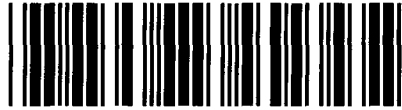


Control Number 46300



Item Number 1

Addendum StartPage 0



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

Pursuant to Chapter 13.251 of the Texas Water Code

RECEIVED
2014 AUG 22 PM 2:12
PUBLIC UTILITY COMMISSION
FILING CLERK

Docket Number: 46300

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

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

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

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

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

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10

Part A - General Information

*RN# 101242394 *CN# 1070159 * (PRIOR TCEQ ID numbers)

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

Sale of All Portion of the Water system(s) under CCN No. 12830
 Acquisition Sewer system(s) under CCN No. _____
 Lease/Rental _____

Transfer of All Portion of the Certificated water service area - CCN No. _____
 Certificated sewer service area - CCN No. _____

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

and to:

Obtain a CCN for the transferee (purchaser) - indicate if purchaser will take the seller's CCN
 Amend the transferee's CCN No. Seller To Transfer CCN# To Buyer
 Merge or consolidate public utilities _____
 Cancel CCN of the transferor (seller) _____

2. Proposed effective date of this transaction: _____

(Must be at least 120 days after proper notice is provided)

Part B - Current Service Provider or Seller Information

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

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

A. Name: Dexter Monroe - Dak-High Water Supply
(Individual, Corporation or Other Legal Entity)

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

B. Utility Name (if different than above): _____

Address: P.O. Box 744 Athens, Tx. 75751 Telephone: (AC) 903-675-1119

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

Name: Dexter Monroe Title: Owner-Operator
Address: P.O. Box 1531 Athens, Tx. 75751 Telephone: (AC) 903-675-1119

Fax: 903-675-1119

Email: Dexmon22@Aoh.com

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

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

9-1-93

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

No Yes- Application/Docket Number: _____ Date _____

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

| Name and Address of Utility Customer | Date of Deposit | Amount of Deposit | Amount of Unpaid Interest on Deposit |
|--------------------------------------|-----------------|-------------------|--------------------------------------|
| <u>N/A</u> | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

Part C – Purchaser or Transferee Information

Questions 6 through 16 refer to the transferee or purchaser.

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

Applicant: L+T WATER WORKS
(Individual, Corporation, or Other Legal Entity)

Utility Name: ATHENS WATER SYSTEM
(If different than above)

Utility Address: 1560 HCR 485 Palestine, Tx. 75903

Fax: N/A Email: LTWaterWorks Telephone (AC): 903-922-0873
2014@gmail.com

CCN Numbers held prior to the filing of this application: 12993

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

- Individual
- Home or Property Owners Association
- Partnership; attach copy of partnership agreement
- Corporation; provide charter number as recorded with the Office of the Secretary of State for Texas: L+T WATER WORKS, LLC
- Non-profit, member owned, member-controlled Cooperative Corporation (Article 1434(a) Water Sewer Service Corporation); provide charter number:

| | |
|--------------------------|--|
| <input type="checkbox"/> | Municipally-owned utility |
| <input type="checkbox"/> | District (MUD, SUD, WCID, etc.) |
| <input type="checkbox"/> | County |
| <input type="checkbox"/> | Other (please explain): <input style="width: 500px;" type="text"/> |

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

| | | | |
|-----------------|-----------------------------------|-----------|-----------------------|
| Name: | Curtis Logan | Email: | LTWater2014@gmail.com |
| Address: | 1560 ACR 485 Palestine, TX. 75803 | | |
| Telephone (AC): | 903-922-0873 | Fax (AC): | N/A |

N/A

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

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

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

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

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

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

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

Attach additional sheet(s) if necessary -

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

Texas Comptroller of Public Accounts

P. O. Box 13528, Capitol Station

Austin, Texas 78711

1-800-252-5555

N/A

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

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

| | | | |
|--------------------------------|------------------------------------|-----------------|-----------------------------|
| Name: | <i>Ravi, ezna Logan</i> | Title: | <i>Office Manager</i> |
| Address: | <i>1560 ACR 485 Palestine, Tx,</i> | Telephone (AC): | <i>903-922-0873</i> |
| Fax # | <i>N/A</i> | 75803 | Email <i>KTWater.2014@g</i> |
| Relationship to the applicant: | <i>Wife</i> | | |
| | | | <i>mail.com</i> |

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

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

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

Applicant is experienced in operation of water systems, owned and operated systems for 23 years. Class A Water License

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

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

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

No funds required for improvements - System meets TCEQ requirements

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

Transaction has no impact on quality of service or no anticipated changes.

E. How will the transaction serve the public interest?

Same as in past years. Quality water and service. Experienced owner-operator

12. Please describe the nature of the proposed transaction:

Sell of entire system, with all pertaining to Dal-High Water. Continuous Service

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

A.

• Total Purchase Price: 46,000,000

• Total Original Cost (as recorded on books of seller or merging entity): N/A

• Accumulated Depreciation as of the proposed effective date of the transaction: N/A

• Contributions in Aid of Construction:

Specific surcharges approved by TCEQ or PUC: N/A

Revenues from explicit customer agreements: N/A

Developer Contributions (please explain):

N/A - No construction

Other Contributions (please explain):

N/A None Available

Total Contributions in Aid of Construction None

• Net Book Value:

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

Application/Docket Number: Date:

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

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

Owner of D2L-High Water -
Health Issues

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

| | |
|------------------------------------|-----|
| Utility Plant in Service: | N/A |
| Plant Acquisition Adjustment: | |
| Extraordinary Loss on Purchase: | |
| Accumulated Depreciation of Plant: | |
| Cash: | |
| Notes Payable: | |
| Mortgage Payable: | |
| Others (please list): | |

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

Purchaser's Initials: Date:

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

All the customers will be charged the same rates as they were charged before the transaction.

Some All customers will be charged different rates than they were charged before the transaction.

If rates are changing, please explain:

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

RATE TO REFLECT CURRENT PRICING.
NO RATE CHANGE AT THIS TIME.

Other. Please explain:

N/A

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

CITY OF ATHENS
BETHEL ASH WATER
ATHENS WATER SYSTEM

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

N/A

Part D – Historical Financial Information

| HISTORICAL BALANCE SHEETS | CURRENT YEAR (A) | A-1 YEAR | A-2 YEAR | A-3 YEAR | A-4 YEAR | A-5 YEAR |
|--|-----------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| CURRENT ASSETS | | | | | | |
| Cash | | | | | | |
| Accounts Receivable | | | | | | |
| Inventories | | | | | | |
| Income Tax Receivable | | | | | | |
| Other | | | | | | |
| Total | <i>N/A No prior History</i> | | | | | |
| FIXED ASSETS | | | | | | |
| Land | | | | | | |
| Collection/Distribution System | | | | | | |
| Buildings | | | | | | |
| Equipment | | | | | | |
| Other | | | | | | |
| Less: Accum. Depreciation or Reserves | | | | | | |
| Total | <i>//</i> | <i>//</i> | <i>//</i> | <i>//</i> | | |
| TOTAL ASSETS | | | | | | |
| CURRENT LIABILITIES | | | | | | |
| Accounts Payable | | | | | | |
| Notes Payable, Current | | | | | | |
| Accrued Expenses | | | | | | |
| Other | | | | | | |
| TOTAL | <i>//</i> | <i>//</i> | <i>//</i> | <i>//</i> | | |
| LONGTERM LIABILITIES | | | | | | |
| Notes Payable, Long-term | | | | | | |
| Other | | | | | | |
| TOTAL LIABILITIES | <i>//</i> | <i>//</i> | <i>//</i> | <i>//</i> | | |
| OWNER'S EQUITY | | | | | | |
| Paid in Capital | | | | | | |
| Retained Equity | | | | | | |
| Other | | | | | | |
| Current Period Profit or Loss | | | | | | |
| TOTAL OWNER'S EQUITY | | | | | | |
| TOTAL LIABILITIES AND EQUITY | | | | | | |
| WORKING CAPITAL | | | | | | |
| CURRENT RATIO | | | | | | |
| DEBT TO EQUITY RATIO EQUITY TO TOTAL ASSETS | <i>//</i> | <i>//</i> | <i>//</i> | <i>//</i> | | |

| HISTORICAL INCOME STATEMENT | CURRENT YEAR (A) | A-1 YEAR | A-2 YEAR | A-3 YEAR | A-4 YEAR | A-5 YEAR |
|------------------------------------|------------------------------|-----------|-----------|-----------|----------|----------|
| METER NUMBER | | | | | | |
| Existing Number of Taps | | | | | | |
| New Taps Per Year | | | | | | |
| Total Meters at Year End | <i>N/A. No prior History</i> | | | | | |
| METER REVENUE | | | | | | |
| Fees Per Meter | | | | | | |
| Cost Per Meter | | | | | | |
| Operating Revenue Per Meter | <i>//</i> | <i>//</i> | <i>//</i> | <i>//</i> | | |
| GROSS WATER REVENUE | | | | | | |
| Fees | | | | | | |
| Other | | | | | | |
| Gross Income | <i>//</i> | <i>//</i> | <i>//</i> | <i>//</i> | | |
| OPERATING EXPENSES | | | | | | |
| General & Administrative | | | | | | |
| Interest | | | | | | |
| Other | | | | | | |
| NET INCOME | <i>//</i> | <i>//</i> | <i>//</i> | <i>//</i> | | |

| HISTORICAL EXPENSE DETAIL | CURRENT YEAR (A) | A-1 YEAR | A-2 YEAR | A-3 YEAR | A-4 YEAR | A-5 YEAR |
|--|-----------------------------|-----------|-----------|-----------|----------|----------|
| GENERAL/ADMINISTRATIVE EXPENSES | | | | | | |
| Salaries | | | | | | |
| Office Expense | | | | | | |
| Computer Expense | | | | | | |
| Auto Expense | | | | | | |
| Insurance Expense | | | | | | |
| Telephone Expense | | | | | | |
| Utilities Expense | | | | | | |
| Depreciation Expense | | | | | | |
| Property Taxes | | | | | | |
| Professional Fees | | | | | | |
| Other | | | | | | |
| Total | | | | | | |
| % Increase Per Year | <i>N/A No prior History</i> | | | | | |
| OPERATIONAL EXPENSES | | | | | | |
| Salaries | | | | | | |
| Auto Expense | | | | | | |
| Utilities Expense | | | | | | |
| Depreciation Expense | | | | | | |
| Repair & Maintenance | | | | | | |
| Supplies | | | | | | |
| Other | | | | | | |
| Total | | | | | | |
| % Increase Per Year | <i>//</i> | <i>//</i> | <i>//</i> | <i>//</i> | | |
| ASSUMPTIONS | | | | | | |
| Interest Rate/Terms | | | | | | |
| Utility Cost/gal. | | | | | | |
| Depreciation Schedule | | | | | | |
| Other | <i>//</i> | <i>//</i> | <i>//</i> | <i>//</i> | | |

PROJECTED BALANCE SHEETS

| | START UP | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 | YEAR 5 |
|---------------------------------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|
| CURRENT ASSETS | | | | | | |
| Cash | 5000.00 | 23347.90 | 41622.63 | 59823.38 | 77949.33 | 95999.68 |
| Accounts Receivable | 20000.00 | 20000.00 | 20000.00 | 20000.00 | 20000.00 | 20000.00 |
| Inventories | | | | | | |
| Income Tax Receivable | | | | | | |
| Other | | | | | | |
| Total | 25000.00 | 43347.90 | 61622.63 | 79823.38 | 97949.33 | 115999.68 |
| FIXED ASSETS | | | | | | |
| Land | | | | | | |
| Collection/Distribution System | | | | | | |
| Buildings | | | | | | |
| Equipment | 7000.00 | 7000.00 | 7000.00 | 7000.00 | 7000.00 | 7000.00 |
| Other | | | | | | |
| Less: Accum. Depreciation or Reserves | | | | | | |
| Total | 7000.00 | 7000.00 | 7000.00 | 7000.00 | 7000.00 | 7000.00 |
| TOTAL ASSETS | | | | | | |
| CURRENT LIABILITIES | | | | | | |
| Accounts Payable | | | | | | |
| Notes Payable, Current | | | | | | |
| Accrued Expenses | | | | | | |
| Other | | | | | | |
| Total | N/A | | | | | |
| LONGTERM LIABILITIES | | | | | | |
| Notes Payable, Long-term | | | | | | |
| Other | | | | | | |
| TOTAL LIABILITIES | N/A | | | | | |
| OWNER'S EQUITY | | | | | | |
| Paid in Capital | 25000.00 | 25000.00 | 25000.00 | 25000.00 | 25000.00 | 25000.00 |
| Retained Equity | 0 | 7000.00 | 25347.90 | 43622.63 | 61823.38 | 79949.33 |
| Other | | | | | | |
| Current Period Profit or Loss | 7000.00 | 18347.90 | 18274.73 | 18200.75 | 18125.96 | 18050.34 |
| TOTAL OWNER'S EQUITY | 32000.00 | 50347.90 | 68622.63 | 86823.38 | 104949.33 | 122999.68 |
| TOTAL LIABILITIES AND EQUITY | 32000.00 | 50347.90 | 68622.63 | 86823.38 | 104949.33 | 122999.68 |
| WORKING CAPITAL | 25000.00 | 43347.90 | 61622.63 | 79823.38 | 97949.33 | 115999.68 |
| CURRENT RATIO | 32000.00 | 50347.90 | 68622.63 | 86823.38 | 104949.33 | 122999.68 |
| DEBT TO EQUITY RATIO | 32000.00 | 50347.90 | 68622.63 | 86823.38 | 104949.33 | 122999.68 |
| EQUITY TO TOTAL ASSETS | 100% | 100% | 100% | 100% | 100% | 100% |

PROJECTED INCOME STATEMENT

| | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 | YEAR 5 | TOTALS |
|------------------------------------|----------|----------|----------|----------|----------|-----------|
| METER NUMBER | | | | | | |
| Existing Number of Taps | 47 | 47 | 47 | 47 | 47 | 47 |
| New Taps Per Year | | | | | | |
| Total Meters at Year End | 47 | 47 | 47 | 47 | 47 | 47 |
| METER REVENUE | | | | | | |
| Fees Per Meter | | | | | | |
| Cost Per Meter | | | | | | |
| Operating Revenue Per Meter | | | | | | |
| GROSS WATER REVENUE | | | | | | |
| Fees | 25000.00 | 25000.00 | 25000.00 | 25000.00 | 25000.00 | 125000.00 |
| Other | | | | | | |
| Gross Income | 25000.00 | 25000.00 | 25000.00 | 25000.00 | 25000.00 | 125000.00 |
| OPERATING EXPENSES | | | | | | |
| General & Administrative | 6652.10 | 6725.27 | 6799.25 | 6874.04 | 6949.86 | 34000.32 |
| Interest | | | | | | |
| Other | | | | | | |
| NET INCOME | 18347.90 | 18274.73 | 18200.75 | 18125.96 | 18050.84 | 91000.18 |

PROJECTED INCOME STATEMENT

| | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 | YEAR 5 | TOTAL |
|--|----------------|----------------|----------------|----------------|----------------|-----------------|
| GENERAL/ADMINISTRATIVE EXPENSES | | | | | | |
| Salaries | 200.00 | 202.20 | 204.42 | 206.67 | 208.95 | 1022.24 |
| Office Expense | 800.00 | 808.80 | 817.70 | 826.69 | 835.79 | 4086.98 |
| Computer Expense | 200.00 | 202.20 | 204.42 | 206.67 | 208.95 | 1022.24 |
| Auto Expense | 150.00 | 151.85 | 153.32 | 155.00 | 156.71 | 766.68 |
| Insurance Expense | 0 | 0 | 0 | 0 | 0 | 0 |
| Telephone Expense | 150.00 | 151.85 | 153.32 | 155.00 | 156.71 | 766.68 |
| Utilities Expense | 1500.00 | 1516.50 | 1533.18 | 1550.06 | 1567.10 | 7666.83 |
| Depreciation Expense | 0 | 0 | 0 | 0 | 0 | 0 |
| Property Taxes | 0 | 0 | 0 | 0 | 0 | 0 |
| Professional Fees | 850.00 | 859.35 | 868.80 | 878.36 | 888.02 | 4344.53 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 3850.00 | 3892.35 | 3935.17 | 3978.45 | 4022.22 | 19678.19 |
| % Increase Per Year | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 |
| OPERATIONAL EXPENSES | | | | | | |
| Salaries | 500.00 | 505.50 | 511.06 | 516.68 | 522.37 | 2555.61 |
| Auto Expense | 151.00 | 152.66 | 154.34 | 156.04 | 157.75 | 771.79 |
| Utilities Expense | 1400.00 | 1415.40 | 1430.97 | 1446.71 | 1462.62 | 7155.70 |
| Depreciation Expense | 0 | 0 | 0 | 0 | 0 | 0 |
| Repair & Maintenance | 800.00 | 808.80 | 817.70 | 826.69 | 835.79 | 4086.98 |
| Supplies | 3800.00 | 3841.80 | 3884.06 | 3926.78 | 3969.98 | 19422.62 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 6652.10 | 6725.27 | 6799.25 | 6874.04 | 6949.66 | 34000.32 |
| % Increase Per Year | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 |
| ASSUMPTIONS | | | | | | |
| Interest Rate/Terms | | | | | | |
| Utility Cost/gal. | | | | | | |
| Depreciation Schedule | | | | | | |
| Other | N/A | N/A | N/A | N/A | N/A | N/A |

PROJECTED SOURCES AND USES OF CASH STATEMENTS

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

Part F – TCEQ Public Water or Sewer System Information

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

17. A. For Water Systems. TCEQ Public Water System Identification Number: 1070159

Date of last inspection: 10-2013

B. For Wastewater Systems:

TCEQ Discharge Permit Number: W Q

-Name of Permittee:

-Date of application to transfer Discharge Permit submitted:

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

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

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

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

| Description of the Required Improvement | Schedule to Complete | Estimated Cost |
|---|----------------------|----------------|
| <i>N/A No Improvements Required</i> | | |
| | | |
| | | |

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

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

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

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

• Source: _____ % of total supply:

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

| Water | | Sewer <i>N/A</i> | |
|-----------|--------------------------|------------------|-------------------------|
| | -Non Metered | | -2"meter |
| <i>46</i> | -5/8" or 3/4" meter | | -3" meter |
| | -1" meter | | -4" meter |
| | -1 1/2" meter | | -Other |
| <i>46</i> | Total Water Connections: | | Total Sewer Connections |

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

No further Taps or connection will be made

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

| Name | Class | License# |
|---------------------|----------------|-----------------|
| <i>CURTIS LOGAN</i> | <i>A WATER</i> | <i>W0033608</i> |
| | | |
| | | |
| | | |

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

OATH FOR PURCHASER OR ACQUIRING ENTITY

STATE OF Texas

COUNTY OF Henderson

I, L+T Waterworks, LLC - Curtis Logan, being duly sworn, file this application for

sale, lease, rental or merger or consolidation as D2L - High Water
(indicate relationship to applicant) that is, owner, member of partnership, title as officer of corporation, or other authorized representative of applicant); that, in such capacity, I am qualified and authorized to file and verify such application, am personally familiar with the documents filed with this application, and have complied with all the requirements contained in the application; and, that all such statements made and matters set forth therein with respect to applicant are true and correct. Statements about other parties are made on information and belief. I further state that the application is made in good faith and that this application does not duplicate any filing presently before the Commission.

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

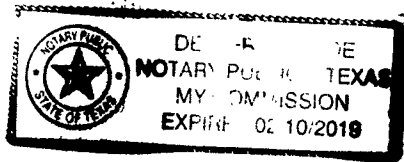
Curtis Logan
AFFIANT
(Utility's Authorized Representative)

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

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

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public in and for the State of Texas, this day 10th of July 20 16

SEAL



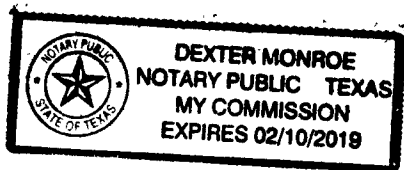
Dexter Monroe
NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS

Dexter Monroe
PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES

2/10/2019

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



Part G – Oaths and Notices

OATH FOR SELLER OR FORMER SERVICE PROVIDER

STATE OF Texas

COUNTY OF Henderson

I, Dexter Monroe, being duly sworn, file this application for sale, lease, rental or merger or consolidation as A2K-High Water Supply - Owner (indicate relationship to applicant) that is, owner, member of partnership, title as officer of corporation, or other authorized representative of applicant); that, in such capacity, I am qualified and authorized to file and verify such application, am personally familiar with the documents filed with this application, and have complied with all the requirements contained in the application; and, that all such statements made and matters set forth therein with respect to applicant are true and correct. Statements about other parties are made on information and belief. I further state that the application is made in good faith and that this application does not duplicate any filing presently before the Commission.

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

Dexter Monroe
AFFIANT
(Utility's Authorized Representative)

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

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public in and for the State of Texas, this day 26th of July 20 16

SEAL



Angie Locke
NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS

Angie Locke
PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES 7-7-17

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

Contract

Agreement made this 8th day of July, 2016, between
Dexter Monroe (Seller) and Curtis Logan (Buyer)

The parties to this agreement, in consideration of the mutual covenants and stipulations set out, agree as follows:

Seller agrees To sell DAL-High Water System,
1070159 I.D.# Sell includes all Equipment,
Land + Distribution System pertaining To
DAL-High Water CCN # 12830.
Sells Price. \$46,000.00

SECTION I: INSTRUMENT AS ENTIRE AGREEMENT

This instrument contains the entire agreement between the parties, and no statements, promises or inducements made by either party or agent of either party that are not contained in this contract shall be valid or binding; this contract may not be enlarged, modified or altered except in writing signed by both parties and endorsed on this agreement.

SECTION II: EFFECT OF AGREEMENT

This agreement shall inure to the benefit of and be binding on the heirs, executors, assignees and successors of the respective parties.

IN WITNESS WHEREOF, the parties have executed this agreement on the day and year first above written.

Dexter Monroe

Signature of First Party

Signature of Second Party

Dexter Monroe

Print Name of First Party

Print Name of Second Party

2145. Wofford

Street Address of First Party

Street Address of Second Party

Athens, Tx. 75751

City/State/Zip

City/State/Zip

**Henderson County
Mary Margaret Wright
County Clerk
Athens, TX 75751**

Instrument Number: 2016-00006288

As

Recorded On: 05/11/2016 01:07 PM **Recordings - Land**

Parties: MONROE, DEXTER ET AL

To: DAL-HIGH WATER, LLC

Number of Pages: 3 Pages

Comment:

(Parties listed above are for Clerks reference only)

****Examined and Charged as Follows:****

Total Recording: 30.00

File Information:

Document Number: 2016-00006288

Receipt Number: 2016-07163

Recorded Date/Time: 05/11/2016 01:07 PM

Recorded By: Renee Porter

*******DO NOT REMOVE. THIS PAGE IS PART OF THE INSTRUMENT*******

Any provision herein which restricts the Sale, Rental, or use of the described REAL PROPERTY
because of color or race is invalid and unenforceable under federal law.

I hereby certify that this instrument was filed and duly recorded
in the Official Records of Henderson County, Texas



Mary Margaret Wright

County Clerk
Henderson County, Texas

Record and Return To:

MARTIN BENNETT
130 E CORSICANA
STE 302
ATHENS, TX 75751



NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

GENERAL WARRANTY DEED

Date: May _____, 2016

Grantor: DEXTER MONROE and PAM MONROE

Grantor's Mailing Address: P.O. Box 1531
Athens, Texas 75751

Grantee: DAL-HIGH WATER, LLC

Grantee's Mailing Address: P.O. Box 1531
Athens, Texas 75751

Consideration:

Ten Dollars cash in hand paid, the receipt of which is hereby acknowledged and confessed and in consideration of the issuance to the Grantors of a membership interest to the Grantee.

Property (including any improvements):

All that certain 0.39 acre tract of land shown as the Commercial Reserve in Block 2 of Dal-High Subdivision recorded in Volume 7 Page 29 and Cabinet B, Slide 125, of the Plat Records of Henderson County, Texas less and except that 0.128 acre tract of land described in that Deed from Dexter Monroe and Pam Monroe to the State of Texas recorded in Volume 2532, Page 448 of the Real Property Records of Henderson County, Texas.

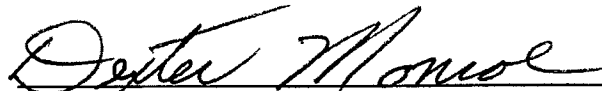
Reservations from Conveyance: None.

Exceptions to Conveyance and Warranty:

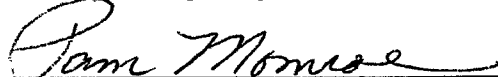
This conveyance is made and accepted subject to any and all validly, existing restrictions, reservations, conditions, covenants, easements and rights of way, if any, applicable to and enforceable against the above described real property as now reflected by the records of the County Clerk of Henderson County, Texas.

Grantor, for the Consideration and subject to the Reservations from Conveyance and the Exceptions to Conveyance and Warranty, grants, sells, and conveys to Grantee the Property, together with all and singular the rights and appurtenances thereto in any way belonging, to have and to hold it to Grantee and Grantee's heirs, successors, and assigns forever. Grantor binds Grantor and Grantor's heirs and successors to warrant and forever defend all and singular the Property to Grantee and Grantee's heirs, successors, and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof, except as to the Reservations from Conveyance and the Exceptions to Conveyance and Warranty.

When the context requires, singular nouns and pronouns include the plural.



DEXTER MONROE



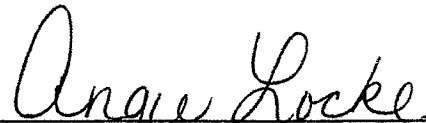
PAM MONROE

STATE OF TEXAS §

COUNTY OF HENDERSON §

This instrument was acknowledged before me on the 10th day of May, 2016, by Dexter Monroe.





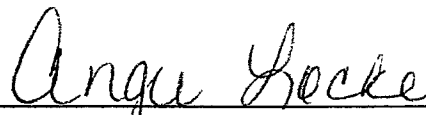
Notary Public, State of Texas

STATE OF TEXAS §

COUNTY OF HENDERSON §

This instrument was acknowledged before me on the 14th day of May, 2016, by Pam Monroe.





Notary Public, State of Texas

FORM A

Docket No. _____

Notice to Current Customers, Neighboring Systems and Cities

Dexter Monroe Dzh-High Water 's
(Seller's or Transferor's Name)

NOTICE OF INTENT TO SELL FACILITIES AND TRANSFER CERTIFICATE OF CONVENIENCE AND
NECESSITY (CCN) NO 12830 TO C.D. Logan L+T Waterworks, LLC
(Purchaser's or Transferee's Name)

IN Anderson COUNTY, TEXAS

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

(Address)

City State Zip

Dexter Monroe - Dzh-High Water P.O. Box 744 Athens, Tx. 75751
Sellers or Transferors' Name Address City/State/Zip Code

has submitted an application with the Public Utility Commission of Texas to sell facilities and transfer
water or sewer (please select) CCN No. 12830 in Henderson [County Name]

County to:

Curtis D. Logan dba L+T Waterworks, LLC 1560 ACR 485 Palestine, Tx. 75803
Purchasers or Transferee's Name Address City/State/Zip Code

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

Dzh-High Addition CR 3925

The area subject to this transaction is located approximately 2 miles NW [direction] of
downtown Athens, [City or Town] Texas, and is generally bounded on the north by
Caney Creek; on the east by One mile Creek
; on the south by City of Athens; and on the west by US 175

The total area being requested includes approximately 200 acres and serves 46 current customers.
This transaction will have the following effect on the current customer's rates and services:

None at this time.

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

To request a hearing, you must:

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

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

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

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

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

Deiter Mould - Owner
Utility Representative
Dal-High Water System
Utility Name

DAL-HIGH WATER RATES

| | | |
|-----------------|---|-----------|
| 0 - 2000 gal | = | \$16.00 |
| 2000 - 15,000 | = | \$1.50/th |
| 15,000 - 30,000 | = | \$2.50/th |
| 30,000 - 45,000 | = | \$3.50/th |
| 45,000 & over | = | \$5.00/th |

rates effective 9-1-93

Has not changed '2016'

TEXAS NATURAL RESOURCE CONSERVATION COMMISSION**CERTIFICATE OF CONVENIENCE AND NECESSITY**

To Provide Water Service Under V T.C.A., Water Code
and Texas Natural Resource Conservation Commission Substantive Rules

Certificate No. 12830

I. Certificate Holder:

Name: Dexter Monroe dba Dal-High Water System

Address: P.O. Box 1531
Athens, Texas, Texas 75751

II. General Description and Location of Service Area:

The area covered by this certificate is located approximately two miles northwest of downtown Athens, Texas on U.S. Highway 175. The service area is generally bounded on the west by U.S. 175, on the north by Cancy Creek, on the east by Onemile Creek and on the south by the City of Athens in Henderson County, Texas.

III. Certificate Maps:

The certificate holder is authorized to provide water service in the area identified on the Commission's official water service area map, WRS-108, maintained in the offices of the Texas Natural Resource Conservation Commission, 12015 Park 35 Circle, Austin, Texas with all attendant privileges and obligations.

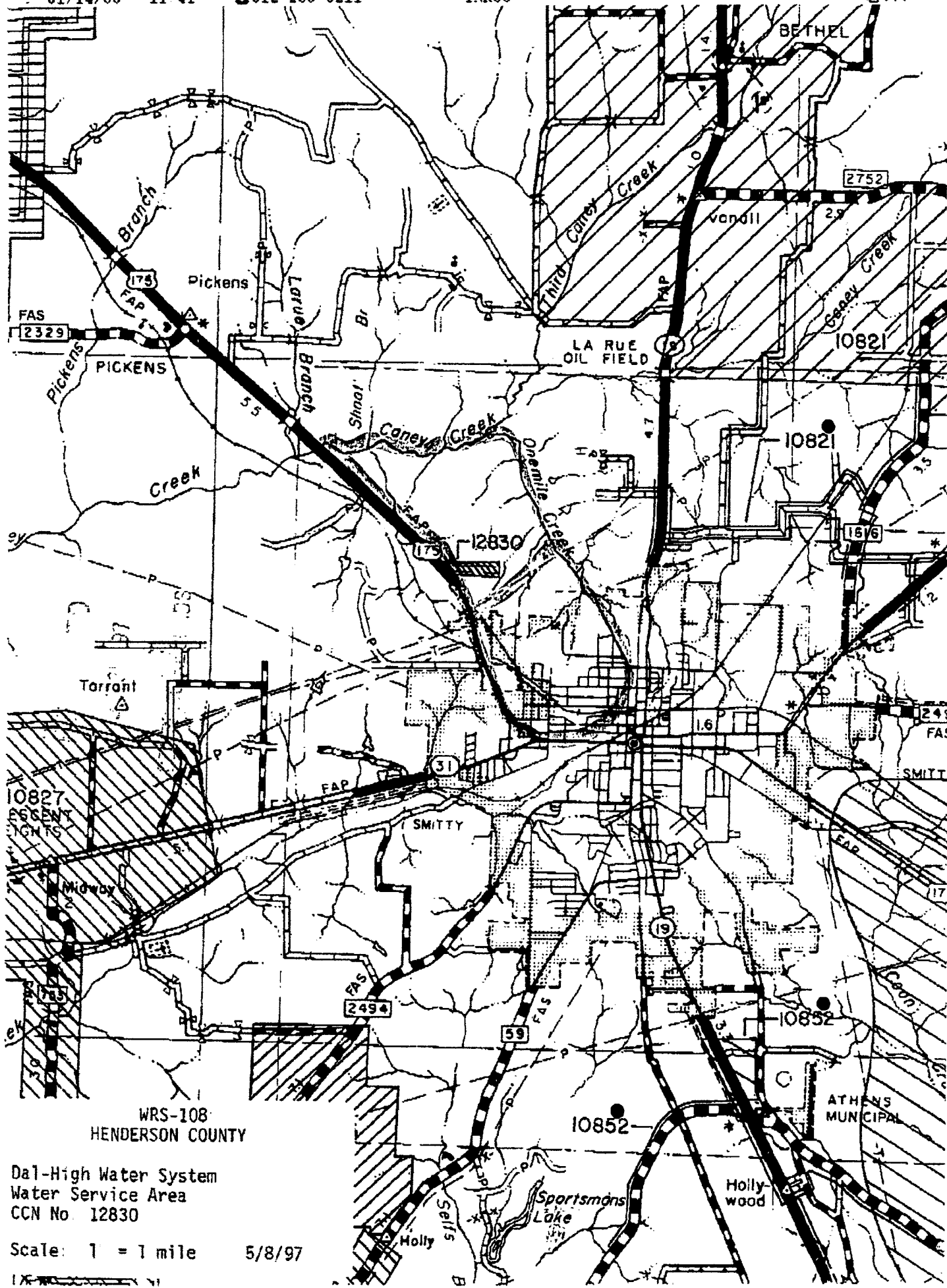
This certificate is issued under Application No. 31524-C and subject to the rules and orders of the Commission, the laws of the State of Texas, conditions contained herein and may be revoked for violations thereof. The certificate is valid until amended or revoked by the Commission.

Issued Date: **JUN 13 1997**

ATTEST:

Eugenia K. Brown

[Signature]
For the Commission



WRS-108
 HENDERSON COUNTY

Dal-High Water System
 Water Service Area
 CCN No. 12830

Scale: 1" = 1 mile 5/8/97

IX-100

117-2548

Bryan W. Shaw, Ph.D. *Chairman*
Carlos Rubinstein, *Commissioner*
Toby Baker, *Commissioner*
Zak Covar, *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

December 23, 2013

CERTIFIED MAIL 91 7199 9991 7031 8308 7553
RETURN RECEIPT REQUESTED

Mr. Dexter Monroe, Owner
Dal High Water System
P.O. Box 1531
Athens, Texas 75751-0744

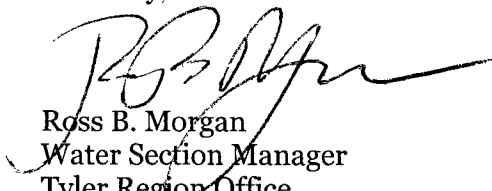
Re: Partial Compliance Letter for the Comprehensive Compliance Investigation at:
Dal High Water System, Located off US 175 N of Athens (Henderson Co.),
RN101242394, TCEQ ID No. 1070159, Investigation No. 1133562

Dear Mr. Monroe:

The Texas Commission on Environmental Quality (TCEQ) Tyler Region Office conducted a Comprehensive Compliance Investigation of the above referenced facility on October 24, 2013. We have documented and resolved all of the alleged violations except those listed in the enclosed summary. Please be advised that you are responsible for correcting these remaining problems. These unresolved alleged violations will be placed in your file to be evaluated during any subsequent investigation.

If you or members of your staff have any questions, please feel free to contact Ms. Angela Hicks in the Region 5-Tyler Office at (903) 535-5122.

Sincerely,



Ross B. Morgan
Water Section Manager
Tyler Region Office

RBM/ALH

Enclosures: Summary of Investigation Findings

Summary of Investigation Findings

DAL HIGH WATER SYSTEM

Investigation #

1133562
Investigation Date: 10/24/2013

HENDERSON COUNTY

Additional ID(s): 1070159

OUTSTANDING ALLEGED VIOLATION(S) ASSOCIATED TO A NOTICE OF VIOLATION

Track No: 420321 Compliance Due Date: To Be Determined
30 TAC Chapter 290.41(c)(3)(B)

Alleged Violation:

Investigation: 885159

Comment Date: 12/17/2010

Failure to provide a well casing at least a minimum of 18 inches above the elevation of the finished floor of the pump room or natural ground surface.

During the investigation, the investigator observed that the well casing only extended approximately 6 ½ inches above the ground.

Investigation: 950485

Comment Date: 08/23/2011

The Tyler Regional Office acknowledges the letter received on August 5, 2011, regarding the extension of the wellhead. The alleged violation will be reviewed during the next comprehensive compliance investigation.

Investigation: 1133562

Comment Date: 11/22/2013

The Tyler Regional Office acknowledges the letter received on August 5, 2011, regarding the extension of the wellhead. The alleged violation will be reviewed during the next comprehensive compliance investigation.

During the investigation, the investigator observed that the alleged violation is still outstanding. Mr. Monroe stated that they will raise the casing when the well needs to be repaired.

Recommended Corrective Action: The alleged violation will be reviewed during the next comprehensive compliance investigation.

ALLEGED VIOLATION(S) NOTED AND RESOLVED ASSOCIATED TO A NOTICE OF VIOLATION

Track No: 296050

30 TAC Chapter 290.109(c)(1)(B)

Alleged Violation:

Investigation: 601237

Comment Date: 12/12/2007

Failure to monitor for microbial contaminants at locations specified in the system's monitoring plan.

The investigator documented by review of the system's records during the investigation that the water system was sampling microbial contaminants at only one site listed in the monitoring plan.

Investigation: 700274

Comment Date: 08/18/2008

On 03/25/2008, the water system submitted documentation, including a statement that bacteriological tests were being taken at all five locations listed in the system's monitoring plan and a map of a system displaying those sites. However, this violation can only be resolved with an example of such records. The water system can send such an example, or

this violation will be re-assessed during the next scheduled investigation.

Investigation: 885159

Comment Date: 12/17/2010

Failure to monitor for microbial contaminants at locations specified in the system's monitoring plan.

During the investigation, the investigator documented that the monitoring plan was lacking the sample site plan, therefore, the corresponding bacteriological could not be confirmed. The alleged violation will remain open until documentation has been provided.

Investigation: 950485

Comment Date: 08/23/2011

Failure to monitor for microbial contaminants at locations specified in the system's monitoring plan.

During the investigation, the investigator documented that the monitoring plan was lacking the sample site plan, therefore, the corresponding bacteriological could not be confirmed. The alleged violation will remain open until documentation has been provided.

Investigation: 1133562

Comment Date: 11/22/2013

Failure to monitor for microbial contaminants at locations specified in the system's monitoring plan.

During the investigation, the investigator documented that the water system had been rotating through the microbial sampling sites listed in the system's monitoring plan.

Resolution: On October 24, 2013, the investigator documented that the water system rotating through the microbial sampling sites listed in the system's monitoring plan.

Track No: 420314

30 TAC Chapter 290.121

Alleged Violation:

Investigation: 885159

Comment Date: 12/17/2010

Failure to develop and maintain an up to date system monitoring plan. The plan shall identify all bacteriological and chemical sampling locations, describe the sampling frequency, and specify the analytical procedures and laboratories to be used to comply with monitoring requirements. The completed plan must be retained at each water plant, and made available for review during succeeding investigations.

During the investigation, the investigator documented that the water system's monitoring plan did not have a lab approval form or sample site for bacteriological samples.

Investigation: 950485

Comment Date: 09/02/2011

Failure to develop and maintain an up to date system monitoring plan. The plan shall identify all bacteriological and chemical sampling locations, describe the sampling frequency, and specify the analytical procedures and laboratories to be used to comply with monitoring requirements. The completed plan must be retained at each water plant, and made available for review during succeeding investigations.

On April 27, 2011, the Tyler Regional Office received a letter and a copy of the Monitoring Plan. The monitoring plan is insufficient to resolve the alleged violation. The sample site plan is insufficient and does not document the sample sites for bacteriological sample, lead and copper (if needed), and chlorine sample site locations. In addition, the plan does not include the lab approval form as identified in the previous investigation. The water system should review the 'How to Develop a Monitoring Plan' RG-384, for further reference and explanation. The alleged violation will remain unresolved until further documentation is received or during the next investigation.

Investigation: 1133562

Comment Date: 11/22/2013

Failure to develop and maintain an up to date system monitoring plan. The plan shall identify all bacteriological and chemical sampling locations, describe the sampling frequency, and specify the analytical procedures and laboratories to be used to comply with monitoring requirements. The completed plan must be retained at each water plant, and made available

for review during succeeding investigations.

During the investigation, the investigator documented that the water system had an adequate monitoring plan.

Resolution:

On October 24, 2013, the investigator documented that the water system had an adequate monitoring plan.

Track No: 420315

30 TAC Chapter 290.46(m)(1)

Alleged Violation:

Investigation: 885159

Comment Date: 12/17/2010

Failure to inspect each of the system's ground, elevated, and pressure tanks annually by water system personnel or a contracted inspection service.

During the investigation, the investigator documented that the water system had not conducted the annual ground storage and pressure tank inspections.

Investigation: 950485

Comment Date: 08/23/2011

Failure to inspect each of the system's ground, elevated, and pressure tanks annually by water system personnel or a contracted inspection service.

On April 27, 2011, the Tyler Regional Office received a letter and a copy of the tank inspection form for the 0.010 MG Ground Storage Tank completed on February 22, 2011, however there was no annual inspection records for the two pressure tanks. The alleged violation will remain unresolved until further documentation is received or during the next investigation.

Investigation: 1133562

Comment Date: 11/22/2013

Failure to inspect each of the system's ground, elevated, and pressure tanks annually by water system personnel or a contracted inspection service.

During the investigation, the investigator documented that the water system had conducted tank inspections and provided the tank inspection reports.

Resolution: On October 24, 2013, the investigator documented that the water system had conducted tank inspections and provided tank inspection reports.

Track No: 420317

30 TAC Chapter 288.20(c)

Alleged Violation:

Investigation: 885159

Comment Date: 12/17/2010

Failure to shall review and update, as appropriate, the drought contingency plan, at least every five years.

During the investigation, it was documented that the water system had not reviewed or updated the drought contingency plan since 2003.

Investigation: 950485

Comment Date: 08/23/2011

Failure to shall review and update, as appropriate, the drought contingency plan, at least every five years.

On April 27, 2011, the Tyler Regional Office received a letter and a copy of a revised Drought Contingency Plan. However, the plan was insufficient and lacked significant data, such as the stages and triggers identified in the Drought Contingency Plan Reference Guide No. RG-424. The alleged violation will remain unresolved and be evaluated during the next investigation.

Investigation: 1133562

Comment Date: 11/22/2013

Failure to shall review and update, as appropriate, the drought contingency plan, at least

every five years.

During the investigation, the investigator documented that the water system had a sufficient drought contingency plan.

Resolution:

On October 24, 2013, the investigator documented that the water system had developed an acceptable Drought Contingency Plan.

Track No: 454833

30 TAC Chapter 290.46(d)(2)

Alleged Violation:

Investigation: 976949

Comment Date: 01/05/2012

Failure by the water system to provide a minimum pressure of 35 psi throughout the distribution system under normal operating conditions.

During the investigation, the investigator documented that on December 20, 2011, a pressure test conducted showed 23 PSI in the distribution system. The owner/operator was notified the same day. On December 21, 2011, the investigator returned to collect another pressure test, which evidenced a 33 PSI. The Agency minimum pressure is 35 PSI under normal conditions.

Investigation: 1133562

Comment Date: 11/22/2013

Failure by the water system to provide a minimum pressure of 35 psi throughout the distribution system under normal operating conditions.

During the investigation, the investigator observed that the pressure was 42 pounds per square inch (psi), which is above the minimum requirement of 35 psi.

Resolution: On October 24, 2013, the investigator documented that the pressure was above the minimum requirement.

AREA OF CONCERN

Track No: 520460

30 TAC Chapter 290.46(s)(2)(C)(i)

Alleged Violation:

Investigation: 1133562

Comment Date: 11/22/2013

Failure by the water system to verify the accuracy of manual disinfectant residual analyzers at least once every 30 days using chlorine solutions of known concentrations.

During the investigation, the investigator documented that the water system was not verifying the accuracy of the Hach colorimeter.

Resolution: On October 28, 2013, the Tyler Regional Office received acceptable compliance documentation from the water system. The water system submitted a copy of the purchase order of secondary standards from HACH.

ADDITIONAL ISSUES

Description

Item 8

Additional Comments

During the investigation, the investigator documented that the water system was recording water usage on a monthly basis and averaging it out per week. The system must document water usage each week.

copy - 10/24/13

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

| | | | | |
|----------------------------|----------------|-----------------------------|---------------------------------------|--------------|
| Regulated Entity/Site Name | Dal High | | TCEQ Add. ID No. RN No. (optional) | 1070159 |
| Investigation Type | CCI | Contact Made In-House (Y/N) | 7 | |
| Regulated Entity Contact | Dexter Morreco | | Telephone No. | 903 675 1119 |
| Title | Diner/Operator | | Fax No. | 903 675 2623 |
| | | | Date Contacted | 10/8/13 |
| | | | Date Faxed | 10/8/13 |

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

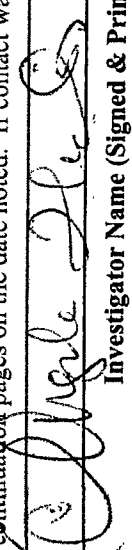
| Issue | | For Records Request: identify the necessary records, the company contact and date due to the agency. For Alleged and Potential Violation issues: include the rule in question with the clearly described potential problem. Other type of issues: fully describe. |
|-------|-------------------|--|
| No. | Type ¹ | Description of Issue |
| 1 | AV | Failure to verify accuracy of Ch analyzer (HAcct) |
| 1 | O | Additional Issue - Need to document chemicals & usage each week (Not Average) |
| | | |
| | | |
| | | |
| | | |

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

Did the TCEQ document the regulated entity named above operating without proper authorization? Yes No

Did the investigator advise the regulated entity representative that continued operation is not authorized? Yes No

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


 Investigator Name (Signed & Printed)

10/24/13 X Greg Morreco
 Date Regulated Entity Representative Name (Signed & Printed)

10/24/13
 Date

SECTION 1.0 RATE SCHEDULE

Section 1.01 Rates

| <u>Meter Size</u> | <u>Monthly Minimum Charge</u> | <u>Gallorage Charge</u> |
|-------------------|---|--|
| 5/8' or 3/4' | <u>\$26.00</u> (Includes 1,000 gallons) | <u>\$4.00</u> per 1000 gallons, over the minimum |

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%

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

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 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.

METER RELOCATION FEE

Actual Relocation Cost, Not to Exceed Tap Fee

THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS THAT AN EXISTING METER BE RELOCATED.

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

SECTION 1.0 – RATE SCHEDULE (Continued)

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. .\$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

TCEQ 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 .\$20.00

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 291.21(K)(2)]

LINE EXTENSION AND CONSTRUCTION CHARGES:

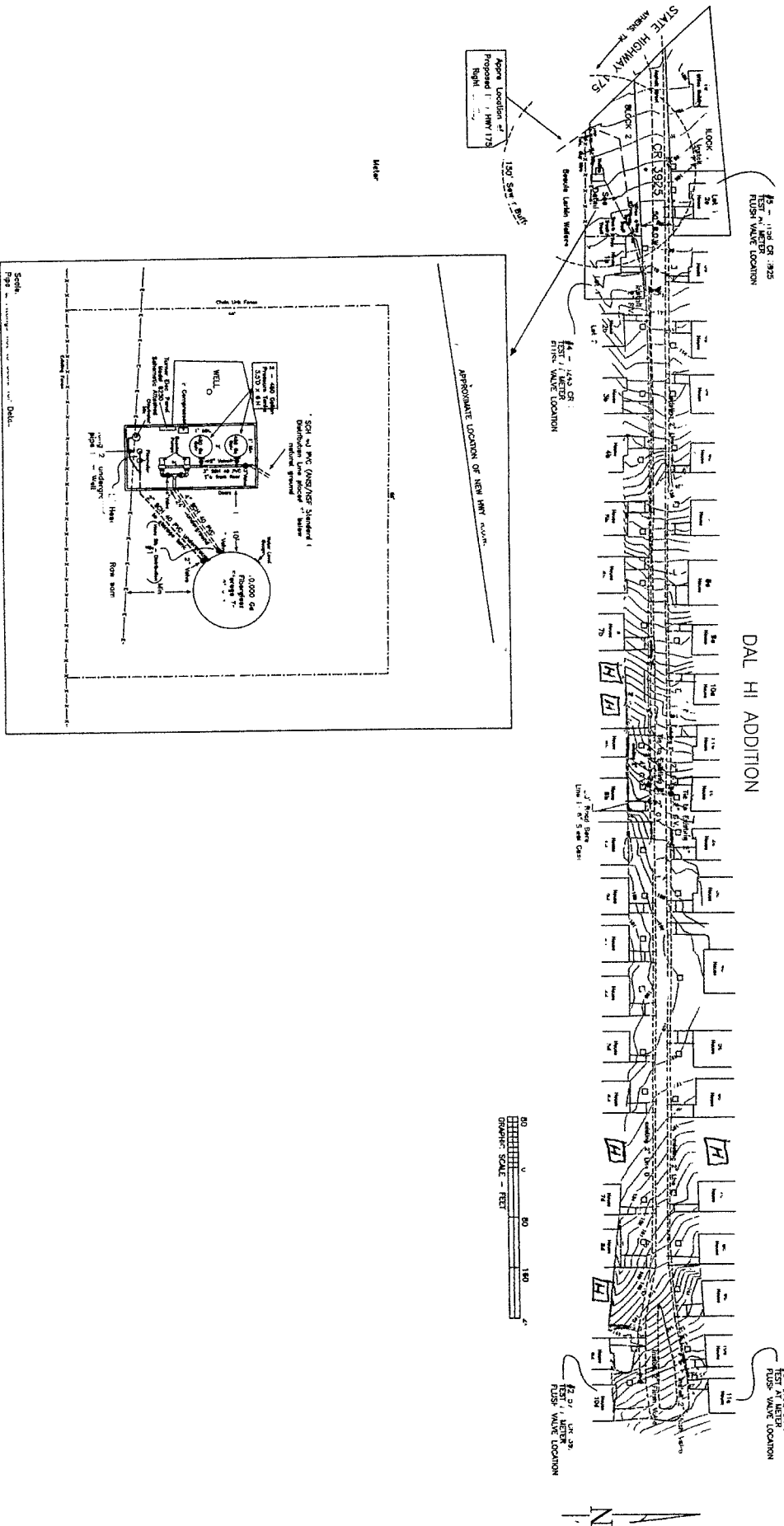
REFER TO SECTION 3.0--EXTENSION POLICY FOR TERMS, CONDITIONS, AND CHARGES WHEN NEW CONSTRUCTION IS NECESSARY TO PROVIDE SERVICE.

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

DEXTER MONROE
 d/b/a/ DAL HIGH WATER SYSTEM

HENDERSON COUNTY TEXAS

DAL HI ADDITION



Scale
 1" = 50'