Phone	Other Phone Type
281-581-1600			
			Email

** Regulatory mail will be addressed to this person

PWS Contact - If different than above ***		Title	
HEATHER L MASK		OPERATOR	
License Type		License Number	
Mailing Address for PWS Primary Contact:			
Street Address		C/O or Address Line 2	
PO BOX 51221			
City		State	Zip
AMARILLO		TX	79159 - 1221
Business Phone		Other Phone	Other Phone Type
806-236-1477			
			Email

*** Copies of most regulatory mail will be addressed to this person

Emergency Contact Name ****	Emergency Phone	Emergency Email
TERRY GOLLIHUGH	806-236-1477	
Heather MASK		
License Type	License Number	

TCEQ EXIT INTERVIEW FORM: Potential Violations and/or Records Requested

Regulated Entity/Site Name	Sunset Country Water System		TCEQ Add. ID No. RN No. (optional)	1710023
Investigation Type	CI	Contact Made In-House (Y/N)	N	Purpose of Investigation
Regulated Entity Contact	Houbert Mask		Telephone No.	806-236-1977
Title	Operator		Fax No.	Date Contacted
				Date Faxed

NOTICE: The information provided in this form is intended to provide clarity to issues that have arisen during the investigation process between the TCEQ and the regulated entity named above and does not represent final TCEQ findings related to violations. Any potential or alleged violations discovered after the date on this form will be communicated by telephone to the regulated entity representative prior to the issuance of a notice of violation or enforcement. Conclusions drawn from this investigation, including additional violations or potential violations discovered (if any) during the course of this investigation, will be documented in a final investigation report.

Issue		For Records Request: identify the necessary records, the company contact and date due to the agency. For Alleged and Potential Violation issues: include the rule in question with the clearly described potential problem. Other type of issues: fully describe.	
No.	Type	Rule Citation (if known)	Description of Issue
1	AV	240.46 (4)	Failure to provide system ownership information at production level and storage facilities

Issue Type Can Be One or More of: AV (Alleged Violation), PV (Potential Violation), O (Other), or RR (Records Request)

Did the TCEQ document the regulated entity named above operating without proper authorization?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Did the investigator advise the regulated entity representative that continued operation is not authorized?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Document Acknowledgment. Signature on this document establishes only that the regulated entity (company) representative received a copy of this document and associated continuation pages on the date noted. If contact was made by telephone, document will be faxed to regulated entity; therefore, signature not required.

Investigator Name (Signed & Printed)	Date	Regulated Entity Representative Name (Signed & Printed)	Date
Gary Mask	4/8/14	[Signature]	4/8/14

If you have questions about any information on this form, please contact your local TCEQ Regional Office.

Individuals are entitled to request and review their personal information that the agency gathers on its forms. They may also have any errors in their information corrected. To review such information, call 512-239-3282.