

ATTACHMENT J

ABILITY TO PROVIDE SERVICE

Crystal Springs Water Co., Inc. has been in the utility business since 1977, successfully providing high quality water and wastewater service to over 3200 current customers in 23 different neighborhoods in Montgomery and Walker Counties. Crystal Springs Water Co., Inc. proposes to build and grow the proposed Ponderosa Pines subdivision system in the same way that it has built and grown its other water systems. Crystal Springs Water Co., has a good operations, maintenance and performance record with TCEQ and plans to operate this new system in the same manner.

ATTACHMENT "K"

**PRO FORMA
CONSTRUCTION COST ESTIMATES
PROFIT/LOSS STATEMENT
BALANCE SHEET
BANK LETTER**

CRYSTAL SPRINGS WATER CO., INC.

**FINANCIAL ASSUMPTIONS AND DATA
FOR TCEQ WATER & SEWER CCN AMENDMENT APPLICATION
FOR PONDEROSA PINES SUBDIVISION
BY CRYSTAL SPRINGS WATER CO., INC.**

INCOME AND EXPENSE

Development Rate, New Connections/Month =	5.0				
Maximum Number of Connections =	350				
AVERAGE ANNUAL WATER USE/EQUIV CONN =	200 GAL/DAY				
AVERAGE ANNUAL WATER USE/EQUIV CONN =	6,000 GAL/MONTH				
BASE WATER RATE =	\$39.90 Gal Included	-	Plus	\$3.33 /1000 GAL	
WATER CONSERVATION RATE =	\$0.00 Gal In Excess of				Gal/Month
SEWER RATE =	\$30.00 Gal Included	-		\$2.50	
EXCESS SEWER USE RATE =	\$0.00 /Gal in Excess of				Gal/Month
AVERAGE MONTHLY WATER/SEWER BILL/CONN =	\$104.88				
Water Tap Fee =	\$900.00				
Sewer Tap Fee =	\$600.00				
BAD DEBTS =	1.00% OF SALES				
CAPITAL INVESTMENT SCHEDULE (CUMMULATIVE)	FY1	FY2	FY3	FY4	FY5
WATER PLANT CONSTRUCTION COST =	\$399,850	\$399,850	\$399,850	\$549,850	\$549,850
WWTP CONSTRUCTION COST =	\$599,500	\$599,500	\$599,500	\$599,500	\$599,500
WATER DISTRIBUTION SYSTEM CONSTRUCTION COST =	\$100,000	\$150,000	\$200,000	\$250,000	\$300,000
SEWAGE COLLECTION SYSTEM CONSTRUCTION COST =	\$200,000	\$300,000	\$400,000	\$500,000	\$600,000
TOTAL SYSTEM CONSTRUCTION COST =	\$1,299,350	\$1,449,350	\$1,599,350	\$1,899,350	\$2,049,350
CONTRIBUTIONS IN AID OF CONSTRUCTION =	\$0	\$0	\$0	\$0	\$0
NET SYSTEM CAPITAL COST TO UTILITY =	\$1,299,350	\$1,449,350	\$1,599,350	\$1,899,350	\$2,049,350
SALVAGE VALUE =	\$0	\$0	\$0	\$0	\$0
AVG LIFE, YEARS =	48	48	48	48	48
DEPRECIATION/MONTH =	\$2,256	\$2,516	\$2,777	\$3,297	\$3,558

VARIABLE OPERATING COSTS

EMPLOYEE SALARIES =	\$1,000 /Mo Plus	\$0 00 /CONNECTION
OFFICE EXPENSE COST =	\$100 /Mo Plus	\$1 00 /CONNECTION
CUSTOMER BILLING/COLLECTION COST =	\$100 /Mo Plus	\$3 00 /CONNECTION
OPERATOR COST =	\$1,250 /Mo Plus	\$1 00 /CONNECTION
VEHICLE & EQUIPMENT COST =	\$250 /Mo Plus	\$1 00 /CONNECTION
ELEC COST =	\$1,000 /Mo Plus	\$2 00 /CONNECTION
CHEMICAL COST =	\$50 /Mo Plus	\$1 00 /CONNECTION
SLUDGE DISPOSAL COST =	\$100 /Mo Plus	\$2 50 /CONNECTION
TCEQ PERMIT FEES =	\$50 /Mo Plus	\$1 00 /CONNECTION
REPAIR COST/MO, % CAP =	0 10% Of Invested Capital	
RESERVE ACCT DEPOSIT/MO, % CAP =	0 10% Of Invested Capital	

FIXED OPERATING COSTS

LABORATORY COST =	\$400 /Mo Plus	\$0 50 /CONNECTION
PROFESSIONAL FEES =	\$250 /Mo Plus	\$0 50 /CONNECTION
EFFECTIVE LOCAL TAX RATE =	\$0 75 /\$100	
LIAB/PROP INSURANCE =	\$0 75 /\$100	

Fiscal Year	Seasonal Use Multiplier	Projected Use Gal/Day	Projected Monthly Cost for Water/Sewer	Projected Monthly Bill (*)
1 JAN	0 65	130	\$ 93.39	\$94.33
2 FEB	0 65	130	\$ 91.12	\$92.03
3 MAR	0 75	150	\$ 97.01	\$97.98
4 APR	1 00	200	\$ 104.88	\$105.93
5 MAY	1 20	240	\$ 113.28	\$114.41
6 JUN	1 35	270	\$ 117.12	\$118.29
7 JUL	1 35	270	\$ 118.70	\$119.88
8 AUG	1 35	270	\$ 118.70	\$119.88
9 SEP	1 20	240	\$ 111.88	\$112.99
10 OCT	1 10	220	\$ 109.66	\$110.76
11 NOV	0 75	150	\$ 96.14	\$97.10
12 DEC	0 65	130	\$ 93.39	\$94.33
SUMMATION	12 00	200 00	\$1,265.26	\$1,277.92

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

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**PROJECTED INCOME & EXPENSE STATEMENT
FOR TCEQ WATER & SEWER CCN AMENDMENT APPLICATION
FOR PONDEROSA PINES SUBDIVISION
BY CRYSTAL SPRINGS WATER CO., INC.**

FISCAL YEAR 1

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
TOTAL ON-LINE CONNECTIONS.	5.0	10.0	15.0	20.0	25.0	30.0	35.0	40.0	45.0	50.0	55.0	60.0	390
Seasonal Multiplier, mo. avg/ annual avg	0.65	0.65	0.75	1.00	1.20	1.35	1.35	1.35	1.20	1.10	0.75	0.65	12.00
Monthly Water Use/Customer, Gal	4,030	3,640	4,650	6,000	7,440	8,100	8,370	8,370	7,200	6,820	4,500	4,030	
Monthly Water Use in Base Rate, Gal													
Monthly Water Use Subject to Water Charge, Gal	4,030	3,640	4,650	6,000	7,440	8,100	8,370	8,370	7,200	6,820	4,500	4,030	
Monthly Water Income Per Customer, \$	\$ 53.32	\$ 52.02	\$ 55.38	\$ 59.88	\$ 64.68	\$ 66.87	\$ 67.77	\$ 67.77	\$ 63.88	\$ 62.61	\$ 54.89	\$ 53.32	\$ 722.39
Monthly Sewer Use in Base Rate, Gal													
Monthly Sewer Use Subject to Sewer Charge, Gal													
Monthly Sewer Income Per Customer, \$	\$ 40.08	\$ 39.10	\$ 41.63	\$ 45.00	\$ 48.60	\$ 50.25	\$ 50.93	\$ 50.93	\$ 48.00	\$ 47.05	\$ 41.25	\$ 40.08	\$ 542.88
Monthly Water Bill, \$	\$ 93.39	\$ 91.12	\$ 97.01	\$ 104.88	\$ 113.28	\$ 117.12	\$ 118.70	\$ 118.70	\$ 111.88	\$ 109.66	\$ 96.14	\$ 93.39	\$ 1,265.26
Total Monthly Water Pumped, Gal	20,150	36,400	69,750	120,000	186,000	243,000	292,950	334,800	324,000	341,000	247,500	241,800	2,457,350
GROSS WATER/SEWER USE INCOME	\$467	\$911	\$1,455	\$2,098	\$2,832	\$3,514	\$4,154	\$4,748	\$5,034	\$5,483	\$5,287	\$5,604	\$41,587
RESERVE FOR BAD DEBTS	\$5	\$9	\$15	\$21	\$28	\$35	\$42	\$47	\$50	\$55	\$53	\$56	\$416
WATER/SEWER INCOME (ADJUSTED)	\$462	\$902	\$1,441	\$2,077	\$2,804	\$3,479	\$4,113	\$4,700	\$4,984	\$5,428	\$5,235	\$5,548	\$41,171
TAP FEE INCOME	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$90,000
TOTAL MONTHLY INCOME	\$7,962	\$8,402	\$8,941	\$9,577	\$10,304	\$10,979	\$11,613	\$12,200	\$12,484	\$12,928	\$12,735	\$13,048	\$131,171
EXPENSE													
GENERAL & ADMINISTRATIVE													
OFFICE EXPENSE	\$105	\$110	\$115	\$120	\$125	\$130	\$135	\$140	\$145	\$150	\$155	\$160	\$1,590
EMPLOYEE SALARIES	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$12,000
PROFESSIONAL FEES	\$253	\$255	\$258	\$260	\$263	\$265	\$268	\$270	\$273	\$275	\$278	\$280	\$3,195
INSURANCE	\$812	\$812	\$812	\$812	\$812	\$812	\$812	\$812	\$812	\$812	\$812	\$812	\$9,745
ADVALOREM TAXES	\$812	\$812	\$812	\$812	\$812	\$812	\$812	\$812	\$812	\$812	\$812	\$812	\$9,745
TCEQ PERMIT FEES	\$55	\$60	\$65	\$70	\$75	\$80	\$85	\$90	\$95	\$100	\$105	\$110	\$990
MONTHLY G&A OPERATIONS	\$3,037	\$3,049	\$3,062	\$3,074	\$3,087	\$3,099	\$3,112	\$3,124	\$3,137	\$3,149	\$3,162	\$3,174	\$37,265
OPERATOR COST	\$1,255	\$1,260	\$1,265	\$1,270	\$1,275	\$1,280	\$1,285	\$1,290	\$1,295	\$1,300	\$1,305	\$1,310	\$15,390
VEHICLE & EQUIPMENT COST	\$255	\$260	\$265	\$270	\$275	\$280	\$285	\$290	\$295	\$300	\$305	\$310	\$3,390
CUSTOMER BILLING COST	\$115	\$130	\$145	\$160	\$175	\$190	\$205	\$220	\$235	\$250	\$265	\$280	\$2,370
ELECTRICITY	\$1,010	\$1,020	\$1,030	\$1,040	\$1,050	\$1,060	\$1,070	\$1,080	\$1,090	\$1,100	\$1,110	\$1,120	\$12,780
CHEMICAL COST	\$55	\$60	\$65	\$70	\$75	\$80	\$85	\$90	\$95	\$100	\$105	\$110	\$990
SLUDGE DISPOSAL COST	\$113	\$125	\$138	\$150	\$163	\$175	\$188	\$200	\$213	\$225	\$238	\$250	\$2,175
TAP MAT'L & FIELD LABOR COST	\$5,625	\$5,625	\$5,625	\$5,625	\$5,625	\$5,625	\$5,625	\$5,625	\$5,625	\$5,625	\$5,625	\$5,625	\$67,500
REPAIR COSTS	\$1,299	\$1,299	\$1,299	\$1,299	\$1,299	\$1,299	\$1,299	\$1,299	\$1,299	\$1,299	\$1,299	\$1,299	\$15,592
CONTRIBUTION TO RESERVE ACCT	\$1,299	\$1,299	\$1,299	\$1,299	\$1,299	\$1,299	\$1,299	\$1,299	\$1,299	\$1,299	\$1,299	\$1,299	\$15,592
MONTHLY O & M COST	\$11,026	\$11,079	\$11,131	\$11,184	\$11,236	\$11,289	\$11,341	\$11,394	\$11,446	\$11,499	\$11,551	\$11,604	\$135,779
TOTAL MONTHLY EXPENSE	\$14,063	\$14,128	\$14,193	\$14,258	\$14,323	\$14,388	\$14,453	\$14,518	\$14,583	\$14,648	\$14,713	\$14,778	\$173,045
NET INCOME OR EXPENSE/MONTH	(\$6,101)	(\$5,726)	(\$5,252)	(\$4,681)	(\$4,019)	(\$3,409)	(\$2,840)	(\$2,317)	(\$2,099)	(\$1,720)	(\$1,978)	(\$1,730)	(\$41,873)

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**PROJECTED INCOME & EXPENSE STATEMENT
FOR TCEQ WATER & SEWER CCN AMENDMENT APPLICATION
FOR PONDEROSA PINES SUBDIVISION
BY CRYSTAL SPRINGS WATER CO., INC.**

FISCAL YEAR 2

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
TOTAL ON-LINE EQUIVALENT CONN	65	70	75	80	85	90	95	100	105	110	115	120	1,110
Seasonal Multiplier, mo. avg/ annual avg	0.65	0.65	0.75	1.00	1.20	1.35	1.35	1.35	1.20	1.10	0.75	0.65	12.00
Monthly Water Use/ Customer, Gal	4,030	3,640	4,650	6,000	7,440	8,100	8,370	8,370	7,200	6,820	4,500	4,030	
Monthly Water Use in Base Rate, Gal													
Monthly Water Use Subject to Surcharge, Gal	4,030	3,640	4,650	6,000	7,440	8,100	8,370	8,370	7,200	6,820	4,500	4,030	
Monthly Water Income Per Customer, \$	\$ 53.32	\$ 52.02	\$ 55.38	\$ 59.88	\$ 64.68	\$ 66.87	\$ 67.77	\$ 67.77	\$ 63.88	\$ 62.61	\$ 54.89	\$ 53.32	\$ 722.39
Monthly Sewer Use in Base Rate, Gal													
Monthly Sewer Use Subject to Sewer Charge, Gal	4,030	3,640	4,650	6,000	7,440	8,100	8,370	8,370	7,200	6,820	4,500	4,030	
Monthly Sewer Income Per Customer, \$	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 360.00
Monthly Water Bill, \$	\$ 83.32	\$ 82.02	\$ 85.38	\$ 89.88	\$ 94.68	\$ 96.87	\$ 97.77	\$ 97.77	\$ 93.88	\$ 92.61	\$ 84.89	\$ 83.32	\$ 1,082.39
Total Monthly Water Pumped, Gal	261,950	254,800	348,750	480,000	632,400	729,000	795,150	837,000	756,000	750,200	517,500	483,600	6,846,350
GROSS WATER/SEWER USE INCOME	\$5,416	\$5,741	\$6,404	\$7,190	\$8,047	\$8,719	\$9,288	\$9,777	\$9,857	\$10,187	\$9,762	\$9,998	\$100,387
RESERVE FOR BAD DEBTS	\$54	\$57	\$64	\$72	\$80	\$87	\$93	\$98	\$99	\$102	\$98	\$100	\$1,004
WATER/SEWER INCOME (ADJUSTED)	\$5,362	\$5,684	\$6,340	\$7,118	\$7,967	\$8,631	\$9,195	\$9,679	\$9,758	\$10,085	\$9,664	\$9,898	\$99,383
TAP FEE INCOME	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$90,000
TOTAL MONTHLY INCOME	\$12,862	\$13,184	\$13,840	\$14,618	\$15,467	\$16,131	\$16,695	\$17,179	\$17,258	\$17,585	\$17,164	\$17,398	\$189,383

EXPENSE

GENERAL & ADMINISTRATIVE													
OFFICE EXPENSE	\$165	\$170	\$175	\$180	\$185	\$190	\$195	\$200	\$205	\$210	\$215	\$220	\$2,310
EMPLOYEE SALARIES	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$12,000
PROFESSIONAL FEES	\$283	\$285	\$288	\$290	\$293	\$295	\$298	\$300	\$303	\$305	\$308	\$310	\$3,555
INSURANCE	\$906	\$906	\$906	\$906	\$906	\$906	\$906	\$906	\$906	\$906	\$906	\$906	\$10,870
ADVALOREM TAXES	\$906	\$906	\$906	\$906	\$906	\$906	\$906	\$906	\$906	\$906	\$906	\$906	\$10,870
TCEQ PERMIT FEES	\$115	\$120	\$125	\$130	\$135	\$140	\$145	\$150	\$155	\$160	\$165	\$170	\$1,710
TOTAL G&A	\$3,374	\$3,387	\$3,399	\$3,412	\$3,424	\$3,437	\$3,449	\$3,462	\$3,474	\$3,487	\$3,499	\$3,512	\$41,315
OPERATIONS													
OPERATOR COST	\$1,315	\$1,320	\$1,325	\$1,330	\$1,335	\$1,340	\$1,345	\$1,350	\$1,355	\$1,360	\$1,365	\$1,370	\$16,110
VEHICLE & EQUIPMENT COST	\$315	\$320	\$325	\$330	\$335	\$340	\$345	\$350	\$355	\$360	\$365	\$370	\$4,110
CUSTOMER BILLING COST	\$295	\$310	\$325	\$340	\$355	\$370	\$385	\$400	\$415	\$430	\$445	\$460	\$4,530
ELECTRICITY	\$1,130	\$1,140	\$1,150	\$1,160	\$1,170	\$1,180	\$1,190	\$1,200	\$1,210	\$1,220	\$1,230	\$1,240	\$14,220
CHEMICAL COST	\$115	\$120	\$125	\$130	\$135	\$140	\$145	\$150	\$155	\$160	\$165	\$170	\$1,710
SLUDGE DISPOSAL COST	\$263	\$275	\$288	\$300	\$313	\$325	\$338	\$350	\$363	\$375	\$388	\$400	\$3,975
TAP MAT'L & FIELD LABOR COST	\$5,625	\$5,625	\$5,625	\$5,625	\$5,625	\$5,625	\$5,625	\$5,625	\$5,625	\$5,625	\$5,625	\$5,625	\$67,500
REPAIR COSTS	\$1,449	\$1,449	\$1,449	\$1,449	\$1,449	\$1,449	\$1,449	\$1,449	\$1,449	\$1,449	\$1,449	\$1,449	\$17,392
CONTRIBUTION TO RESERVE ACCT	\$1,449	\$1,449	\$1,449	\$1,449	\$1,449	\$1,449	\$1,449	\$1,449	\$1,449	\$1,449	\$1,449	\$1,449	\$17,392
MONTHLY O & M COST	\$11,956	\$12,009	\$12,061	\$12,114	\$12,166	\$12,219	\$12,271	\$12,324	\$12,376	\$12,429	\$12,481	\$12,534	\$146,939
TOTAL MONTHLY EXPENSE	\$15,330	\$15,395	\$15,460	\$15,525	\$15,590	\$15,655	\$15,720	\$15,785	\$15,850	\$15,915	\$15,980	\$16,045	\$188,255

NET INCOME OR EXPENSE/MONTH

	(\$2,469)	(\$2,211)	(\$1,621)	(\$907)	(\$123)	\$476	\$975	\$1,394	\$1,408	\$1,670	\$1,184	\$1,353	\$1,129
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**PROJECTED INCOME & EXPENSE STATEMENT
FOR TCEQ WATER & SEWER CCN AMENDMENT APPLICATION
FOR PONDEROSA PINES SUBDIVISION
BY CRYSTAL SPRINGS WATER CO., INC.**

FISCAL YEAR 3

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
TOTAL ON-LINE EQUIVALENT CONN	125	130	135	140	145	150	155	160	165	170	175	180	1,830
Seasonal Multiplier, mo. avg/ annual avg	0.65	0.65	0.75	1.00	1.20	1.35	1.35	1.35	1.20	1.10	0.75	0.65	12.00
Monthly Water Use/Customer, Gal	4,030	3,640	4,650	6,000	7,440	8,100	8,370	8,370	7,200	6,820	4,500	4,030	
Monthly Water Use Subject to Surcharge, Gal	4,030	3,640	4,650	6,000	7,440	8,100	8,370	8,370	7,200	6,820	4,500	4,030	
Monthly Water Income Per Customer, \$	\$ 53.32	\$ 52.02	\$ 55.38	\$ 59.88	\$ 64.68	\$ 66.87	\$ 67.77	\$ 67.77	\$ 63.88	\$ 62.61	\$ 54.89	\$ 53.32	\$ 722.39
Monthly Sewer Use in Base Rate, Gal	4,030	3,640	4,650	6,000	7,440	8,100	8,370	8,370	7,200	6,820	4,500	4,030	
Monthly Sewer Use Subject to Sewer Charge, Gal	4,030	3,640	4,650	6,000	7,440	8,100	8,370	8,370	7,200	6,820	4,500	4,030	
Monthly Sewer Income Per Customer, \$	\$ 40.08	\$ 39.10	\$ 41.63	\$ 45.00	\$ 48.60	\$ 50.25	\$ 50.93	\$ 50.93	\$ 48.00	\$ 47.05	\$ 41.25	\$ 40.08	\$ 542.88
Monthly Water Bill, \$	\$ 93.39	\$ 91.12	\$ 97.01	\$ 104.88	\$ 113.28	\$ 117.12	\$ 118.70	\$ 118.70	\$ 111.88	\$ 109.66	\$ 96.14	\$ 93.39	\$ 1,265.26
Total Monthly Water Pumped, Gal	503,750	473,200	627,750	840,000	1,078,800	1,215,000	1,297,350	1,339,200	1,188,000	1,159,400	787,500	725,400	11,235,350
GROSS WATER/SEWER USE INCOME	\$11,674	\$11,846	\$13,096	\$14,683	\$16,425	\$17,568	\$18,398	\$18,992	\$18,460	\$18,642	\$16,824	\$16,811	\$193,419
RESERVE FOR BAD DEBTS	\$117	\$118	\$131	\$147	\$164	\$176	\$184	\$190	\$185	\$186	\$168	\$168	\$1,934
WATER/SEWER INCOME (ADJUSTED)	\$11,558	\$11,727	\$12,965	\$14,536	\$16,261	\$17,393	\$18,214	\$18,802	\$18,275	\$18,456	\$16,655	\$16,643	\$191,485
TAP FEE INCOME	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$90,000
TOTAL MONTHLY INCOME	\$19,058	\$19,227	\$20,465	\$22,036	\$23,761	\$24,893	\$25,714	\$26,302	\$25,775	\$25,956	\$24,155	\$24,143	\$281,485

EXPENSE

GENERAL & ADMINISTRATIVE													
OFFICE EXPENSE	\$225	\$230	\$235	\$240	\$245	\$250	\$255	\$260	\$265	\$270	\$275	\$280	\$3,030
EMPLOYEE SALARIES	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$12,000
PROFESSIONAL FEES	\$313	\$315	\$318	\$320	\$323	\$325	\$328	\$330	\$333	\$335	\$338	\$340	\$3,915
INSURANCE	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$11,995
ADVANCEMENT TAXES	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$11,995
TCEQ PERMIT FEES	\$175	\$180	\$185	\$190	\$195	\$200	\$205	\$210	\$215	\$220	\$225	\$230	\$2,430
TOTAL G&A OPERATIONS	\$3,712	\$3,724	\$3,737	\$3,749	\$3,762	\$3,774	\$3,787	\$3,799	\$3,812	\$3,824	\$3,837	\$3,849	\$45,365
OPERATOR COST	\$1,375	\$1,380	\$1,385	\$1,390	\$1,395	\$1,400	\$1,405	\$1,410	\$1,415	\$1,420	\$1,425	\$1,430	\$16,830
VEHICLE & EQUIPMENT COST	\$375	\$380	\$385	\$390	\$395	\$400	\$405	\$410	\$415	\$420	\$425	\$430	\$4,830
CUSTOMER BILLING COST	\$475	\$490	\$505	\$520	\$535	\$550	\$565	\$580	\$595	\$610	\$625	\$640	\$6,690
ELECTRICITY	\$1,250	\$1,260	\$1,270	\$1,280	\$1,290	\$1,300	\$1,310	\$1,320	\$1,330	\$1,340	\$1,350	\$1,360	\$15,660
CHEMICAL COST	\$175	\$180	\$185	\$190	\$195	\$200	\$205	\$210	\$215	\$220	\$225	\$230	\$2,430
SLUDGE DISPOSAL COST	\$413	\$425	\$438	\$450	\$463	\$475	\$488	\$500	\$513	\$525	\$538	\$550	\$5,775
TAP MAT'L & FIELD LABOR COST	\$5,625	\$5,625	\$5,625	\$5,625	\$5,625	\$5,625	\$5,625	\$5,625	\$5,625	\$5,625	\$5,625	\$5,625	\$67,500
REPAIR COSTS	\$1,599	\$1,599	\$1,599	\$1,599	\$1,599	\$1,599	\$1,599	\$1,599	\$1,599	\$1,599	\$1,599	\$1,599	\$19,192
CONTRIBUTION TO RESERVE ACCT	\$1,599	\$1,599	\$1,599	\$1,599	\$1,599	\$1,599	\$1,599	\$1,599	\$1,599	\$1,599	\$1,599	\$1,599	\$19,192
MONTHLY O & M COST	\$12,886	\$12,939	\$12,991	\$13,044	\$13,096	\$13,149	\$13,201	\$13,254	\$13,306	\$13,359	\$13,411	\$13,464	\$158,099
TOTAL MONTHLY EXPENSE	\$16,598	\$16,663	\$16,728	\$16,793	\$16,858	\$16,923	\$16,988	\$17,053	\$17,118	\$17,183	\$17,248	\$17,313	\$203,465
NET INCOME OR EXPENSE/MONTH	\$2,460	\$2,564	\$3,737	\$5,243	\$6,903	\$7,970	\$8,726	\$9,249	\$8,657	\$8,773	\$6,908	\$6,830	\$78,020

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**PROJECTED INCOME & EXPENSE STATEMENT
FOR TCEQ WATER & SEWER CCN AMENDMENT APPLICATION
FOR PONDEROSA PINES SUBDIVISION
BY CRYSTAL SPRINGS WATER CO., INC.**

FISCAL YEAR 4

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
TOTAL ON-LINE EQUIVALENT CONN.	185	190	195	200	205	210	215	220	225	230	235	240	2,550
Seasonal Multiplier, mo. avg/ annual avg	0.65	0.65	0.75	1.00	1.20	1.35	1.35	1.35	1.20	1.10	0.75	0.65	12.00
Monthly Water Use/Customer, Gal	4,030	3,640	4,650	6,000	7,440	8,100	8,370	8,370	7,200	6,820	4,500	4,030	
Monthly Water Use in Base Rate, Gal													
Monthly Water Use Subject to Surcharge, G	4,030	3,640	4,650	6,000	7,440	8,100	8,370	8,370	7,200	6,820	4,500	4,030	
Monthly Water Income Per Customer, \$	\$ 53.32	\$ 52.02	\$ 55.38	\$ 59.88	\$ 64.68	\$ 66.87	\$ 67.77	\$ 67.77	\$ 63.88	\$ 62.61	\$ 54.89	\$ 53.32	\$ 722.39
Monthly Sewer Use in Base Rate, Gal													
Monthly Sewer Use Subject to Sewer Charge	4,030	3,640	4,650	6,000	7,440	8,100	8,370	8,370	7,200	6,820	4,500	4,030	
Monthly Sewer Income Per Customer, \$	\$ 40.08	\$ 39.10	\$ 41.63	\$ 45.00	\$ 48.60	\$ 50.25	\$ 50.93	\$ 50.93	\$ 48.00	\$ 47.05	\$ 41.25	\$ 40.08	\$ 542.88
Monthly Water Bill, \$	\$ 93.39	\$ 91.12	\$ 97.01	\$ 104.88	\$ 113.28	\$ 117.12	\$ 118.70	\$ 118.70	\$ 111.88	\$ 109.66	\$ 96.14	\$ 93.39	\$ 1,265.26
Total Monthly Water Pumped, Gal	745,550	691,600	906,750	1,200,000	1,525,200	1,701,000	1,799,550	1,841,400	1,620,000	1,568,600	1,057,500	967,200	15,624,350
GROSS WATER/SEWER USE INCOME	\$17,278	\$17,313	\$18,917	\$20,976	\$23,221	\$24,596	\$25,520	\$26,113	\$25,172	\$25,222	\$22,592	\$22,415	\$269,335
RESERVE FOR BAD DEBTS	\$173	\$173	\$189	\$210	\$232	\$246	\$255	\$261	\$252	\$252	\$226	\$224	\$2,693
WATER/SEWER INCOME (ADJUSTED)	\$17,105	\$17,140	\$18,728	\$20,766	\$22,989	\$24,350	\$25,265	\$25,852	\$24,920	\$24,970	\$22,366	\$22,191	\$266,642
TAP FEE INCOME	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$90,000
TOTAL MONTHLY INCOME	\$24,605	\$24,640	\$26,228	\$28,266	\$30,489	\$31,850	\$32,765	\$33,352	\$32,420	\$32,470	\$29,866	\$29,691	\$356,642
EXPENSE													
GENERAL & ADMINISTRATIVE													
OFFICE EXPENSE	\$285	\$290	\$295	\$300	\$305	\$310	\$315	\$320	\$325	\$330	\$335	\$340	\$3,750
EMPLOYEE SALARIES	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$12,000
PROFESSIONAL FEES	\$343	\$345	\$348	\$350	\$353	\$355	\$358	\$360	\$363	\$365	\$368	\$370	\$4,275
INSURANCE	\$1,187	\$1,187	\$1,187	\$1,187	\$1,187	\$1,187	\$1,187	\$1,187	\$1,187	\$1,187	\$1,187	\$1,187	\$14,245
ADVALOREM TAXES	\$1,187	\$1,187	\$1,187	\$1,187	\$1,187	\$1,187	\$1,187	\$1,187	\$1,187	\$1,187	\$1,187	\$1,187	\$14,245
TCEQ PERMIT FEES	\$235	\$240	\$245	\$250	\$255	\$260	\$265	\$270	\$275	\$280	\$285	\$290	\$3,150
TOTAL G&A	\$4,237	\$4,249	\$4,262	\$4,274	\$4,287	\$4,299	\$4,312	\$4,324	\$4,337	\$4,349	\$4,362	\$4,374	\$51,665
OPERATIONS													
OPERATOR COST	\$1,435	\$1,440	\$1,445	\$1,450	\$1,455	\$1,460	\$1,465	\$1,470	\$1,475	\$1,480	\$1,485	\$1,490	\$17,550
VEHICLE & EQUIPMENT COST	\$435	\$440	\$445	\$450	\$455	\$460	\$465	\$470	\$475	\$480	\$485	\$490	\$5,550
CUSTOMER BILLING COST	\$655	\$670	\$685	\$700	\$715	\$730	\$745	\$760	\$775	\$790	\$805	\$820	\$8,850
ELECTRICITY	\$1,370	\$1,380	\$1,390	\$1,400	\$1,410	\$1,420	\$1,430	\$1,440	\$1,450	\$1,460	\$1,470	\$1,480	\$17,100
CHEMICAL COST	\$235	\$240	\$245	\$250	\$255	\$260	\$265	\$270	\$275	\$280	\$285	\$290	\$3,150
SLUDGE DISPOSAL COST	\$563	\$575	\$588	\$600	\$613	\$625	\$638	\$650	\$663	\$675	\$688	\$700	\$7,575
TAP MAT'L & FIELD LABOR COST	\$5,625	\$5,625	\$5,625	\$5,625	\$5,625	\$5,625	\$5,625	\$5,625	\$5,625	\$5,625	\$5,625	\$5,625	\$67,500
REPAIR COSTS	\$1,899	\$1,899	\$1,899	\$1,899	\$1,899	\$1,899	\$1,899	\$1,899	\$1,899	\$1,899	\$1,899	\$1,899	\$22,792
CONTRIBUTION TO RESERVE ACCT	\$1,899	\$1,899	\$1,899	\$1,899	\$1,899	\$1,899	\$1,899	\$1,899	\$1,899	\$1,899	\$1,899	\$1,899	\$22,792
MONTHLY O & M COST	\$14,116	\$14,169	\$14,221	\$14,274	\$14,326	\$14,379	\$14,431	\$14,484	\$14,536	\$14,589	\$14,641	\$14,694	\$172,859
TOTAL MONTHLY EXPENSE	\$18,353	\$18,418	\$18,483	\$18,548	\$18,613	\$18,678	\$18,743	\$18,808	\$18,873	\$18,938	\$19,003	\$19,068	\$224,525
NET INCOME OR EXPENSE/MONTH	\$6,252	\$6,222	\$7,745	\$9,718	\$11,876	\$13,172	\$14,022	\$14,544	\$13,547	\$13,532	\$10,863	\$10,623	\$132,117

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**PROJECTED INCOME & EXPENSE STATEMENT
FOR TCEQ WATER & SEWER CCN AMENDMENT APPLICATION
FOR PONDEROSA PINES SUBDIVISION
BY CRYSTAL SPRINGS WATER CO., INC.**

FISCAL YEAR 5

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
TOTAL ON-LINE EQUIVALENT CONN	245	250	255	260	265	270	275	280	285	290	295	300	3,270
Seasonal Multiplier, mo. avg/ annual avg	0.65	0.65	0.75	1.00	1.20	1.35	1.35	1.35	1.20	1.10	0.75	0.65	12.00
Monthly Water Use/Customer, Gal	4,030	3,640	4,650	6,000	7,440	8,100	8,370	8,370	7,200	6,820	4,500	4,030	
Monthly Water Use in Base Rate, Gal	-	-	-	-	-	-	-	-	-	-	-	-	
Monthly Water Use Subject to Surcharge, G	4,030	3,640	4,650	6,000	7,440	8,100	8,370	8,370	7,200	6,820	4,500	4,030	
Monthly Water Income Per Customer, \$	\$ 53.32	\$ 52.02	\$ 55.38	\$ 59.88	\$ 64.68	\$ 66.87	\$ 67.77	\$ 67.77	\$ 63.88	\$ 62.61	\$ 54.89	\$ 53.32	\$ 722.39
Monthly Sewer Use in Base Rate, Gal	-	-	-	-	-	-	-	-	-	-	-	-	
Monthly Sewer Use Subject to Sewer Charge	4,030	3,640	4,650	6,000	7,440	8,100	8,370	8,370	7,200	6,820	4,500	4,030	
Monthly Sewer Income Per Customer, \$	\$ 40.08	\$ 39.10	\$ 41.63	\$ 45.00	\$ 48.60	\$ 50.25	\$ 50.93	\$ 50.93	\$ 48.00	\$ 47.05	\$ 41.25	\$ 40.08	\$ 542.88
Monthly Water Bill, \$	\$ 93.39	\$ 91.12	\$ 97.01	\$ 104.88	\$ 113.28	\$ 117.12	\$ 118.70	\$ 118.70	\$ 111.88	\$ 109.66	\$ 96.14	\$ 93.39	\$ 1,265.26
Total Monthly Water Pumped, Gal	987,350	910,000	1,185,750	1,560,000	1,971,600	2,187,000	2,301,750	2,343,600	2,052,000	1,977,800	1,327,500	1,209,000	20,013,350
GROSS WATER/SEWER USE INCOME	\$22,882	\$22,780	\$24,737	\$27,269	\$30,018	\$31,623	\$32,642	\$33,235	\$31,885	\$31,802	\$28,360	\$28,018	\$345,251
RESERVE FOR BAD DEBTS	\$229	\$228	\$247	\$273	\$300	\$316	\$326	\$332	\$319	\$318	\$284	\$280	\$3,453
WATER/SEWER INCOME (ADJUSTED)	\$22,653	\$22,552	\$24,490	\$26,996	\$29,718	\$31,307	\$32,315	\$32,903	\$31,566	\$31,484	\$28,076	\$27,738	\$341,798
TAP FEE INCOME	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$90,000
TOTAL MONTHLY INCOME	\$30,153	\$30,052	\$31,990	\$34,496	\$37,218	\$38,807	\$39,815	\$40,403	\$39,066	\$38,984	\$35,576	\$35,238	\$431,798

EXPENSE

GENERAL & ADMINISTRATIVE													
OFFICE EXPENSE	\$345	\$350	\$355	\$360	\$365	\$370	\$375	\$380	\$385	\$390	\$395	\$400	\$4,470
EMPLOYEE SALARIES	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$12,000
PROFESSIONAL FEES	\$373	\$375	\$378	\$380	\$383	\$385	\$388	\$390	\$393	\$395	\$398	\$400	\$4,635
INSURANCE	\$1,281	\$1,281	\$1,281	\$1,281	\$1,281	\$1,281	\$1,281	\$1,281	\$1,281	\$1,281	\$1,281	\$1,281	\$15,370
ADVALOREM TAXES	\$1,281	\$1,281	\$1,281	\$1,281	\$1,281	\$1,281	\$1,281	\$1,281	\$1,281	\$1,281	\$1,281	\$1,281	\$15,370
TCEQ PERMIT FEES	\$295	\$300	\$305	\$310	\$315	\$320	\$325	\$330	\$335	\$340	\$345	\$350	\$3,870
TOTAL G&A	\$4,574	\$4,587	\$4,599	\$4,612	\$4,624	\$4,637	\$4,649	\$4,662	\$4,674	\$4,687	\$4,699	\$4,712	\$55,715
OPERATIONS													\$0
OPERATOR COST	\$1,495	\$1,500	\$1,505	\$1,510	\$1,515	\$1,520	\$1,525	\$1,530	\$1,535	\$1,540	\$1,545	\$1,550	\$18,270
VEHICLE & EQUIPMENT COST	\$495	\$500	\$505	\$510	\$515	\$520	\$525	\$530	\$535	\$540	\$545	\$550	\$6,270
CUSTOMER BILLING COST	\$835	\$850	\$865	\$880	\$895	\$910	\$925	\$940	\$955	\$970	\$985	\$1,000	\$11,010
ELECTRICITY	\$1,490	\$1,500	\$1,510	\$1,520	\$1,530	\$1,540	\$1,550	\$1,560	\$1,570	\$1,580	\$1,590	\$1,600	\$18,540
CHEMICAL COST	\$295	\$300	\$305	\$310	\$315	\$320	\$325	\$330	\$335	\$340	\$345	\$350	\$3,870
SLUDGE DISPOSAL COST	\$713	\$725	\$738	\$750	\$763	\$775	\$788	\$800	\$813	\$825	\$838	\$850	\$9,375
TAP MAT'L & FIELD LABOR COST	\$5,625	\$5,625	\$5,625	\$5,625	\$5,625	\$5,625	\$5,625	\$5,625	\$5,625	\$5,625	\$5,625	\$5,625	\$67,500
REPAIR COSTS	\$2,049	\$2,049	\$2,049	\$2,049	\$2,049	\$2,049	\$2,049	\$2,049	\$2,049	\$2,049	\$2,049	\$2,049	\$24,592
CONTRIBUTION TO RESERVE ACCT	\$2,049	\$2,049	\$2,049	\$2,049	\$2,049	\$2,049	\$2,049	\$2,049	\$2,049	\$2,049	\$2,049	\$2,049	\$24,592
MONTHLY O & M COST	\$15,046	\$15,099	\$15,151	\$15,204	\$15,256	\$15,309	\$15,361	\$15,414	\$15,466	\$15,519	\$15,571	\$15,624	\$184,019
TOTAL MONTHLY EXPENSE	\$19,620	\$19,685	\$19,750	\$19,815	\$19,880	\$19,945	\$20,010	\$20,075	\$20,140	\$20,205	\$20,270	\$20,335	\$239,735
NET INCOME OR EXPENSE/MONTH	\$10,533	\$10,367	\$12,240	\$14,681	\$17,337	\$18,862	\$19,805	\$20,327	\$18,925	\$18,778	\$15,306	\$14,903	\$192,064

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**SUMMARY OF INCOME & EXPENSE
FOR TCEQ WATER & SEWER CCN AMENDMENT APPLICATION
FOR PONDEROSA PINES SUBDIVISION
BY CRYSTAL SPRINGS WATER CO., INC.**

PROJECTED INCOME & EXPENSE PROJECTIONS

	DECEMBER 31					
	FY 0	FY 1	FY 2	FY 3	FY 4	FY 5
AVERAGE NUMBER OF CUSTOMERS	0	33	93	153	213	273
TOTAL ANNUAL WATER USE, 1000 GAL	0	2,457,350	6,846,350	11,235,350	15,624,350	20,013,350
WATER/SEWER USE INCOME (ADJUSTED)	\$0	\$41,171	\$99,383	\$191,485	\$266,642	\$341,798
TAP FEE INCOME	\$0	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000
TOTAL ANNUAL INCOME	\$0	\$131,171	\$189,383	\$281,485	\$356,642	\$431,798
EXPENSE						
GENERAL & ADMINISTRATIVE						
OFFICE EXPENSE	\$0	\$1,590	\$2,310	\$3,030	\$3,750	\$4,470
EMPLOYEE SALARIES	\$0	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000
PROFESSIONAL FEES	\$0	\$3,195	\$3,555	\$3,915	\$4,275	\$4,635
INSURANCE	\$0	\$9,745	\$10,870	\$11,995	\$14,245	\$15,370
ADVALOREM TAXES	\$0	\$9,745	\$10,870	\$11,995	\$14,245	\$15,370
TCEQ PERMIT FEES	\$0	\$990	\$1,710	\$2,430	\$3,150	\$3,870
TOTAL G&A	\$0	\$37,265	\$41,315	\$45,365	\$51,665	\$55,715
OPERATIONS						
OPERATOR COST	\$0	\$15,390	\$16,110	\$16,830	\$17,550	\$18,270
VEHICLE & EQUIPMENT COST	\$0	\$3,390	\$4,110	\$4,830	\$5,550	\$6,270
CUSTOMER BILLING COST	\$0	\$2,370	\$4,530	\$6,690	\$8,850	\$11,010
ELECTRICITY	\$0	\$12,780	\$14,220	\$15,660	\$17,100	\$18,540
CHEMICAL COST	\$0	\$990	\$1,710	\$2,430	\$3,150	\$3,870
SLUDGE DISPOSAL COST	\$0	\$2,175	\$3,975	\$5,775	\$7,575	\$9,375
TAP MAT'L & FIELD LABOR COST	\$0	\$67,500	\$67,500	\$67,500	\$67,500	\$67,500
REPAIR COSTS	\$0	\$15,592	\$17,392	\$19,192	\$22,792	\$24,592
CONTRIBUTION TO RESERVE ACCT	\$0	\$15,592	\$17,392	\$19,192	\$22,792	\$24,592
TOTAL OPERATING COST	\$0	\$135,779	\$146,939	\$158,099	\$172,859	\$184,019
TOTAL MONTHLY EXPENSE	\$0	\$173,045	\$188,255	\$203,465	\$224,525	\$239,735
INCOME (LOSS) BEFORE DEPRECIATION	\$0	(\$41,873)	\$1,129	\$78,020	\$132,117	\$192,064
DEPRECIATION	\$0	\$27,070	\$30,195	\$33,320	\$39,570	\$42,695
NET INCOME (LOSS)	\$0	(\$68,943)	(\$29,066)	\$44,700	\$92,547	\$149,369

PROJECTED BALANCE SHEET

	FY 0	FY 1	FY 2	FY 3	FY 4	FY 5
ASSETS						
CASH (CHECKING)	\$75,000	\$33,127	\$59,256	\$92,276	\$169,393	\$361,457
RESERVE ACCOUNT	\$0	\$15,592	\$32,984	\$52,177	\$74,969	\$99,561
ACCOUNTS RECEIVABLE	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL CURRENT ASSETS	\$75,000	\$48,719	\$92,240	\$144,452	\$244,362	\$461,018
PROPERTY AND EQUIPMENT						
WATER PLANT	\$0	\$399,850	\$399,850	\$549,850	\$600,000	\$600,000
WASTEWATER PLANT	\$0	\$599,500	\$599,500	\$599,500	\$599,500	\$599,500
WATER DISTRIBUTION LINES	\$0	\$100,000	\$150,000	\$250,000	\$300,000	\$300,000
SEWAGE COLLECTION LINES	\$0	\$200,000	\$300,000	\$500,000	\$600,000	\$600,000
TOTAL PROPERTY AND EQUIPMENT	\$0	\$1,299,350	\$1,449,350	\$1,899,350	\$2,099,500	\$2,099,500
LESS ACCUMULATED DEPRECIATION	\$0	\$27,070	\$57,265	\$90,584	\$130,154	\$172,849
TOTAL PROPERTY & EQUIPMENT, NET	\$0	\$1,272,280	\$1,392,085	\$1,808,766	\$1,969,346	\$1,926,651
TOTAL ASSETS	\$75,000	\$1,320,999	\$1,484,325	\$1,953,218	\$2,213,707	\$2,387,669
RETURN ON INVESTED CAPITAL ASSETS, %		-5.42%	-2.09%	2.47%	4.70%	7.75%
LIABILITIES AND CAPITAL						
LIABILITIES						
ACCOUNTS PAYABLE	\$0	\$0	\$0	\$0	\$0	\$0
SHORT TERM DEBT	\$75,000	\$75,000	\$100,000	\$55,000	\$0	\$0
ACCRUED RESERVES	\$0	\$15,592	\$32,984	\$52,177	\$74,969	\$99,561
LONG TERM DEBT	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL LIABILITIES	\$75,000	\$90,592	\$132,984	\$107,177	\$74,969	\$99,561
OWNER/STOCKHOLDER EQUITY						
COMMON STOCK	\$0	\$1,299,350	\$1,449,350	\$1,899,350	\$2,099,500	\$2,099,500
RETAINED EARNINGS (CUMMULATIVE)	\$0	\$0	(\$68,943)	(\$98,009)	(\$53,308)	\$39,239
NET INCOME	\$0	(\$68,943)	(\$29,066)	\$44,700	\$92,547	\$149,369
TOTAL CAPITAL	\$0	\$1,230,407	\$1,351,341	\$1,846,042	\$2,138,739	\$2,288,108
TOTAL LIABILITIES + CAPITAL	\$75,000	\$1,320,999	\$1,484,325	\$1,953,218	\$2,213,707	\$2,387,669

CONSTRUCTION COST ESTIMATE

Construction of Ponderosa Pines Groundwater Supply Plant
Phase 1 to Serve 250 Connections

Item No.	Description	Quan.	Unit	Unit Price	Total
1	SWPPP	200	LF	\$3	\$600
2	Portable Toilet Facilities During Construction	4	MO	\$150	\$600
3	Clearing & Grubbing	1	LS	\$2,500	\$2,500
4	Site Fencing - Chain Link	410	LF	\$30	\$12,300
5	6" Water Well, 15 HP Pump, 150 gpm	1	LS	\$75,000	\$75,000
6	4" GIP Piping, Well - GST	25	LF	\$60	\$1,500
7	10" GIP Piping GST-OP BLDG	20	LF	\$100	\$2,000
8	10" Gate Valve	1	EA	\$900	\$900
9	8" GIP Piping OP Bldg -HPT- Dist	30	LF	\$75	\$2,250
10	Pump Suction Manifold & Valves	1	EA	\$5,000	\$5,000
11	Pump Discharge Manifold & Valves	1	EA	\$5,000	\$5,000
12	8" Gate Valve & Box	3	EA	\$750	\$2,250
13	6" C-900 Piping HPT- Dist	20	LF	\$40	\$800
14	6" Gate Valve & Box	2	EA	\$600	\$1,200
15	4" C-900 Piping HPT- Dist	20	LF	\$30	\$600
16	4" Gate Valve & Box	3	EA	\$500	\$1,500
17	GST Concrete Foundation & Pad	30	CY	\$500	\$15,000
18	Concrete Foundation For HPT	6	CY	\$500	\$3,000
19	Booster Pump/Chem/Storage Slab & Cover	320	SF	\$50	\$16,000
20	Painting	1	LS	\$5,000	\$5,000
21	83,000 Gal Bolted Ground Storage Tank	1	LS	\$65,000	\$65,000
22	Hydropneumatic Tank, 5,000 gallon	1	LS	\$25,000	\$25,000
23	350 gpm @ 55 psi Booster Pumps, 25 HP	3	Ea	\$5,000	\$15,000
24	Chlorination Equipment (Liquid)	1	LS	\$2,500	\$2,500
25	Misc Piping & Tubing in Conduit	200	LF	\$10	\$2,000
26	Well Booster Pump Control Panel & Pressure Switch	1	LS	\$14,000	\$14,000
27	Electrical Service Rack & Disconnects	1	LS	\$10,000	\$10,000
28	Electrical Conduit, Wiring & Switches	1	LS	\$12,000	\$12,000
29	150 kW Diesel Generator & 200 Amp ATS	1	LS	\$65,000	\$65,000
30	Subtotal				\$363,500
31	Contingency @ 10%				\$36,350
32	Total Estimated Construction Cost				\$399,850

**CONSTRUCTION COST ESTIMATE
PONDEROSA PINES FARMS WWTP
75,000 GPD CAPACITY**

Item No.	Description	Quan.	Unit	Budget Price	Total	Subtotal
1	General					
2	Mobilization	1	LS	\$3,000	\$3,000	
3	Sanitary Facilities--8 months	6	MO	\$125	\$750	
3	Demobilization & Cleanup	1	LS	\$3,000	\$3,000	\$6,750
4	Sitework					
5	Roadway Paving to WWTP	1	LS	\$10,000	\$10,000	
6	Grading & Drainage	1	LS	\$5,000	\$5,000	
7	Fencing & Gates	1	LS	\$20,000	\$20,000	\$35,000
8	Underground Piping					
9	6-inch Class 200 SDR 26 PVC Outfall Line, 3' Bury ~ 200 LF	200	LF	\$20	\$4,000	
10	6-inch SDR 21 PVC Influent Force Main	50	LF	\$20	\$1,000	
11	6-inch Plant Drain Lines	150	LF	\$30	\$4,500	
12	4-inch Plant Drain Lines	150	LF	\$25	\$3,750	
13	Drain Manhole	1	EA	\$2,000	\$2,000	
14	4" Drain Gate Valves & Boxes	5	EA	\$400	\$2,000	\$17,250
15	Wastewater Treatment Plant					
16	Plant Excavation	1	LS	\$7,000	\$7,000	
17	Compacted Backfill around WWTP	1	LS	\$3,000	\$3,000	\$10,000
18	Concrete Forming, Reinforcing, Placement & Finishing					
19	Reinf Concrete - Slab On Grade	100	CY	\$400	\$40,000	
20	Reinf Concrete - Walls	170	CY	\$800	\$136,000	
21	Reinf Concrete - Suspended Slabs	8	CY	\$1,500	\$12,000	\$188,000
22	Equipment Fabrication, Galvanizing & Delivery To Site					
23	Outside Access Stairs, Handrail	1	LS	\$1,500	\$1,500	
24	Influent Bar Screen	1	LS	\$4,000	\$4,000	
25	Clarifier Bridge w/ Handrail	1	LS	\$8,000	\$8,000	
26	Clarifier Stilling Well & Supports	1	LS	\$5,000	\$5,000	
27	Clarifier Torque Tube, Sludge Scraper & Skimmer Arms	1	LS	\$6,000	\$6,000	
28	Clarifier Weirs and Baffles	1	LS	\$8,000	\$8,000	
29	Clarifier Drive Stand	1	LS	\$2,000	\$2,000	
30	Interior Handrail (Not on Bridge)	40	LF	\$35	\$1,400	
31	Neoprene Wipers for Clarifiers	1	LS	\$200	\$200	
32	Return Sludge Airlift	1	LS	\$4,000	\$4,000	
33	Waste Sludge Airlift	1	LS	\$3,000	\$3,000	
34	Decant Airlift	1	LS	\$3,000	\$3,000	
35	Effluent V-Notch Weir	1	LS	\$500	\$500	
36	Fiberglass Grating for Access Blockouts	1	LS	\$1,200	\$1,200	
37	6-inch Air Header @ Blowers	1	LS	\$5,000	\$5,000	
38	4 inch Air Header w/ Couplings & Supports	1	LS	\$3,000	\$3,000	
39	2-inch air supply lines	1	LS	\$1,000	\$1,000	
40	2 inch SS Aeration Diffuser Drop Assemblies	8	EA	\$200	\$1,600	
41	1 inch SS air supply lines	1	LS	\$500	\$500	
42	1" NPW Piping	1	LS	\$500	\$500	
43	3/4" Spray Bar Piping & Supports	1	LS	\$600	\$600	\$60,000
44	Lift Station & Process Equipment					
45	4" Submersible Pumps & MTM System	3	EA	\$4,000	\$12,000	
46	Access Hatch	3	EA	\$750	\$2,250	
47	4" Gate Valves	3	EA	\$300	\$900	
48	4" Check Valves	3	EA	\$400	\$1,200	
49	Pump Control Panel	1	EA	\$8,000	\$8,000	
50	Spraying Systems Spray Nozzles ~ 4 Each	2	Ea	\$50	\$100	
51	6" SS Telescoping Valves-2 Each	2	Ea	\$2,500	\$5,000	
52	Aluminum Stop Gate	1	EA	\$300	\$300	
53	Process Blowers	3	Ea	\$5,000	\$15,000	
54	Chlorination Equipment	1	LS	\$2,000	\$2,000	
55	Flow Meter, Chart Recorder, Extra Charts & Calibration	1	LS	\$3,000	\$3,000	
56	EDI SS Diffusers	20	Ea	\$70	\$1,400	
57	EDI PermaCap 5 Air Diffusers	5	LS	\$10	\$50	
58	Clarifier Drive & Connecting Couplings, Bearings, Clamps	1	Ea	\$2,500	\$2,500	
59	NPW Pump Screen, PRV, Well Seal & Gage	1	LS	\$1,200	\$1,200	
60	Control Panel for Process Blowers & Clarifier	1	Ea	\$8,000	\$8,000	
61	Air Control Ball Valves	1	LS	\$600	\$600	
62	4" Plug Valve	1	LS	\$500	\$500	\$64,000
63	Equipment Installation					
64	Fabricated Clarifiers, Handrail, & Piping	1	LS	\$10,000	\$10,000	
65	Stop Gate	2	EA	\$750	\$1,500	
66	Process Blowers, 3 Each	1	LS	\$1,000	\$1,000	
67	NPW Pumping System	1	LS	\$1,000	\$1,000	
68	Air Diffusion Equipment w/ Piping Supports	1	LS	\$2,000	\$2,000	
69	Chlorination Equipment	1	LS	\$1,000	\$1,000	
70	Flow Meter & Chart Recorder in NEMA 4X Enclosure	1	LS	\$2,000	\$2,000	
71	Effluent V-Notch Weir	1	LS	\$500	\$500	
72	Access Stairs, Handrail & Platform	1	LS	\$500	\$500	
73	4-inch Air Header @ Blowers	1	LS	\$500	\$500	
74	4 inch Air Header w/ Couplings & Supports	1	LS	\$1,000	\$1,000	
75	2-inch Air supply lines	1	LS	\$1,000	\$1,000	
76	2 inch SS Aeration Diffuser Drop Assemblies	1	LS	\$1,000	\$1,000	
77	1 inch Air Supply lines	1	LS	\$1,000	\$1,000	
78	Flow Meter, Chart Recorder in NEMA 4X Fbglis Encl	1	LS	\$1,000	\$1,000	\$25,000
79	Blower & Controls Enclosure					
80	Concrete Slab	15	CY	\$400	\$6,000	
81	Design, Fabricate & Assemble Building Components	2000	SF	\$12	\$24,000	
82	Erect Building	2000	SF	\$8	\$16,000	
83	Lighting	1	LS	\$3,000	\$3,000	\$49,000
84	Electrical Work					
85	Aerial drop to Outside Wire Rack, Conduit, Meter Can & Disconnect	1	LS	\$5,000	\$5,000	
86	Interior Disconnect & Wireway	1	LS	\$5,000	\$5,000	
87	Install Control Panels	1	LS	\$3,000	\$3,000	
88	Install Telephone Dialer Alarm	1	LS	\$5,000	\$5,000	
89	Transformer, Lighting Panel	1	LS	\$5,000	\$5,000	
90	Electrical Conduit, Wiring & Lighting	1	LS	\$7,000	\$7,000	
91	150 kW Auxiliary Generator & ATS	1	LS	\$60,000	\$60,000	\$90,000
92	Subtotal				\$545,000	\$545,000
93	Contingency @ 10%				\$54,500	
94	Total Budget Price for WWTP				\$599,500	

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Crystal Springs Water Co., Inc.
Profit & Loss
January through December 2015

	<u>Jan - Dec 15</u>
Ordinary Income/Expense	
Income	
4510 · Water Receipts	
4511 · Tap Fees	199,800.00
4512 · Water Connect Fee	19,175.00
4513 · Sewer Connect Fee	8,050.00
4514 · Misc. Income	500.00
4510 · Water Receipts - Other	3,716,887.69
Total 4510 · Water Receipts	<u>3,944,412.69</u>
4650 · Interest Income-CSWC	302.47
4690 · Misc. Income-CSWC	8,248.54
4711 · Capital Infusion forCashReserve	175,000.00
Total Income	<u>4,127,963.70</u>
Expense	
6151 · Consulting Fee	120,000.00
6000 · Building Rent	42,000.00
6010 · Accounting	5,880.00
6050 · Answering service	3,380.00
6070 · Auto Expenses	
6071 · Fuel Expenses	89,826.43
6072 · License Tags	2,275.60
6070 · Auto Expenses - Other	91,883.25
Total 6070 · Auto Expenses	<u>183,985.28</u>
6090 · Bank Charges	4,421.05
6110 · Call Outs	6,845.00
6130 · Chemicals	9,491.00
6250 · Dues and Subscriptions	125.00
6260 · Education	925.00
6270 · Engineering	32,951.73
6290 · Equipment Rental	9,135.79
6310 · Fee	419,562.70
6350 · Insurance	
6351 · Auto Ins.	22,764.67
6352 · Health Ins.	84,491.72
6353 · Liability Ins.	18,885.50
6354 · Group Life Ins.	2,512.55
6355 · Equipment Ins.	3,789.00
6356 · Workmans Comp	7,260.40
6350 · Insurance - Other	612.80
Total 6350 · Insurance	<u>140,316.64</u>
6360 · Interest Expense	28,769.78
6370 · Lab Fees	39,093.05
6390 · Land Lease	24,000.00
6410 · Legal and Professional	18,591.60
6430 · Maintenance and Repairs	201,004.26
6450 · Medical	901.64
6460 · Meals and Entertainment	1,750.00
6470 · Meter Readings	52,406.60
6490 · Miscellaneous expense	2,555.20

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1:18 PM
05/09/16
Cash Basis

Crystal Springs Water Co., Inc.
Profit & Loss
January through December 2015

	<u>Jan - Dec 15</u>
6510 · Office expenses	27,551.05
6530 · Operating expenses	234,000.00
6550 · Permit	8,312.32
6570 · Postage	21,498.67
6580 · Recording fee	-62.00
6590 · Salaries-officer	62,500.00
6610 · Salaries and Wages	685,380.39
6630 · Salaries-Bonuses	34,200.00
6690 · Sewer Plant C. W.	
6691 · Sewer Plant C.W.-Utilities	24,005.13
6692 · Sewer Plant C.W. Chemicals	3,499.77
6693 · Sewer Plant C.W. Repairs	14,188.70
6694 · Sewer Plant C.W. Sludge Removal	9,761.47
6695 · Sewer Plant C.W. Supplies	648.00
6696 · Sewer Plant C.W. Lab Fees	12,878.00
6699 · Sewer Plant C W Permit Fee	1,250.00
6690 · Sewer Plant C. W. - Other	5,000.00
Total 6690 · Sewer Plant C. W.	<u>71,231.07</u>
6700 · Sewer Plant-TLN	
6701 · Sewer Plant-TLN Repairs	13,091.05
6702 · Sewer Plant-TLN Chemicals	16,537.70
6704 · Sewer Plant TLN-Sludge Removal	44,071.12
6705 · Sewer Plant TLN Lab Exp	12,224.00
6706 · Sewer Plant TLN-Utilities	32,311.37
6707 · TLN Engineering	1,378.00
6708 · Sewer Plant TLN Permit Fee	1,380.49
6709 · Sewer Plant-Supplies	24,072.26
6700 · Sewer Plant-TLN - Other	3,038.20
Total 6700 · Sewer Plant-TLN	<u>148,104.19</u>
6800 · Sewer Plant Forest Trace	
6801 · Sewer Plant-F Trace Engineering	12,433.83
6803 · F Trace Sewer Permit Fee	620.00
6800 · Sewer Plant Forest Trace - Other	64,072.70
Total 6800 · Sewer Plant Forest Trace	<u>77,126.53</u>
6850 · Ponderosa Pines Sewer Plant	
6851 · Ponderosa Pines Engineering	5,012.35
Total 6850 · Ponderosa Pines Sewer Plant	<u>5,012.35</u>
6900 · Sewer Plant Lilliput Farms	
6901 · Sewer Plant LPF-Engineering	15,311.07
6902 · Lilliput Farms Sewer Permit Fee	620.00
6900 · Sewer Plant Lilliput Farms - Other	1,894.45
Total 6900 · Sewer Plant Lilliput Farms	<u>17,825.52</u>
6710 · Simple IRA	18,395.05
6750 · Supplies	439,708.58
6760 · Surveying Exp.	8,644.56
6770 · Taxes-payroll	53,782.81
6790 · Taxes-property	33,356.32
6810 · Taxes-other	20,442.74

1:18 PM
05/09/16
Cash Basis

Crystal Springs Water Co., Inc.
Profit & Loss
January through December 2015

	<u>Jan - Dec 15</u>
6820 · Telephone	16,032.51
6830 · Utilities	104,411.46
16999 · Payroll Expenses	577.83
Total Expense	<u>3,436,123.27</u>
Net Ordinary Income	<u>691,840.43</u>
Net Income	<u><u>691,840.43</u></u>

Crystal Springs Water Co., Inc.
Balance Sheet
 As of December 31, 2015

	Dec 31, 15
ASSETS	
Current Assets	
Checking/Savings	
11014 · Cash-Construction Account	179,918.78
11011 · Cash-Compass Bank 2	98,172.75
11012 · CSWC Accrual Acct Compass Bank	35,123.13
11013 · CSWC Cash Reserve- Compass Bank	250,547.06
11062 · CD-Woodforest	25,610.00
11064 · Cd Woodforest	14,319.00
11090 · Bank Transfers	-303,105.34
Total Checking/Savings	300,585.38
Other Current Assets	
11340 · Advances-Employees	393.17
11410 · Advances to/from Affiliates	
11426 · Advances-Tom Martin	38,977.06
11415 · Advances - B & T Properties	1,000.00
11424 · Advances L&P Properties	2,000.00
11413 · Advances-MRE Maint	-2,500.00
11414 · Advances - Timberland	-13,000.00
11416 · Advances-Mark Martin	23,709.37
11417 · Advances-Crywd	-2,500.00
11419 · Advances-Old H. Acres	2,500.00
11420 · Advances-MJM	-10,000.00
11460 · Adv to/frm Affilates prior 2000	-4,217.06
Total 11410 · Advances to/from Affiliates	35,969.37
11480 · Advances to/from MRE	128,463.07
Total Other Current Assets	164,825.61
Total Current Assets	465,410.99
Fixed Assets	
11710 · Fixed Assets	4,858,309.92
11750 · Accumulated Depreciation	-3,410,252.42
11810 · Land	4,580.00
Total Fixed Assets	1,452,637.50
Other Assets	
11940 · Cumberland Crossing	6,485.55
11930 · Lot 1 Block 19C	12,500.00
Total Other Assets	18,985.55
TOTAL ASSETS	1,937,034.04
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
12150 · Aflac Ins.	676.69
12151 · Assurant Employee Benefits	-3,450.31
12538 · N/P Kubota 45497914	107,225.30
12555 · N/P John Financial 510000820501	38,995.53

1:16 PM
05/09/16
Cash Basis

Crystal Springs Water Co., Inc.
Balance Sheet
As of December 31, 2015

	<u>Dec 31, 15</u>
12556 · N/P Woodforest TL Sewer 6937431	267,677.34
12557 · John Deere Fin 510000882348	38,840.92
12558 · N/PCapitalOneAuto#3927679	11,405.88
12578 · Toyota Fin Ser 012 6564374	28,967.54
12579 · N/P Chase AutoFin11422714133611	35,650.31
12586 · N/P-Compass Const. Acct.	100,853.04
12587 · N/P Prosperity Bank 98683	231,340.14
12110a · P/R Tax Pay 123199	-108.93
12110 · Payroll Taxes Payable	108.93
12130 · SUTA Payable	152.06
12140 · Simple IRA W/H	3,995.76
12145 · Medical Ins. W/H	10,120.66
12710 · Water Deposits	416,860.91
12711 · Water Deposit Refund	-116,856.38
12715 · Rent Deposit	3,600.00
12999 · Payroll Liabilities	3,234.63
Total Other Current Liabilities	<u>1,179,290.02</u>
Total Current Liabilities	<u>1,179,290.02</u>
Total Liabilities	1,179,290.02
Equity	
13010 · Common Stock	1,000.00
13150 · Distributions	-341,500.89
13090 · Paid in Capital	27,389.22
13900 · Retained Earnings	379,015.26
Net Income	691,840.43
Total Equity	<u>757,744.02</u>
TOTAL LIABILITIES & EQUITY	<u><u>1,937,034.04</u></u>

Shelley Young

From: martin@juliedubros.com
Sent: Thursday, May 05, 2016 1:15 PM
To: Shelley Young
Subject: Re: Signature Page

Hi Shelley,

Here are our current balances:

CSW OPERATING ACCOUNT:	\$ 89,232.98
CSW ACRUAL ACCOUNT:	\$23,567.86
CSW CASH RESERVE	<u>\$253,086.53</u>
<u>TOTAL</u>	<u>\$365,887.37</u>

Let me know if you need anything else

Thank you,
Julie Dubros
Martin Realty & Land and
Crystal Springs Water Company
281-794-9032
martin@juliedubros.com

Confidentiality Note: The information contained in this e-mail, including any attachments, is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited. If you are not the intended recipient, and have received this communication in error, please contact the sender by reply e-mail and destroy all copies of the original message. Thank You

-----Original Message-----

From: Shelley Young [mailto:syoung@waterengineers.com]
Sent: Wednesday, May 4, 2016 06:17 PM
To: martin@juliedubros.com
Subject: RE: Signature Page

Thanks, Julie

Shelley B. Young, P.E.
WaterEngineers, Inc.



PROSPERITY BANK®

Tuesday, May 24, 2016

RE: Ponderosa Pines Water and Sewer Facility.

To whom it may concern:

Tom Martin has been an excellent customer of the bank for over 20 years, and we have financed many projects for him in the past, including several water and sewer plants. Tom has brought to our attention about financing the new water and sewer plant for Ponderosa Pines Subdivision, in the amount of \$750M. We are excited about opportunity to finance the proposed project for him, and expect no issues in financing this project. If you have any questions please contact me at 281-465-5308.

Sincerely,

Travis Freeman
Regional President – The Woodlands

Crystal Springs Water Co., Inc.
Annual Plant Expansion

350 Customer Water System

Phase 1 Well Plant + Infrastructure	\$350,000
Phase 2 Well #2 plus storage capacity	100,000

Loan:	\$250,000
Terms:	5.5% (15 year amortization)
Payment:	\$2,042/month

350 Customer Sewer System (70,000 gallons/day)

Phase 1 Sewer Plant + Infrastructure	\$750,000
Phase 2 Infrastructure for 100 customers	100,000

Loan:	\$500,000
Terms:	5.5% (15 year amortization)
Payment:	\$4,085/month

Monthly Customer Cash Flow Projection

Average Water Bill \$62/month
Average Sewer Bill \$48/month

Within 36 months	100 customers @ \$110/month	\$11,000/month
Within 48 months	150 customers @ \$110/month	\$16,500/month
Within 60 months	200 customers @ \$110/month	\$22,000/month

ATTACHMENT "L"

WATER TARIFF

CRYSTAL SPRINGS WATER CO., INC.



**WATER UTILITY TARIFF
Docket Number: 43340**

Crystal Springs Water Company, Inc.
(Utility Name)

P.O. Box 603
(Business Address)

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

(281) 354-5136
(Area Code/Telephone)

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

11373

This tariff is effective in the following counties:

Montgomery and Walker

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

None

This tariff is effective in the following subdivisions or systems:

See attached list.

TABLE OF CONTENTS

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

SECTION 1.0 -- RATE SCHEDULE.....	2
SECTION 2.0 -- SERVICE RULES AND POLICIES	4
SECTION 3.0 -- EXTENSION POLICY	11
SECTION 4.0 -- DROUGHT CONTINGENCY PLAN	16
APPENDIX A -- SAMPLE SERVICE AGREEMENT	
APPENDIX B -- APPLICATION FOR SERVICE	

CRYSTAL SPRINGS WATER COMPANY, INC.
LIST OF SUBDIVISIONS

SUBDIVISION NAME	PWS ID	COUNTY
Acorn Hills	1700322	Montgomery
Afton Park Water System	1700147	Montgomery
Arbor Oaks	1700322	Montgomery
Autumn Acres	1700756	Montgomery
Bennett Woods	1700290	Montgomery
Chaparral Place	1700434	Montgomery
Chasewood	1700622	Montgomery
Country West	1700435	Montgomery
Crystalwood Estates	1700322	Montgomery
Deer Glen	1700322	Montgomery
Deer Glen North	1700322	Montgomery
Deer Glen West	1700322	Montgomery
Emerald Forest	1700322	Montgomery
Emerald Woods	2360044	Walker
FM 1485 LTD	1700580	Montgomery
Lake Creek Falls	1700719	Montgomery
Lake Louise	1700184	Montgomery
Live Oak Estates	1700198	Montgomery
Oak Grove	1700322	Montgomery
Oak Grove South	1700322	Montgomery
Oak Tree Subdivision	1700695	Montgomery
Oak Creek Section II	1700432	Montgomery
Pinewood Village	1700290	Montgomery
Ranch Estates	1700322	Montgomery
Rolling Hill Oaks	1700058	Montgomery
The Oaks	1700626	Montgomery
Timberland Estates	1700612	Montgomery
Tower Woods	1700289	Montgomery
Tower Glen	1700433	Montgomery
Tower Glen North	1700433	Montgomery
Western Hill	1700629	Montgomery
Whispering Pines	1700066	Montgomery
White Oak Hills	1700613	Montgomery
Winchester Place	1700466	Montgomery
Woodland Forest Estates	1700066	Montgomery
Woodridge Estates	1700075	Montgomery

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallage Charge</u>
5/8" or 3/4"	\$43.80 (Includes 0 gallons)	\$3.33 per 1000 gallons
1"	\$109.50	
1½"	\$219.00	
2"	\$350.40	
3"	\$657.00	

Lone Star Ground Water Conservation District (Montgomery County): An additional charge of \$0.06 per 1,000 gallons of water usage will be added to the gallage charge.

San Jacinto River Authority (Montgomery County): An additional charge of \$0.83 per 1,000 gallons will be added to the gallage charge for ground water reduction fee.

Bluebonnet Ground Water Conservation District (Walker County): An additional charge of \$0.035 per 1,000 gallons of water usage will be added to the gallage charge

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

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

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

REGULATORY ASSESSMENT1.0%

PUC RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL AND REMIT TO THE TCEQ.

Section 1.02 - Miscellaneous Fees

TAP FEE.....\$900.00

TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL 5/8" or 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

TAP FEE (Unique costs) Actual Cost

FOR EXAMPLE, A ROAD BORE FOR CUSTOMERS OUTSIDE OF SUBDIVISIONS OR RESIDENTIAL AREAS.

TAP FEE (Large meter)..... Actual Cost

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

SECTION 1.0 - RATE SCHEDULE (Continued)

METER RELOCATION FEEActual Relocation Cost, Not to Exceed Tap Fee
THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS THAT AN EXISTING METER BE RELOCATED.

METER TEST FEE \$25.00
THIS FEE WHICH SHOULD REFLECT THE UTILITY'S COST MAY BE CHARGED IF A CUSTOMER REQUESTS A SECOND METER TEST WITHIN A TWO-YEAR PERIOD AND THE TEST INDICATES THAT THE METER IS RECORDING ACCURATELY. THE FEE MAY NOT EXCEED \$25.

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

- a) Non payment of bill (Maximum \$25.00)..... \$25.00
- b) Customer's request that service be disconnected..... \$50.00

TRANSFER FEE \$50.00
THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED

LATE CHARGE (EITHER \$5.00 OR 10% OF THE BILL) \$5.00
PUC RULES ALLOW A ONE-TIME PENALTY TO BE CHARGED ON DELINQUENT BILLS. A LATE CHARGE MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

RETURNED CHECK CHARGE \$35.00
RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

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

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

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE N/A
WHEN AUTHORIZED IN WRITING BY TCEQ AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING.
[30 TAC 24.21(K)(2)]

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

SECTION 1.0 - RATE SCHEDULE (Continued)

PURCHASED WATER/UNDERGROUND WATER DISTRICT FEE PASS THROUGH
CLAUSE: Changes in fees imposed by any wholesale water supplier or underground water district having jurisdiction over the Utility shall be passed through as an adjustment to the water gallonage charge according to the formula:

AG = G + B, where:

AG = adjusted gallonage charge, rounded to the nearest one cent

G = approved per 1,000 gallon gallonage charge

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

To implement or modify the Purchased Water/Underground Water District Fee, the utility must comply with all notice and other requirements of 30 TAC 24.21(h).

SECTION 2.0 - SERVICE RULES AND POLICIES

The utility will have the most current Public Utility Commission of Texas (PUC or Commission) Rules, Chapter 24, available at its office for reference purposes. The Rules and this tariff shall be available for public inspection and reproduction at a reasonable cost. The latest Rules or Commission approved changes to the Rules supersede any rules or requirements in this tariff.

Section 2.01 - Application for Water Service

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

Section 2.02 - Refusal of Service

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

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

(A) Customer Deposits

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

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

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

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

SECTION 2.0 - SERVICE RULES AND POLICIES (CONT.)

(B) Tap or Reconnect Fees

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

Fees in addition to the regular tap fee may be charged to cover unique costs not normally incurred as permitted by 30 TAC 24.86(a)(1)(C) if they are listed on this approved tariff. For example, a road bore for customers outside a subdivision or residential area could be considered a unique cost.

(C) Easement Requirement

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

Section 2.04 - Utility Response to Applications for Service

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

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

Section 2.05 - Customer Responsibility

The customer will be responsible for furnishing and laying the necessary customer service pipe from the meter location to the place of consumption. Customers will not be allowed to use the utility's cutoff valve on the utility's side of the meter. Existing customers may install cutoff valves on their side of the meter and are encouraged to do so.

SECTION 2.0 - SERVICE RULES AND POLICIES (CONT.)

All new customers must install and maintain a cutoff valve on their side of the meter.

No direct connection between a public water supply system and any potential source of contamination or between a public water supply system and a private water source (ex. private well) will be allowed. A customer shall not connect, or allow any other person or party to connect, onto any water lines on his premises.

Section 2.06 - Customer Service Inspections

Applicants for new service connections or facilities which have undergone extensive plumbing modifications are required to furnish the utility a completed customer service inspection certificate. The inspection certificate shall certify that the establishment is in compliance with the Texas Commission Environmental Quality (TCEQ) Rules and Regulations for Public Water Systems, Section 290.46(j). The Utility is not required to perform these inspections for the applicant/customer, but will assist the applicant/customer in locating and obtaining the services of a certified inspector.

Section 2.07 - Back Flow Prevention Devices

All non-residential customers requiring a greater than 1" meter or any customer with irrigation or firefighting systems, must install back flow prevention devices which have been approved by the utility or its consulting engineers on each of their customer service lines.

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

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

Section 2.08 - Access to Customer's Premises

The utility will have the right of access to the customer's premises at all reasonable times for the purpose of installing, testing, inspecting or repairing water mains or other equipment used in connection with its provision of water service, or for the purpose of removing its property and disconnecting lines, and for all other purposes necessary to the operation of the utility system including inspecting the customer's plumbing for code, plumbing or tariff violations.

Docket No. 43340

SECTION 2.0 - SERVICE RULES AND POLICIES (CONT.)

The customer shall allow the utility and its personnel access to the customer's property to conduct any water quality tests or inspections required by law. Unless necessary to respond to equipment failure, leak or other condition creating an immediate threat to public health and safety or the continued provision of adequate utility service to others, such entry upon the customer's property shall be during normal business hours and the utility personnel will attempt to notify the customer that they will be working on the customer's property. The customer may require any utility representative, employee, contractor, or agent seeking to make such entry identify themselves, their affiliation with the utility, and the purpose of their entry.

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

Section 2.09 - Meter Requirements, Readings, and Testing

One meter is required for each residential, commercial, or industrial connection. All water sold by the utility will be billed based on meter measurements. The utility will provide, install, own and maintain meters to measure amounts of water consumed by its customers.

Meters will be read at monthly intervals and as nearly as possible on the corresponding day of each monthly meter reading period unless otherwise authorized by the Commission.

Meter tests. The utility will, upon the request of a customer, and, if the customer so desires, in his or her presence or in that of his or her authorized representative, make without charge a test of the accuracy of the customer's meter. If the customer asks to observe the test, the test will be made during the utility's normal working hours at a time convenient to the customer. Whenever possible, the test will be made on the customer's premises, but may, at the utility's discretion, be made at the utility's testing facility. If within a period of two years the customer requests a new test, the utility will make the test, but if the meter is found to be within the accuracy standards established by the AWWA, the utility will charge the customer a fee which reflects the cost to test the meter up to a maximum \$25 for a residential customer. Following the completion of any requested test, the utility will promptly advise the customer of the date of removal of the meter, the date of the test, the result of the test, and who made the test.

Section 2.10 - Billing

(A) Regular Billing

Bills from the utility will be mailed monthly unless otherwise authorized by the Commission. The due date of bills for utility service will be at least sixteen (16) days from the date of issuance. The postmark on the bill or, if there is no postmark on the bill, the recorded date of mailing by the utility will constitute proof of the date of issuance.

Docket No. 43340

SECTION 2.0 - SERVICE RULES AND POLICIES (CONT.)

Payment for utility service is delinquent if full payment, including late fees and the regulatory assessment, is not received at the utility or the utility's authorized payment agency by 5:00 p.m. on the due date. If the due date falls on a holiday or weekend, the due date for payment purposes will be the next workday after the due date.

(B) Late Fees

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

(C) Information on Bill

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

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

Section 2.11- Payments

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

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

Section 2.12 - Service Disconnection

(A) With Notice

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

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

SECTION 2.0 - SERVICE RULES AND POLICIES (CONT.)

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

(B) Without Notice

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

Section 2.13 - Reconnection of Service

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

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

Section 2.14 - Service Interruptions

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

Section 2.15 - Quality of Service

The utility will plan, furnish, and maintain production, treatment, storage, transmission, and distribution facilities of sufficient size and capacity to provide a continuous and adequate supply of water for all reasonable consumer uses. Unless otherwise authorized by the Commission, the utility will maintain facilities as described in the TCEQ Rules and Regulations for Public Water Systems.

Section 2.16 - Customer Complaints and Disputes

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

Docket No. 43340

SECTION 2.0 - SERVICE RULES AND POLICIES (CONT.)

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

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

Section 2.17 - Customer Liability

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

SECTION 3.0 - EXTENSION POLICY

Section 3.01 - Standard Extension Requirements

LINE EXTENSION AND CONSTRUCTION CHARGES.

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

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

Unless an exception is granted by the Commission, the residential service applicant shall not be required to pay for costs of main extensions greater than 2" in diameter for water distribution and pressure wastewater collection lines and 6" in diameter for gravity wastewater lines.

Exceptions may be granted by the Commission if:

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

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

The utility shall bear the cost of any over-sizing of water distribution lines or waste water collection lines necessary to serve other potential service applicants for customers in the immediate area.

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

If an applicant requires service other than the standard service provided by the utility, such applicant will be required to pay all expenses incurred by the utility in excess of the expenses that would be incurred in providing the standard service and connection

SECTION 3.0 - EXTENSION POLICY (CONT.)

beyond 200 feet and throughout his property including the cost of all necessary transmission facilities.

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

Section 3.02 - Costs Utilities Shall Bear

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

Within its certificate area, the utility will pay the cost of the first 200 feet of any water main or distribution line necessary to extend service to an individual residential customer within a platted subdivision. However, if the residential customer requesting service purchased the property after the developer was notified of the need to provide facilities to the utility, the utility may charge for the first 200 feet. The utility must also be able to document that the developer of the subdivision refused to provide facilities compatible with the utility's facilities in accordance with the utility's approved extension policy after receiving a written request from the utility.

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

Section 3.03 - Contributions in Aid of Construction

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

SECTION 3.0 - EXTENSION POLICY (CONT.)

Any applicant who places unique or non-standard service demands on the system may be required to provide contributions in aid of construction for the actual costs of any additional facilities required to maintain compliance with the TCEQ minimum design criteria for water production, treatment, pumping, storage and transmission.

Any service extension to a subdivision (recorded or unrecorded) may be subject to the provisions and restrictions of 30 TAC 24.86(d). When a developer wishes to extend the system to prepare to service multiple new connections, the charge shall be the cost of such extension, plus a pro-rata charge for facilities which must be committed to such extension compliant with the TCEQ minimum design criteria. As provided by 30 TAC 24.85(e)(4), for purposes of this section, commercial, industrial, and wholesale customers shall be treated as developers.

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

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

Section 3.04 - Appealing Connection Costs

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

Section 3.05 - Applying for Service

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

SECTION 3.0 - EXTENSION POLICY (CONT.)

Service applications will be sent by prepaid first class United States mail to the address provided by the applicant upon request. Completed applications should be returned by hand delivery in case there are questions which might delay fulfilling the service request. Completed service applications may be submitted by mail if hand delivery is not possible.

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

Section 3.06 - Qualified Service Applicant

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

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

Section 3.07 - Developer Requirements

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

SECTION 4.0 – Drought Contingency Plan
(The utility must attach a copy of the TCEQ approved Drought Contingency Plan)

ATTACHMENT "M"

SEWER TARIFF

CRYSTAL SPRINGS WATER CO., INC.



SEWER UTILITY TARIFF
Docket Number: 43817

Crystal Springs Water Company, Inc.
(Utility Name)

P.O. Box 603
(Business Address)

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

(281) 354-5141
(Area Code/Telephone)

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

20782

This tariff is effective in the following county:

Montgomery

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

None

This tariff is effective in the following subdivisions or systems:
Country West, F.M. 1485 Estates, Western Hills; WQ0012621-001
Forest Trace Subdivision; WQ0014081-001

TABLE OF CONTENTS

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

SECTION 1.0 -- RATE SCHEDULE.....	2
SECTION 2.0 -- SERVICE RULES AND POLICIES	4
SECTION 3.0 -- EXTENSION POLICY	9

SECTION 1.0 - RATE SCHEDULE

Section 1.01--Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallage Charge</u>
5/8" or 3/4"	<u>\$30.00</u> (Includes 0 gallons)	<u>\$2.50</u> per 1,000 gallons
1"	<u>\$50.00</u>	

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

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

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

REGULATORY ASSESSMENT 1.0%

PUC RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL AND TO REMIT TO THE TCEQ.

Section 1.02 - Miscellaneous Fees

TAP FEE \$600.00

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

TAP FEE (Large Connection Tap) Actual Cost

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

RECONNECTION FEE

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

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

TRANSFER FEE \$25.00

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

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

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

RETURNED CHECK CHARGE \$25.00

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

SECTION 1.0 - RATE SCHEDULE (CONT.)

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

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

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE:

WHEN AUTHORIZED IN WRITING BY PUC AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND TESTING. [16 TAC 24.21(k)(2)]

LINE EXTENSION AND CONSTRUCTION CHARGES:

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

SECTION 2.0 -- SERVICE RULES AND POLICIES

The utility will have the most current Public Utility Commission of Texas (PUC or Commission) Rules, Chapter 24, available at its office for reference purposes. The Rules and this tariff shall be available for public inspection and reproduction at a reasonable cost. The latest Rules or Commission approved changes to the Rules supersede any rules or requirements in this tariff.

Section 2.01 - Application for Sewer Service

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

Section 2.02 - Refusal of Service

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

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

(A) Customer Deposits

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

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

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

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

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

(B) Tap or Reconnect Fees

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

Fees in addition to the regular tap fee may be charged if listed specifically in Section 1 to cover unique costs not normally incurred as permitted by 30 TAC 24.86(a)(1)(C). For example, a road bore for customers outside a subdivision or residential area could be considered a unique cost.

(C) Easement Requirement

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

Section 2.04 - Utility Response to Applications for Service

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

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

Section 2.05 - Customer Responsibility

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

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

Section 2.06 - Customer Service Inspections

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

Section 2.07 - Back Flow Prevention Devices

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

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

Section 2.10 - Billing

(A) Regular Billing

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

(B) Late Fees

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

(C) Information on Bill

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

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

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

Section 2.11- Payments

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

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

(A) With Notice

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

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

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

(B) Without Notice

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

Section 2.13 - Reconnection of Service

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

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

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

Section 2.14 - Service Interruptions

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

Section 2.15 - Quality of Service

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

Section 2.16 - Customer Complaints and Disputes

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

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

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

Section 2.17 - Customer Liability

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

SECTION 3.0 -- EXTENSION POLICY

Section 3.01 - Standard Extension Requirements

Line Extension and Construction Charges: No contribution in aid of construction may be required of any customer except as provided for in this approved extension policy.

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

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

Section 3.02 - Costs Utilities and Service Applicants Shall Bear

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

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

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

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

SECTION 3.0 -- EXTENSION POLICY (CONT.)

Exceptions may be granted by the Commission if:

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

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

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

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

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

Section 3.03 - Contributions in Aid of Construction

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

SECTION 3.0 -- EXTENSION POLICY (CONT.)

Any applicant who places unique or non-standard service demands on the system may be required to provide contributions in aid of construction for the actual costs of any additional facilities required to maintain compliance with the TCEQ minimum design criteria for water production, treatment, pumping, storage and transmission.

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

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

Under a contract and only in accordance with the terms of the contract; or

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

Section 3.04 - Appealing Connection Costs

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

Section 3.05 - Applying for Service

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

SECTION 3.0 -- EXTENSION POLICY (CONT.)

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

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

Section 3.06 - Qualified Service Applicant

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

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

Section 3.07 - Developer Requirements

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