



Control Number: 45026



Item Number: 1

Addendum StartPage: 0



## **Application for Sale, Transfer, or Merger of a Retail Public Utility**

Pursuant to Chapter 13.251 of the Texas Water Code

**Docket Number: 45026**

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

7 copies of the application, including the original, along with one copy of the portable electronic storage medium (such as CD or DVD) containing the GIS data shall be filed with

Public Utility Commission of Texas  
Attention: Filing Clerk  
1701 N. Congress Avenue  
P.O. Box 13326  
Austin, Texas 78711-3326

No later than seven days after filing the application for the boundary change, provide a copy of each paper map and a portable electronic storage medium (such as CD, flash drive or DVD) containing complete and identical data to the portable electronic storage medium submitted above

Texas Natural Resources Information System  
1700 N. Congress Ave, Room B40  
Austin, Texas 78701

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2015 AUG -6 PM 2:13  
PUBLIC UTILITY COMMISSION  
FILING CLERK

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## Part A – General Information

\*RN#  \*CN#  \* (PRIOR TCEQ ID numbers)

1. Proposed action of application (check all the boxes that apply):

☒ Sale of ☒ All ☐ Portion of the ☒ Water system(s) under CCN No.:  12647  
☐ Acquisition ☐ Sewer system(s) under CCN No.:   
☐ Lease/Rental

☒ Transfer of ☒ All ☐ Portion of the ☒ Certificated water service area – CCN No.:  12647  
☐ Certificated sewer service area – CCN No.:

If only a portion of a system or certificated service area is affected by this transaction, please specify the areas or subdivision involved:

and to:

☒ Obtain a CCN for the transferee (purchaser) – indicate if purchaser will take the seller's CCN  
☐ Amend the transferee's CCN No.:  PURCHASER WILL TAKE SELLERS CCN  
☐ Merge or consolidate public utilities  
☐ Cancel CCN of the transferor (seller)

2. Proposed effective date of this transaction:   
(Must be at least 120 days after proper notice is provided)

## Part B – Current Service Provider or Seller Information

 Questions 3 through 5 apply to the transferor (current service provider or seller)

3. For the current CCN holder or service provider please indicate:

A. Name:  T. JOHNSON INDUSTRIES  
(Individual, Corporation or Other Legal Entity)

who is a(n):of ☐ Individual ☒ Corporation ☐ WSC ☐ HOA or POA ☐ Other

B. Utility Name (if different than above):   
Address:  Telephone: (AC)

C. Contact person. Please provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney or accountant.

Name:  KELLY BREWER Title:  OPERATOR  
Address:  PO BOX 62 VIDOR, TEXAS 77670 Telephone: (AC)  (409) 769-9030

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Fax: (409) 769-1176

Email: waternecessities@yahoo.com

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

A. What was the effective date of the last rate increase?

10/21/2013

B. Was notice of this increase provided to the Public Utility Commission of Texas (commission or PUC) or a predecessor regulatory authority?

☐

No

☒

Yes- Application/Docket Number: 37703-R

Date

10-21-2013

5. Please provide a list of all customers affected by this transaction who have deposits held by the transferor or seller utility, if any, and include the following information (attach additional sheets if necessary):

Name and Address of Utility Customer	Date of Deposit	Amount of Deposit	Amount of Unpaid Interest on Deposit
SELLER HOLDS NO DEPOSIT			

### Part C – Purchaser or Transferee Information

Questions 6 through 16 refer to the transferee or purchaser.

6. For the person or entity acquiring the facilities and/or CCN:

Applicant: WATER NECESSITIES INC. CORPORATION

(Individual, Corporation, or Other Legal Entity)

Utility Name: WATER NECESSITIES INC.

(If different than above)

Utility Address: 1020 N. MAIN VIDOR, TEXAS 77662

Fax: (409) 769-1176

Email: waternecessities@yahoo.com

Telephone (AC): (409) 769-9030

CCN Numbers held prior to the filing of this application: 12243

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

☐

Individual

☐

Home or Property Owners Association

☐

Partnership; attach copy of partnership agreement

☒

Corporation; provide charter number as recorded with the Office of the Secretary of State for

Texas:

01600887

☐

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

3

<input type="checkbox"/>	Municipally-owned utility
<input type="checkbox"/>	District (MUD, SUD, WCID, etc.)
<input type="checkbox"/>	County
<input type="checkbox"/>	Other (please explain):

8. If the applicant is an *Individual* or sole proprietorship, provide the following information. If not, skip to the next question.

Name:		Email:	
Address:			
Telephone (AC):		Fax (AC):	

9. If the applicant is other than an *Individual*, provide the following information regarding the officers or partners of the legal entity applying for the transfer. You must complete either question 8 or question 9, whichever applies to the transferee applicant.

•Name:	KELLY BREWER	Telephone (AC):	(409) 769-9030
Address:	PO BOX 62 VIDOR, TEXAS 77670		
Position:		Ownership % (if applicable):	50.00%

•Name:	LARRY BREWER	Telephone (AC):	(409) 769-9030
Address:	PO BOX 62 VIDOR, TEXAS 77670		
Position:		Ownership % (if applicable):	50.00%

•Name:		Telephone (AC):	
Address:			
Position:		Ownership % (if applicable):	0.00%

•Name:		Telephone (AC):	
Address:			
Position:		Ownership % (if applicable):	0.00%

•Name:		Telephone (AC):	
Address:			
Position:		Ownership % (if applicable):	0.00%

•Name:		Telephone (AC):	
Address:			
Position:		Ownership % (if applicable):	0.00%

- Attach additional sheet(s) if necessary -

- Important:** • If the applicant is a for-profit corporation, please provide a copy of the corporation's "Certification of Account Status" from the State Comptroller Office. This "Certification of Account Status" can be obtained from:

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Texas Comptroller of Public Accounts

P. O. Box 13528, Capitol Station

Austin, Texas 78711

1-800-252-5555

- If the applicant is an Article 1434a water supply or sewer service corporation or other non-profit corporation, please provide a copy of the Articles of Incorporation and By-Laws.

10. Contact person. Please provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney or accountant.

Name:	KELLY BREWER	Title:	OPERATOR/OWNER
Address:	PO BOX 62 VIDOR, TEXAS 77670	Telephone (AC):	(409) 769-9030
Fax #	(409) 769-1176	Email	waterneeds@yahoo.com
Relationship to the applicant:	SELF		

- IF THERE ARE MORE THAN TWO PARTIES INVOLVED IN THIS TRANSACTION, PLEASE ATTACH SHEETS PROVIDING THE INFORMATION REQUIRED IN QUESTION 6 THROUGH QUESTION 10 FOR EACH PARTY

11. Please respond to each of the following questions. Attach additional sheets if necessary.

- A. Describe the experience and qualifications of the applicant to provide adequate utility service to the requested area

I, KELLY BREWER, HAVE BEEN A LICENSED OPERATOR SINCE 1985. I, KELLY BREWER, HAVE OWNED AND OPERATED SYSTEMS SINCE THAT TIME. I HAVE BEEN THE OPERATOR FOR ( BREAKAWAY AND NORTHWOODS ) SINCE 2005.

- B. Has the applicant acquiring the CCN or facilities or an affiliated interest of the applicant been under enforcement action by the PUC, TCEQ, Texas Department of Health (TDH), the Office of the Attorney General (OAG) or the Environmental Protection Agency (EPA) in the past for noncompliance with rules, orders or State Statutes? ☒ Yes ☐ No

If yes, please attach copies of any correspondence with these regulatory agencies concerning these enforcement actions and describe any actions and efforts to comply with those requirements. Attach additional sheets if needed.

SEE ATTACHMENT A

- C. Describe the source and availability of funds required to make the planned or required improvements, if any, to meet minimum requirements of the TCEQ and PUC and ensure continuous and adequate service.

CURRENT RATES ARE ADEQUATE AT THIS TIME IF OUR ONE EXCEPTION REQUEST IS GRANTED BY TCEQ FOR NORTHWOODS.

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D. Describe the anticipated impact of this transaction on the quality of utility service and explain any anticipated changes in the quality of service.

NO CHANGE.

E. How will the transaction serve the public interest?

QUALIFIED OPERATOR WITH 30 YEARS OF EXPERIENCE WILL BE OVERSEEING THE SYSTEM.

12. Please describe the nature of the proposed transaction:

WATER NECESSITIES INC IS BUYING BREAKAWAY AND NORTHWOODS WATER SYSTEMS FROM T. JOHNSON INDUSTRIES AND TRANSFERING CCN NUMBER.

13. If the transferee applicant is an Investor Owned Utility (IOU) and will be under the rate jurisdiction of the PUC, please provide the following information. Water supply or sewer service corporations and political subdivisions of the state should mark this section N/A:

A.

• Total Purchase Price: \$ 90,000.00

• Total Original Cost (as recorded on books of seller or merging entity): \$ 211,714.00

• Accumulated Depreciation as of the proposed effective date of the transaction:

34,240.

• Contributions in Aid of Construction:

- Specific surcharges approved by TCEQ or PUC:

\$ 0.00

- Revenues from explicit customer agreements:

\$ 0.00

- Developer Contributions (please explain):

0

- Other Contributions (please explain):

0

Total Contributions in Aid of Construction \$ 0.00

• Net Book Value: \$ 177,474.00

- ☐ If the Original Cost or any of the above items has been established in a rate case proceeding by the PUC, the TWC or the TCEQ, please provide the Application/Docket Number and date:

Application/Docket Number: 37703-R Date: 10/21/2013

- ☐ If the applicant is not under the rate jurisdiction of the TCEQ, only the purchase price and information related to Contributions in Aid of Construction is required.

Please provide any other information concerning the nature of the transaction you believe should be given consideration if not explained elsewhere in the application.  
[attach additional sheet(s) if necessary]:

THIS IS FOR "C" OF THIS SECTION BELOW: THESE SYSTEMS HAVE BEEN BOUGHT AND SOLD SEVERAL TIMES. A TRENDING STUDY WOULD HAVE TO BE COMPLETED TO DETERMINE THESE VALUES. A WAVIER IS REQUESTED FOR THIS SECTION.

- C. Complete the following proposed entries listed below as shown in books of purchasing (or surviving) company. Additional entries may be made; the following are suggested only, and not intended to pose descriptive limitations.

Utility Plant in Service:	<u>see above</u>
Plant Acquisition Adjustment:	
Extraordinary Loss on Purchase:	
Accumulated Depreciation of Plant:	
Cash:	
Notes Payable:	
Mortgage Payable:	
Others (please list):	

As the purchaser, I understand that it is **my responsibility** in any future rate proceeding to provide written evidence and support for the original cost and installation date of all facilities used and useful for providing utility service.

Purchaser's Initials: KB Date:

14. Please indicate the proposed effect of this transaction on the rates to be charged to the affected customers:

☒ All the customers will be charged the same rates as they were charged before the transaction.  
☐ Some ☐ All customers will be charged different rates than they were charged before the transaction.



If rates are changing, please explain:

☐ Applicant is an IOU and intends to file with the commission or municipal regulatory authority an application to change rates of some/all of its customers as a result of this transaction. If so, please explain:

☐ Other. Please explain:

15. List all neighboring water and /or sewer utilities, cities, and political subdivisions providing the same service within two (2) miles of area affected by this proposed transaction. This information should be available from the water utility database (WUD) or Applicant's licensed water operator.

LUMBERT ON MUD, RANCHLAND, CITY OF KOUNTZE

16. Financial, Managerial and Technical information for the acquiring entity.

FINANCIAL - ALL BILLS ARE CURRENT AND NOTES PAID. THERE ARE FUNDS AVAILABLE FOR CONTINGENCIES.

MANAGERIAL - THESE SYSTEMS ARE IN COMPLIANCE WITH TCEQ, EXCEPT FOR WELL CAPACITY IN NORTHWOODS. AN EXCEPTION HAS BEEN REQUESTED.

TECHNICAL - THESE SYSTEMS ARE VERY SMALL AND SIMPLE. ALL ASPECTS OF OPERATION ARE ROUTINE. WE HAVE A OFFICE THAT IS OPEN 40 HOURS A WEEK.

# Part D – Historical Financial Information

HISTORICAL BALANCE SHEETS	CURRENT YEAR (A)	A-1 YEAR	A-2 YEAR	A-3 YEAR	A-4 YEAR	A-5 YEAR
<b>CURRENT ASSETS</b>						
Cash	PLEASE ACCEPT LAST 5 yrs. of ANNUAL OPERATING Reports for THIS SECTION.					
Accounts Receivable						
Inventories						
Income Tax Receivable						
Other						
<b>Total</b>					Exhibit "B"	
<b>FIXED ASSETS</b>						
Land						
Collection/Distribution System						
Buildings						
Equipment						
Other						
Less: Accum. Depreciation or Reserves						
<b>Total</b>						
<b>TOTAL ASSETS</b>						
<b>CURRENT LIABILITIES</b>						
Accounts Payable						
Notes Payable, Current						
Accrued Expenses						
Other						
<b>TOTAL</b>						
<b>LONGTERM LIABILITIES</b>						
Notes Payable, Long-term						
Other						
<b>TOTAL LIABILITIES</b>						
<b>OWNER'S EQUITY</b>						
Paid in Capital						
Retained Equity						
Other						
Current Period Profit or Loss						
<b>TOTAL OWNER'S EQUITY</b>						
<b>TOTAL LIABILITIES AND EQUITY</b>						
<b>WORKING CAPITAL</b>						
<b>CURRENT RATIO</b>						
<b>DEBT TO EQUITY RATIO EQUITY TO TOTAL ASSETS</b>						

See Exhibit B3

HISTORICAL INCOME STATEMENT	CURRENT YEAR (A)	A-1 YEAR	A-2 YEAR	A-3 YEAR	A-4 YEAR	A-5 YEAR
<b>METER NUMBER</b>						
Existing Number of Taps						
New Taps Per Year						
<b>Total Meters at Year End</b>						
<b>METER REVENUE</b>						
Fees Per Meter						
Cost Per Meter						
<b>Operating Revenue Per Meter</b>						
<b>GROSS WATER REVENUE</b>						
Fees						
Other						
<b>Gross Income</b>						
<b>OPERATING EXPENSES</b>						
General & Administrative						
Interest						
Other						
<b>NET INCOME</b>						

See Exhibit B

<b>HISTORICAL EXPENSE DETAIL</b>	<b>CURRENT YEAR (A)</b>	<b>A-1 YEAR</b>	<b>A-2 YEAR</b>	<b>A-3 YEAR</b>	<b>A-4 YEAR</b>	<b>A-5 YEAR</b>
<b>GENERAL/ADMINISTRATIVE EXPENSES</b>						
Salaries						
Office Expense						
Computer Expense						
Auto Expense						
Insurance Expense						
Telephone Expense						
Utilities Expense						
Depreciation Expense						
Property Taxes						
Professional Fees						
Other						
<b>Total</b>						
<b>% Increase Per Year</b>						
<b>OPERATIONAL EXPENSES</b>						
Salaries						
Auto Expense						
Utilities Expense						
Depreciation Expense						
Repair & Maintenance						
Supplies						
Other						
<b>Total</b>						
<b>% Increase Per Year</b>						
<b>ASSUMPTIONS</b>						
Interest Rate/Terms						
Utility Cost/gal.						
Depreciation Schedule						
Other						

# Part E – Projected Information

## PROJECTED BALANCE SHEETS

	START UP	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
<b>CURRENT ASSETS</b>						
Cash						
Accounts Receivable						
Inventories						
Income Tax Receivable						
Other						
<b>Total</b>						
<b>FIXED ASSETS</b>						
Land						
Collection/Distribution System						
Buildings						
Equipment						
Other						
Less: Accum. Depreciation or Reserves						
<b>Total</b>						
<b>TOTAL ASSETS</b>						
<b>CURRENT LIABILITIES</b>						
Accounts Payable						
Notes Payable, Current						
Accrued Expenses						
Other						
<b>Total</b>						
<b>LONGTERM LIABILITIES</b>						
Notes Payable, Long-term						
Other						
<b>TOTAL LIABILITIES</b>						
<b>OWNER'S EQUITY</b>						
Paid in Capital						
Retained Equity						
Other						
Current Period Profit or Loss						
<b>TOTAL OWNER'S EQUITY</b>						
<b>TOTAL LIABILITIES AND EQUITY</b>						
<b>WORKING CAPITAL</b>						
<b>CURRENT RATIO</b>						
<b>DEBT TO EQUITY RATIO</b>						
<b>EQUITY TO TOTAL ASSETS</b>						

**PROJECTED INCOME STATEMENT**

*See Exhibit B*

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
<b>METER NUMBER</b>						
Existing Number of Taps						
New Taps Per Year						
<b>Total Meters at Year End</b>						
<b>METER REVENUE</b>						
Fees Per Meter						
Cost Per Meter						
<b>Operating Revenue Per Meter</b>						
<b>GROSS WATER REVENUE</b>						
Fees						
Other						
<b>Gross Income</b>						
<b>OPERATING EXPENSES</b>						
General & Administrative						
Interest						
Other						
<b>NET INCOME</b>						

*Please refer to annual operating reports for this section.*

**PROJECTED EXPENSE DETAIL**

*See Exhibit B*

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
<b>GENERAL/ADMINISTRATIVE EXPENSES</b>						
Salaries						
Office Expense						
Computer Expense						
Auto Expense						
Insurance Expense						
Telephone Expense						
Utilities Expense						
Depreciation Expense						
Property Taxes						
Professional Fees						
Other						
<b>Total</b>						
<b>% Increase Per Year</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>OPERATIONAL EXPENSES</b>						
Salaries						
Auto Expense						
Utilities Expense						
Depreciation Expense						
Repair & Maintenance						
Supplies						
Other						
<b>Total</b>						
<b>% Increase Per Year</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>ASSUMPTIONS</b>						
Interest Rate/Terms						
Utility Cost/gal.						
Depreciation Schedule						
Other						

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**PROJECTED SOURCES AND USES OF CASH STATEMENTS**

*See Exhibit B*

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
<b>SOURCES OF CASH</b>						
Net Income						
Depreciation (If Funded)						
Loan Proceeds						
Other						
<b>Total Sources</b>						
<b>USES OF CASH</b>						
Net Loss						
Principle Portion of Pmts.						
Fixed Asset Purchase						
Reserve						
Other						
<b>Total Uses</b>						
<b>NET CASH FLOW</b>						
<b>DEBT SERVICE COVERAGE</b>						
Cash Available for Debt						
<b>SERVICE (CADS)</b>						
Net Income (Loss)						
Depreciation, or Reserve Interest						
<b>Total</b>						
<b>REQUIRED DEBT SERVICE (RDS)</b>						
Principle Plus Interest						
<b>DEBT SERVICE COVERAGE RATIO</b>						
CADS Divided by RDS						



## Part F – TCEQ Public Water or Sewer System Information

- ☞ Please answer questions 17 through 22 on a different sheet for each physically Distinct system being transferred or acquired.

17. A. For Water Systems. TCEQ Public Water System Identification Number:

1 0 0 0 0 6 0

Date of last inspection: 02/26/2014

B. For Wastewater Systems:

-TCEQ Discharge Permit Number:

W Q

-Name of Permittee:

-Date of application to transfer Discharge Permit submitted:

-Date of application to transfer Discharge Permit approved by TCEQ:

18. A. Are any improvements required to meet TCEQ or PUC standards? ☒ Yes ☐ No. If yes, please explain:

THIS SYSTEM IS IN COMPLIANCE EXCEPT FOR WELL CAPACITY. AN EXCEPTION LETTER HAS BEEN SENT TO TCEQ ON MAY 27, 2015

B. Is there a moratorium on new connections? ☐ Yes ☒ No. If yes, please explain:

See Exhibit C for latest TCEQ inspection

C. Provide details of each required major capital improvement to correct the deficiencies and meet the TCEQ or PUC standards (attach additional sheets if necessary):

Description of the Required Improvement	Schedule to Complete	Estimated Cost
NORTHWOODS EXCEPTION LETTER SENT ON 5/27/2015		

19. Does the system being transferred operate within the city limits of a municipality or within district boundaries? ☐ Yes ☒ No

If yes, indicate the number of customers within the city limits or district boundaries:  
Water \_\_\_\_\_ Sewer \_\_\_\_\_

☞ Attach copy of franchise agreement or consent letter from the city or district.

## Part F – TCEQ Public Water or Sewer System Information

 Please answer questions 17 through 22 on a different sheet for each physically Distinct system being transferred or acquired.

17. A. For Water Systems. TCEQ Public Water System Identification Number:

1	0	0	0	0	6	9
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Date of last inspection: 2-28-2014

**B. For Wastewater Systems:**

-TCEQ Discharge Permit Number: W Q 

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-Name of Permittee: [Redacted]

**-Date of application to transfer Discharge Permit submitted:**

-Date of application to transfer Discharge Permit approved by TCEQ:

18. A. Are any improvements required to meet TCEQ or PUC standards?

☐ Yes ☒ No. If yes, please explain:

SYSTEM IS IN COMPLIANCE

B. Is there a moratorium on new connections? ☐ Yes ☒ No. If yes, please explain:

See Exhibit D for latest TCEQ inspection

C. Provide details of each required major capital improvement to correct the deficiencies and meet the TCEQ or PUC standards (attach additional sheets if necessary):

Description of the Required Improvement	Schedule to Complete	Estimated Cost

19. Does the system being transferred operate within the city limits of a municipality or within district boundaries? ☐ Yes ☒ No

If yes, indicate the number of customers within the city limits or district boundaries:

👉 Attach copy of franchise agreement or consent letter from the city or district.

20. Do you currently purchase water or sewer treatment capacity from another source? ☐ Yes ☒ No  
☐ Water ☐ Sewer Purchased on a ☐ Regular ☐ Seasonal ☐ Emergency Basis

• Source:  % of total supply:  0.00%

21. List the number of existing connections to be effected by this transaction.

Water			Sewer		
0	-Non Metered		-2" meter	-Residential Connection	
100	-5/8" or 3/4" meter		-3" meter	-Commercial Connection	
0	-1" meter		-4" meter	-Industrial Connection	
0	-1 1/2" meter		-Other	-Other	
Total Water Connections:			84	Total Sewer Connections	

20. Has the system reached 85% of its capacity based on TCEQ's minimum requirements? ☒ Yes ☐ No  
If yes, please explain what steps are being taken to address the capacity issues:

AN EXCEPTION REQUEST HAS BEEN SENT TO TCEQ CONCERNING NORTHWOODS WELL CAPACITY. THIS IS THE ONLY CAPACITY ISSUE.

23. List the name, class, and license number of the operator(s) that will be responsible for the system:

Name	Class	License#
KELLY BREWER	C GROUND WATER	WG000900
DAVE SAVOY	C GROUND WATER	WG0009975
CHANDA HALL	C GROUND WATER	WG0011492
MARK FOUST	C GROUND WATER	WG0013763

24. Attach the following maps with each copy of the application:

- One small scale map clearly showing affected service area with enough detail to accurately locate the area if the application is for the transfer of all or a portion of a CCN.
- One large scale map showing the proposed service area boundaries being sold, transferred, or merged and, if available, the existing and proposed facilities. Color coding should be used to differentiate existing from proposed facilities. Facilities and service area boundaries should be shown with such exactness that they can be located on the ground. If transferring area not currently in a CCN or a portion of an existing CCN area please attach the following hard copy maps with each copy of the application:
  - A general location map delineating the proposed service area with enough detail to accurately locate the proposed area within the county.
  - A map showing only the proposed area by:
    - metes and bounds survey certified by a licensed state or registered professional land surveyor; or
    - projectable digital data with metadata (proposed areas should be in a single record and clearly labeled, data disk should be included); or
    - following verifiable natural and man-made landmarks, or
    - a copy of recorded plat map with metes and bounds.
  - A written description of the proposed service area.

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Part G – Oaths and Notices

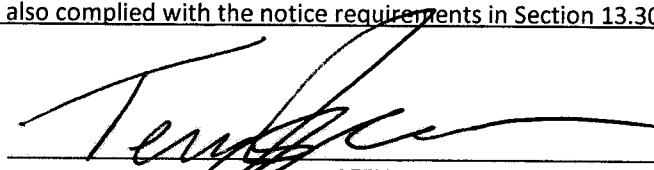
**OATH FOR SELLER OR FORMER SERVICE PROVIDER**

STATE OF TEXAS

COUNTY OF HARDIN

I, T JOHNSON, being duly sworn, file this application for sale, lease, rental or merger or consolidation as OWNER (indicate relationship to applicant) that is, owner, member of partnership, title as officer of corporation, or other authorized representative of applicant); that, in such capacity, I am qualified and authorized to file and verify such application, am personally familiar with the documents filed with this application, and have complied with all the requirements contained in the application; and, that all such statements made and matters set forth therein with respect to applicant are true and correct. Statements about other parties are made on information and belief. I further state that the application is made in good faith and that this application does not duplicate any filing presently before the Commission.

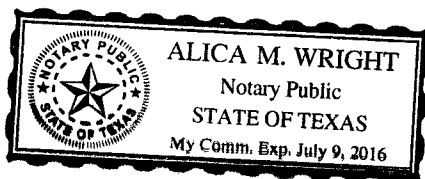
I further state that I have provided to the purchaser or transferee a written disclosure statement about any contributed property as required under Section 13.301(j) and copies of any outstanding Orders of the Texas Commission on Environmental Quality, the Public Utility Commission of Texas, or Attorney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


  
AFFIANT  
(Utility's Authorized Representative)

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

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public in and for the State of Texas, this day 15 of JUNE, 20 15.

SEAL



  
NOTARY PUBLIC IN AND FOR THE  
STATE OF TEXAS

ALICA M. WRIGHT  
PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES 07-09-2016

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

**OATH FOR PURCHASER OR ACQUIRING ENTITY**

STATE OF TEXAS

COUNTY OF ORANGE

I, KELLY BREWER, being duly sworn, file this application for

sale, lease, rental or merger or consolidation as OFFICER OF CORPORATION  
(*indicate relationship to applicant*) that is, owner, member of partnership, title as officer of corporation, or other authorized representative of applicant); that, in such capacity, I am qualified and authorized to file and verify such application, am personally familiar with the documents filed with this application, and have complied with all the requirements contained in the application; and, that all such statements made and matters set forth therein with respect to applicant are true and correct. Statements about other parties are made on information and belief. I further state that the application is made in good faith and that this application does not duplicate any filing presently before the Commission.

I am also authorized and do agree to be bound by and comply with any outstanding orders of the Texas Commission on Environmental Quality, the Public Utility Commission of Texas or the Attorney General which have been issued to the system or facilities being acquired and recognize that I will be subject to administrative penalties or other enforcement actions if I do not comply.



AFFIANT  
(Utility's Authorized Representative)

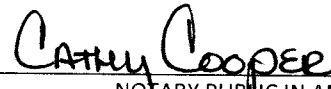
If the Affiant to this form is any person other than the sole owner, partner, officer of the Applicant, or its attorney, a properly verified Power of Attorney must be enclosed.

Applicant represents that all other parties to this transaction have been furnished copies of this completed application.

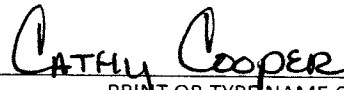
SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public in and for the State of Texas, this  
day 4 of Aug, 20 15.

SEAL





NOTARY PUBLIC IN AND FOR THE  
STATE OF TEXAS



PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES

10/24/2017

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

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## Notice to Current Customers, Neighboring Systems and Cities

**T. JOHNSON INDUSTRIES**  
(Seller's or Transferor's Name)

**NOTICE OF INTENT TO SELL FACILITIES AND TRANSFER CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) NO 12647 TO WATER NEEDED**

NECESSITY (CCN) NO 12647 TO WATER NECESSITIES  
(Purchaser's or Transferee's Name)  
IN HARDIN COUNTY, TEXAS

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

(Address)

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

**T. JOHNSON INDUSTRIES**

Sellers or Transferors' Name

Address

City/State/Zip Code

has submitted an application with the Public Utility Commission of Texas to sell facilities and transfer water or sewer (please select) CCN No. **12647** in **HARDIN**

12647 in HARDIN [County Name]

County to:

**WATER NECESSITIES INC. PO BOX 62, VIDOR, TEXAS 77670**

Purchasers or Transferee's Name

Address

City/State/Zip Code

The sale is scheduled to take place as approved by the Commission (V.T.C.A., Water Code §13.301). The transaction and the transfer of the CCN include the following subdivision(s):

## BREAKAWAY AND NORTHWOODS

The area subject to this transaction is located approximately 5 miles NORTH [direction] of downtown LUMBERTON, [City or Town] Texas, and is generally bounded on the north by KOUNTZE; on the east by KOUNTZE; on the south by LUMBERTON; and on the west by LUMBERTON.

The total area being requested includes approximately 10K acres and serves 84 current customers.

This transaction will have the following effect on the current customer's rates and services:

**ALL RATES AND SERVICES WILL REMAIN THE SAME.**

Affected persons may file written protests and/or request a public hearing within 30 days of this notice.

To request a hearing, you must:

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

## Notice to Current Customers, Neighboring Systems and Cities

T. JOHNSON INDUSTRIES

(Seller's or Transferor's Name)

'S

NOTICE OF INTENT TO SELL FACILITIES AND TRANSFER CERTIFICATE OF CONVENIENCE AND  
NECESSITY (CCN) NO12647

TO

WATER NECESSITIES

IN

HARDIN

COUNTY, TEXAS

(Purchaser's or Transferee's Name)

To: CITY OF KOUNTZE

(Name of Customer, Neighboring System or City)

Date Notice Mailed

, 20

(Address)

City

State

Zip

T. JOHNSON INDUSTRIES

Sellers or Transferors' Name

Address

City/State/Zip Code

has submitted an application with the Public Utility Commission of Texas to sell facilities and transfer  
water or sewer (please select) CCN No.12647

in

HARDIN

[County Name]

County to:

WATER NECESSITIES INC. PO BOX 62, VIDOR, TEXAS 77670

Purchasers or Transferee's Name

Address

City/State/Zip Code

The sale is scheduled to take place as approved by the Commission (V.T.C.A., Water Code §13.301). The transaction and the transfer of  
the CCN include the following subdivision(s):BREAKAWAY AND NORTHWOODS

The area subject to this transaction is located approximately 5 miles NORTH [direction] of  
downtown LUMBERTON, [City or Town] Texas, and is generally bounded on the north by  
KOUNTZE; on the east by KOUNTZE  
; on the south by LUMBERTON; and on the west by LUMBERTON

The total area being requested includes approximately 10K acres and serves 84 current customers.

This transaction will have the following effect on the current customer's rates and services:

ALL RATES AND SERVICES WILL REMAIN THE SAME.

Affected persons may file written protests and/or request a public hearing within 30 days of this notice.

To request a hearing, you must:

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

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**Notice to Current Customers, Neighboring Systems and Cities**T. JOHNSON INDUSTRIES

'S

(Seller's or Transferor's Name)

**NOTICE OF INTENT TO SELL FACILITIES AND TRANSFER CERTIFICATE OF CONVENIENCE AND  
NECESSITY (CCN) NO**12647

TO

WATER NECESSITIES

(Purchaser's or Transferee's Name)

IN HARDIN

COUNTY, TEXAS

To: LUMBERTON MUD

Date Notice Mailed \_\_\_\_\_, 20 \_\_\_\_

(Name of Customer, Neighboring System or City)

(Address)

City

State

Zip

T. JOHNSON INDUSTRIES

Sellers or Transferors' Name

Address

City/State/Zip Code

has submitted an application with the Public Utility Commission of Texas to sell facilities and transfer  
water or sewer (please select) CCN No. 12647 in HARDIN [County Name]

County to:

WATER NECESSITIES INC. PO BOX 62, VIDOR, TEXAS 77670

Purchasers or Transferee's Name

Address

City/State/Zip Code

The sale is scheduled to take place as approved by the Commission (V.T.C.A., Water Code §13.301). The transaction and the transfer of  
the CCN include the following subdivision(s):BREAKAWAY AND NORTHWOODS

The area subject to this transaction is located approximately 5 miles NORTH [direction] of  
downtown LUMBERTON, [City or Town] Texas, and is **generally** bounded on the north by  
KOUNTZE; on the east by KOUNTZE  
; on the south by LUMBERTON; and on the west by LUMBERTON

The total area being requested includes approximately 10K acres and serves 84 current customers.  
This transaction will have the following effect on the current customer's rates and services:

**ALL RATES AND SERVICES WILL REMAIN THE SAME.**

Affected persons may file written protests and/or request a public hearing within 30 days of this notice.

To request a hearing, you must:

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

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Only those persons who submit a written request to be notified of a hearing will receive notice if a hearing is scheduled. The Commission will issue the CCN requested in the referenced application unless a hearing is scheduled to consider the transaction. If no protests or requests for hearing are filed during the comment period, the Commission may issue the CCN 30 days after publication of this notice.

Persons who wish to protest or request a hearing on this application should write the:

Filing Clerk  
Public Utility Commission of Texas  
1701 North Congress Avenue  
P.O. Box 13326  
Austin, Texas 78711-3326

Se desea informacion en Espanol, puede llamar al  
1-888-782-8477

Kelly Brewer  
Utility Representative  
Water Necessities Inc  
Utility Name

# Attachment "A"

## RELEASE OF JUDGMENT LIEN

THE STATE OF TEXAS

§

COUNTY OF TRAVIS

§

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, on the 29th day of November, 1999, the State of Texas and the Texas Natural Resource Conservation Commission, plaintiffs, recovered a money judgment against Larry Brewer for the sum of \$70,000.00, plus court costs, in Cause No. 96-092000 in the 250th Judicial District Court of Travis County, Texas, styled State of Texas, et al. v. Larry Brewer, et al.; and

WHEREAS, an Agreed Final Judgment pertaining to defendant Larry Brewer was entered and appears on file in the Judgment Records of the District Court of Travis County, Texas; and

WHEREAS, affiant is aware of no abstract of judgment having been filed;

NOW, THEREFORE, the State of Texas, and the Texas Natural Resource Conservation Commission, the legal holders and owners of said judgment, in consideration of the premises and of the payment of the money sums of said judgment, the receipt of which is hereby acknowledged, have this day canceled, released, and discharged, and by these presents do cancel, release, and discharge unto the said Larry Brewer, himself, his heirs, successors, and assigns, all the right, title, interest, and estate in and to said money judgment and the money judgment lien, and do hereby declare said money judgment fully paid off and satisfied, and said money judgment against Larry Brewer is hereby released and discharged for all intents and purposes.

This release of judgment lien has no effect on the status of the any injunctive relief

25

against Larry Brewer contained in the judgment.

WITNESS the execution hereof this 26 day of February, 2002

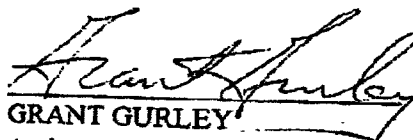
Respectfully submitted,

JOHN CORNYN  
Attorney General of Texas

HOWARD G. BALDWIN  
First Assistant Attorney General

JEFFREY S. BOYD  
Deputy Attorney General for Litigation

KAREN W. KORNEILL  
Assistant Attorney General  
Chief, Natural Resources Division

  
GRANT GURLEY


Assistant Attorney General  
State Bar No. 08629000  
Natural Resources Division  
P.O. Box 12548, Capitol Station  
Austin, Texas 78711-2548  
Tel: (512) 463-2102  
Fax: (512) 320-0052

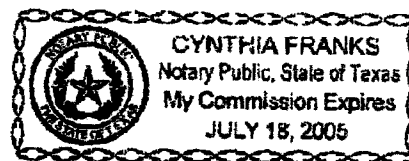
ATTORNEYS FOR  
THE STATE OF TEXAS AND THE TEXAS  
NATURAL RESOURCE CONSERVATION  
COMMISSION

THE STATE OF TEXAS       §  
                                     §  
COUNTY OF TRAVIS       §

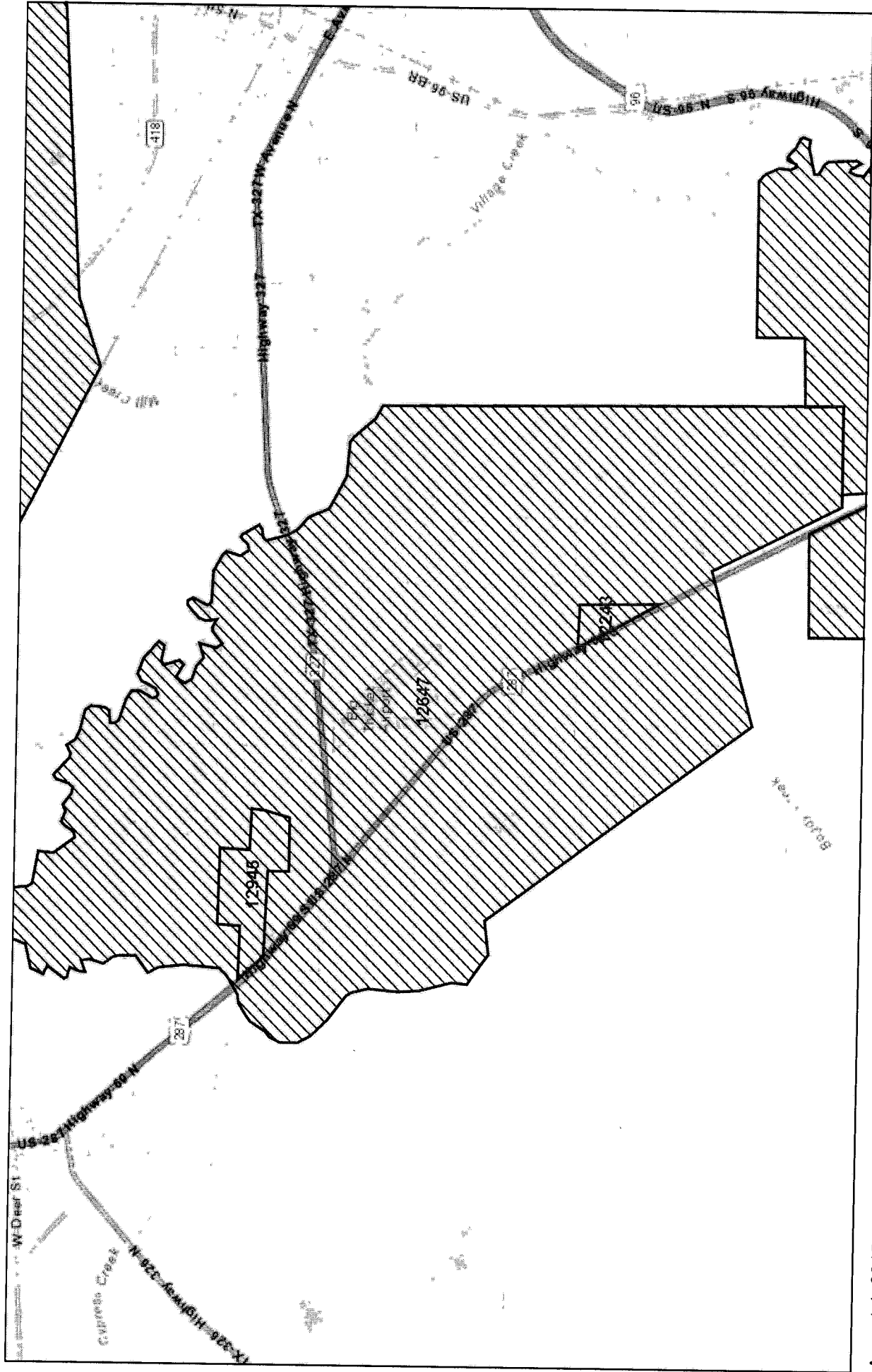
BEFORE ME, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared Grant Gurley, Assistant Attorney General, Natural Resources Division, Office of the Attorney General of Texas, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed same as the act of the State of Texas in the capacity therein stated and for the purpose and consideration therein expressed.

GIVEN UNDER BY HAND AND OFFICIAL SEAL, this the 26<sup>th</sup> day of February, 2002.

  
\_\_\_\_\_  
Notary Public in and for  
The State of Texas



# Water and Sewer CCN Viewer



August 4, 2015

1:72,224

0 0.5 1 2 4

0 1 2 4

mi km

Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri Japan, METI, Esri China (Hong Kong), Esri (Thailand),

28

Exhibit B

# **WATER AND WASTEWATER UTILITIES**

## **ANNUAL REPORT**

*of*

**JOHNSON WATER SERVICE/WATER NECESSITY**

Exact Legal Name of Utility/Respondent

**12647**

Certificate of Convenience and Necessity (CCN) No.

*Submitted to the*

**State of Texas**



**Texas Commission on Environmental Quality**

*for the*

**Calendar Year Ended December 31, 2013**

## Section 1: Utility Information

Utility Name WATER NECESSITIES, INC

Address PO BOX 62

VIDOR, TEXAS 77662

☐ Please check this box if your Official Address, which is noted on the enclosed letter, has changed.

Telephone Number 409-769-9030 Fax Number 409-769-1176

E-mail Address waterneedsities@yahoo.com

Contact Person KELLY BREWER Title OPERATOR

Check the business ownership entity of the utility as filed with the Internal Revenue Service

☒ Individual ☐ Partnership ☐ Corporation ☐ NonProfit Association

## Section 2: Utility Background

Water CCN No. 12647

Number of PWSs 2

PWS ID No. 1000060

PWS ID No. 1000069

(if the Utility has more PWS ID

Nos., please indicate in Section 10)

Sewer CCN No. N/A

Number of Wastewater Systems N/A

Discharge Permit No. N/A

Discharge Permit No. N/A

(if the Utility has more Discharge Permit

Nos., please indicate in Section 10)

30

### Section 3: Revenues

	Water	Wastewater	Total Water + Wastewater
<b>OPERATING REVENUES:</b>			
Utility Service/Sales	50,788.25	N/A	50,788.25
Fees (Tap, Reconnection, etc.)	0.00	N/A	0.00
<b>OTHER REVENUES:</b>			
Please Identify:			
<b>TOTAL REVENUES</b>	50,788.25	N/A	50,788.25

### Section 4: Expenses

	Water	Wastewater	Total Water + Wastewater
Salaries & Wages	15,789.	N/A	15,789.
Contract Labor	14,657.	N/A	14,657.
Purchased Water	0.00	N/A	0.00
Chemicals for Treatment	2751.	N/A	2751.
Utilities (electricity)	2893.	N/A	2893.
Repairs/Maintenance/Supplies		N/A	
Office Expenses	1456.	N/A	1456.
Professional Fees (Accounting, Legal)	756.	N/A	756.
Insurance	656.	N/A	656.
Depreciation & Amortization	1342.	N/A	1342.
Miscellaneous (describe in remarks below)	0.00	N/A	0.00
Subtotal	40,300.	N/A	40,300.
<b>Taxes:</b>			
Federal Income Taxes		N/A	
Property and Other Taxes (Payroll, etc.)		N/A	
Regulatory Expenses (Rate Case, Permits)		N/A	
Other (describe in remarks below)		N/A	
<b>TOTAL EXPENSES</b>	40,300.	N/A	40,300.

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## Section 5: Operating Items

### Debt Information:

Annual interest expense on long and/or short term debt? \$ 0  
 Annual principal payment on debt? \$ 0  
 Annual interest rate on debt? 0 %  
 Annual debt principal and interest? \$ 0  
 Principal balance on outstanding debt at end of this reporting period? \$ 0

### Regulatory Assessment Fee:

What was the Regulatory Assessment fee amount submitted to TCEQ for the Calendar Year 2013?  
 \$ 507.93

### Rate Change:

What was the effective date of the last Rate Change? 2013

## Section 6: Customer Information

Connection Type Water	Number of Connections at	
	Beginning of Calendar Year 2013	End of Calendar Year 2013
Total	84	84

Connection Type Wastewater	Number of Connections at	
	Beginning of Calendar Year 2013	End of Calendar Year 2013
Total	N/A	N/A

## Section 7: Water Production & Consumption

A What is the total amount of water produced/pumped?	58154.00	gallons
B What is the total amount of water sold/billed?	53216.70	gallons
C How much water was lost?	4937.30	gallons
What is the total percent of water loss?	9	%

To calculate the above, please reference the attached document Water and Wastewater Utilities Annual Report Instructions. Comments?

## Section 8: Wastewater Treated

What is the total amount of wastewater treated?	N/A	gallons
Comments?		

## Section 9: Utility Management & Operations Assessment

### Utility Policy and Procedures

Do you have an Application Form or Formal Process for New Customers?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Do you have a copy of your approved tariff and drought contingency plan for customers to review?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Do you have Written Operating Procedures for Routine Operations?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Do you have Written Emergency Actions Plan(s)?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Do you have Written Personnel Procedures?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Do you have Risk Management & Safety Policies?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Do you have Customer Service Policies (including billing & collection)?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Do you have a Written Budget (normally updated annually)?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Did you or any utility staff attend the annual Water Supply Division Conference/Trade Fair or any other utility/business related conferences this year? If so, please list them in Section 10.

☐ Yes ☒ No

Do you record complaints or keep a complaint log?

☒ Yes ☐ No

Is a customer service representative, water system employee, or answering service accessible by phone at all times to all customers?

☒ Yes ☐ No

### Rules and Regulations

If you own/operate a public water system, do you have a copy of or have access to 30 TAC Chapter 290?

☒ Yes ☐ No

If you own/operate a sewer system, do you have a copy of or have access to 30 TAC 30 Subchapter J, 30 TAC 217, 30 TAC 308, and 30 TAC 309?

☐ Yes ☒ No

Do you have a copy of or have access to the Utility Regulation TAC 30 Rule, Chapter 291?

☒ Yes ☐ No

Do you have a copy of or have access to Texas Water Code Chapter 13?

☒ Yes ☐ No

### Administrative Information

Do you notify customers prior to shutting down the system for repairs?

☐ Yes ☐ No ☒ Sometimes ☐ Only if greater than 2 hours

How do you keep your customers informed?

☒ Billing Statements ☐ Newsletter ☐ Meetings

☒ Other MEDIA

Are water records kept separate from other business and personal records?

☒ Yes ☐ No

Are records kept for additions to fixed assets?

☒ Yes ☐ No

Is the financial position of the system reviewed at least quarterly?

☒ Yes ☐ No

Are accounting records for water and wastewater kept separately?

☒ Yes ☐ No

### Utility Assistance

If your answer to any question above is "No", would you be receptive to financial, managerial or technical assistance at no cost to the utility?

☒ Yes ☐ No

**Section 10: Remarks (please feel free to attach additional pages if necessary)**

**Section 11: Sworn Statement**

I HEREBY CERTIFY THAT THE INFORMATION PROVIDED IN THIS REPORT  
IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

(This document MUST be signed by the President or Owner of the Utility)

This 31 Day of MARCH, 2014.

President or Owner: \_\_\_\_\_  
(Signature)

KELLY BREWER  
(Printed Name)

OPERATOR  
(Title)

*Exhibit B*

# **WATER AND WASTEWATER UTILITIES**

## **ANNUAL REPORT**

*of*

JOHNSON WATER SERVICE/WATER NECESSITIES, INC  
Exact Legal Name of Utility/Respondent

12647  
Certificate of Convenience and Necessity (CCN) No.

*Submitted to the*

**State of Texas**



**Texas Commission on Environmental Quality**

*for the*

**Calendar Year Ended December 31, 2012**

## Section 1: Utility Information

Utility Name WATER NECESSITIES, INC

Address PO BOX 62

VIDOR, TEXAS 77670

☐ Please check this box if your Official Address, which is noted on the enclosed letter, has changed.

Telephone Number 409-769-9030

Fax Number 409-769-1176

E-mail Address water necessities@yahoo.com

Contact Person KELLY BREWER

Title OPERATOR

Check the business ownership entity of the utility as filed with the Internal Revenue Service



Individual



Partnership



Corporation



NonProfit Association

## Section 2: Utility Background

Water CCN No. 12647

Number of PWSs 2

PWS ID No. 1000060

PWS ID No. 1000069

(if the Utility has more PWS ID

Nos., please indicate in Section 10)

Sewer CCN No. N/A

Number of Wastewater Systems N/A

Discharge Permit No. N/A

Discharge Permit No. N/A

(if the Utility has more Discharge Permit

Nos., please indicate in Section 10)

**Section 3: Revenues**

	Water	Wastewater	Total Water + Wastewater
<b>OPERATING REVENUES:</b>			
Utility Service/Sales	49174.16	N/A	49174.16
Fees (Tap, Reconnection, etc.)	0.00	N/A	0.00
<b>OTHER REVENUES:</b>			
Please Identify:	0.00	N/A	0.00
<b>TOTAL REVENUES</b>	<b>49174.16</b>	<b>N/A</b>	<b>49174.16</b>

**Section 4: Expenses**

	Water	Wastewater	Total Water + Wastewater
Salaries & Wages	8389.00	N/A	8389.00
Contract Labor	15437.00	N/A	15437.00
Purchased Water	0.00	N/A	0.00
Chemicals for Treatment	2900.00	N/A	2900.00
Utilities (electricity)	2415.60	N/A	2415.60
Repairs/Maintenance/Supplies	7664.00	N/A	7664.00
Office Expenses	631.20	N/A	631.20
Professional Fees (Accounting, Legal)	750.00	N/A	750.00
Insurance	250.00	N/A	250.00
Depreciation & Amortization	1582.80	N/A	1582.80
Miscellaneous (describe in remarks below)	723.60	N/A	723.60
<b>Subtotal</b>	<b>40743.20</b>	<b>N/A</b>	<b>40743.20</b>
<b>Taxes:</b>			
Federal Income Taxes	960.00	N/A	960.00
Property and Other Taxes (Payroll, etc.)	1110.00	N/A	1110.00
Regulatory Expenses (Rate Case, Permits)	0.00	N/A	0.00
Other (describe in remarks below)	0.00	N/A	0.00
<b>TOTAL EXPENSES</b>	<b>42813.20</b>	<b>N/A</b>	<b>42813.20</b>

**Remarks:**

NONE

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## Section 5: Operating Items

### Debt Information:

Annual interest expense on long and/or short term debt?	\$ 0
Annual principal payment on debt?	\$ 0
Annual interest rate on debt?	0 %
Annual debt principal and interest?	\$ 0
Principal balance on outstanding debt at end of this reporting period?	\$ 0

### Regulatory Assessment Fee:

What was the Regulatory Assessment fee amount submitted to TCEQ for the Calendar Year 2012?

\$ 491.80

### Rate Change:

What was the effective date of the last Rate Change?

2008

## Section 6: Customer Information

Connection Type	Number of Connections at	
	Beginning of Calendar Year 2012	End of Calendar Year 2012
Water		
Total	84	84

Connection Type	Number of Connections at	
	Beginning of Calendar Year 2012	End of Calendar Year 2012
Wastewater		
Total	N/A	N/A



## Section 7: Water Production & Consumption

A What is the total amount of water produced/pumped?	6165800	gallons
B What is the total amount of water sold/billed?	5386770	gallons
C How much water was lost?	779029	gallons
What is the total percent of water loss?	13	%

To calculate the above, please reference the attached document Water and Wastewater Utilities Annual Report Instructions. Comments?

## Section 8: Wastewater Treated

What is the total amount of wastewater treated? N/A gallons  
Comments?

## Section 9: Utility Management & Operations Assessment

### Utility Policy and Procedures

Do you have an Application Form or Formal Process for New Customers?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Do you have a copy of your approved tariff and drought contingency plan for customers to review?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Do you have Written Operating Procedures for Routine Operations?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Do you have Written Emergency Actions Plan(s)?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Do you have Written Personnel Procedures?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Do you have Risk Management & Safety Policies?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Do you have Customer Service Policies (including billing & collection)?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Do you have a Written Budget (normally updated annually)?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Did you or any utility staff attend the annual Water Supply Division Conference/Trade Fair or any other utility/business related conferences this year? If so, please list them in Section 10.

☐ Yes ☒ No

Do you record complaints or keep a complaint log?

☒ Yes ☐ No

Is a customer service representative, water system employee, or answering service accessible by phone at all times to all customers?

☒ Yes ☐ No

### **Rules and Regulations**

If you own/operate a public water system, do you have a copy of or have access to 30 TAC Chapter 290?

☒ Yes ☐ No

If you own/operate a sewer system, do you have a copy of or have access to 30 TAC 30 Subchapter J, 30 TAC 217, 30 TAC 308, and 30 TAC 309?

☐ Yes ☒ No

Do you have a copy of or have access to the Utility Regulation TAC 30 Rule, Chapter 291?

☒ Yes ☐ No

Do you have a copy of or have access to Texas Water Code Chapter 13?

☒ Yes ☐ No

### **Administrative Information**

Do you notify customers prior to shutting down the system for repairs?

☐ Yes ☐ No ☒ Sometimes ☐ Only if greater than 2 hours

How do you keep your customers informed?

☒ Billing Statements ☐ Newsletter ☐ Meetings

☒ Other MEDIA

Are water records kept separate from other business and personal records?

☒ Yes ☐ No

Are records kept for additions to fixed assets?

☒ Yes ☐ No

Is the financial position of the system reviewed at least quarterly?

☒ Yes ☐ No

Are accounting records for water and wastewater kept separately?

☒ Yes ☐ No

### **Utility Assistance**

If your answer to any question above is "No", would you be receptive to financial, managerial or technical assistance at no cost to the utility?

☒ Yes ☐ No

**Section 10: Remarks (please feel free to attach additional pages if necessary)**

**Section 11: Sworn Statement**

I HEREBY CERTIFY THAT THE INFORMATION PROVIDED IN THIS REPORT  
IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

(This document MUST be signed by the President or Owner of the Utility)

This 29 Day of MARCH, 2013.

President or Owner:



(Signature)

KELLY BREWER

(Printed Name)

OPERATOR

(Title)

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Exhibit B

# WATER AND WASTEWATER UTILITIES

## ANNUAL REPORT

*of*

JOHNSON WATER SERVICE/WATER NECESSITY

Exact Legal Name of Utility/Respondent

12647

Certificate of Convenience and Necessity (CCN) No.

*Submitted to the*

State of Texas



Texas Commission on Environmental Quality

*for the*

Calendar Year Ended December 31, 2011

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## Section 1: Utility Information

Utility Name WATER NECESSITIES, INC.

Address PO BOX 62

VIDOR, TEXAS 77670

☐ Please check this box if your Official Address, which is noted on the enclosed letter, has changed.

Telephone Number 409-769-9030

Fax Number 409-769-1176

E-mail Address WATERNECESSITIES@YAHOO.COM

Contact Person KELLY BREWER

Title OPERATOR

Check the business ownership entity of the utility as filed with the Internal Revenue Service



Individual



Partnership



Corporation



NonProfit Association

## Section 2: Utility Background

Water CCN No. 12647

Number of PWSs 2

PWS ID No. 1000060

PWS ID No. 1000069

(if the Utility has more PWS ID

Nos., please indicate in Section 10)

Sewer CCN No. N/A

Number of Wastewater Systems N/A

Discharge Permit No. N/A

Discharge Permit No. N/A

(if the Utility has more Discharge Permit

Nos., please indicate in Section 10)

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### Section 3: Revenues

	Water	Wastewater	Total Water + Wastewater
<b>OPERATING REVENUES:</b>			
Utility Service/Sales	53606.90	N/A	53606.90
Fees (Tap, Reconnection, etc.)	0.0	N/A	0.0
<b>OTHER REVENUES:</b>			
Please Identify:	0.0	N/A	0.0
<b>TOTAL REVENUES</b>	<b>53606.90</b>	<b>N/A</b>	<b>53606.90</b>

### Section 4: Expenses

	Water	Wastewater	Total Water + Wastewater
Salaries & Wages	7893.00	N/A	7893.00
Contract Labor	15437.00	N/A	15437.00
Purchased Water	0.00	N/A	0.00
Chemicals for Treatment	1938.00	N/A	1938.00
Utilities (electricity)	2013.00	N/A	2013.00
Repairs/Maintenance/Supplies	6387.00	N/A	6387.00
Office Expenses	526.00	N/A	526.00
Professional Fees (Accounting, Legal)	625.00	N/A	625.00
Insurance	250.00	N/A	250.00
Depreciation & Amortization	1319.00	N/A	1319.00
Miscellaneous (describe in remarks below)	603.00	N/A	603.00
<b>Subtotal</b>	<b>36991.00</b>	<b>N/A</b>	<b>36991.00</b>
<b>Taxes:</b>			
Federal Income Taxes	800.00	N/A	800.00
Property and Other Taxes (Payroll, etc.)	1110.00	N/A	1110.00
Regulatory Expenses (Rate Case, Permits)	0.00	N/A	0.00
Other (describe in remarks below)	0.00	N/A	0.00
<b>TOTAL EXPENSES</b>	<b>38901.00</b>	<b>N/A</b>	<b>38901.00</b>

Remarks:

NONE

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## Section 5: Operating Items

### Debt Information:

Annual interest expense on long and/or short term debt?	\$ 0
Annual principal payment on debt?	\$ 0
Annual interest rate on debt?	0 %
Annual debt principal and interest?	\$ 0
Principal balance on outstanding debt at end of this reporting period?	\$ 0

### Regulatory Assessment Fee:

What was the Regulatory Assessment fee amount submitted to TCEQ for the Calendar Year 2011?  
\$ 509.27

### Rate Change:

What was the effective date of the last Rate Change? 2008

## Section 6: Customer Information

Connection Type Water	Number of Connections at	
	Beginning of Calendar Year 2011	End of Calendar Year 2011
Total	83	83

Connection Type Wastewater	Number of Connections at	
	Beginning of Calendar Year 2011	End of Calendar Year 2011
Total	N/A	N/A

## Section 7: Water Production & Consumption

A What is the total amount of water produced/pumped?	7402300	gallons
B What is the total amount of water sold/billed?	6279190	gallons
C How much water was lost?	1123110	gallons
What is the total percent of water loss?	16	%

To calculate the above, please reference the attached document Water and Wastewater Utilities Annual Report Instructions. Comments?

## Section 8: Wastewater Treated

What is the total amount of wastewater treated?	N/A	gallons
Comments?		

## Section 9: Utility Management & Operations Assessment

### Utility Policy and Procedures

Do you have an Application Form or Formal Process for New Customers?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Do you have a copy of your approved tariff and drought contingency plan for customers to review?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Do you have Written Operating Procedures for Routine Operations?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Do you have Written Emergency Actions Plan(s)?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Do you have Written Personnel Procedures?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Do you have Risk Management & Safety Policies?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Do you have Customer Service Policies (including billing & collection)?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Do you have a Written Budget (normally updated annually)?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No



Did you or any utility staff attend the annual Water Supply Division Conference/Trade Fair or any other utility/business related conferences this year? If so, please list them in Section 10.

☐ Yes ☒ No

Do you record complaints or keep a complaint log?

☒ Yes ☐ No

Is a customer service representative, water system employee, or answering service accessible by phone at all times to all customers?

☒ Yes ☐ No

### Rules and Regulations

If you own/operate a public water system, do you have a copy of or have access to 30 TAC Chapter 290?

☒ Yes ☐ No

If you own/operate a sewer system, do you have a copy of or have access to 30 TAC 30 Subchapter J, 30 TAC 217, 30 TAC 308, and 30 TAC 309?

☐ Yes ☒ No

Do you have a copy of or have access to the Utility Regulation TAC 30 Rule, Chapter 291?

☒ Yes ☐ No

Do you have a copy of or have access to Texas Water Code Chapter 13?

☒ Yes ☐ No

### Administrative Information

Do you notify customers prior to shutting down the system for repairs?

☐ Yes ☐ No ☒ Sometimes ☐ Only if greater than 2 hours

How do you keep your customers informed?

☒ Billing Statements ☐ Newsletter ☐ Meetings

☒ Other MEDIA

Are water records kept separate from other business and personal records?

☒ Yes ☐ No

Are records kept for additions to fixed assets?

☒ Yes ☐ No

Is the financial position of the system reviewed at least quarterly?

☒ Yes ☐ No

Are accounting records for water and wastewater kept separately?

☒ Yes ☐ No

### Utility Assistance

If your answer to any question above is "No", would you be receptive to financial, managerial or technical assistance at no cost to the utility?

☒ Yes ☐ No

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Section 10: Remarks (please feel free to attach additional pages if necessary)

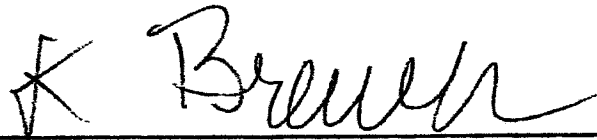
Section 11: Sworn Statement

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IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

(This document MUST be signed by the President or Owner of the Utility)

This 29 Day of MARCH, 2012.

President or Owner: \_\_\_\_\_



(Signature)

KELLY BREWER

(Printed Name)

OPERATOR

(Title)