

Control Number: 45627



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: **45627**

(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 to

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

TABLE OF CONTENTS

| Part A - General Information | 2 |
|---|----|
| Part B – Current Service Provider or Seller Information | 2 |
| Part C – Purchaser or Transferee Information | 2 |
| Part D – Historicial Financial Information | 3 |
| Part E - Projected Information | 9 |
| Part F - Public Water System Information | 12 |
| Part G – Oaths and Notices | 16 |
| | 12 |

| Part A – General Information |
|--|
| *RN# |
| Sale of All Portion of the Acquisition Acquisition Lease/Rental Acquisition Sewer system(s) under CCN No.: Acquisition Sewer system(s) under CCN No.: N/A |
| Transfer of All Portion of the Certificated water service area – CCN No.: 12001 Certificated sewer service area – CCN No.: N/A If only a portion of a system or certificated service area is affected by this transaction, please specify the area or subdivision involved: |
| N/A |
| and to: Purchaser will take the Seller's CCN Obtain a CCN for the transferee (purchaser) – indicate if purchaser will take the seller's CCN Amend the transferee's CCN No.: Merge or consolidate public utilities Cancel CCN of the transferor (seller) |
| 2. Proposed effective date of this transaction: June 144, 2016 (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: Charles Branch (Individual, Corporation or Other Legal Entity) |
| is a(n):of Individual Corporation WSC HOA or POA Other |
| B. Utility Name (if different than above): Doucette Water System Lakes ide Water Guy Address: P.OBOX699, Doucette, Tx 75942 Telephone: (AC) 449-839-5666 |
| 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: Charles or Kay Branch Title: DWNers Address: POBOX 1997, Douge He, Tx 75942 Telephone: (AC) 49-837-5660 |
| PUCT Sale Merger Transfer (Previous TCEQ Form 10516) Page 2 of 23 9/1/2014 |

| Fax: 1-409-837-5660 Callfirst to tax | | Email: KKbranc | h82@yahao. Com |
|---|-------------------|---|---------------------------------------|
| 4. About the last rate increase for the system or fac | ilities being | | y |
| transferred: | | | |
| A. What was the effective date of the last rate | Doucette | e WaterSystem | - January 19, 2004 |
| increase? | Lakesia | le Water Supply | - January 19, 2004 - June 25, 2003 |
| B. Was notice of this increase provided to the Pu | | • | |
| Or a predecessor regulatory authority? Dync. | etto IIInter 9 | 111c Law | |
| No Yes-Application/Docket Number: 33966 Lakeside Wafer Supply 34058 5. Please provide a list of all customers affected by the or soller utility if any and include the following of the control of the | 7-G 12002-10 | DE -UCR Da | te Tangarusa 2004 |
| Lakeside Water Supply 34058 | -R/2002-021 | 05-4CR | June 15 2003 |
| 5. Please provide a list of all customers affected by the | is transaction v | vho have deposi | ts held by the transferor |
| or sener utility, if arry, and include the following info | ormation (attac | th additional she | eets if necessary): |
| Name and Address of Utility Customer | Date of | Amount of | Amount of Unpaid |
| R-II (I | Deposit | Deposit | Interest on Deposit |
| Dilly Cloud | 10/15/15 | 50.00 | |
| Mickael D. Taylor | 12/15/15 | 50.00 | |
| Amy Balsimo | 12/04/15 | 50.00 | |
| | ' ' | | |
| | | | |
| | | | |
| Part C - Burchagov av T- | | · Margora Tagagaya in wasan da ka sa ja jala sa | |
| Part C – Purchaser or Tra | ansteree intol | mation | |
| Quartiene 6 through 16 miles and a second | | | · · · · · · · · · · · · · · · · · · · |
| Questions 6 through 16 refer to the transferee or p | | | |
| 6. For the person or entity acquiring the facilities and/c | | | |
| Applicant: Thomas Kain Rawls and Danage | | | |
| (Individual, Corpor | ation, or Other I | Legal Entity) | |
| Utility Name: Ducette Water System and La | Keside Water | Supply | |
| 1 11 11 1 | nt than above) | 11 3 | |
| Utility Address: Same | | | |
| Fax: NONE Email: Waya 25-hac @am | | Talanhama (AC). | 100 100 0015 |
| Fax: NONE Email: Waya 25 far @gm | ail.com | Telephone (AC): | 49-209-4915 |
| CCN Numbers held prior to the filing of this applica | tion: Was | 15 | |
| price to the thing of this upplica | tion: NDA | IE | |
| Check the appropriate box and provide information | n regarding the | e legal status of | the transferoe |
| applicant: | | c legal status of | the transferee |
| Individual | | | |
| Home or Property Owners Association | | | |
| Partnership; attach copy of partnership agre | ement | | |
| Corporation; provide charter number as rec | ordod with the | Office of the c | |
| Texas: | orded with the | Office of the Se | cretary of State for |
| | | | |
| Non-profit, member owned, member-cor | ntrolled Cooper | ative Corporatio | on (Article 1434(a) |
| Water Sewer Service Corporation); provide | ie charter num | per: | |
| UCT Sale Merger Transfer (Previous TCFO Form 10516) | | | |

Page 3 of 23 9/1/2014

Fax: 1-409-837-5660 Calltinst to tax

| inicipally-owned utility |
|--|
| trict (MUD, SUD, WCID, etc.) |
| unty |
| ner (please explain): Investor Owned Utility |
| J |
| |
| licant is an Individual or sole proprietorship, provide the following information. If not, skip |
| juestion. |
| ess 1430 CR 2800 Colmerne I TI 15938 Email yaya 2 starog. mil. |
| 100 July 100 |
| e (AC): 409-289-9915 Fax (AC): NONE |
| Sanut in all the second of the |
| licant is other than an <i>Individual</i> , provide the following information regarding the officers |
| of the legal entity applying for the transfer. You must complete either question 8 or quest |
| ver applies to the transferee applicant. $\frac{1}{1}$ |
| N/A |
| / Telephone (AC): |
| |
| Ownership % (if applicable): 0.00% |
| |
| Telephone (AC): |
| Oursellie of the little |
| Ownership % (if applicable): 0.00% |
| Tolombours (AC) |
| Telephone (AC): |
| Ownership 9/ (if and in http://org |
| Ownership % (if applicable): 0.00% |
| Telephone (AC): |
| relephone (Ac). |
| Ownership % (if applicable): 0.00% |
| Simple of the applicability. |
| Telephone (AC): |
| receptione (Ac). |
| Ownership % (if applicable): 0.00% |
| |
| |
| |
| Telephone (AC): |
| |

■ 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:

PUCT Sale Merger Transfer (Previous TCEQ Form 10516) Page 4 of 23 9/1/2014

8.

9.

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.

| 1,1 | | | | |
|---|----------------------------|--------------|-------------------------------------|----------|
| 10. Contact person. Please provide information about the personant in the | on to be see | m+m = + = -1 | | |
| application. Indicate if this person is the owner, operator, e | on to be col | ntacted re | garding this | |
| Name: Thomas Kain Rawls | Title: |] | | |
| Address: 11/2 5 (10 28-5) | Telephone | L DWN | | |
| Fax # Nox E | Email | | $\frac{1}{2}$ | |
| Relationship to the applicant: $Self$ | Lindii | Iyaya 23 | Star Egmail, com | |
| IF THERE ARE MORE THAN TWO PARTIES INVOLVED IN THIS PROVIDING THE INFORMATION REQUIRED IN QUESTION 6 THROUGH QUESTION 10 FOR EACH PARTY | TRANSACTI | ON, PLEAS | SE ATTACH SHEETS | <u> </u> |
| 11. Please respond to each of the following questions. Attach additional A. Describe the experience and qualifications of the applicant to requested area | provide ac | dequate ut | ility service to the | |
| I have been employed with these Companies at least page 2000. Assisted with operations and main tenance. As a meters and tanks and repairs to main water lines. Ihe B. Has the applicant acquiring the CCN or facilities or an affiliate enforcement action by the PUC, TCEQ, Texas Department of General (OAG) or the Environmental Protection Agency (EPA) rules, orders or State Statutes? Yes No If yes, please attach copies of any correspondence with these enforcement actions and describe a rules. |) in the past | for nonco | ompliance with | • |
| enforcement actions and describe any actions and efforts to a additional sheets if needed. N/A | comply with | 1 those rec | uirements. Attach | |
| C. Describe the source and availability of funds required to make if any, to meet minimum requirements of the TCEQ and PUC a service. | e the planne and ensure | ed or requi | ired improvements s and adequate | S, |
| Income generated by customers billing \$50,000 Reserve Account. | as wi | ell 45 | opening a | |

| D. Describe the anticipated impact of this transaction on the quality of utility service and explain any anticipated changes in the quality of service. |
|--|
| We will continue to provide quality water service with expediate repairs and continually upgrade as needed. |
| E. How will the transaction serve the public interest? New, younger, energetic Dwners would provide quality water to Lakeside and Doucette water company Customers. |
| 12. Please describe the nature of the proposed transaction: To obtain ownership from Current owners whom are ingood Standing for a fair price. |
| 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: 625,000 • Total Original Cost (as recorded on books of seller or merging entity): 147,950. • Accumulated Depreciation as of the proposed effective date of the transaction: • Contributions in Aid of Construction: - Specific surcharges approved by TCEQ or PUC: - Revenues from explicit customer agreements: |
| - Developer Contributions (please explain): |
| NDNE |
| - Other Contributions (please explain): Investor - Charles Branch |
| Improvements and Equipment 397,147 |
| Total Contributions in Aid of Construction 397, 147 |
| • Net Book Value: 625,000 |
| PUCT Sale Merger Transfer (Previous TCEQ Form 10516) Page 6 of 23 9/1/2014 |

| by the PUC, the TWC or the TCEQ, please provide the Application/Docket Number and date: |
|--|
| Application/Docket Number: 33967-6/2002-1005-UCR Date: June 25, 2004 15 the applicant is not under the second sec |
| 34058-R/2002 - 0305 - UCR June 25, 2003 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]: |
| Current owners are wanting to Sell. The owners wife/ Secretary is not in good health. |
| |
| 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: Plant Acquisition Adjustment: Extraordinary Loss on Purchase: Accumulated Depreciation of Plant: Cash: Notes Payable: Mortgage Payable: Mortgage Payable: Mortgage Payable: N/A Others (please list): N/A |
| 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: |
| 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. All customers will be charged different rates than they were charged before the transaction. |
| Γ Sale Merger Transfer (Previous TCEQ Form 10516) 7 of 23 9/1/2014 |

If the Original Cost or any of the above items has been established in a rate case proceeding

PUC Page

C.

14.

| n plain: |
|----------------|
| |
| |
| |
| same ould b |
| |
| |
| |

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

on Next pages

| | ale De al Sio | rical Financ | ial/Intermet | ion | | |
|---|----------------|--------------|--------------|---|---------------------------------|----------|
| LUCTORIO | 2015 | | | No. | A CANADA CAMPAGNA CANADA CANADA | |
| HISTORICAL BALANCE SHEETS | CURRENT | A-1 YEAR | A-2 YEAR | A-3 YEAR | A-4 YEAR | A-5 YEAR |
| CURRENT ASSETS | YEAR (A) | 2014 | 2013 | 2012 | 2011 | 2010 |
| Cash | 5/00 | F1 2 | | | | |
| Accounts Receivable | 5624 15,46. | 73 | 2 2,086 | , | | 21,919 |
| Inventories | 15,46 | 3 16,87. | 2 13, 61. | 4 14,796 | 16,091 | 21,919 |
| Income Tax Receivable | | | _ | | | |
| Other | | | | | | |
| Total | 21,087 | 1/7 / 0/ | 15.000 | 101 | | |
| FIXED ASSETS | 31,001 | 17,604 | 15,700 | 17,139 | 22,503 | 36,462 |
| Land | 5,430 | 5.112 | - 12 | T-1/2 | | |
| Collection/Distribution System | 245 110 | 5,430 | 5,430 | 5430 | 5,430 | |
| Buildings | 245,610 | 245,610 | 230,356 | 230,356 | 230,356 | 230,356 |
| Equipment | 151,537 | 151,531 | 7 151 520 | 10/ 1/0 | 100.00 | |
| Other | 10,001 | 191,55 | 7 151,537 | 186,068 | 121,872 | 127,872 |
| Less: Accum. Depreciation or Reserves | 343, 525/ | Z330 773 | 7 . 000 | /2. # | | |
| Total | 59,052 | 71.804 | | (310,740) | (256,553) | 337,800/ |
| TOTAL ASSETS | 80, 139 | 89, 408 | 86,424 | 111, 114 | 107,105 | 125,858 |
| CURRENT LIABILITIES | 00,101 | 01, 100 | 102.124 | 128, 253 | 129,608 | 162,320 |
| Accounts Payable | | | | | | |
| Notes Payable, Current | 216/2 | 21061 | 14 042 | 10001 | 11.00 | |
| Accrued Expenses | 1.323 | 1,392 | 1424 | 18 994 | 4,189 | 17,289 |
| Other | 1,0010 | 1,-12 | 1,731 | 1,436 | 1,484 | 1,463 |
| TOTAL | 22,935 | 22,453 | 15,466 | 20,430 | 6,72 | 10000 |
| LONGTERM LIABILITIES | | 30,700 | 10,400 | 40,00 | 5,673 | 18,75R |
| Notes Payable, Long-term | 37, 787 | 56,259 | 69,401 | 85,723 | 51,022 | 50 00h |
| Other | | , , , , , | 101 | 00, 190 | JI, Vaa | 50,807 |
| TOTAL LIABILITIES | 60,722 | 78,712 | 84.867 | 106,153 | 56,695 | 69559 |
| OWNER'S EQUITY | | | 0 // | 100,100 | 00,675 | 61,031 |
| Paid in Capital | | | | | | |
| Retained Equity | 10,696 | 17,251 | 22,100 | 72,913 | 92761 | 123944 |
| Other | (39,006) | 12 450> | (18 382) | (17.727) | 22,945 | 6,252 |
| Current Period Profit or Loss | 47727 | 5 889 | 13,539 | 33 0867 | | 24931 |
| TOTAL OWNER'S EQUITY | 19417 | 10.696 | 17.257 | 22,100 | | 92761 |
| TOTAL LIABILITIES AND EQUITY | 80,139 | 89.408 | 102,124 | 128,253 | | 62320 |
| WORKING CAPITAL | (1,848) | (4849) | 234 | (3,2917) | 16 830 | 17,710 |
| CURRENT RATIO | .92 | ,78 | 1.01 | ,84 | 3,97 | 1,94 |
| DEBT TO EQUITY RATIO EQUITY TO TOTAL ASSETS | 213:1 | 7 35:1 | 1921 | 1801 | | 141 = 1 |
| A32[3 / | 24 | 12 | 17 | 17 | 56 | 51 |

2015

| | $\mathcal{A} \mathcal{V} / \mathcal{I}$ | | | | | |
|-----------------------------|---|----------|----------|----------|----------|----------|
| HISTORICAL INCOME STATEMENT | CURRENT | A-1 YEAR | A-2 YEAR | A-3 YEAR | A-4 YEAR | A-5 YEAR |
| METER NUMBER | YEAR (A) | 2014 | 2013 | 20/3 | 1 | i |
| | | | / . | avja | 2011 | 2010 |
| Existing Number of Taps | 305 421 | 309 421 | 316 421 | 312 421 | 202 | 12:11 |
| New Taps Per Year | 0 | 101 | 1-7-121 | 1319 H21 | 323 421 | 319 HRB |
| Total Meters at Year End | 305 | 309 1121 | 316/112 | 1 0 | 0 | 3 |
| METER REVENUE | 421 | 421 | 16/421 | 312 421 | 322 421 | 322 421 |
| Fees Per Meter | | | | | | |
| Cost Per Meter | | | | | | |
| Operating Revenue Per Meter | · · · · · · · · · · · · · · · · · · · | | | | | |
| GROSS WATER REVENUE | | | | | | |
| Fees | 132, 351 | 120 100 | | | | |
| Other | | 139, 178 | 142,461 | 143,551 | 148 433 | 146,306 |
| Gross Income | 133, 101 | 120 100 | 786 | 784 | | 4,739 |
| OPERATING EXPENSES | 133, 101 | 139,178 | 143,247 | 144,335 | 148,433 | 151,045 |
| General & Administrative | 22 -01 | 2/ 010 | | | | |
| Interest | 22,091 | 26,012 | 32,411 | 30,681 | 33,070 | 44,195 |
| Other | 3,917 | 4,718 | 5,102 | 11,940 | 4,442 | 2,945 |
| NET INCOME | | 102,559 | 93,195 | 134,800 | 153, 414 | 128,836 |
| | 47,727 | 5,889 | 13,539 | (33,086) | 42 4937 | (24 931) |

2015

| | 2015 | | | | | |
|---------------------------|----------|----------|----------|--------------|---------------------------------------|--------------|
| HISTORICAL EXPENSE DETAIL | CURRENT | | A-2 YEAR | A-3 YEAR | A-4 YEAR | A-5 YEAR |
| | YEAR (A) | 2014 | 2013 | 2012 | 2011 | |
| GENERAL/ADMINISTRATIVE | | | | 40/4 | 2011 | 2010 |
| EXPENSES | | | | | | |
| Salaries | | | | 3,100 | 4,840 | 12,751 |
| Office Expense | 11,232 | 16,715 | 16,994 | 19 230 | · · · · · · · · · · · · · · · · · · · | |
| Computer Expense | 1 | 1,1,5 | 10,11. | 11, 430 | 15,923 | 19 636 |
| Auto Expense | | | | | | |
| Insurance Expense | 2,269 | 2,279 | 7,815 | 1 - 21 | 7,344 | FOO |
| Telephone Expense | | 51, 51 7 | 1,013 | 2,526 | 1,344 | 5980 |
| Utilities Expense | | | | | | |
| Depreciation Expense | | | | | | |
| Property Taxes | 7,928 | 5,812 | 4,747 | 11000 | 26.10 | 2 - 2 - |
| Professional Fees | 334 | 996 | | 4,798 | 3,938 | 3,977 |
| Other | 328 | 210 | 2,745 | 1,018 | 846 | 1,085 |
| Total | 22,091 | | 1/0 | 9 | 179 | 766 |
| % Increase Per Year | (15.1%) | 36,013 | 32,411 | 30,681 | 33,070 | 44,195 |
| OPERATIONAL EXPENSES | 10.1/0/ | (19.7%) | 5,6% | (7.2%) | (25.2%) | |
| Salaries | 6,100 | 7.634 | 3015 | | | , |
| Auto Expense | 11, 452 | 18,746 | 3,815 | 5,020 | 7,160 | 6,565 |
| Utilities Expense | 5211 | 5,549 | 23,107 | 31,544 | 40,299 | 22 638 |
| Depreciation Expense | 12 752 | 29 874 | 4,850 | 5,478 | 6109 | 5,302 |
| Repair & Maintenance | 15,810 | 32 306 | 19964 | 55,116 | 21,638 | 15,635 |
| Supplies | 1 187 | 7 | 28,193 | 25,986 | 68,642 | 71,899 |
| Other | 10.571 | 1,541 | 1436 | 1,494 | 570 | 1,303 |
| Total | 63,283 | 11,627 | 15 932 | 22,082 | 13,498 | <i>8,439</i> |
| % Increase Per Year | 41.0% | 107,377 | 97297 | 146,740 | 157,856 | 131,781 |
| ASSUMPTIONS | 71:070 | 10.3% | (33.7%) | 47.0% | 19,8% | |
| Interest Rate/Terms | 7% | 10 50 | 111 CN | 12 - 201 | | |
| Utility Cost/gal. | 1/0 | 10,5%0 | 14.590 | 10,5% | 10,5% | 10,5% |
| Depreciation Schedule | VARIOUS | VKRFUUS | VARFOUS | VARIOUS | | 110- |
| Other | NIA | NA | NA | | VARIOUS | VARIOUS |
| | | - 17/T 1 | 1/// | N/A | N/A | N/A |

| | Part E – Pro | jected Info | ormation | | androne, The reference of the contract of the | and the paper with the court of |
|---|--------------|-------------|------------|----------------|---|--|
| PROJECTED BALANCE SHEETS | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| | START UP | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 | YEAR 5 |
| CURRENT ASSETS | | | | T DI II C | 1 Li IK 4 | TEARS |
| Cash | 10,000 | 24,000 | 48,000 | 60,000 | 72,000 | 84,000 |
| Accounts Receivable | 15,000 | 15,000 | 15,001 | | | · · · · · · · · · · · · · · · · · · · |
| Inventories | 17,000 | 1 | 19,222 | 15,000 | 15,000 | 15,000 |
| Income Tax Receivable | | | | | | |
| Other | | | | | | |
| Total | 25,000 | 39,000 | 63,000 | 75,000 | 87,000 | 99,000 |
| FIXED ASSETS | 2/3/6 | 01,000 | 1 10 2,000 | 15,000 | 9 , 000 | 1,000 |
| Land | 5430 | 5430 | 5430 | 5430 | F.1 2. | CV3 |
| Collection/Distribution System | 485,000 | 485,000 | 485,000 | 485 000 | 5436 485,000 | 5430 |
| Buildings | 1 7, 5 | 102, | 105,000 | 703 02.0 | 705 200 | 485,000 |
| Equipment | 151 537 | 151 537 | 151537 | 151,531 | 151520 | 11-1 1-20 |
| Other | | 1 1 1 1 | 13, 33, | 131,301 | 151,537 | 151,531 |
| Less: Accum. Depreciation or Reserves | | | | | | |
| Total | | | | | | |
| TOTAL ASSETS | 651,967 | 680.969 | 704,967 | 779,967 | 8/1 012 | 965,961 |
| CURRENT LIABILITIES | | | 7 | // 1/6/ | 066, 161 | 163,96" |
| Accounts Payable | 0 | O | 0 | Ö | <i>t</i> 2 | 0 |
| Notes Payable, Current | 0 | 4800 | 4800 | 4800 | 4800 | 4800 |
| Accrued Expenses | 1420 | 1420 | 1420 | 1420 | 1420 | |
| Other | • | 7 | | . /20 | 142.0 | 1420 |
| Total | 1420 | 6220 | 6220 | 6220 | 6220 | 6220 |
| LONGTERM LIABILITIES | | - WAD | Vaac | Court | (ddi | 6220 |
| Notes Payable, Long-term | 60,000 | 60,000 | 60,000 | 60,000 | 60,000 | 10000 |
| Other | 100/02 | / | | 00,000 | 00,000 | 60,000 |
| TOTAL LIABILITIES | 61.420 | 66,620 | 66,420 | 66,620 | 66,620 | 66,620 |
| OWNER'S EQUITY | | | <u> </u> | <i>p</i> +,010 | wo, ex | 66,620 |
| Paid in Capital | | | | | | |
| Retained Equity // A Khown | | | | | | |
| Other | | | | | | |
| Current Period Profit or Loss | | | | | | |
| TOTAL OWNER'S EQUITY | | | | | | |
| TOTAL LIABILITIES AND EQUITY | | | | | | |
| WORKING CAPITAL | | | | | | |
| CURRENT RATIO | | | | | | |
| | | | | | | |
| DEBT TO EQUITY RATIO | | | | | | |
| DEBT TO EQUITY RATIO EQUITY TO TOTAL ASSETS | | | | | | |

| PROJECTED INCOME STATEMENT | 2014 | 2017 | 2018 | 0 ~9 | 2020 | |
|-----------------------------|------------------------|-----------|---|-----------------|---------|-----------|
| | YEAR 1 | YEAR 2 | YEAR 3 | 2 0 9 YEAR 4 | | T TOTAL S |
| METER NUMBER | | 12.11(2 | TEARS | TEAR 4 | YEAR 5 | TOTALS |
| Existing Number of Taps | 305/421 | 306/422 | 1 / / / / / / / / / / / / / / / / / / / | 0.5/1/2 | | |
| New Taps Per Year | 1327 421 | 306/422 | 306/422 | 307/423 | 307/423 | 308/424 |
| Total Meters at Year End | 306/422 | 306 / 422 | 7 | 10 | // | 0/1 |
| METER REVENUE | JBE 1722 | 306/422 | 307/423 | 307/423 | 308/424 | 308/424 |
| Fees Per Meter | | | | | | |
| Cost Per Meter | | | | | | |
| Operating Revenue Per Meter | | | | | | |
| GROSS WATER REVENUE | | | | | | |
| Fees | 130,200 | 130,200 | 130 10 | 12. | | |
| Other | 450 | 10,200 | 130,620 | 130,620 | 131,040 | 652,680 |
| Gross Income | 130,650 | /2 | 450 | | 450 | 1350 |
| OPERATING EXPENSES | 100,650 | 130,200 | 131,070 | 130,620 | 13/490 | 54030 |
| General & Administrative | | | | | | |
| Interest | 29.423 | 28,115 | 2/ (12) | | | |
| Other | 27,103 | <u> </u> | 26,726 | 25,251 | 23,686 | 133,201 |
| NET INCOME | 40,000 | | | | | |
| | $T\nu_{j}\nu\nu\delta$ | 40,000 | 40,000 | 40,000 | 40,000 | 200,000 |

| PROJECTED EXPENSE DETAIL | 2016 | 7 - | _ | | | |
|---|--|-----------------|-----------------|------------------------|------------------|------------------|
| | YEAR 1 | JU17 | 2018 | 2019 | 2020 | |
| GENERAL/ADMINISTRATIVE EXPENSES | TEAR | YEAR 2 | YEAR 3 | YEAR 4 | YEAR 5 | TOTALS |
| Salaries | | | | | | |
| Office Expense | 1 | | | | | |
| Computer Expense | 3000 | 2000 | 2000 | 2000 | 2000 | 11,000 |
| Auto Expense | 3000 | 500 | 500 | 500 | 3000 | 7500 |
| Insurance Expense | 2 " | ļ <u>.</u> | - | | | 7500 |
| Telephone Expense | 2400 | 2400 | 2400 | 2400 | 2400 | 12,000 |
| Utilities Expense | 360 | 360 | 360 | 360 | 360 | 1800 |
| Depreciation Expense | | | | | | 1 |
| Property Taxes | | | | | | |
| Professional Fees | 7928 | 1928 | 8001 | 8007 | 8087 | 39.957 |
| Other | 500 | 1500 | 800 | 1000 | 500 | 4,300 |
| Total | 270 | 370 14,958 | 370 | 270 | 270 | 1350 |
| % Increase Per Year | 17,458 | 14,958 | 14,337 | 14.5.37 | 16,617 | 17,907 |
| OPERATIONAL EXPENSES | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Salaries | | | | | | |
| Auto Expense | | | | | | |
| Utilities Expense | N/A | 4800 | 4800 | 4800 | 4800 | 19,200 |
| Depreciation Expense | 5300 | 5300 | 5300 | 5300 | 5300 | 26,500 |
| Repair & Maintenance | | | | | | - |
| Supplies | 16,000 | 16,000 | 14,000 | 14,000 | 15,000 | 75,000 |
| Other | 1200 | 1200 | 1200 | 1200 | 1200 | 6,000 |
| Total | 7000 | 7000 | 7000 | 1000 | 7000 | 35,000 |
| | | - · I | | | | |
| % Increase Per Year | 29500 | 34,300 | 32,300 | 32,300 | | 161700 |
| % Increase Per Year ASSUMPTIONS | | 34,300 0.00% | 39,300 0.00% | | 33,300 | 161700 |
| ASSUMPTIONS Interest Rate/Terms | 29500 0.00% | 0.00% | 0.00% | <i>32,300</i> 0.00% | 33,300 | 161,700 |
| ASSUMPTIONS Interest Rate/Terms Utility Cost/gal. | 29500 | | , | 32,300 | 3 3,300 0.00% | 0.00% |
| ASSUMPTIONS Interest Rate/Terms Utility Cost/gal. | 0.00% | 670 | 6% | 0.00% | 3 3,300 0.00% | 161,700 0.00% |
| ASSUMPTIONS Interest Rate/Terms | 29500 0.00% | 0.00% | 0.00% | <i>32,300</i> 0.00% | 3 3,300 0.00% | 0.00% |

| PROJECTED SOURCES AND USES OF CASH STATE | MENTS 201 | 4 2017 | 12 | 2-10 | 9.0. | |
|--|------------|--------------|--------------------------|--------------|--------------|---------|
| | YEAR 1 | YEAR 2 | <u> 2018</u> YEAR 3 | | 3020 | T |
| SOURCES OF CASH | 1 Li III I | I LAR 2 | TEAR 3 | YEAR 4 | YEAR 5 | TOTALS |
| Net Income | 40 | 40,000 | 110 | 1/2 | 1.60 | 12 0 |
| Depreciation (If Funded) | 40,000 | 170,000 | 40,000 | 40,000 | 40,000 | 200,000 |
| Loan Proceeds | | | + | <u> </u> | | |
| Other | | | | | | |
| Total Sources | 40,000 | 40,000 | 411 | 1/0 > 0 > | 1 | 7 2 13 |
| USES OF CASH | 70,000 | 70,000 | 40,000 | 40,000 | 40,000 | 200,000 |
| Net Loss | | | | <u> </u> | | |
| Principle Portion of Pmts. | | | | | | |
| Fixed Asset Purchase | | | | | | |
| Reserve | | <u> </u> | | | | |
| Other | | | | | | |
| Total Uses | | | | | | |
| NET CASH FLOW | 40.000 | 40,000 | 11 | | <i>I</i> | |
| DEBT SERVICE COVERAGE | 10.000 | 70,000 | 40,000 | 40,000 | 40,000 | 200,000 |
| Cash Available for Debt | 60,000 | 60,000 | 1 | | | |
| SERVICE (CADS) | 00,000 | 00.000 | 60, DUD | 60,000 | 60,000 | 300,000 |
| Net Income (Loss) | | | | | | |
| Depreciation, or Reserve Interest | | | | | | |
| Total | | | | | | |
| REQUIRED DEBT SERVICE (RDS) | | | | | | |
| Principle Plus Interest | 50,631 | 50,631 | TAIR | 1010 | 1-0 | 0.57 |
| DEBT SERVICE COVERAGE RATIO | _ W _ J | JV,WJ/ | 50,631 | 50,631 | 50.631 | 252,155 |
| CADS Divided by RDS | | | | | | |

| Please answer questions 17 through 22 on a different sheet for transferred or acquired. | or each physically Distin | ct system being |
|---|------------------------------|-----------------|
| 17. A. For Water Systems. TCEQ Public Water System Identifi | cation Number: | 290004 |
| Date of last inspection: $7 - 16 - 2014$ | | |
| B. For Wastewater Systems: | | |
| -TCEQ Discharge Permit Number: W Q -Name of Permitee: -Date of application to transfer Discharge Permit -Date of application to transfer Discharge Permit | submitted: approved by TCEQ: | |
| 18. A. Are any improvements required to meet TCEQ or PUC standards? | Yes No. If yes, | please explain: |
| | | |
| B. Is there a moratorium on new connections? Yes | No. If yes, please explai | n: |
| | | |
| C. Provide details of each required major capital improvement t TCEQ or PUC standards (attach additional sheets if necessar | o correct the deficiencies | s and meet the |
| Description of the Paguinod Imagina | Schedule to Complete | Estimated Cost |
| TN C N C | | |
| 19. Does the system being transferred operate within the city limits of boundaries? Yes No | of a municipality or with | in district |
| If yes, indicate the number of customers within the city limits of Water Sewer | or district boundaries: | |
| Attach copy of franchise agreement or consent letter from the c | ity or district. | |
| N/A | | |
| PUCT Sale Merger Transfer (Previous TCEQ Form 10516) Page 16 of 23 9/1/2014 | | |

| Please answer questions 17 through 22 on a different shee transferred or acquired. | for each physically Distinc | t system being |
|--|--------------------------------------|-----------------|
| 17. A. For Water Systems. TCEQ Public Water System Ident | ification Number: | 290021 |
| Date of last inspection: $9-30-2015$ | | |
| B. For Wastewater Systems: N/A | | |
| -TCEQ Discharge Permit Number: W | Q [] | TT |
| -Name of Permitee: | | |
| -Date of application to transfer Discharge Pern -Date of application to transfer Discharge Pern | nit submitted: nit approved by TCEQ: | |
| 18. A. Are any improvements required to meet TCEQ or PUC standards? | | please explain: |
| B. Is there a moratorium on new connections? Yes | ∑No. If yes, please explair | 1: |
| C. Provide details of each required major capital improvement TCEQ or PUC standards (attach additional sheets if neces | nt to correct the deficiencies | and meet the |
| Description of the Required Improvement | Schedule to Complete | Estimate 1 C |
| NONE | Schedule to Complete | Estimated Cost |
| | | |
| | | |
| 19. Does the system being transferred operate within the city limboundaries? Yes No | ts of a municipality or with | in district |
| If yes, indicate the number of customers within the city limit. Water Sewer | ts or district boundaries: | |
| Attach copy of franchise agreement or consent letter from the | e city or district. | |
| N/A | - | |
| PUCT Sale Merger Transfer (Previous TCEQ Form 10516) Page 16 of 23 9/1/2014 | | |

| Please answer questions 17 through 22 on a different stransferred or acquired. | sheet for each physically Distinc | et system being |
|---|-----------------------------------|-----------------|
| 17. A. For Water Systems. TCEQ Public Water System I | dentification Number: 22 | 390039 |
| Date of last inspection: 9-30-2015 | | |
| B. For Wastewater Systems: | | |
| -TCEQ Discharge Permit Number: -Name of Permitee: -Date of application to transfer Discharge -Date of application to transfer Discharge | W Q | |
| 18. A. Are any improvements required to meet TCEQ or PU standards? | Yes No. If yes, | please explain: |
| | | |
| C. Provide details of each required major capital improve | No. If yes, please explain | |
| <u>religior de standards (attach additional sheets if n</u> | ecessary): | and meet the |
| Description of the Required Improvement NDNE | Schedule to Complete | Estimated Cost |
| TVDNE | | |
| | | |
| 19. Does the system being transferred operate within the city boundaries? Yes No | | in district |
| If yes, indicate the number of customers within the city Water Sewer | limits or district boundaries: | |
| Attach copy of franchise agreement or consent letter fro | m the city or district. | |
| N/A | | |
| PUCT Sale Merger Transfer (Previous TCEQ Form 10516) | | |

| Please answer questions 17 through 22 on a different she transferred or acquired. | eet for each physically Distin | ect system being |
|---|---------------------------------|------------------|
| 17. A. For Water Systems. TCEQ Public Water System Ide | ntification Number: 2 | 290040 |
| Date of last inspection: $9-30-2015$ | | |
| B. For Wastewater Systems: N/A | | |
| -TCEQ Discharge Permit Number: W -Name of Permitee: -Date of application to transfer Discharge Per -Date of application to transfer Discharge Per | mit submitted. | |
| 18. A. Are any improvements required to meet TCEQ or PUC standards? | Yes No. If yes, | please explain: |
| | | |
| B. Is there a moratorium on new connections? Yes | X No. If yes, please explai | n: |
| C. Provide details of each required major capital improvement TCEQ or PUC standards (attach additional sheets if nece | ent to correct the deficiencies | s and meet the |
| Description of the Required Improvement | Schedule to Complete | Estimated Cost |
| | | |
| 19. Does the system being transferred operate within the city limboundaries? Yes No | nits of a municipality or with | in district |
| If yes, indicate the number of customers within the city lim Water Sewer | its or district boundaries: | |
| Attach copy of franchise agreement or consent letter from t | he city or district. | |
| N/A | | |
| PUCT Sale Merger Transfer (Previous TCEQ Form 10516) Page 16 of 23 9/1/2014 | | |

| Please answer questions 17 through 22 on a different sh transferred or acquired. | eet for each physically Disting | et system being |
|---|----------------------------------|-----------------|
| 17. A. For Water Systems. TCEQ Public Water System Ide | entification Number: 2. | 290041 |
| Date of last inspection: 9-30-2015 | | |
| B. For Wastewater Systems: | | |
| -TCEQ Discharge Permit Number: W | / Q | |
| -Name of Permitee: -Date of application to transfer Discharge Pe | ermit submitted: | |
| -Date of application to transfer Discharge Pe | ermit approved by TCEQ: | |
| 18. A. Are any improvements required to meet TCEQ or PUC standards? | Yes X No. If yes, | please explain: |
| | | |
| | | |
| D. L. d | | |
| B. Is there a moratorium on new connections? Yes | No. If yes, please explain | n: |
| | | |
| | | |
| | | |
| C. Provide details of each required major capital improven | nent to correct the deficiencies | s and meet the |
| TCEQ or PUC standards (attach additional sheets if nec Description of the Required Improvement | essary): Schedule to Complete | Estimated Cont |
| NONE | Schedule to Complete | Estimated Cost |
| | | |
| 19. Does the system being transferred operate within the city li boundaries? Yes No | mits of a municipality or with | in district |
| If yes, indicate the number of customers within the city li | mits or district houndaries: | |
| Water Sewer | miss of district boundaries. | |
| Attach copy of franchise agreement or consent letter from | the city or district. | |
| N/A | | |
| PUCT Sale Merger Transfer (Previous TCEQ Form 10516) Page 16 of 23 9/1/2014 | | |

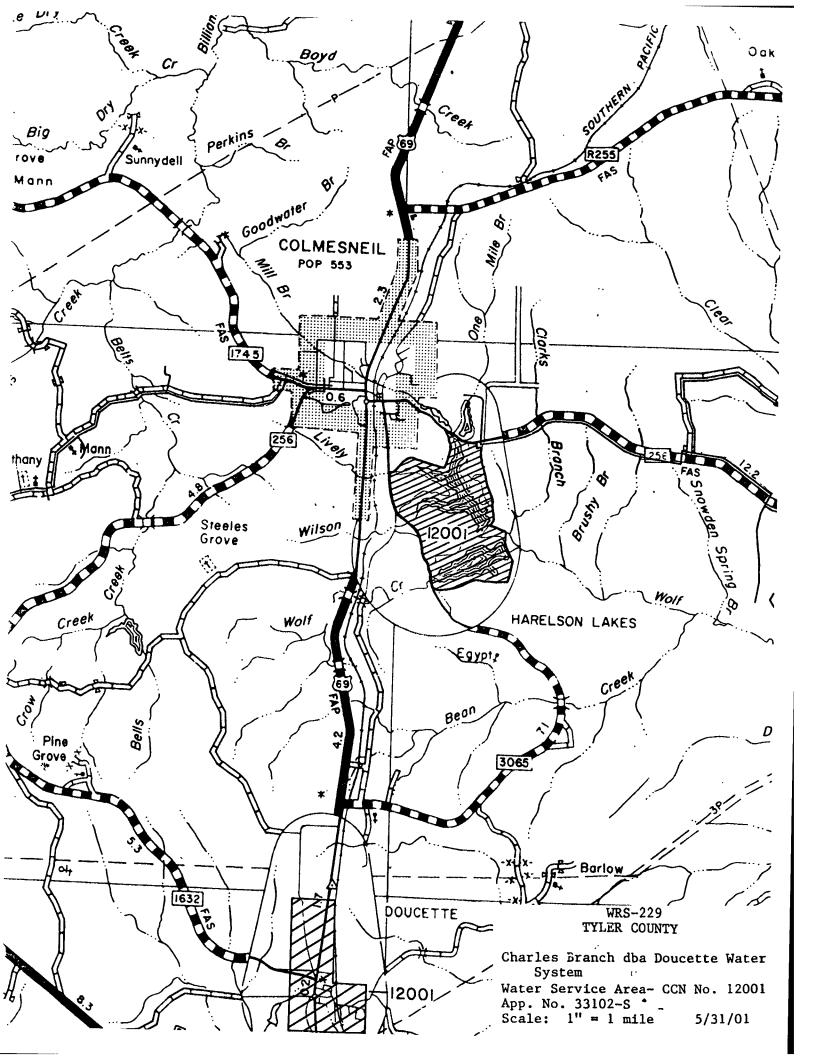
| Please answer questions 17 through 22 on a different shee transferred or acquired. | t for each physically Disting | ct system being |
|--|--------------------------------|-----------------|
| 17. A. For Water Systems. TCEQ Public Water System Identification | ification Number: 2 | 290042 |
| Date of last inspection: 9-30-2015 | | , |
| B. For Wastewater Systems: N/A | | |
| -TCEQ Discharge Permit Number: W | 0 | |
| -Name of Permitee: | | |
| -Date of application to transfer Discharge Pern | nit submitted: | |
| -Date of application to transfer Discharge Pern | nit approved by TCEQ: | |
| 18. A. Are any improvements required to meet TCEQ or PUC standards? | Yes X No. If yes, | please explain: |
| C. Provide details of each required major capital improvement | No. If yes, please explain | |
| ditach additional sheets if neces | it to correct the deficiencies | s and meet the |
| Description of the Required Improvement | Schedule to Complete | Estimated Cost |
| NONE | | |
| | | |
| | | |
| 19. Does the system being transferred operate within the city limit boundaries? Yes No | ts of a municipality or with | in district |
| If yes, indicate the number of customers within the city limit Water Sewer | ts or district boundaries: | |
| Attach copy of franchise agreement or consent letter from the | e city or district. | |
| N/A | • | |
| PUCT Sale Merger Transfer (Previous TCEQ Form 10516) Page 16 of 23 9/1/2014 | | |

| 20. Do you currently purcha | ise water or sew | ver treatment capacity | v from ano | ther source? | Yes X No |
|--|--|---|---|--|---|
| Water Sewer | Purch | nased on a Reg | gular | Seasonal | Emergency Basis |
| a [| | | | | Differgency Dasis |
| • Source: | | | 9/ | % of total supply: | 0.00% |
| | | | | | |
| | | | | | |
| 21. List the number of ex | isting connectio | and to be offered at | .1 . | | |
| Water | isting connection | ons to be effected by | | ction. | 11 |
| 0 -Non Metered | 0 -2"me | ter . | Sewer | <i>N</i> | <i>[H</i>] |
| 305 -5/8" or 3/4" meter | 0 -3" me | | -Reside | ential Connection dercial Connection | |
| o -1" meter | D -4" me | | | rial Connection | |
| O -1 1/2" meter | D -Other | | -Other | iai Connection | |
| Total Water Connec | tions: 30B | | 120 | ewer Connections | |
| | | | | | |
| 20. Has the system reached if yes please explain what at | 85% of its capa | city based on TCEO | 's minimur | n requirements? | Vac Na |
| If yes, please explain what st | eps are being ta | ken to address the ca | pacity issu | ies: | Yes No |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| 23. List the name, class, and | d license numbe | er of the operator(a) t | land: 11 1 | | |
| 23. List the name, class, and | d license numbe | er of the operator(s) t | hat will be | responsible for th | e system: |
| Name | d license numbe | er of the operator(s) t | hat will be | | |
| | d license numbe | | hat will be | responsible for th | |
| Name | d license numbe | Class | | Licens | se# |
| Name | d license numbe | Class | | | se# |
| Name | d license numbe | Class | | Licens | se# |
| Name | d license numbe | Class | | Licens | se# |
| Name Thomas Kain Rawls | | Class Hewill beget | ing his | Licens | se# |
| Name Thomas Kain Rawls 24. Attach the following ma | ps with each co | Class Howill beget | ing his | License in Fe | brunry 2016 |
| Name Thomas Kain Rawls 24. Attach the following ma a. One small scale map of | ps with each co | Class Hewill begeth ppy of the application affected service area | ing his | License in Fe | brunry 2016 |
| Name Thomas Kain Rawls 24. Attach the following ma a. One small scale map carea if the application | ps with each co learly showing is for the transf | Properties of all or a portion | ing his | License in Fe | brunry 2016 stely locate the |
| Name Thomas Kain Rawls 24. Attach the following ma a. One small scale map carea if the application b. One large scale map sl | ps with each co learly showing is for the transf | Property of the application affected service area for a portion open decreased service area by | ing his with enough of a CCN. | License in Fe | brunry 2016 Itely locate the |
| Name Thomas Kain Rawls 24. Attach the following ma a. One small scale map of area if the application b. One large scale map sl and, if available, the ex | ps with each co learly showing is for the transforth properties of the properties of | Property of the application affected service area to boosed facilities. Colors of the | : with enou | License in Fe | bruary 2016 ately locate the red, or merged |
| Name Thomas Kain Rawls 24. Attach the following ma a. One small scale map of area if the application b. One large scale map sl and, if available, the exercising from proposed | ps with each co learly showing is for the transf nowing the prop xisting and prop I facilities. Fac | Property of the application affected service area boosed facilities. Colorilities and service area for the application affected service area boosed facilities. | : with enou of a CCN. undaries bor coding s | License in Fe | se# brunry 2016 ately locate the red, or merged ifferentiate |
| Name Thomas Kain Rawls 24. Attach the following ma a. One small scale map of area if the application b. One large scale map sland, if available, the exercises from proposed exactness that they can | ps with each collearly showing is for the transformation of the properties of the properties of the collisting and properties. Factor is the located on the collistic of the collision of the collistic of the col | Property of the application affected service area boosed facilities. Colorilities and service area the ground. If transfer | with enough of a CCN. undaries bor coding sea boundar | License in Fe | se# bruny 2016 ately locate the red, or merged ifferentiate with such |
| Name Thomas Kain Rawls 24. Attach the following ma a. One small scale map of area if the application b. One large scale map sl and, if available, the exercising from proposed exactness that they can of an existing CCN are | ps with each collearly showing is for the transformation owing the properties. Factor is the located on the please attach | Property of the application affected service area be cosed facilities. Colcilities and service area the ground. If transfet the following hard controls the service are controls the service are controls the service are the ground. | with enough of a CCN. undaries bor coding so boundaries area | License in Fe | ately locate the red, or merged ifferentiate vn with such CCN or a portion |
| Name Thomas Kain Rawls 24. Attach the following ma a. One small scale map of area if the application b. One large scale map sl and, if available, the exercises that they can of an existing CCN are 1. A general le | ps with each collearly showing is for the transformation owing the proposition and proposition of the located on the proposition of the proposition of the located on the proposition of the proposition of the location map deliversely. | py of the application affected service area boosed facilities. Coloilities and service area the ground. If transfethe following hard colineating the propose | : with enou of a CCN. undaries bor coding size a boundar erring area opy maps of service a | License in Fe | ately locate the red, or merged ifferentiate vn with such CCN or a portion |
| Name Thomas Kain Rawls 24. Attach the following ma a. One small scale map of area if the application b. One large scale map sl and, if available, the exercisting from proposed exactness that they can of an existing CCN are 1. A general leaccurately leaction in the second in the s | ps with each collearly showing is for the transformation of the properties. Factor is be located on the properties of th | Proposed service area be cosed facilities. Color illities and service area the ground. If transfet the following hard colored area within the cosed area. | : with enou of a CCN. undaries bor coding size a boundar erring area opy maps of service a | License in Fe | ately locate the red, or merged ifferentiate vn with such CCN or a portion |
| Name Thomas Kain Rawls 24. Attach the following ma a. One small scale map of area if the application b. One large scale map sl and, if available, the existing from proposed exactness that they can of an existing CCN are 1. A general le accurately l 2. A map show | ps with each collearly showing is for the transformation owing the properties. Factor be located on the properties ocation map delected the proposition only the properties of the proposition of the properties o | py of the application affected service area be cosed facilities. Colcilities and service area the ground. If transfethe following hard collineating the proposed seed area within the croposed area by: | with enough of a CCN. undaries bor coding size a boundar erring area opy maps of d service a ounty. | License in Fe | ately locate the red, or merged ifferentiate with such CCN or a portion the application: etail to |
| Name Thomas Kain Rawls 24. Attach the following ma a. One small scale map of area if the application b. One large scale map sl and, if available, the existing from proposed exactness that they can of an existing CCN are 1. A general le accurately l 2. A map show i. meter | ps with each collearly showing is for the transformation of the properties. Factor is be located on the properties of the properties of the properties and bounds see and see a | Proposed service area be cosed facilities. Color illities and service area the ground. If transfet the following hard colored area within the cosed area. | with enough of a CCN. undaries bor coding size a boundar erring area opy maps of d service a ounty. | License in Fe | ately locate the red, or merged ifferentiate with such CCN or a portion the application: etail to |
| Name Thomas Kain Rawls 24. Attach the following ma a. One small scale map of area if the application b. One large scale map sl and, if available, the existing from proposed exactness that they can of an existing CCN are 1. A general le accurately l 2. A map show i. mete surv | ps with each collearly showing is for the transformation of the properties. Factor is a please attach ocation map delected the properties and bounds stepor; or | py of the application affected service area be cosed facilities. Colcilities and service area the ground. If transfet the following hard collineating the propose seed area within the croposed area by: urvey certified by a least of the second of the collineation of the propose area within the croposed area by: | with enough of a CCN. undaries bor coding steam boundariering area opy maps of service a ounty. | License in Fe | se# bruny 2016 ately locate the red, or merged ifferentiate vn with such CCN or a portion the application: etail to |
| Name Thomas Kain Rawls 24. Attach the following ma a. One small scale map of area if the application b. One large scale map sl and, if available, the exercising from proposed exactness that they can of an existing CCN are 1. A general leaccurately le | ps with each colearly showing is for the transformation of the properties. Factor is be located on the properties of the properties and bounds stepor; or ectable digital of the properties and bounds stepor; or | Proposed area within the croposed area within the croposed area by: urvey certified by a lata with metadata (p | with enough of a CCN. undaries be coding size a boundar erring area opy maps of d service a ounty. | License in Fe agh detail to accurate ing sold, transfer hould be used to dies should be shown of currently in a with each copy of area with enough date or registered process should be in a second content of the cont | se# bruny 2016 ately locate the red, or merged ifferentiate vn with such CCN or a portion the application: etail to |
| Name Thomas Kain Rawls 24. Attach the following ma a. One small scale map of area if the application b. One large scale map sl and, if available, the exexisting from proposed exactness that they can of an existing CCN are 1. A general leaccurately I 2. A map show i. metersurv ii. proj | ps with each collearly showing is for the transformation of the proposition of the located on the proposition of the propositio | py of the application affected service area be cosed facilities. Colcilities and service area the ground. If transfet the following hard collineating the propose seed area within the croposed area by: urvey certified by a least of the second of the collineation of the propose area within the croposed area by: | with enough of a CCN. undaries bor coding size a boundar erring area opy maps of service a county. icensed state of the county. | License in Fe agh detail to accurate ing sold, transfer hould be used to dies should be show not currently in a with each copy of area with enough direct area or registered process should be in a or | se# bruny 2016 ately locate the red, or merged ifferentiate vn with such CCN or a portion the application: etail to |

a copy of recorded plat map with metes and bounds.

3. A written description of the proposed service area. PUCT Sale Merger Transfer (Previous TCEQ Form 10516) Page 17 of 23 9/1/2014

iv.



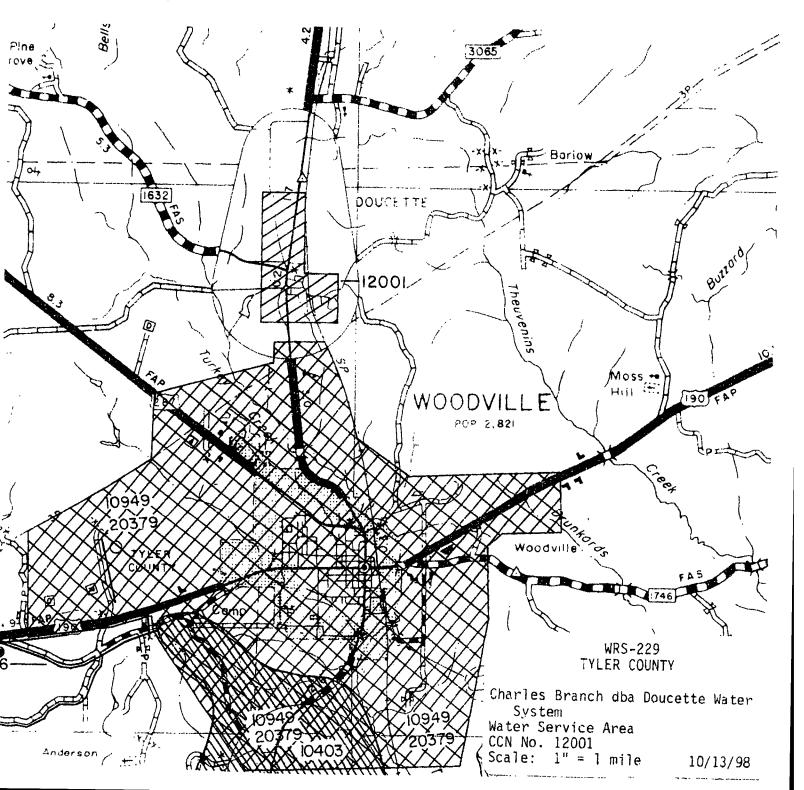
AREA 1

Doucette Water System CCN 12001, Doucette, Texas, Tyler County.

Northern boundary is FM 3065 east and northwest boundary is CR 2775.

West boundary is CR 2775 and CR 2770 and FM 1632. South boundary is Woodville, Texas Hwy 69.

East boundary is CR 3050 and CR 3065.

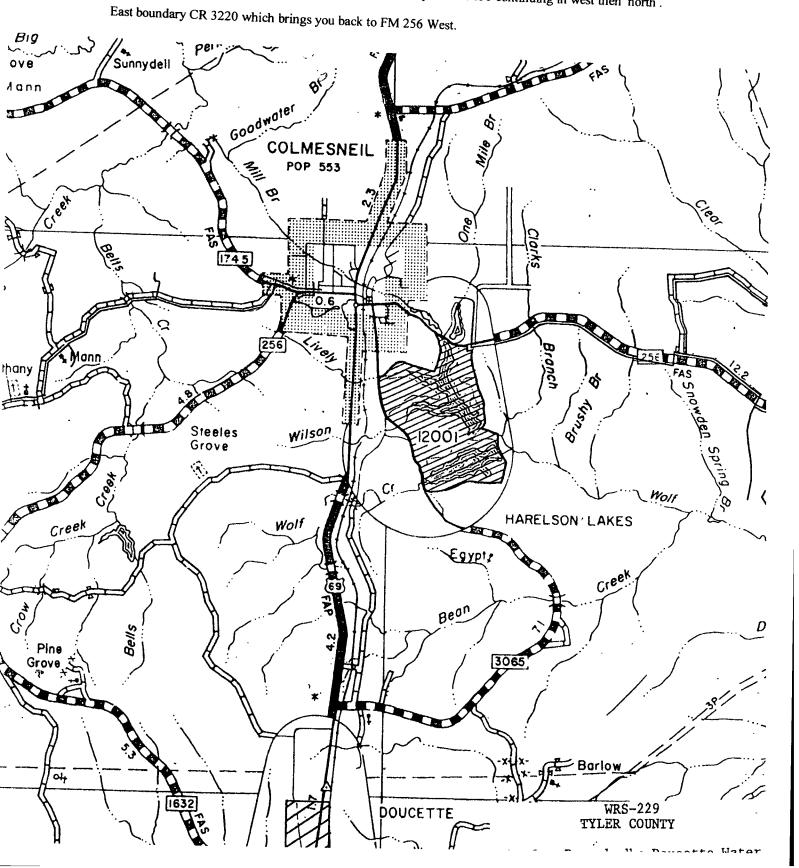


AREA 2

Doucette Water System CCN 12001 Lakeside Water Supply, Colmesneil, Texas, Tyler County.

Northern boundary is FM 256 west and northwest boundary includes CR 3190 continuing to FM 3065.

West boundary is FM 3065 until CR 3150. South boundary is CR 3150 continuing in west then north.



Part G – Oaths and Notices

| OATH FOR SELLER OR FORMER SERVICE PROVIDER | |
|---|--|
| STATE OF TEXAS | |
| COUNTY OF TULEY | |
| 1, Charles D. Branch | , being duly sworn, file this application for |
| sale, lease, rental or merger or consolidation as | A 10 A |
| and, that all such statements made and matters set forth therei | partnership, title as officer of corporation, or other authorized d and authorized to file and verify such application, am personally e complied with all the requirements contained in the application; n with respect to applicant are true and correct. Statements about e that the application is made in good faith and that this application |
| | e a written disclosure statement about any contributed property as Orders of the Texas Commission on Environmental Quality, the e also complied with the notice requirements in Section 13.301(k) of |
| | Chille |
| | AFFIANT |
| | (Utility's Authorized Representative) |
| If the Affiant to this form is any person other than the sole owne verified Power of Attorney must be enclosed. | r, partner, officer of the Applicant, or its attorney, a properly |
| SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public in and day of Jebruary, 20 16. | for the State of Texas, this |
| SEAL | |
| BOBBIE J. BREAUX Notary Public | Bollie J. Breaux NOTARY PUBLIC IN AND FOR THE |
| State of Texas | STATE OF TEXAS |
| My Comm. Expires 02-13-2017 | PRINT OR TYPE NAME OF NOTARY |
| | MY COMMISSION EXPIRES $Q-13-2017$ |
| One copy of this page must be submitted for each utility involved | in this transaction. |
| | System - Charles Branch PWS# 2290004 CCN 12001 |

Part G – Oaths and Notices

| OATH FOR SELLER OR FORMER SERVICE PROVIDER | |
|---|---|
| STATE OF TOXAS | |
| county of Tyler | |
| 1, Charles D. Branch | , being duly sworn, file this application for |
| sale, lease, rental or merger or consolidation as (indicate relationship to applicant) that is, owner, member of pa | rtnership, title as officer of sorporation and the state of the state |
| familiar with the documents filed with this application, and have and, that all such statements made and matters set forth therein | and authorized to file and verify such application, and application |
| I further state that I have provided to the purchaser or transferee | a written disclosure statement about any contributed property as |
| 23 and or decelor 13:301(I) and copies of any outstanding () | rders of the Texas Commission on Environmental Quality, the also complied with the notice requirements in Section 13.301(k) of |
| the rexas water code. | Mille A |
| | AFFIANT |
| | (Utility's Authorized Representative) |
| If the Affiant to this form is any person other than the sole owner, verified Power of Attorney must be enclosed. SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public in and the day of Section 1 and the sole owner. | |
| SEAL | |
| BOBBIE J. BREAUX | Boblie J. Buaux |
| Notary Public State of Texas | NOTARY PUBLIC IN AND FOR THE STATE OF TEXAS |
| My Comm. Expires 02-13-2017 | Bobbia J Breaux |
| | PRINT OR TYPE NAME OF NOTARY |
| | MY COMMISSION EXPIRES $\frac{2-13-2017}{}$ |
| One copy of this page must be submitted for each utility involved i | n this transaction. |
| Lakeside Water Supply | 1,2,3,4,5 - Charles Branch |
| P.D. Box 691 | 1,2,3,4,5 - Charles Branch PWS# 2290021 |
| Poucette, Tx 75942 | PWSH 229 0039 |
| , | PWS# 229 0040 PWS# 229 0041 |
| PUCT Sale Merger Transfer (Previous TCEQ Form 10516) Page 18 of 23 9/1/2014 | PWS# 229 0042 |
| | |
| | CCN 12001 |

OATH FOR PURCHASER OR ACQUIRING ENTITY

| | | | CHASEN ON ACQUIRING | ENTITY | |
|---|--|--|--|--|--|
| STATE OF | Texas | | | | |
| COUNTY OF | Tuler | | | | |
| 1. Thomas | Kain Raule | | | | |
| • | 11000 | | , being dul | y sworn, file this applica | ition for |
| sale, lease, renta (indicate relation | al or merger or cons | olidation as hat is, owner, member o such capacity, I am quali | owner | | |
| the application; are correct. Statemer good faith and that | r with the documen nd, that all such stat nts about other part at this application do | ts filed with this applicate ements made and matte ies are made on informate bes not duplicate any fili | tion, and have complied ers set forth therein wit ation and belief. I furth ng presently before the | with all the requireme the respect to applicant a er state that the applica commission. | ication, am nts contained in ire true and tion is made in |
| I am also authorize Environmental Qu or facilities being a do not comply. | ed and do agree to I ality, the Public Util acquired and recogn | pe bound by and comply ity Commission of Texas lize that I will be subject | with any outstanding of the Attorney General to administrative penal | orders of the Texas Com al which have been issue Ities or other enforceme | mission on ed to the system ent actions if |
| | | | | 1 0 | |
| | | | | | |
| | | | Thomas | Kans | |
| | | | (| AFFIANT (Utility's Authorized Rep | |
| If the Affiant to this | s form is any person | Other than the sele | ` | o micy 3 Authorized Rep | resentative) |
| Power of Attorney | must be enclosed. | other than the sole owr | ier, partner, officer of t | he Applicant, or its atto | rney, a properly verified |
| Applicant represent | ts that all other part | ies to this transaction ha | ave been furnished as | | |
| SUBSCRIBED AND ST | WORN TO REFORE A | AE - No. | ave been furnished copi | les of this completed ap | plication. |
| day 8 c | of Jebruary, | ME, a Notary Public in an | nd for the State of Texas | s, this | |
| SEAL | \circ | | | | |
| . 6000000000000000000000000000000000000 | _ | | _Bolhi | O Black | lu c |
| | accanomica BOBBIE J. BREAU | | 1 | NOTARY PUBLIC IN AND | FOR THE |
| | Notary Public State of Texas | | | STATE OF TEXA | S |
| Lection (come | Comm Expires 02-13- | 2017 B Lead | Bubbie | J Brea | 2UX |
| | | | Ρ | RINT OR TYPE NAME OF | NOTARY |
| One copy of this page | e must be submitted | d for each utility involved | MY COMM | MISSION EXPIRES | 2-13-2017 |
| | | | | | |
| | | Doucette Wat P.O. Box 694 Doucette, Tx | er System - | Charles Bran | ch |
| | | P.O. BOX 697 | - | PWS# 229000 | 04 |
| | | Doucette, Tx | 75942 | CCN 12001 | |

OATH FOR PURCHASER OR ACQUIRING ENTITY

| STATE OF Texas | A OR ACQUIRING ENTITY |
|--|--|
| COUNTY OF TULER | |
| 1. Thomas Kain Rawls | _ |
| | , being duly sworn, file this application for |
| (Indicate relationship to applicant) that is owner member of more | nership, title as officer of corporation, or other authorized |
| personally familiar with the documents filed with this application | nu authorized to file and verify such application, am |
| correct. Statements about other parties are made on information a | and the rein with respect to applicant are true and |
| and all produce drift minig pre | serilly before the Commission. |
| I am also authorized and do agree to be bound by and comply with a Environmental Quality, the Public Utility Commission of Texas or the or facilities being acquired and recognize that I will be subject to add | any outstanding orders of the Texas Commission on |
| or facilities being acquired and recognize that I will be subject to add do not comply. | ninistrative penalties or other enforcement actions if I |
| | |
| | 1/1/2 |
| | AFFIANT AFFIANT |
| If the Afficient to ALICE Control | (Utility's Authorized Representative) |
| If the Affiant to this form is any person other than the sole owner, pa Power of Attorney must be enclosed. | artner, officer of the Applicant, or its attorney, a properly verified |
| Applicant represents that all other parties to this transaction have be | pen furnished coning of the |
| SUBSCRIBED AND SWORN TO BEFORE ME a Notary Public in and face | the State of T |
| day & of Jebruary, 20 16. | the State of Texas, this |
| SEAL | |
| Laciana and Lacian | Lalli A Brance |
| BOBBIE J. BREAUX Notary Public | NOTARY PUBLIC IN AND FOR THE |
| State of Texas My Comm. Expires 02-13-2017 | STATE OF TEXAS |
| | Bobbie J Breaux |
| | PRINT OR TYPE NAME OF NOTARY |
| | MY COMMISSION EXPIRES Q-13-2017 |
| One copy of this page must be submitted for each utility involved in the | is transaction. |
| | 1 1 234 5 Chach Branch |
| La Keside Water Suff | ply 1, 2, 3, 4, 5 - Charles Branch PW54 2290021 |
| P. O. Box 699 | PW5# 2290039 |
| Doucette, Tx 75942 | PWS# 2290040 PWS# 2290041 |
| | PWS# 2290042 |

Page 19 of 23

MM 12001

| Docket | No. | | | |
|--------|-----|--|--|--|
| | | | | |

| Notice to Current Customers, No | eighboring Systems and Cities |
|--|--|
| Doucette Water System Charles Branch's (Seller's or Transferor's Name) | |
| NOTICE OF INTENT TO SELL FACILITIES AND TRANSFER CERTIFICATE OF NECESSITY (CCN) NO | TO Thomas Kain Kawls and Vanasa Kawls |
| in <u>Tyler</u> | (Purchaser's or Transferee's Name) COUNTY, TEXAS |
| To: Date (Name of Customer, Neighboring System or City) | e Notice Mailed, 20 /6 |
| (Address) | |
| City State Zip Charles and Kay Branch, POBOX 529, Sellers or Transferors Name Address, | Colmesneil, Texas 75938 City/State/Zip Code |
| has submitted an application with the Public Utility Commission of Tex | |
| County to: | • |
| Momas Kain Rawls and Danasa Rawls, 1430 C. Purchasers or Transferee's Name Address | R2800, Colmesneil, Texas 75938 City/State/Zip Code |
| The sale is scheduled to take place as approved by the Commission (V. the CCN include the following subdivision(s): | F.C.A., Water Code §13.301). The transaction and the transfer of |
| community of Doucette | 2, Texas |
| The area subject to this transaction is located approximately downtown Woodville on Hwy 69 ,[City or Town] Texas ;on the east by FM;on the south by Woodville, Texas ;and on the we | H miles NORTH [direction] of as, and is generally bounded on the north by 1632 st by FM 3065 |
| The total area being requested includes approximately $\frac{400}{100}$. This transaction will have the following effect on the current customer's ND of $fect$ | 2) acres and serves 133 current customers. |
| Affected persons may file written protests and/or request a public hear To request a hearing, you must: (1) state your name, mailing address and daytime telephone n (2) state the applicant's name, application number or another (3) include the statement "I/we request a public hearing"; | ring within 30 days of this notice. |

(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.

(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

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

Charles Branch

Utility Representative

Doucette Water System

Itility Name

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

Page 21 of 23

| FORM A | Docket No |
|---|---|
| Notice to Current Custom Charles Branch Lakeside Water Supp (Seller's or Transferor's Name) | ners, Neighboring Systems and Cities |
| NOTICE OF INTENT TO SELL FACILITIES AND TRANSFER CERTIF NECESSITY (CCN) NO 12001 . | icate of convenience and To Thomas Kain Rawls and Danasa Rawls |
| IN Lillar | (Purchaser's or Transferee's Name) COUNTY, TEXAS |
| To: (Name of Customer, Neighboring System or City) | Date Notice Mailed, 20 // |
| (Address) | - |
| City State Zip Charles and Kay Branch, P.O. Box 529 (Sellers or Transferors Name Address | 1 mesneil Texas 75938 |
| has submitted an application with the Public Utility Commission water or sewer (please select) CCN No. | of Texas to sell facilities and transfer D Tyler [County Name] |
| Thomas Kain Rawls and Danasa Rawls, Purchasers or Transferee's Name Ad | 1430CR 2800, Colmesneil, Texas 75938 Idress City/State/Zip Code |
| he sale is scheduled to take place as approved by the Commission he CCN include the following subdivision(s): | on (V.T.C.A., Water Code §13.301). The transaction and the transfer of |
| Community of Lake Amanda and | Frog Pond, Colmesneil Texas |
| he area subject to this transaction is located approximately owntown Colmesneil ,[City or Town FM 256 East ;on the east by | miles $East$ [direction] of \mathbb{R} [\mathbb{R} |
| he total area being requested includes approximately his transaction will have the following effect on the current custon $\mu \delta = effecf$ | 600 acres and serves 172 current customers. |
| ffected persons may file written protests and/or request a public request a hearing, you must: | hearing within 30 days of this notice. |

To

- (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.

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

Marles Branch

Utility Representative

Lakeside Water Supply 1, 2, 3, 4, +5

Utility Name

| FORM A | Docket No |
|---|--|
| Notice to Current Customer | s, Neighboring Systems and Cities |
| Doucette Water System Charles Branc. (Seller's or Transferor's Name) | h 's |
| NOTICE OF INTENT TO SELL FACILITIES AND TRANSFER CERTIFICANECESSITY (CCN) NO | TO Thomas Kain Rawls and Danasa Rawls |
| IN /U/e.r | (Purchaser's or Transferee's Name) |
| To: City of Woodville (Name of Customer, Neighboring System or City) | Date Notice Mailed, 20 /6 |
| - 400 W. Bluff Street | |
| Woodville, Tx 75979 City State Zip | |
| Charles and Kay Branch POBOX 529 Sellers or Transferors Name Address | Colmesneil Texas 75938 City/State/Zip Code |
| has submitted an application with the Public Utility Commission of | Texas to sell facilities and transfer O/ in Tyler [County Name] |
| County to: | • |
| Thomas Kain Rawls and Danasa Rawls, 1430 Purchasers or Transferee's Name Addr | CR2800, Colmesneil, Texas 75938 ess City/State/Zip Code |
| ,, | (V.T.C.A., Water Code §13.301). The transaction and the transfer of |
| - Community of Doucet | te, Texas |
| The area subject to this transaction is located approximately downtown <u>Nodville on Hwy 69</u> , [City or Town] Colmes neil: Texas ;on the east by E ;on the south by <u>Woodville</u> Texas ;and on the | miles NORTH [direction] of exas, and is generally bounded on the north by most by FM 2015 |
| The total area being requested includes approximately This transaction will have the following effect on the current custom ND effect | (1) paragonal 122 |
| Affected persons may file written protests and/or request a public has To request a hearing, you must: (1) state your name, mailing address and daytime telephon (2) state the applicant's name, application number or anoth (3) include the statement "I/we request a public hearing"; (4) write a brief description of how you, the persons you re adversely affected by the proposed transaction and transaction and transaction. | e number; ner recognizable reference to this application; present, or the public interest would be |

(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.

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

Page 21 of 23

| TOMMA | Docket No. |
|--|--|
| Notice to Current Customers, Neig | hboring Systems and Cities |
| Doucette Water System Charles Branch 's (Seller's or Transferor's Name) | |
| NOTICE OF INTENT TO SELL FACILITIES AND TRANSFER CERTIFICATE OF NECESSITY (CCN) NO | convenience and o Thomas Kain Rawls and Danasa Rawls |
| in Tuler | (Purchaser's or Transferee's Name) OUNTY, TEXAS |
| To: City of / Almanail | Notice Mailed , 20 /6 |
| P.O. BOX 144 (Address) | |
| City State Texas 15938 | |
| Charles and Kay Branch, POBOX 529, (Sellers or Transferors Name, Address) | Olmesneil, Texas 75938 City/State/Zip Code |
| has submitted an application with the Public Utility Commission of Toxas | to sell facilities and transfer in Tyler [County Name] |
| County to: | · |
| Thomas Kain Rawls and Danasa Rawls, 1430 CR. Purchasers or Transferee's Name Address | 2800, Colmesneil, Texas 75938 City/State/Zip Code |
| The sale is scheduled to take place as approved by the Commission (V.T.C the CCN include the following subdivision(s): | |
| - Community of Doucette, | Texas |
| The area subject to this transaction is located approximately downtown Woodville on Hwy 69 ,[City or Town] Texas, Colmes neil; Texas ;on the east by FM16 on the south by Woodville, Texas ;and on the west to the south by Woodville, Texas ;and on the west to the south by Woodville, Texas ;and on the west to the south by Woodville, Texas ;and on the west to the south by Woodville, Texas ;and on the west to the south by Woodville, Texas ;and on the west to the south by Woodville, Texas ;and on the west to the south by Woodville, Texas ;and on the west to the south by Woodville, Texas ;and on the west to the south by Woodville, Texas ;and on the west to the south by Woodville, Texas ;and on the west to the south by Woodville, Texas ;and on the west to the south by Woodville, Texas ;and on the west to the south by Woodville ;and on the west to the south by Woodville ;and on the west to the south by Woodville ;and on the west to the south by Woodville ;and on the west to the south by Woodville ;and on the west to the south by Woodville ;and on the west to the south by Woodville ;and on the west to the south by Woodville ;and on the west to the south by Woodville ;and on the west to the south by Woodville ;and on the west to the south by Woodville ;and the south by Woodville ;a | 4 miles NORTH [direction] of and is generally bounded on the north by 32 |
| The total area being requested includes approximately 400 This transaction will have the following effect on the current customer's rank ρ | acres and serves 133 current customers. |
| Affected persons may file written protests and/or request a public hearing or request a hearing, you must: (1) state your name, mailing address and daytime telephone num (2) state the applicant's name, application number or another rec (3) include the statement "I/we request a public hearing"; (4) write a brief description of how you, the persons you represent adversely affected by the proposed transaction and transfer of (5) state your proposed adjustment to the application or CCN which cause you to withdraw your request for a hearing. | within 30 days of this notice. ber; ognizable reference to this application; t, or the public interest would be |

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 this notice.

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

Charles Branch

Utility Representative

Doucette Water System

Utility Name

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

| FORM A | |
|--|--|
| | Docket No. |
| Notice to Current Custon Doucette Water System Charles Bras (Seller's or Transferor's Name) | ners, Neighboring Systems and Cities 化ん 's |
| NOTICE OF INTENT TO SELL FACILITIES AND TRANSFER CERTIF NECESSITY (CCN) NO | 10 /homas Kain Kumlenn I) and child |
| | |
| (Name of Customer, Neighboring System or City) | Date Notice Mailed 20 /6 |
| 12139 FM92 North | |
| 12139 FM92 North Spurger, Texas 77660 State Zip | - |
| Charles and Kay Branch, POBOX 52 Sellers or Transferors Name Address | 9, Colmesneil, Texas 75938 |
| mas submitted an application with the Public Utility Commission | of Texas to sell facilities and transfer OO / in Tyler [County Name] |
| County to: | [county Name] |
| Thomas Kain Rawls and Danasa Rawls, 143 Purchasers or Transferee's Name Ad | dress City/State/Zip Code Texas 75938 |
| The sale is scheduled to take place as approved by the Commissic the CCN include the following subdivision(s): | on (V.T.C.A., Water Code §13.301). The transaction and the transfer of |
| - Community of Douce | tte, Texas |
| The area subject to this transaction is located approximately downtown <u>Noviville on Hwyleq</u> , [City or Town on the south by <u>Woodville</u> , Texas ;on the east by ;and on the total area being requested. | H miles NORTH [direction] of Texas, and is generally bounded on the north by FM 3015 |
| The total area being requested includes approximately This transaction will have the following effect on the current custo ND effect | '/ ^ ^ |
| Affected persons may file written protests and/or request a public To request a hearing, you must: (1) state your name, mailing address and daytime telepho (2) state the applicant's name, application number or ano (3) include the statement "I/we request a public has a recovery to the statement of the statement | |

- (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.

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:

Charles Branch

Utility Representative

Doucette Water System

Utility Name

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

| ГОКМ Д | Docket No. |
|---|--|
| Al , b | Notice to Current Customers, Neighboring Systems and Cities |
| (Seller's or Transferor's Name) | Reside Water Supply 's |
| NOTICE OF INTENT TO SELL FACILITI | es and transfer certificate of convenience and 12001 Thomas Kain Rawls and Danasa Rawls |
| in <u>Tyler</u> | (Purchaser's or Transferee's Name) |
| To: (Name of Customer, Neighbori | COUNTY, TEXAS Date Notice Mailed , 20 16 |
| 400 W. Bluff S | Freet |
| Woodville Tx 75 | <u> 7979</u> |
| Charles and Kay Brand Sellers or Transferors Name | h, P.O. Box 529 Colmesner Tex45 75938 Address City/State/Zip Code |
| has submitted an application with the | Public Utility Commission at T |
| water or sewer (please select) CCN No | in Tyler [County Name] |
| County to: | 5 |
| Thomas Kain Rawlsan | d Danasa Rawls 1430CR2800, Colmesneil, Texas 75938 Address City/State/Zip Code |
| - Transities 5 Name | Address City/State/Zip Code |
| The sale is scheduled to take place as a the CCN include the following subdivisi | pproved by the Commission (V.T.C.A., Water Code §13.301). The transaction and the transfer of |
| <u>Community of Lak</u> | Le Amanda and Frog Pond, Colmesneil Texas |
| The area subject to this transaction is look downtown $\frac{Colmesneil}{FM 256 East}$ on the south by $\frac{CR3150}{CR3150}$ | pocated approximately — |
| The total area being requested includes this transaction will have the following | effect on the current customer's rates and serves 172 current customers. |
| offected persons may file written protes o request a hearing, you must: (1) state your name, mailing ad (2) state the applicant's name, (3) include the statement "I/we (4) write a brief description of h | sts and/or request a public hearing within 30 days of this notice. Idress and daytime telephone number; application number or another recognizable reference to this application; e request a public hearing"; now you, the persons you represent, or the public interest would be apposed 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.

Page 20 of 23

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 this notice.

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

Marles Branch

Utility Representative

Lakeside Water Supply 1, 2, 3, 4, +5

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

| FORM A | Docket No. |
|--|--|
| Notice | to Current Customers, Neighboring Systems and Cities |
| Charles Branch Lakeside (Seller's or Transferor's Name) | : Water Supply 's |
| NOTICE OF INTENT TO SELL FACILITIES AND NECESSITY (CCN) NO 1200 | TIDITES RAIN VIW. SUNCE DUNASA NILLIA |
| in Tyler, | (Purchaser's or Transferee's Name) COUNTY, TEXAS |
| To: (Name of Cystomer, Neighboring Syste | Pata Nation Mailed |
| P.10 Box 144 | |
| (Address) | |
| Colmesner TX 750 | <i>138</i> |
| | |
| Charles and Kay Branch P. | O. Box 529 Colmesner Texas 75938 Address City/State/Zip Code |
| Sellers or Transferors Name | Address City/State/Zip Code |
| The state of the s | Utility Commission of Texas to sell facilities and transfer |
| County to: | |
| 1 Nomas Kain Kaw Is and Va Purchasers or Transferee's Name | na sa Rawls, 1430CR 2800, Culmesneil, Texas 75938 Address City/State/Zip Code |
| The sale is scheduled to take place as approve the CCN include the following subdivision(s): | d by the Commission (V.T.C.A., Water Code §13.301). The transaction and the transfer of |
| Community of Lake A | manda and Frog Pond, Colmesne, 1 Texas |
| The area subject to this transaction is located downtown $\frac{Cplmesneil}{FM 256 East}$; con the south by $\frac{CR3150}{CR3150}$ | approximately 4 miles <u>Eas+</u> [direction] of,[City or Town] Texas, and is <u>generally</u> bounded on the north by on the east by <u>CR 3220</u> ;and on the west by <u>FM 3045</u> |
| The total area being requested includes approximate the following effect of the control of the c | ximately (app) acros and source 17.7 |

Aff 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.

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:

Marles Branch

Utility Representative

Lakeside Water Supply 1, 2, 3, 4, +5

Utility Name

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

| FORM A | Doollot No. |
|---|--|
| Notic | Docket No. |
| Charles Branch Lakesid (Seller's or Transferor's Name) | e to Current Customers, Neighboring Systems and Cities e Water Supply 's |
| NOTICE OF INTENT TO SELL FACILITIES AND NECESSITY (CCN) NO 120 | of transfer certificate of convenience and to Thomas Kain Rawls and Danasa Rawls |
| in Tyler | (Purchaser's or Transferee's Name) COUNTY, TEXAS |
| To: Tyler County Water (Name of Customer, Neighboring System) | |
| 12139 FM 92 No | rth |
| Spurger TX 7760 City State Zip | 60 |
| Charles and Kay Branch ? | 2.0. Box 529 Colmesne 1 Texas 75938 |
| Sellers or Transferors Name | Address City/State/Zip Code |
| has submitted an application with the Public water or sewer (please select) CCN No. | Utility Commission of Texas to sell facilities and transfer 12001 in Tyler [County Name] |
| County to: | • |
| humas Kain Raw 15 and Da Purchasers or Transferee's Name | Address City/State/Zip Code |
| he CCN include the following subdivision(s): | ed by the Commission (V.T.C.A., Water Code §13.301). The transaction and the transfer of |
| Community of Lake A | manda and Frog Pond, Colmesne, 1 Texas |
| ne area subject to this transaction is located owntown | approximately $\frac{4}{}$ miles $\frac{East}{}$ [direction] of ,[City or Town] Texas, and is generally bounded on the north by ;on the east by $\frac{1}{}$ |
| ne total area being requested includes appro nis transaction will have the following effect No CFFect | |
| ffected persons may file written protests and | d/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.

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

Jblic 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

Marles Branch

Utility Representative

Lakeside Water Supply 1, 2, 3, 4, +5

Utility Name

SALE AGREEMENT FOR LAKESIDE WATER SUPPLY AND DOUCETTE WATER SYSTEM

This Agreement dated February 2, 2016 between Charles D. Branch and Kendra K. Branch, husband and wife ("Seller") and Thomas Kain Rawls and Danasa Wilkinson Rawls, husband and wife ("Buyer").

RECITALS

The parties wish to convey assets of Seller to Buyer under this Agreement ("Agreement") on the date and at the time provided for herein (the "Closing Date"); and

The parties desire to set forth certain representations, warranties and covenants made by each to the other as an inducement to the consummation of the sale and certain additional Agreements related to the sale.

Now, therefore, in consideration of these premises and of the mutual representations, warranties and covenants contained in this Agreement, the parties agree as follows:

1. SALE

1.1 CLOSING DATE AND LOCATION

Subject to the terms and conditions of this Agreement, on the earlier of: (i) seven (7) days following Buyer's receipt from the relevant authorities with the State of Texas of approval to complete the purchase, or (ii) June 1, 2016, the following closing shall occur at Tyler County Title, LLC, 318 West Dogwood, Woodville, Texas at 10:00 a.m.

1.2 DESCRIPTION AND PRICE OF ASSETS; ASSUMPTION OF LIABILITIES

The Seller shall sell the following assets of Lakeside Water Supply and Doucette Water System (the "Assets") for a total price to be paid to Seller of \$625,000.00 (the "Purchase Price"). Such total purchase price of \$625,000.00 shall be allocated among such assets as follows:

| Plant and Lines | \$ 485,000.00 |
|-----------------------------|------------------|
| (as set forth on Exhibit A) | |
| Land | \$ 5,000.00 |
| (as set forth on Exhibit A) | |
| Fixtures and Equipment | \$ 87,254.00 |
| (as set forth on Exhibit A) | |
| Goodwill | \$ 47,746.00 |
| (as set forth in Exhibit A) | |

Each of the parties agrees to report the sale and purchase of the above-listed assets for federal income tax purposes in accordance with the allocation set forth above.

1.3 SELLER'S CLOSING DOCUMENTS

At the closing the Seller shall tender the following fully executed documents to the Buyer:

- (a) A bill of sale for all fixtures, equipment, inventory and accounts receivable in the form mutually agreeable by the Seller and the Buyer.
- (b) A deed for the real estate in the form mutually agreeable by the Seller and the Buyer.
- (c) An assignment of Seller's business name and the appropriate discontinuance of use of such name.

1.4 PURCHASE PRICE

At the closing, the Buyer shall deliver the Purchase Price in immediately available lawful money of the United States of America.

1.5 CLOSING COSTS

The Seller shall pay for one-half of any escrow fee charged by a title company to close this transaction, the cost to prepare and record the deed of conveyance and bill of sale, tax certificates, and Seller's attorney's fees. All other costs shall be paid for by the Buyer.

2. SELLER'S REPRESENTATIONS AND WARRANTIES

Seller represents and warrants to Buyer as of the date of this Agreement as follows:

- (a) To the best knowledge and belief, Seller has good and marketable title to all property, assets and leasehold estates to be transferred under this Agreement. Such assets are not subject to any mortgage, pledge, lien, conditional sales agreement, encumbrance or charge, except for: liens securing Citizens State Bank to which no default exists; liens for current taxes and assessments not in default; and liens arising by operation of law. The lien to Citizens State Bank will be released at the Closing.
- (b) Seller is not in default under any law or regulation, or under any order of any court or federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality wherever located, and to the best of Seller's knowledge, there are no claims, actions, suits or proceedings threatened, instituted or filed against or affecting Seller at law or in equity, or before or by any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality wherever located.
- (c) Seller has filed all requisite federal, state and other tax returns due for all fiscal periods of years 2014 and prior. There are no claims against Seller for federal, state or other taxes which may be due and owing through the date of this Agreement.

- (d) Seller makes no representations or warranty that Seller's existing customers shall continue as customers of Buyer. However, Seller will not, directly or indirectly, ask, induce, or influence any of Seller's existing customers to leave Buyer.
- (e) The warranties in this Agreement exclude and are in lieu of all other warranties, whether express or implied.

3. COVENANTS OF SELLER

Between the date of this Agreement and the Closing Date, Seller warrants that it will:

- (a) Carry on Seller's business in substantially the same manner as it has heretofore and not introduce any materially new method of management, operation or accounting;
- (b) Maintain Seller's properties and facilities in as good working order and condition as at present, ordinary wear and tear excepted;
- (c) Perform all material obligations under Agreements relating to or affecting its assets, properties and rights;
- (d) Keep in full force and effect present insurance policies or other comparable insurance coverage;
- (e) Pay all taxes for the fiscal period ending 2015; and
- (f) Use Seller's best efforts to maintain and preserve its business organization intact, retain its present employees and maintain its relationships with suppliers, customers and others having business relations with it.

The Seller represents that it will not, without Buyer's prior written consent:

- (a) Enter into any contract or commitment to, incur or agree to incur any liability or, make any capital expenditures except in the normal course of business;
- (b) Increase the compensation payable or to become payable to any employee or agent, or make any bonus payment to any such person;
- (c) Create, assume or permit to exist any mortgage, pledge or other lien or encumbrance upon any assets or properties, whether now owned or hereafter acquired, other than the current lien held by Citizens State Bank that will be released at the Closing; or
- (d) Sell, assign, lease or otherwise transfer or dispose of any property or equipment except in the normal course of business.

4. CONDITIONS TO OBLIGATIONS OF PARTIES

4.1 CONDITIONS TO PERFORMANCE OF SELLER'S OBLIGATIONS

The obligations of Seller hereunder are at Seller's option, subject to Seller's satisfaction, on or prior to the Closing Date of the following conditions:

(a) The Seller shall receive the full Purchase Price in immediately available funds.

4.2 CONDITIONS TO PERFORMANCE OF BUYER'S OBLIGATIONS

The obligations of Buyer hereunder are at Buyer's option, subject to the Buyer's satisfaction, on or prior to Closing Date of the following conditions:

- (a) The representations and warranties made by Seller in this agreement shall be substantially correct on the Closing Date, except as affected by transactions contemplated in this agreement and changes occurring in the ordinary course of business, with the same force and effect as though the representations and warranties had been made on the Closing Date.
- (b) The instruments executed and delivered to the Buyer by the Seller pursuant to this agreement are valid in accordance with their terms and effectively vest in Buyer good and marketable title to the assets and business as contemplated by this agreement, free and clear of any liabilities, obligations, and encumbrances, except those liabilities and obligations which are expressly assumed by Buyer.
- (c) Buyer shall have received from the authorities of the State of Texas governing a transaction of this type approval to purchase and/or own the Assets.
- (d) Seller shall have performed and complied in all material respects with all agreements, covenants and conditions required by this agreement to be performed or complied with by Seller on or prior to the Closing Date.

5. BUYER'S REPRESENTATIONS AND WARRANTIES

Buyer shall diligently and expeditiously seek approval from the authorities of the State of Texas governing a transaction of this type to purchase and/or own the Assets contemplated by this Agreement. Buyer shall keep Seller apprised of the Buyer's progress in working toward receiving such approval to purchase and/or own the Assets.

6. GENERAL

6.1 ADDITIONAL INSTRUMENTS

The parties shall deliver such additional instruments as any party may reasonably request for the purpose of carrying out this Agreement. Seller will cooperate (and use its best efforts to have