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APPLICATION OF J&S WATER
COMPANY, LLC. FOR A
RATE/TARIFF CHANGE

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**PREFILED DIRECT TESTIMONY OF
BRET WAYNE FENNER, P. E. ON BEHALF OF
J & S WATER COMPANY, LLC**

1 **Q: Please state your name for the record.**

2 A: Bret Wayne Fenner.

3

4

I. Witness Background

5

6 **Q: How are you employed?**

7 A: I am the President of B & D Environmental, Inc. I was a founding shareholder of the
8 company in 1997 and have been employed by B & D Environmental, Inc. since that time.

9

10 **Q. Do you hold any professional licenses?**

11 A. Yes. I am a licensed civil engineer in the State of Texas. My Professional Engineer
12 License Number is 81939. I am also a Licensed Real Estate Salesperson in the State of
13 Texas. My Salesperson License Number is 0605704.

14

15 **Q: Please describe your educational background.**

16 A: I received a Bachelor of Science Degree in Architectural Engineering from the University
17 of Texas in 1982 and a Masters of Business Administration from Southwest Texas State
18 University in 1991.

19

20 **Q: Please describe your work experience and experience as a TCEQ and Court-
21 Appointed Receiver.**

22 A: From November 1990 until May 1997 I was employed by the Texas Water
23 Commission/Texas Natural Resources Conservation Commission, which was the
24 predecessor agency to the Texas Commission on Environmental Quality ("TCEQ"), as an
25 Engineering Specialist. From January 1998 until May 2000, I was also employed by
26 AquaSource, Inc. My job responsibilities for AquaSource, Inc. included the performance
27 of field due diligence relating to the company's acquisitions of water and wastewater
28 systems. In addition, from July 1998 until October 2005, I operated the Twin Creek Park
29 Water Company in Travis County, Texas, as a court-appointed Receiver and then as an
30 owner/manager. I was also a court-appointed Receiver for the both the High Sierra Water
31 System and the Bertram Woods Water Supply Corporation. I have been appointed by
32 both the TCEQ and the Public Utility Commission ("PUC") to conduct a third-party
33 engineering appraisal to determine the compensation value for service area being

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1 decertified. Currently, I am a consultant with B & D Environmental, Inc. in the area of
2 water and wastewater utility operations and rate change applications. I have over 25
3 years' experience in public water and wastewater management and regulatory work. I
4 have qualified and testified as an expert witness in more than 20 water rate cases during
5 my career. A true and correct copy of my resumé is attached hereto as **Exhibit A**.
6
7

8 II. Purpose of Testimony

9
10 **Q. Please state the nature of this document and its purpose.**

11 A. This is my direct testimony. I prepared it to meet the burden of proof placed on J & S
12 Water Company, LLC. ("J & S") to present its cost of service, or revenue requirement, as
13 reflected in its Rate/Tariff Change Application ("Application"). My testimony will also
14 provide evidence that this cost of service is reasonable and necessary to provide water
15 and sewer service to the utility's ratepayers. This testimony will show that all of the water
16 and sewer systems of the utility are similar in geographic location, quality of service and
17 cost of service. In addition, this testimony is to support J & S in addressing the issues
18 identified in the Preliminary Order issued in this Docket.
19

20 **Q. Did you prepare the Application in question in Docket No. 46438?**

21 A. Yes, I prepared the Application which was filed with the PUC on November 25, 2016.
22

23 **Q. Are you aware of any changes in the requested required revenues that have**
24 **occurred since filing the Application?**

25 A. Yes, given the length of time between the filing of the Applicant and this testimony, a
26 few known and measurable changes have occurred. In addition, while preparing this
27 testimony, a number of adjustments in the revenue requirement were discovered. These
28 changes are noted throughout this testimony and any effect on the rates requested in the
29 Application are explained.
30
31

32 III. Issues to be Addressed

33
34 [The question numbers correspond to the issue numbers in the preliminary order in this Docket.]
35

36 **1. What is the appropriate methodology to determine just and reasonable rates in this**
37 **proceeding?**

38 A. The utility method for rate making purposes as defined by the American Water Works
39 was used in this Application for determining the revenue requirement for water and sewer
40 service.¹
41

42 **2. What are the just and reasonable rates for the utility that are sufficient, equitable,**
43 **and consistent in application to each customer class and that are not unreasonably**

¹ American Water Works Association, Manual 1, Fifth Edition, (Published 2000), Page 6-7.

1 **preferential, prejudicial, or discriminatory? TEX. WATER CODE (“TWC”) §§ 13.182**
2 **& 13.1871(o); TEX. ADMIN. CODE (“TAC”) § 24.28(d).**

- 3 A. The rate design that generates the required revenues in this testimony shows that J & S’s
4 rates are reasonable and necessary to provide water service to each customer class. By
5 allocating costs to all customers by meter equivalents, the rates are not preferential,
6 prejudicial, or discriminatory to any class of customer. The allocation of the revenue
7 requirement by meter equivalents can be found in the water and sewer rate design section
8 of this testimony. *See* Section VI, *infra*.

9
10 **3. What revenue requirement will give the utility a reasonable opportunity to earn a**
11 **reasonable return on its invested capital used and useful in providing service to the**
12 **public in excess of its reasonable and necessary operating expenses while preserving**
13 **the financial integrity of the utility? TWC § 13.183(a)(1)-(2); 16 TAC § 24.32(a).**

- 14 A. The revenue requirement recommended in this testimony allows J & S a reasonable
15 opportunity to earn a reasonable return on its invested capital in excess of reasonable and
16 necessary operating expenses and will allow the utility to preserve its financial integrity.
17 *See* Section IV, *infra*.

18
19 **4. Are the utility’s proposed revisions to its tariffs and rate schedules appropriate?**

- 20 A. As previously stated, the proposed rate structures are just and reasonable and will give
21 the utility a reasonable opportunity to earn a reasonable return on its invested capital.
22

23 **5. What is the reasonable and necessary cost of providing service? 16 TAC § 24.31.**

- 24 A. In this testimony is the cost of service to provided water and sewer service section which
25 calculates the reasonable and necessary cost of service for J & S. *See* Section IV, *infra*.

26
27 **6. What adjustments, if any, should be made to the utility’s proposed test-year data?**
28 **TWC § 13.185(d)(1); 16 TAC § 24.31(b) & (c)(5).**

- 29 A. Given the length of time since the test year and now, a number of changes that are known
30 and measurable have occurred. Any allowable expenses which have been adjusted for
31 known and measurable adjustments in this testimony are noted throughout this testimony
32 and any effect on the rates requested in the application is explained.
33

34 **7. What is the appropriate debt-to-equity capital structure the utility?**

- 35 A. The appropriate debt-to-equity ratio for the utility is the actual debt-to-equity ratio of the
36 utility for the actual cost of service in the test year and not an unsupported hypothetical
37 debt-to-equity ratio.
38

39 **8. What is the appropriate weighted cost of capital (also called the overall rate of**
40 **return), including return on equity and cost of debt for the utility? 16 TAC §**
41 **24.31(c)(1).**

- 42 A. The appropriate weighted cost of capital should be a weighted average of the return on
43 equity and the cost of debt for the utility’s rate base on the actual debt and equity portions
44 of the rate base in the test year and not any hypothetical weighted average.
45

- 1 **9. What are the reasonable and necessary components of the utility’s invested capital?**
2 **16 TAC § 24.31(c)(2).**
- 3 A. The calculation of the reasonable and necessary components of J & S invested capital can
4 be found in the water and sewer plant and equipment in service section of this testimony.
5 *See Section V, infra.*
6
- 7 **10. What is the amount for an allowance for funds used during construction, if any, that**
8 **is being transferred to invested capital in-this proceeding? If such amounts are**
9 **being transferred, for what facilities and at what rate did the allowance for funds**
10 **used during construction accrue?**
- 11 A. The utility has not requested an allowance for funds used during construction in this
12 Application.
13
- 14 **11. What is the original cost of the property used and useful in providing water service**
15 **to the public at the time the property was dedicated to public use? TWC § 13.185(b)**
16 **and 16 TAC § 24.31(c)(2)(A)-(B).**
- 17 A. The original cost of J & S’s invested capital used and useful in providing water and sewer
18 service to its customers can be found in the water and sewer plant and equipment in
19 service section of this testimony. *See Section IV, infra.*
20
- 21 **12. Is the utility seeking the inclusion of construction work in progress? If so, what is**
22 **the amount sought and for what facilities? Additionally, has the utility proven that**
23 **the inclusion is necessary to its financial integrity and that major projects under**
24 **construction have been efficiently and prudently planned and managed? TWC**
25 **§ 13.185(b); 16 TAC § 24.31(c)(4).**
- 26 A. The utility is seeking the inclusion of the amount of \$8,312 for a 5,000-gallon pressure
27 storage tank which was installed during the period of known and measurable as
28 construction work in progress this Application.
29
- 30 **13. Does the utility have any debt? If so, what is the cost of that debt?**
- 31 A. The utility has long term debt in the form of a bank loans with an outstanding balance of
32 \$227,884 at the end of the test year as indicated in Schedule III-6 of the Application.
33
- 34 **14. What is the reasonable and necessary working capital allowance for the utility?**
35 **16 TAC § 24.31(c)(2)(C).**
- 36 A. The reasonable and necessary working capital allowance is calculated in Schedule II-5 of
37 the Application per the method allowed for a Class B utility.
38
- 39 **15. Does the utility have any water or sewer property that was acquired from an**
40 **affiliate or a developer before September 1, 1976? If so, has such property been**
41 **included by the utility in all ratemaking formulas at the actual cost of the property**
42 **rather than the price set between the entities? TWC § 13.185(i).**
- 43 A. J & S does not have any developer contributed property nor any property acquired from
44 any affiliate.
45

- 1 16. **Has the utility acquired any water property from an affiliate? If so, do the payments**
2 **for that property meet the requirements of TWC § 13.185(e)?**
3 A. J & S has not acquired any property from any affiliate.
4
- 5 17. **Has the utility financed any of its plant with developer contributions? TWC**
6 **§ 13.185(j) and 16 TAC § 24.31(b)(1)(B). What is the amount, if any, of accumulated**
7 **depreciation on that property?**
8 A. J & S has not financed any of its invested capital with developer contributions.
9
- 10 18. **Has the utility included any customer contributions or donations in invested**
11 **capital? TWC § 13.185(j), 16 TAC § 24.31(c)(2)(B)(v).**
12 A. J & S has not included any customer contributions or donations in its invested capital.
13
- 14 19. **What are the utility's reasonable and necessary operations and maintenance**
15 **expenses? 16 TAC § 24.31(b)(1)(A)?**
16 A. In this testimony is the cost of service to provide water and sewer service section which
17 calculates J & S reasonable and necessary operations and maintenance expenses. *See*
18 *Section IV, infra.*
19
- 20 20. **What are the utility's reasonable and necessary administrative and general**
21 **expenses?**
22 A. In this testimony is the cost of service to provided water and sewer service section which
23 calculates the reasonable and necessary cost of service for J & S. *See Section IV, infra.*
24
- 25 21. **What is the reasonable and necessary amount for the utility's advertising expense,**
26 **contributions, and donations? 16 TAC § 24.31(b)(1)(F).**
27 A. The utility is not requesting the recovery of any advertising expense, contributions, or
28 donations expenses in the revenue requirement in this Application.
29
- 30 22. **Are any expenses, including but not limited to, executive salaries, advertising**
31 **expenses, rate-case expenses, legal expenses, penalties and interest on overdue taxes,**
32 **criminal penalties or fines, and civil penalties or fines, unreasonable, unnecessary,**
33 **or not in the public interests? TWC § 13.185(h)(3); 16 TAC § 24.31(b)(2)(1).**
34 A. Of these possible expenses, the utility is only including in its application its rate-case and
35 legal expenses, which are reasonable and necessary, as established by the Prefiled Direct
36 Testimony of Philip S. Haag which was filed in this Docket.
37
- 38 23. **If the utility has a self-insurance plan approved by the Commission or other**
39 **regulatory authority, what is the approved target amount for the reserve account,**
40 **and is it appropriate to charge that amount? What is the amount of any shortage or**
41 **surplus for the reserve account, and what actions, if any, should be taken to return**
42 **the reserve account to the approved target amount?**
43 A. J & S does not have a self-insurance plan and is not claiming any such plan in its cost of
44 service in this Application.
45

- 1 **24. What are the utility’s reasonable and necessary expenses, if any, for pension and**
2 **other post-employment benefits?**
- 3 A. The utility is not requesting the recovery of any expenses for any pension or other post-
4 employment benefits in the revenue requirement in the Application.
5
- 6 **25. Has the utility made any payments to affiliates?**
- 7
- 8 **a. For affiliate transactions that affect the cost of service, are these**
9 **transactions reasonable and necessary? TWC §13.185(e).**
- 10
- 11 **b. For all affiliated transactions affecting the cost of service, what are the**
12 **costs to the affiliate of each item or class of items in question, and is the**
13 **price for each transaction no higher than prices charged by the supplying**
14 **affiliate to its other affiliates or divisions for the same item or items, or to**
15 **unaffiliated persons or corporations? TWC § 13.185(e).**
- 16 A. The utility receives sludge hauling from SludgeNet, which has common ownership with
17 J & S. The amount charged by SludgeNet to the utility is in line with the rates it charges
18 other utilities for sludge removal services.
19
- 20 **26. What is the reasonable and necessary depreciation expense? For each class of**
21 **property, what are the proper and adequate depreciation rates (including service**
22 **lives and salvage values) and methods for depreciation? TWC §13.1850(j); 16 TAC**
23 **§ 24.31(b)(1)(B).**
- 24 A. The depreciation expense for all components of capital invested property (“Rate Base”)
25 were computed on a straight-line basis over the useful life of each asset using the
26 Commission’s approved service lives. For all components, salvage values were assumed
27 to be zero. The calculation of reasonable and necessary depreciation expense can be
28 found in the water and sewer plant and equipment in service section of this testimony.
29 *See Section V, infra.*
30
- 31 **27. Are any tax-savings derived from liberalized depreciation and amortization,**
32 **investment tax credits, or similar methods? If so, are such tax savings apportioned**
33 **equitably between customers and the utility, and are the interests of present and**
34 **future customers equitably balanced?**
- 35 A. The utility is not requesting any liberalized depreciation and amortization, investment tax
36 credits, or similar methods in the Application. Therefore, no tax-savings could be derived
37 from these methods.
38
- 39 **28. What is the reasonable and necessary amount, if any, for assessment and taxes other**
40 **than federal income taxes? 16 TAC § 24.31(b)(1)(C).**
- 41 A. In this testimony is the cost of service to provided water and sewer service section of this
42 testimony which calculates the utility’s reasonable and necessary expenses for assessment
43 and taxes other than federal income taxes. *See Section IV, infra.*
44

- 1 29. **What is the reasonable and necessary amount for the utility's federal income tax**
2 **expense? 16 TAC § 24.31(b)(1)(D); TWC § 13.185(f).**
3
4 a. **Is the utility a member of an affiliated group that is eligible to file a consolidated**
5 **income tax return? TWC § 13.185(f).**
6
7 b. **If so, have income taxes been computed as though a consolidated return had**
8 **been filed and the utility realized its fair share of the savings resulting from the**
9 **consolidated return? TWC § 13.185(f).**
10
11 c. **If not, has the utility demonstrated that it was reasonable not to consolidate**
12 **returns? TWC § 13.185(f).**
13 A. Under its current corporate structure, J & S does not file a consolidated income tax return
14 with any affiliated group. The federal income tax expense was determined using the
15 calculations in Schedule V of the Application.
16
17 30. **What is the reasonable and necessary amount of the utility's accumulated reserve**
18 **for deferred federal income taxes, unamortized investment tax credits, contingency**
19 **reserves, property insurance reserves, contributions in aid of construction, customer**
20 **deposits, and other sources of cost-free capital? What other items should be**
21 **deducted from the utility's rate base?**
22 A. The utility is not requesting the recovery of any accumulated reserve funds in the revenue
23 requirement in the Application.
24
25 31. **What is the reasonable and necessary amount for municipal franchise fees, if any, to**
26 **be included in rates?**
27 A. The utility does not pay and municipal franchise fees nor is requesting recovery of any
28 expenses for any pension or other post-employment benefits in the revenue requirement
29 in the Application.
30
31 32. **What regulatory assets are appropriately included in the utility's rate base? If such**
32 **assets are included in rate base, what is the appropriate treatment of such assets?**
33 A. The utility has not included any regulatory assets in the utility's water and sewer rate
34 base in the Application.
35
36 33. **Is the utility seeking rates for both water and sewer service? If so, is each**
37 **component of cost of service (each allowable expense and all return on invested**
38 **capital) properly allocated between water and sewer services?**
39 A. The proper allocation of cost between both water and sewer service can be found in the
40 cost of service to provide water and sewer service section of this Application. *See Section*
41 *IV, infra.*
42
43 34. **What is the appropriate allocation of cost and revenue among rate classes?**

- 1 A. The allocation of the revenue requirement among classes by meter equivalents can be
2 found in the water and sewer rate design sections of this testimony. *See* Section VI, *infra*.
3 The allocation by meter size would be the appropriate allocation method for this utility.
4
- 5 **35. What is the appropriate rate design for each rate class? 16 TAC § 24.32.**
6 A. The appropriate rate design among classes by meter equivalents can be found in the water
7 and sewer rate design sections of this testimony. *See* Section VI, *infra*. The allocation by
8 meter size would be the appropriate allocation method for J & S.
9
- 10 **36. Should the utility use the current number of connections as of the date of the**
11 **application as opposed to using the number of test-year-end connections in**
12 **designing rates?**
13 A. The rates designed in the Application are based on the number of active connections at
14 the end of the test year. The use of the test year ending connections in the design of rates
15 based on the revenue requirement would reflect an accurate use of historical data in the
16 test year.
17
- 18 **37. What are the utility's expenses incurred in this rate proceeding that are just,**
19 **reasonable, necessary, and in the public interest? 16 TAC § 24.33. Does that amount**
20 **include any anticipated expenses to appeal this docket that are just, reasonable,**
21 **necessary and in the public interest? Should the utility be able to recover its**
22 **reasonable and necessary rate-case expenses from ratepayers? If so, how should**
23 **such expenses, if any, be recovered by the utility?**
24 A. The utility's expenses that are just, reasonable and necessary as established in the Prefiled
25 Direct Testimony of Philip S. Haag which was filed in this Docket. Mr. Haag's testimony
26 explains why the utility should be able to recover its reasonable and necessary rate-case
27 expenses from the ratepayers, and how that should be accomplished.
28
- 29 **38. If a refund or surcharge results from this proceeding, how and over what period of**
30 **time should that be made? TWC § 13.1871.**
31 A. The handling of a resulting refund or surcharge is discussed in the Prefiled Direct
32 Testimony of Philip S. Haag which was filed in this Docket.
33
- 34 **39. Has the utility met the requirements for a request for interim relief in the form of**
35 **interim rates? If so, what are the appropriate levels of the interim rates? 16 TAC**
36 **§ 24.29.**
37 A. The utility has not requested interim rates.
38
- 39 **40. What is the appropriate effective date of the rates fixed by the Commission in this**
40 **proceeding? TWC § 13.1871.**
41 A. The appropriate effective date of the rates fixed by the Commission in this proceeding is
42 set forth in the Prefiled Direct Testimony of Philip S. Haag, which was filed in this
43 Docket.
44
45

1 **IV. Revenue Requirement to Provide Water and Sewer Service**

2
3 **Q. How did you determine the cost of service for J & S?**

4 A. I used a representative 12-month accounting period (“Test Year”) of August 1, 2015 to
5 July 31, 2016. I reviewed the utility’s financial statements; available cost information for
6 the test year; and data since the test year for those items for which a known and
7 measurable change has occurred. I also interviewed the owners of the utility and some of
8 the utility’s operator-company’s employees. In addition, I reviewed available invoices
9 reflecting the Test Year’s expenses that were provided by the utility. I made some
10 adjustments for known and measurable changes available at this time. I also removed any
11 non-operational expenses that are not recoverable through the revenues generated from
12 customers. This cost of service is based on the utility’s expenses in the historic Test Year
13 and the period of known and measurable change as per TWC § 13.185(d)(1).
14

15 **Q. Please indicate where the revenue requirements for the cost of service you**
16 **recommend are located in the Application?**

17 A. The revenue requirements that will generate enough income to cover the cost of service
18 for both water and sewer service to customers are located in Water and Sewer Schedules
19 I-1 Revenue Requirement Summary of the Application.
20

21 **Q. Do you have any changes to the requested revenue requirements that was presented**
22 **in the Application?**

23 A. As stated earlier, the Application was prepared based on the test year financial statements
24 available from the utility at the time of filing. During the preparation of this testimony, it
25 was discovered that a few of the cost accounts included in the revenue requirements
26 should be adjusted. Not all the cost associated with the operation of this utility in the Test
27 Year were included in Application. In addition, a few of the cost expenses should not
28 have been included in the revenue requirements and were removed. Adjustments were
29 made for additional capital investments and adjustments to the currently used and useful
30 invested capital of the utility. Finally, adjustments were made for known and measurable
31 changes that have occurred in the cost of service for the utility in the period since the test
32 year.
33

34 **Q. What is meant by the term “known and measurable change?”**

35 A. The term “known and measurable change” refers to changes in the revenue requirement
36 that have occurred either during the test year and/or after the test year that are both a
37 known change and a measurable change. Examples of this would be: a change in the
38 number of employees, an increase in utility cost during the year after the test year,
39 installation of new plant and equipment, etc.
40

41 **Q. Could you please explain the amount of cost for the utility to provide service**
42 **included for each account in the revenue requirement and any changes and/or**
43 **adjustments you would recommend?**

1 A. Yes, the following is a breakdown of each cost account of the requested revenue
2 requirement. Also included are any changes and/or adjustments recommended for the
3 utility's cost of service.
4

5 **Account No. 610: Purchased Water**
6

7 **Q. Please explain why you made an adjustment to remove this cost item from the**
8 **adjusted Test Year in the revenue requirement in the Application?**

9 A. This cost is for the North Harris County Regional Water Authority water fee. All costs in
10 this account were removed from the adjusted test year as this expense is recovered in an
11 authorized customer pass through gallonage rate in the utility's approved Tariff. This
12 pass-through rate was recently adjusted to \$2.76 per 1,000 gallons and approved in
13 Docket No. 46761.
14

15 **Account No. 615: Power Expense - production only**
16

17 **Q. Please explain your recommended total of \$58,602 for the cost account identified as**
18 **power expense in the requested revenue requirement in the Application.**

19 A. Yes, the recommended cost for the power expense category in the revenue requirement
20 should be \$58,602
21

22 **Account No. 618: Other volume related expense**
23

24 **Q. Please explain the allocation in this account for both water and sewer in the revenue**
25 **requirement.**

26 A. First, the cost of sludge processing was included in this cost category. This cost would be
27 directly allocated to sewer in the amount of \$77,796. While the total for this account for
28 chemical expense would be \$8,359. Thus, the recommend total for this cost account
29 should be \$86,155.
30

31 **Account No. 601-1: Employee Labor**
32

33 **Q. Please explain your recommended total of \$118,792 for this cost account.**

34 A. Yes, included in **Exhibit B** are copies of the utility's employee W-2 forms for 2015 and
35 2016. A revised Schedule II-6 of the Application also included in **Exhibit B** shows the
36 allocation of payroll expenses per employee in the test year. Thus, the total for this cost
37 category in the revenue requirement should remain at \$118,792.
38

39 **Account No. 620: Materials**
40

41 **Q. The total cost for the items identified as the materials account in the requested**
42 **revenue requirement in the Application was \$102,909. Do you wish to revise this**
43 **expense account?**

44 A. Yes, the total for this cost account of the revenue requirement should be reduced by
45 \$35,073 for those costs that were capitalized and included in the rate base. The remaining

1 expenses were allocated between water and sewer as indicated in Schedule 1. Therefore,
 2 the total revised total for this cost account should be reduced to \$67,836 in the revenue
 3 requirement.
 4

5 **Schedule 1: Allocation of Account No. 620: Materials**
 6

Materials 620	Total	Water	Sewer	Capitalized
Automobile Expense	\$ 1,975	\$ 1,106	\$ 869	
Equipment Rental	\$ 31,871	\$ 17,848	\$ 14,023	
Field Expenses	\$ 700	\$ 392	\$ 308	
Equipment Repair	\$ 5,166	\$ 2,893	\$ 2,273	
Truck Expense - Tolls	\$ (525)	\$ (294)	\$ (231)	
Truck Expense	\$ 3,152	\$ 1,765	\$ 1,387	
Gas & Diesel	\$ 4,749	\$ 2,659	\$ 2,090	
Tags & Registration	\$ 29	\$ 16	\$ 13	
Maintenance & Repair	\$ 13,671	\$ (91)	\$ (71)	\$ 13,833
Equipment	\$ 5,872	\$ 3,288	\$ 2,584	
Sewer	\$ 5,292		\$ 1,850	\$ 3,442
Sewer Supplies	\$ 1,973		\$ 1,972	
Supplies Water	\$ 28,984	\$ 6,264	\$ 4,922	\$ 17,798
Totals:	\$ 102,909	\$ 35,847	\$ 31,988	\$ 35,073

7
 8 **Account No. 636: Contract Work**
 9

10 **Q. Please explain your recommended total of \$81,191 for the cost account identified as**
 11 **Contract Work in the revenue requirement in your testimony?**

12 **A. The total amount for this cost account in the revenue requirement should remain at**
 13 **\$81,191.**
 14

15 **Account No. 677: Office services & expenses**
 16

17 **Q. Please explain your recommended total of \$52,865 for the cost account identified as**
 18 **office services & expenses in the requested revenue requirement in this testimony.**

19 **A. Yes, this account should be reduced by \$19,050 from this cost account to remove office**
 20 **labor which is accounted for in Account 601 Employee Labor. Thus, the total amount of**
 21 **\$38,815 should be included for this account in the revenue requirement for the utility.**
 22

23 **Account No. 678: Professional services**
 24

25 **Q. The total cost for the account identified as Professional services in revenue**
 26 **requirement in the Application was \$11,692. Do you have any revisions to this cost**
 27 **account?**

1 A. This cost account was increased to reflect the invoices paid in the test year that can be
2 found in Exhibit C. Thus, the total cost for this cost account in the revenue requirement
3 should be increased to \$20,565.
4

5 **Account No. 684: Insurance**
6

7 **Q. Please explain your revised recommended total of \$24,710 for this cost account.**

8 A. Yes, in order to reduce the cost of the utility's insurance expense, its insurance policies
9 were combined with the utility's other company with common ownership (SludgeNet) for
10 the current year. This known and measurable change occurred in the one-year period
11 since the Test Year. Included in Exhibit D are copies of the utility's current insurance
12 invoices which total \$49,420. This insurance total was divided equally between the utility
13 and the other company. Thus, the total know and measurable change total insurance
14 expense should be \$24,710. Therefore, the total for this cost account in the revenue
15 requirement should be \$24,710.
16

17 **Account No. 666: Regulatory (rate case) expense**
18

19 **Q. Please explain your recommended total of \$ 8,000 for the cost item identified as rate
20 case expense in the requested revenue requirement in the Application.**

21 A. Exhibit E is a copy of an invoice from B & D Environmental, Inc. for the cost of
22 preparing the Application. This expense reflects only the cost for preparing the
23 Application as submitted to the PUC and does not include any of the utility's rate case
24 expenses for the hearing process of this application. Therefore, the rate case expense for
25 the utility's rate case expense in the revenue requirement should be \$ 8,000.
26

27 **Account No. 675: Miscellaneous expense**
28

29 **Q. Is \$85,279 the total for the cost account identified as miscellaneous expense in the
30 requested revenue requirement of the Application? Do you wish to revise this
31 expense account?**

32 A. Yes, cost for Travel and entertainment totaling \$23,500 was removed for this account as
33 most of these expenses were not for utility operating expenses. Based on this adjustment,
34 this account of the revenue requirement should be reduced to a total of \$61,779. These
35 account should be allocated to the water revenues at \$34,596 and to the sewer revenues at
36 \$27,183.
37

38 **V. Water/Sewer Plant and Equipment in Service**
39

40 **Q. Can you please give use a brief description of the water systems owned by J & S as
41 included in this Application?**

42 A. Yes, the utility has 4 separate public water systems. All of these systems are located in
43 Harris and Chambers County in the Houston metropolitan area. All systems are providing
44 water service from groundwater wells and are similar in geographic location, age and

1 quality of service. The utility has made a number need major facility upgrades and
2 improvements since its last Rate/Tariff Change Application.
3

4 **Q. Can you please give use a brief description of the sewer systems of the utility**
5 **included in this Application?**

6 A. Yes, the utility has three separate sewer utility systems that serve the same areas as the
7 water systems except for the Oakland system. As indicates previously, the systems are
8 located in Harris and Chambers County in the Houston metropolitan area. As with the
9 water systems these sewer systems are similar in geographic location, age and quality of
10 service. A number of facility improvements have been made to the Five Oaks system
11 since the last rate increase.
12

13 **Q. What is net invested capital?**

14 A. Net invested capital, or rate base, includes the following components: (a) original cost of
15 plant, property and equipment, less accumulated depreciation, used by and useful in
16 rendering service to the public; (b) a working capital allowance which includes 1/12 of
17 total annual operations and maintenance, and in some circumstances reasonable
18 inventories, reasonable prepayments for operating expenses; and (c) construction work in
19 process (CWIP).
20

21 **Q. Did you prepare Schedule III-3 Utility Plant in Service (Water) found in**
22 **Attachment B of the Application?**

23 A. Yes, this schedule is the water utility plant and equipment depreciation schedule for J & S
24 as submitted with the Application. This schedule was based upon original cost data
25 gathered from a review of historical records at both the utility and the TCEQ available at
26 the time of filing and from trending analysis.
27

28 **Q. Do you have any changes to Schedule III-3 Utility Plant in Service (Water)?**

29 A. Yes, in preparation for this testimony, a detailed review was conducted of available
30 utility records and from TCEQ inspections of plant facilities. Also, some plant and
31 equipment items have been added or replaced to J & S's systems since the Test Year.
32 Based on this additional review, plant inspections and changes in plant facilities,
33 recommended changes have been made to Schedule III-3 for the water utility plant in
34 service. In **Exhibit F** is revised a revised Schedule III-3 (Water) based on this testimony.
35

36 **Q. Did you prepare Schedule III-3 Utility Plant in Service (Sewer) found in Attachment**
37 **B of the Application?**

38 A. Yes, this schedule is the sewer utility plant and equipment depreciation schedule for the
39 utility as submitted with the Application. This schedule was based upon original cost data
40 gathered from a review of historical records at both the utility and the TCEQ available at
41 the time of filing and from trending analysis.
42

43 **Q. Do you have any changes to Schedule III-3 Utility Plant in Service (Sewer)?**

44 A. Yes, as stated previously in preparation for this testimony, a detail review was conducted
45 of available utility records and from TCEQ inspections of plant facilities. Also, some

1 plant and equipment items have been added or replaced to J & S' systems since the test
2 year. Based on this additional review, plant inspections and changes in plant facilities,
3 recommended changes have been made to Schedule III-3 for the sewer utility plant in
4 service. Also in **Exhibit F** is revised a revised Schedule III-3 (Sewer) based on my
5 recommended changes in this testimony.
6

7 **Q. How did you determine the original costs for water and sewer utility assets?**

8 A. The original costs and dates of installation of each item was determined from available
9 paid invoices and previous Rate/Tariff Change Applications for J & S. For those items
10 for which no cost data was available or incomplete invoicing was available, trend
11 analysis was used to determine a cost for an item. For determination of date of
12 installation and plant equipment quantities, a search of the historical records of the utility
13 and the TCEQ central records file was conducted. I also consulted the utility's employees
14 regarding installation dates and equipment sizes. From this review, original installation
15 dates and quantities for each item were determined based on the earliest date that item
16 appears in the available records. **Exhibit F** contains original cost invoices and cost data
17 from previous Rate/Tariff Change Applications used to determine cost and date of
18 original installation. The cost for the remaining capital investment items were determined
19 by trending analysis.
20

21 **Q. What is Trending Analysis?**

22 A. Trending Analysis is the method of taking the known cost of an item, Example: a storage
23 tank, at a known date and determining the cost of that item at a different point in time
24 based on construction cost changes or trends over the years. The Handy-Whitman Index
25 factors were used in this testimony for trending analysis. The Handy-Whitman Index of
26 Public Utility Construction Costs is the standard used by regulatory entities to perform
27 the trending. This publication provides the ratios of construction costs for utility
28 equipment for every year since the early 1900's.²
29

30 **Q. Why did you perform trend analysis to determine the cost of some items in your
31 recommended plant and equipment schedule for this application?**

32 A. I used trending analysis to determine an original cost for those plant items that original
33 cost information could not be found from historical records or invoicing.
34

35 **Q. Please explain the trend analysis you have included in this testimony?**

36 A. Included in **Exhibit F** is the trending analysis used to determine original cost for some
37 items in the both Schedule III-3 Utility Plant in Service (Water) and (Sewer) in this
38 testimony. The quoted cost amounts in this spreadsheet are known cost from previous
39 applications prepared or established in previous Orders. The quoted cost amount was then
40 trended using the Handy-Whitman ratios and city cost index³ to derive a cost of each item
41 at the time on installation.
42

² Handy-Whitman Index Bulletin No. 182, W-4 Cost Trending of Water Utility Construction, South Central Region (Published July, 2015).

³ Building Construction Cost with RS Means Data, 75th annual edition 2017, (Published 2016) City Cost Index.

- 1 **Q. What is depreciation?**
2 A. Depreciation is recognized as a line item in the cost of service that allows the utility to
3 recover the cost of an asset over the useful life of that asset.
4
- 5 **Q. What useful life did you use for each plant items?**
6 A. I used the useful lives recommended the PUC.⁴
7
- 8 **Q. What is the Net Book Value?**
9 A. The Net Book Value is the value of the useful life and net present value of the utility's
10 plant. It is calculated from the original installed cost of all the plant items minus the total
11 accumulated depreciation. It is used to establish the Rate Base which provides an
12 Investor Owned Utility, such as this one, an opportunity to earn a return on investment.
13
- 14 **Q. Do you have a revised recommendation regarding a total for Rate base for both
15 water and sewer service?**
16 A. Yes, also included in **Exhibit F** are revised Schedule III-2 of the Application for both the
17 water and sewer revenue requirements.
18
- 19 **Account No. 403: Depreciation**
20
- 21 **Q. Based on your revised recommended original cost and net book value for the
22 utility's assets, do you recommend an adjustment to the depreciation account for
23 water and sewer in the utility's revenue requirement?**
24 A. Yes, based on the recommended adjustments to utility's assets original cost, the annual
25 depreciation expense for water should be \$36,524. The annual depreciation expense for
26 sewer should be \$52,104.
27
- 28 **Account No. 408: Taxes Other than Income**
29
- 30 **Q. Could you please explain your recommended total of \$54,580 for taxes other than
31 income account?**
32 A. Yes, included in this account are property taxes and employee payroll taxes paid by the
33 utility in the Test Year. Thus, the total for this cost account in the revenue requirement
34 should remain at \$54,580.
35
- 36 **Account No. 409: Income Tax Expense**
37
- 38 **Q. Please explain how you determined the income tax expense for the requested
39 revenue requirement?**
40 A. Yes, I determine the income tax expense for the revenue requirement using the
41 calculation in Schedule V of the Application.
42

⁴ Publication of the Public Utility Commission of Texas "System of Accounts for Water and Wastewater Utilities - with 200 or More Connections"

- 1 **Q. Do you have a revised recommendation of your total for the cost item identified as**
2 **income tax expense for the revised revenue requirement in this testimony?**
3 A. Yes, revised Schedule V for both water and sewer revenue requirements are included in
4 **Exhibit G**. The income tax calculation is based on the revenue requirements for both
5 water and sewer found this testimony. Based on these calculations in Schedules V in
6 **Exhibit G**, the revised total for the income tax expense account for water should be
7 \$8,471 and \$9,516 for sewer.
8

9 **Less: Other Revenues**

- 10
11 **Q. In the Application, the total for Other Revenues in the requested revenue**
12 **requirement was \$ 77,117. Do you wish to revise this revenue item?**
13 A. No, the totals as indicated in Schedule II-3(b) of the Application are correct. As
14 previously stated in this testimony, the cost for the North Harris County Regional Water
15 Authority water fee in line 6 of this schedule was removed from the cost of service and
16 will be recovered in a customer pass through fee. The other revenues in line 7 of the
17 schedule are for water and sewer operational services the utility provides to the Christian
18 Tabernacle Church. A breakdown of the services the utility provides to this Church can
19 be found in **Exhibit H**. Therefore, the Other Revenues account of the revenue
20 requirement should remain at \$77,117.
21

22 **Requested Return**

- 23
24 **Q. Do you have any changes to the long-term debt / notes payable in Schedule III- 6 of**
25 **the Application?**
26 A. Yes, a note for the property on which the utility's office is located should be added to this
27 Schedule. A revised schedule III-6 can be found in **Exhibit I**.
28
29 **Q. Would this change in the long-term debt change the requested return as calculated**
30 **in Schedule III-1 of the Application?**
31 A. Yes, also included in **Exhibit I** is a revised water and sewer Schedule III-1 of the
32 Application. The revised Rate Base as calculated in this testimony is also included in this
33 revised revenue requirements found in Schedule.
34
35 **Q. How did you allocated the debt portion of the rate base between water and sewer**
36 **service?**
37 A. In **Exhibit I** is a calculation of the debt allocation between water and sewer based on the
38 net plant in service of each water and sewer invested plant as determined in the revised
39 water and sewer revenue requirements of this testimony.
40
41 **Q. Please explain why you recommend a 12 percent return on the equity portion of the**
42 **invested capital for this application?**

1 A: The PUC in its instruction for preparing a class B rate change allows a 12 percent return
 2 on equity⁵. Thus, the 12 percent rate of return on equity requested in this Application is
 3 reasonable for an investor owned utility of this size and complexity.
 4

5 **Q. Do you have a revised return expense based on the revisions you have recommended**
 6 **to the utility's revenue requirement?**

7 A. Yes, based on my revised calculations of the utility's return expense for both the water
 8 and sewer revenue requirement in Schedules III-1. The recommended revised return
 9 expense in the utility's return of rate base for the water revenue requirement should be
 10 \$53,570 and for the sewer revenue requirement should be \$58,753.
 11

12 **Revised Revenue Requirement**

14 **Q. Have the revisions you recommended for each account in the revenue requirement**
 15 **changed the total revenues the utility needs to generate in order to cover its cost of**
 16 **service to provided water and sewer service to its customers?**

17 A. Yes, the revised total for the utility's revenue requirement would be reduced to \$768,575.
 18

19 **Q. Can you explain how you allocated cost between water and sewer that are common**
 20 **expenses which are not accounted for separately by the utility?**

21 A. First, for those invoices that could be identified as being a cost for water or sewer service
 22 were directed credited to each. Secondly, for those cost categories for which expenses
 23 were not separated between water and sewer cost, an allocation was made of these cost
 24 between water and sewer based on the allowing calculations based on the number of
 25 active customer connections that the utility had at the end of the test year.
 26

27 **Calculation of Cost Allocation Factors**

28 Total Number of Connections: Water (822) + Sewer (642) = 1,464 Connections
 29 Allocation Factor for Sewer Cost: 642 connections ÷ 1,464 total connections = .438 or 44%
 30 Allocation Factor for Water Cost: 822 connections ÷ 1,464 total connections = .561 or 56 %
 31

32 Schedule 2 is an allocation between water and sewer revenue requirements for which cost
 33 was combined based on these cost allocation factors.
 34

35 **Schedule 2: Allocation between Water and Sewer Revenue Requirement**

Cost Account	Revenue Requirement Totals	Water	Sewer
Employee Labor 601-1 Water - 56% Sewer - 44%	\$ 118,792	\$ 66,524	\$ 52,268
Contract Work 636	\$ 81,191		

⁵ Class B Investor-Owned Utilities Water and/or Sewer, Instructions for Rate/Tariff Change Application 2015, (Published September 17, 2015), Pages 9-10.

Cost Account	Revenue Requirement Totals	Water	Sewer
Water - 56%		\$ 45,467	
Sewer - 44%			\$ 35,724
Chemicals 618	\$ 8,359		
Water - 56%		\$ 4,681	
Sewer - 44%			\$ 3,678
Utilities 615.1	\$ 58,602		
Water - 56%		\$ 32,817	
Sewer - 44%			\$ 25,785
Office Expense 681	\$ 38,815		
Water - 56%		\$ 21,736	
Sewer - 44%			\$ 17,079
Professional Services 677	\$ 20,565		
Water - 56%		\$ 11,516	
Sewer - 44%			\$ 9,049
Insurance 684	\$ 24,710		
Water - 56%		\$ 13,838	
Sewer - 44%			\$ 10,872
Taxes Other 408	\$ 54,580		
Water - 56%		\$ 36,565	
Sewer - 44%			\$ 24,015
Other Revenues	\$ 77,117		
Water - 56%		\$ 43,186	
Sewer - 44%			\$ 33,931

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- Q. **Based on the adjusted revenue requirement in this testimony have you prepared revised Revenue Requirement schedules for both the water and sewer?**
- A. Yes, in Schedules 3 and 4 are revised water and sewer revenue requirement totals based on the cost supported in this testimony and the allocations in Schedule 2.

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Schedule 3: Revised Water Revenue Requirement

Account No.	Account Name	Revised Totals
610	Purchased water	\$0
615	Power Expense-production only	\$32,817
618	Other volume related expenses	\$4,681
601-1	Employee labor	\$66,254
620	Materials	\$35,847
631-636	Contract work	\$45,467
677	Office supplies & expenses	\$21,736
678	Professional services	\$11,516
684	Insurance	\$13,838
666	Regulatory (rate case) expense	\$4,000
675	Miscellaneous expenses	\$34,596
403	Depreciation	\$36,524
408	Taxes Other than Income	\$36,565
409/10	Income Tax Expense	\$8,471
	Return	\$53,570
	Other Revenues	<u>\$(43,186)</u>
	Revised Water Revenue Requirement:	\$362,696

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2

Schedule 4: Revised Sewer Revenue Requirement

Account No.	Account Name	Revised Totals
610	Purchased water	\$0
615	Power Expense-production only	\$25,785
618	Other volume related expenses	\$81,474
601-1	Employee labor	\$52,268
620	Materials	\$31,988
631-636	Contract work	\$35,724
677	Office supplies & expenses	\$17,079
678	Professional services	\$9,049
684	Insurance	\$10,872
666	Regulatory (rate case) expense	\$4,000
675	Miscellaneous expenses	\$27,183
403	Depreciation	\$52,104
408	Taxes Other than Income	\$24,015
409/10	Income Tax Expense	\$9,516
	Return	\$58,753
	Other Revenues	<u>\$(33,931)</u>
	Revised Sewer Revenue Requirement:	\$405,879

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VI. Water And Sewer Rate Designs

Q. Do you have any revisions to the rate structure designs for both water and sewer rates based on the adjustments made to the revenue requirement in your testimony?

A. First, in reviewing documents for this testimony, it was determined that the gallons billed to customers provided in the Application did not contain the total gallons billed to customer in the Test Year. An accurate accounting of billed gallons to customers in the test year is included in Schedule 5, *infra*.

Q. Would you recommend adjustments in the rate structure designs for both water and sewer service based on the revised revenue requirement in your testimony?

A. Yes, the revised rate designs for both water and sewer are located in **Exhibit J**. These rate designs reflect the revised revenue requirements supported by this testimony. These rate structure designs indicate that the water and sewer rates as requested in the Application would be reduced. However, the revised revenue requirement for water service translates into a very small increase in water rates. The revised revenue requirement still supports a reasonable increase in sewer rates.

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Schedule 5: Revised Total Gallons Billed to Customers

	Maple Leaf	Woodland Acres	Five Oaks	Oakland (no sewer)	Total Gallons Sold
Aug-15	3,823,000	2,011,000	2,148,000	387,000	8,369,000
Sep-15	2,721,000	1,757,000	1,557,000	342,000	6,377,000
Oct-15	2,310,350	1,681,000	3,264,890	356,000	7,612,240
Nov-15	1,886,000	1,516,000	1,532,000	325,000	5,259,000
Dec-15	2,205,000	1,459,000	1,656,000	315,000	5,635,000
Jan-16	2,327,000	1,195,000	1,436,000	300,000	5,258,000
Feb-16	2,380,000	1,528,000	1,740,000	313,000	5,961,000
Mar-16	1,908,000	1,520,000	1,565,000	318,000	5,311,000
Apr-16	1,797,000	1,489,000	1,733,000	306,000	5,325,000
May-16	2,567,000	1,753,000	1,613,000	252,000	6,185,000
Jun-16	2,271,000	1,767,000	2,613,000	347,000	6,998,000
Jul-16	2,204,000	1,799,000	3,153,000	335,000	7,491,000
	28,399,350	19,475,000	24,010,890	3,896,000	75,781,240

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Conclusion

Q. Is the revenue requirement for both water and sewer service as presented in your testimony reasonable and necessary to provide water and sewer service to the customers of utility?

A. Yes, the revised revenue requirements supported in this testimony showed a decrease in both of both the water and sewer revenue requirements requested in the Applicant. However, the water and sewer revenue requirements as supported by this testimony are reasonable and necessary for the utility to provide water and sewer service to its customers.

Q. Do you have any conclusions from your testimony?

A. Yes, this testimony was prepared to help J & S meet its burden of proof to present its cost of service, or revenue requirement. This testimony supports that the utility's water and sewer revenue requirements as reasonable and necessary to provide water and sewer service to the utility's ratepayers. That J & S rate base as determined in this testimony is used and useful in providing water service to the public. The water and sewer rate structures as recommended and supported in this testimony should be approved.

- 1 **Q. Does this conclude your testimony?**
2 A. Yes, it does. However, I reserve the right to supplement my testimony if additional
3 information is made available to me.

Exhibit A

BRET W. FENNER, P.E.

913 Hyde Park Dr. • Round Rock, Texas 78665 • (512) 264-9124 • Fax (512) 692-1967 • bretfenner@yahoo.com

PROFESSIONAL EXPERIENCE

B & D ENVIRONMENTAL, INC.

913 Hyde Park Drive, Round Rock, Texas 78665
President, May 1997 to Present
Utility management and consulting - rates and regulations

AQUASOURCE, INC.

1106 Clayton Lane, Suite 400w, Austin, Texas 78723
Manager, January 1998 to May 2000
Regulatory compliance and utility due diligence for acquisitions

TEXAS NATURAL RESOURCE CONSERVATION COMMISSION

Water Utilities Division / Plans Review and Rate Design Section
P. O. Box 13087, Austin, Texas 78711-3087
Engineering Specialist II, November 1990 to May 1997
Water and wastewater utility rates and regulations

TEXAS DEPARTMENT OF PUBLIC SAFETY

Division of Emergency Management
5805 N. Lamar Blvd., Austin, Texas 78752
Engineering Assistant III, February 1989 to January 1990
Emergency facilities inspector

AECO INTERIOR CONTRACTORS

P.O. Box 92190, Houston, Texas 77029
Branch Manager / Project Manager, March 1983 to August 1988
Commercial interior construction

EDUCATION

SOUTHWEST TEXAS STATE UNIVERSITY, SAN MARCOS, TEXAS

Masters of Business Administration, December 1991
Specialization: Management and Finance

UNIVERSITY OF TEXAS, AUSTIN, TEXAS

Bachelors of Science in Architectural Engineering, December 1982
Specialization: Construction Management

PROFESSIONAL REGISTRATION

REGISTERED PROFESSIONAL ENGINEER, STATE OF TEXAS

License No. 81938

REGISTERED REAL ESTATE BROKER, STATE OF TEXAS

License No. 605704

Exhibit B

ENTITY NAME L.R.S. Water Supply, LLC
 SCHEDULE B CLASS B RATE/TARIFF CHANGE
II-6 ALLOCATION OF PAYROLL EXPENSES
 FOR THE ADJUSTED TEST YEAR **July 31, 2016**

SOME SALARIES MUST BE CAPITALIZED IN THIS REPORT IF EMPLOYEES INSTALL PLANT IN SERVICE
II-6(a) PAYROLL COSTS:

Line No.	Employee Name	A Test Year Payroll	B Capitalized Payroll	C Expensed Payroll	D 1st 7990 or new limit PLA max	E 7901 to 9060 or new limit SPLA max	F 9061 to 118500 or new limit PLA max	G 118500 or new limit PLA max	H Total Payroll
1.	D.S. Nowling	2,160			209.30			2,369.30	
2.	Charles J. Nowling	51,300				4,447.94		55,747.94	
3.	Carlos H. Hernandez-Martinez	3,772			246.43			4,018.43	
4.	Timothy M. Erwin	41,600				3,804.30		45,404.30	
5.	James Nowling	19,960				2,824.03		22,784.03	
6.									
7.									
8.									
9.	Total	118,792			455.73	11,076.27		130,324	
10.	Percentage Capitalized	Line 9, column F divided by line 9, column A							

II-6(b) ALLOCATION OF PAYROLL TO EXPENSE:

Line 'Total Payroll Expenses' should equal the total from 'Expensed Payroll' (Column C, Line 9) above

Line No.	Acct No.	Account Name	Test Yr Expense	
1	601-1	Employee labor	118,792	to Schedule I-1, Line 5
2	601-2	Office salaries		to Schedule I-1, Line 11
3	601-3	Management salaries		to Schedule I-1, Line 12
4		Total Payroll Expenses		(should equal II-6(a) Column C Line 9)

*Attach a brief summary of the entity's capitalization policy, and explain any changes in capitalization rates of more than 5% per year.

** Attach an explanation and calculation for K&M salary changes from test year.

**2015
W2 & EARNINGS
SUMMARY**

EMERGENT HR, LLC
P O BOX 1947
CONROE, TX 77305

CHARLES J. NOWLING

	Federal	State
Filing Status	M	M
Exemptions	2	0

WAGES

Fed. Taxbl Wages	36857.58
Soc. Sec. Wages	36857.58
Medicare Wages	36857.58

WITHHOLDINGS

Fed Income Tax	2641.32
Soc. Sec Tax	2285.13
Medicare Tax	534.38

**WORKSITE LOCATIONS
SLUDGENET DEWATERING SYSTEM**

W2 2015 Copy B to be filed with Employee's Federal Income Tax Return

1 Wages, tips, other compensation 36857.58		2 Federal income tax withheld 2641.32	
3 Social security wages 36857.58		4 Social security tax withheld 2285.13	
5 Medicare wages and tips 36857.58		6 Medicare tax withheld 534.38	
7 Social security tips		8 Allocated tips	
9 Advance EIC payment		10 Dependent care benefits	
11 Nonqualified plans		12a See instructions for box 12	
13 Statutory employee <input type="checkbox"/> plan <input type="checkbox"/> Retiree <input type="checkbox"/> MCO pay <input type="checkbox"/> Third-party <input type="checkbox"/>		12b	
14 Other		12c	
15 State & Employer's state ID		16 State wages, tips, etc.	
17 State income tax		18 Local wages, tips, etc.	
19 Local income tax		20 Locality name	

Employer's name, address, and ZIP code
EMERGENT HR, LLC
P.O. BOX 1947
CONROE, TX 77305

Employer's identification number
[REDACTED]

Employee's name and address
CHARLES J. NOWLING
P O BOX 1165
HIGHLANDS, TX 77562

Control Number
19-1900-9104-00019-A-00011

Employee's social security number
[REDACTED]

W2 2015 Copy C for Employee's Records

1 Wages, tips, other compensation 36857.58		2 Federal income tax withheld 2641.32	
3 Social security wages 36857.58		4 Social security tax withheld 2285.13	
5 Medicare wages and tips 36857.58		6 Medicare tax withheld 534.38	
7 Social security tips		8 Allocated tips	
9 Advance EIC payment		10 Dependent care benefits	
11 Nonqualified plans		12a See instructions for box 12	
13 Statutory employee <input type="checkbox"/> plan <input type="checkbox"/> Retiree <input type="checkbox"/> MCO pay <input type="checkbox"/> Third-party <input type="checkbox"/>		12b	
14 Other		12c	
15 State & Employer's state ID		16 State wages, tips, etc.	
17 State income tax		18 Local wages, tips, etc.	
19 Local income tax		20 Locality name	

Employer's name, address, and ZIP code
EMERGENT HR, LLC
P O BOX 1947
CONROE, TX 77305

Employer's identification number
[REDACTED]

Employee's name and address
CHARLES J. NOWLING
P O BOX 1165
HIGHLANDS, TX 77562

Control Number
19-1900-9104-00019-A-00011

Employee's social security number
[REDACTED]

W2 2015 Copy 2 for Employee's City/Local Income Tax Return

1 Wages, tips, other compensation 36857.58		2 Federal income tax withheld 2641.32	
3 Social security wages 36857.58		4 Social security tax withheld 2285.13	
5 Med care wages and tips 36857.58		6 Medicare tax withheld 534.38	
7 Social security tips		8 Allocated tips	
9 Advance EIC payment		10 Dependent care benefits	
11 Nonqualified plans		12a See instructions for box 12	
13 Statutory employee <input type="checkbox"/> plan <input type="checkbox"/> Retiree <input type="checkbox"/> MCO pay <input type="checkbox"/> Third-party <input type="checkbox"/>		12b	
14 Other		12c	
15 State & Employer's state ID		16 State wages, tips, etc.	
17 State income tax		18 Local wages, tips, etc.	
19 Local income tax		20 Locality name	

Employer's name, address, and ZIP code
EMERGENT HR, LLC
P.O. BOX 1947
CONROE, TX 77305

Employer's identification number
[REDACTED]

Employee's name and address
CHARLES J. NOWLING
P O BOX 1165
HIGHLANDS, TX 77562

Control Number
19-1900-9104-00019-A-00011

Employee's social security number
[REDACTED]

W2 2015 Copy 2 to be filed with Employee's State Income Tax Return

1 Wages, tips, other compensation 36857.58		2 Federal income tax withheld 2641.32	
3 Social security wages 36857.58		4 Social security tax withheld 2285.13	
5 Medicare wages and tips 36857.58		6 Medicare tax withheld 534.38	
7 Social security tips		8 Allocated tips	
9 Advance EIC payment		10 Dependent care benefits	
11 Nonqualified plans		12a See instructions for box 12	
13 Statutory employee <input type="checkbox"/> plan <input type="checkbox"/> Retiree <input type="checkbox"/> MCO pay <input type="checkbox"/> Third-party <input type="checkbox"/>		12b	
14 Other		12c	
15 State & Employer's state ID		16 State wages, tips, etc.	
17 State income tax		18 Local wages, tips, etc.	
19 Local income tax		20 Locality name	

Employer's name, address, and ZIP code
EMERGENT HR, LLC
P O BOX 1947
CONROE, TX 77305

Employer's identification number
[REDACTED]

Employee's name and address
CHARLES J. NOWLING
P O BOX 1165
HIGHLANDS, TX 77562

Control Number
19-1900-9104-00019-A-00011

Employee's social security number
[REDACTED]

Void <input type="checkbox"/>		Employee's social security number		OMB No. 1545-0008	
b Employer identification number (EIN)		1 Wages, tips, other compensation 49400.00		2 Federal income tax withheld 11458.72	
c Employer's name, address, and ZIP code J & S WATER CO. LLC P.O. BOX 1165 Highlands TX 77562		3 Social security wages 49400.00		4 Social security tax withheld 3062.80	
		5 Medicare wages and tips 49400.00		6 Medicare tax withheld 716.30	
		7 Social security tips		8 Allocated tips	
d Control number		9		10 Dependent care benefits	
e Employee's first name and initial		Last name		Suff.	
Charles J		Nowling			
f Employee's address and ZIP code		11 Nonqualified plans		12a See instructions for box 12	
		13 Statutory Retirement Third-party		12b	
		14 Cover		12c	
				12d	
15 State	Employer's state ID number	16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local income tax
					20 Local name

Form **W-2** Wage and Tax Statement
Copy D - For Employer

2016

Department of the Treasury - Internal Revenue Service
For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

**2015
W2 & EARNINGS
SUMMARY**

EMERGENT HR, LLC
P.O. BOX 1947
CONROE, TX 77305

TIMOTHY M. ERVIN

	Federal	State
Filing Status	S	A
Exemptions	0	0

WAGES

Fed. Taxbl Wages	48132.37
Soc. Sec. Wages	50499.37
Medicare Wages	50499.37

WITHHOLDINGS

Fed. Income Tax	7252.02
Soc. Sec. Tax	3130.97
Medicare Tax	732.30

WORKSITE LOCATIONS
SLUDGENET DEWATERING SYSTEMS

W2 2015 Copy B to be filed with Employee's Federal Income Tax Return

1 Wages, tips, other compensation 48132.37		2 Federal income tax withheld 7252.02	
3 Social security wages 50499.37		4 Social security tax withheld 3130.97	
5 Medicare wages and tips 50499.37		6 Medicare tax withheld 732.30	
7 Social security tips		8 Allocated tips	
9 Advance EIC payment		10 Dependent care benefits	
11 Nonqualified plans		12a See instructions for box 12 D 2367.00	
13 Statutory employee <input type="checkbox"/> plan <input checked="" type="checkbox"/> Retiree <input type="checkbox"/> sick pay <input type="checkbox"/> Third-party <input type="checkbox"/>		12b AA 433.50	
14 Other		12c	
12d		12e	
d Control Number 19-1900-9104-00002-A-00001		e Employee's social security number [REDACTED]	
15 State & Employer's state ID	16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.
		19 Local income tax	20 Locality name

W2 2015 Copy C for Employee's Records

1 Wages, tips, other compensation 48132.37		2 Federal income tax withheld 7252.02	
3 Social security wages 50499.37		4 Social security tax withheld 3130.97	
5 Medicare wages and tips 50499.37		6 Medicare tax withheld 732.30	
7 Social security tips		8 Allocated tips	
9 Advance EIC payment		10 Dependent care benefits	
11 Nonqualified plans		12a See instructions for box 12 D 2367.00	
13 Statutory employee <input type="checkbox"/> plan <input checked="" type="checkbox"/> Retiree <input type="checkbox"/> sick pay <input type="checkbox"/> Third-party <input type="checkbox"/>		12b AA 433.50	
14 Other		12c	
12d		12e	
d Control Number 19-1900-9104-00002-A-00001		e Employee's social security number [REDACTED]	
15 State & Employer's state ID	16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.
		19 Local income tax	20 Locality name

W2 2015 Copy 2 for Employee's City/Local Income Tax Return

1 Wages, tips, other compensation 48132.37		2 Federal income tax withheld 7252.02	
3 Social security wages 50499.37		4 Social security tax withheld 3130.97	
5 Medicare wages and tips 50499.37		6 Medicare tax withheld 732.30	
7 Social security tips		8 Allocated tips	
9 Advance EIC payment		10 Dependent care benefits	
11 Nonqualified plans		12a See instructions for box 12 D 2367.00	
13 Statutory employee <input type="checkbox"/> plan <input checked="" type="checkbox"/> Retiree <input type="checkbox"/> sick pay <input type="checkbox"/> Third-party <input type="checkbox"/>		12b AA 433.50	
14 Other		12c	
12d		12e	
d Control Number 19-1900-9104-00002-A-00001		e Employee's social security number [REDACTED]	
15 State & Employer's state ID	16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.
		19 Local income tax	20 Locality name

W2 2015 Copy 2 to be filed with Employee's State Income Tax Return

1 Wages, tips, other compensation 48132.37		2 Federal income tax withheld 7252.02	
3 Social security wages 50499.37		4 Social security tax withheld 3130.97	
5 Medicare wages and tips 50499.37		6 Medicare tax withheld 732.30	
7 Social security tips		8 Allocated tips	
9 Advance EIC payment		10 Dependent care benefits	
11 Nonqualified plans		12a See instructions for box 12 D 2367.00	
13 Statutory employee <input type="checkbox"/> plan <input checked="" type="checkbox"/> Retiree <input type="checkbox"/> sick pay <input type="checkbox"/> Third-party <input type="checkbox"/>		12b AA 433.50	
14 Other		12c	
12d		12e	
d Control Number 19-1900-9104-00002-A-00001		e Employee's social security number [REDACTED]	
15 State & Employer's state ID	16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.
		19 Local income tax	20 Locality name

Void <input type="checkbox"/>		a Employee's social security number [REDACTED]		OMB No. 1545-0008		
b Employer identification number (EIN) [REDACTED]			1 Wages, tips, other compensation 37600.00	2 Federal income tax withheld 3142.40		
c Employer's name, address, and ZIP code J & S WATER CO. LLC P.O. BOX 1165 Highlands TX 77562			3 Social security wages 37600.00	4 Social security tax withheld 2331.20		
			5 Medicare wages and tips 37600.00	6 Medicare tax withheld 545.20		
			7 Social security tips	8 Allocated tips		
d Control number			9	10 Dependent care benefits		
e Employee's first name and initials Timothy M		Last name Ervin		Suff. 11 Nonqualified plans		
f Employee's address and ZIP code [REDACTED]			13 Statutory employee	12a	12 See instructions for box 12 12b 12c 12d	
			14 Other	12b		
				12c		
				12d		
15 State	Employer's state ID number	16 State wages, tips, etc	17 State income tax	18 Local wages, tips, etc.	19 Local income tax	20 Locality name

Form **W-2** Wage and Tax Statement
Copy D — For Employer

2016

Department of the Treasury—Internal Revenue Service
For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

VOID CORRECTED

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. J & S Water Company P.O. Box 1165 Highlands, TX 77562-1165 US 2813839869		1 Rents \$	OMB No. 1545-0115 2015 Form 1099-MISC		Miscellaneous Income
		2 Royalties \$	3 Other income \$ 20,897.34		
PAYER'S federal identification number	RECIPIENT'S identification number	4 Federal income tax withheld \$	5 Fishing boat proceeds \$	6 Medical and health care payments \$	Copy C For Payer
RECIPIENT'S name Carlos Martinez Street address (including apt. no.) City or town, state or province, country, and ZIP or foreign postal code		7 Nonemployee compensation \$	8 Substitute payments in lieu of dividends or interest \$	9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/>	
Account number (see instructions)	FATCA filing requirement <input type="checkbox"/>	2nd TIN not <input type="checkbox"/>	10 Crop insurance proceeds \$	11	12
15a Section 409A deferrals \$	15b Section 409A income \$	13 Excess golden parachute payments \$	14 Gross proceeds paid to an attorney \$	16 State tax withheld \$	17 State/Payer's state no. \$
		18 State income \$			

Form 1099-MISC

www.irs.gov/form1099misc

Department of the Treasury - Internal Revenue Service

Void <input type="checkbox"/>		Employee's social security number [REDACTED]		OMB No. 1545-0008	
b Employer identification number (EIN) [REDACTED]			1 Wages, tips, other compensation 20231.00	2 Federal income tax withheld 1050.58	
c Employer's name, address, and ZIP code J & S WATER CO. LLC P.O. BOX 1165 Highlands TX 77562			3 Social security wages 20231.00	4 Social security tax withheld 1254.32	
			5 Medicare wages and tips 20231.00	6 Medicare tax withheld 293.35	
			7 Social security tips	8 Allocated tips	
d Control number			9	10 Dependent care benefits	
e Employee's first name and initial James		Last name Nowling		11 Nonqualified plans	
[REDACTED]		[REDACTED]		12a See instructions for box 12	
[REDACTED]		[REDACTED]		12b	
[REDACTED]		[REDACTED]		12c	
[REDACTED]		[REDACTED]		12d	
f Employee's address and ZIP code			14 Other		
15 State	Employer's state ID number	16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local income tax
					20 Locality name

Form **W-2** Wage and Tax Statement
Copy D — For Employer

2016

Department of the Treasury—Internal Revenue Service
For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

Exhibit C

MEMO

to: JERRY NOWLING
J & S WATER CO., LLC

from: GEORGE H NEILL, P.E.
GHN ASSOC., INC.
P.O. BOX 811
ATHENS, TEXAS 75751
281 450 7647

MAY 30, '16

RE RENEWAL TPDES APPLICATION FOR MAPLE LEAF GARDENS WWTP

JERRY-

WHEN YOU SEND THE REQUIRED CHEMICAL ANALYSIS, PLEASE SEND TO ME FILING FEE OF ~~50~~²⁰ TO
TXCEQ, AND ENCLOSED SIGNED AND NOTORIZED SIGNATURE PAGE.

PLEASE CALL ME WHEN YOU GET THE LETTER.

THANKS

George H Neill, PE



George Neill
1402 Halifax
Grand Prairie
75058

George H Neill

PO 811
Athens, TX 75751
(281) 450-7647

Invoice

5/31/2016

Invoice for
J and S Water Company

Invoice #
102818

Project
Emergency

Due date
05/31/2016

Description	Total price
Engineering, Prog Emergency Well	\$1,000.00
Subtotal	\$1,000.00

George H Neill

PO 811
Athens, TX 75751
(281) 450-7647

Invoice

5/28/2016

Invoice for
J and S Water Company

Invoice #
102819

Project
Emergency

Due date
05/28/2016

Description	Total price
Engineering, TPDES Renewal	\$1,000.00

Subtotal **\$1,000.00**

*Professional
level
fees*

Matthews Lawson, PLLC
2000 Bering Drive
Suite 700
Houston, Texas 77057
Phone 713-355-4200 / Fax 713-355-9689
Tax ID #76-0047316

Rec'd in *email* 9/2
Entered in *CR*: 9/23
Paid: _____

August 1, 2015

J & S Water Company
1905 N. Battlebell Road
P.O. Box 1165
Highland, TX 77562

Invoice # 46827 GEM
Our File # 3205-10688
Billing through 07/27/2015

001-PT-Patent Application - Disposal System

PROFESSIONAL SERVICES

Attorneys

07/08/2015	DPR	Draft Office Action response.	4.00 hrs	\$1,100.00
07/08/2015	EJO	Drafting and editing of office action response; filed same.	0.50 hrs	\$200.00
Attorneys Total:			<u>4.50 hrs</u>	<u>\$1,300.00</u>

Paralegals

04/13/2015	JLJ	Receipt of correspondence from USPTO enclosing Office Action, review office action with respect to status of claims and deadline to respond, ensure proper docketing of response deadline, calculate and create extension deadline reminders therefor, save copy of office action to file and notify attorney.	0.50 hrs	\$55.00
Paralegals Total:			<u>0.50 hrs</u>	<u>\$55.00</u>

PROFESSIONAL SERVICES RECAP

Attorneys

Rao, Dilèep P	4.00 hrs	\$1,100.00
Osterrieder, Erik J	0.50 hrs	\$200.00

Paralegals

Jennings, Jared L	0.50 hrs	\$55.00
-------------------	----------	---------

Total All Timekeepers: 5.00 hrs \$1,355.00

EXPENSES

07/27/2015	Copy Fees	12.90
		<u>\$12.90</u>

BILLING SUMMARY

Total Professional Services	\$1,355.00
Total Expenses incurred	\$12.90
Total new charges on this invoice	<u>\$1,367.90</u>
Balance Due for this invoice	<u>\$1,367.90</u>

TE

TERMS: PAYMENT IN FULL WITHIN 20 DAYS OF RECEIPT OF INVOICE

***We now accept all Major Credit Cards:
American Express, Discover, MasterCard or Visa
Please call: 713-355-4200, Extension: 4229 or 4215***

AFTE FINANCIAL SERVICES

2190 NORTH LOOP WEST- STE 106
 HOUSTON, TEXAS 77018
 PHONE: 713-490-2510
 FAX: 713-490-0455

J/S

Invoice

Date	Invoice #
8/4/2015	30625

Bill To
J & S WATER P.O. BOX 1165 HIGHLANDS, TX 77562

6/110 ✓ # 5854
2800 ✓ #
3297 ✓ # 5879
10506.70 ✓ # 5854

Terms	Due Date
DUE ON RECE...	8/4/2015

Description	Qty	Rate	Amount
Preparation of Financial Statement as of December 2014	4	995.00	3,980.00
Preparation of 2014 - 1065 U.S. Partnership Return of Income	1	1,300.00	1,300.00
Preparation of 2015 Texas Corporation Franchise Tax Report and 2015 Public Information Report	1	330.00	330.00
Time spent regarding Amendment of Certificate of Formation including Secretary of State fees	1	487.00	487.00

J&S Water Company, LLC/PO Box 1165
 09/25/2015

AFTE FINANCIAL SERVICES

Date	Type	Reference	Original Amount	Balance Due	Payment
08/04/2015	Bill	30625	6,097.00	3,297.00	3,297.00
			Check Amount		3,297.00

005879

Plains State Bank...91

3,297.00



10209

Matthews Lawson, PLLC

2000 Bering Drive
Suite 700
Houston, Texas 77057
Phone 713-355-4200 / Fax 713-355-9689
Tax ID #76-0047316

October 1, 2016

J & S Water Company
1905 N. Battlebell Road
P.O. Box 1165
Highland, TX 77562

Invoice # 52594 GEM
Our File # 3205-10688
Billing through 09/26/2016

001-PT-Patent Application - Disposal System

PROFESSIONAL SERVICES

Attorneys

09/08/2016 EJO Drafted response to office action; filed same. 3.00 hrs \$1,200.00

Attorneys Total: 3.00 hrs \$1,200.00

PROFESSIONAL SERVICES RECAP

Attorneys

Osterrieder, Erik J 3.00 hrs \$1,200.00

Total All Timekeepers: 3.00 hrs \$1,200.00

BILLING SUMMARY

Total Professional Services	\$1,200.00
Total new charges on this invoice	\$1,200.00
Balance Due for this invoice	\$1,200.00

TERMS: PAYMENT IN FULL WITHIN 20 DAYS OF RECEIPT OF INVOICE

***We now accept all Major Credit Cards:
American Express, Discover, MasterCard or Visa
Please call: 713-355-4200, Extension: 4229 or 4215***

Matthews Lawson, PLLC

2000 Bering Drive
Suite 700
Houston, Texas 77057
Phone 713-355-4200 / Fax 713-355-9689
Tax ID #76-0047316

February 1, 2016

J & S Water Company
1905 N. Battlebell Road
P.O. Box 1165
Highland, TX 77562

Invoice # 49021 GEM
Our File # 3205-10688
Billing through 01/25/2016

001-PT-Patent Application - Disposal System

PROFESSIONAL SERVICES

Attorneys

01/18/2016	EJO	Responding to office action.	3.00 hrs	\$1,200.00
01/19/2016	EJO	Finished drafting and filed response to office action.	1.50 hrs	\$600.00
Attorneys Total:			<u>4.50 hrs</u>	<u>\$1,800.00</u>

Paralegals

12/03/2015	JLJ	Review office action with respect to status of claims and time period for filing response, calculate and ensure proper docketing of deadline to respond to office action and extension deadlines therefor, save copy of office action to file and notify attorney.	0.25 hrs	\$27.50
01/18/2016	PLH	Assist Attorney with documentation.	0.50 hrs	\$67.50
01/19/2016	JLJ	Conference with attorney regarding filing response to office action, review response and office action with respect to status of claims and requirement for extension and RCE fee, calculate fees due and submit expense request, prepare necessary extension and RCE transmittal documents for filing, finalize documents with EJO prior to filing and file response to office action with USPTO and pay fees due via electronic filing. Produce copy of confirmation, mark matter as completed in docket, save copy of confirmation to file and notify attorney.	1.00 hrs	\$110.00
Paralegals Total:			<u>1.75 hrs</u>	<u>\$205.00</u>

PROFESSIONAL SERVICES RECAP

Attorneys

Osterrieder, Erik J 4.50 hrs \$1,800.00

Paralegals

Jennings, Jared L 1.25 hrs \$137.50
Houston, Peter L. 0.50 hrs \$67.50

Total All Timekeepers: 6.25 hrs \$2,005.00

EXPENSES

01/19/2016 EFT- COMMISSIONER FOR PATENTS - Extension Fee 100.00
\$100.00

BILLING SUMMARY

Total Professional Services \$2,005.00
Total Expenses incurred \$100.00
Total new charges on this invoice \$2,105.00
Balance Due for this invoice \$2,105.00

TERMS: PAYMENT IN FULL WITHIN 20 DAYS OF RECEIPT OF INVOICE

*We now accept all Major Credit Cards:
American Express, Discover, MasterCard or Visa
Please call: 713-355-4200, Extension: 4229 or 4215*

AFFE FINANCIAL SERVICES

2190 NORTH LOOP WEST - STE 106
 HOUSTON TEXAS 77018
 PHONE: 713-490-2510
 FAX: 713-490-0455

Invoice

Date	Invoice #
9/3/2015	17450

Bill To
J & S WATER P.O. BOX 1165 HIGHLANDS TX. 77562

Terms	Due Date
DUE ON RECE...	9/3/2015

Description	Qty	Rate	Amount
Time spent regarding Preparation of Financial Statement	1	1 827.78	1 827 78
THE FINEST COMPLIMENT WE CAN RECEIVE IS A REFERRAL			Total \$1,827.78

AFFE FINANCIAL SERVICES

2190 NORTH LOOP WEST - STE 106
 HOUSTON TEXAS 77018
 PHONE 713-490-2510
 FAX 713-490-0455

Invoice

Date	Invoice #
9/25/2015	19112

Bill To
J & S WATER P O BOX 1165 HIGHLANDS TX 77562

Terms	Due Date
DUE ON RECE.	9/25/2015

Description	Qty	Rate	Amount
Time spent regarding Preparation of Financial Statement	1	2 152 22	2 152 22
THE FINEST COMPLIMENT WE CAN RECEIVE IS A REFERRAL		Total	\$2,152 22

AFTE FINANCIAL SERVICES


2190 NORTH LOOP WEST- STE 106
 HOUSTON, TEXAS 77018
 PHONE: 713-490-2510
 FAX: 713-490-0455

Invoice

Date	Invoice #
3/2/2016	31030

Bill To
J & S WATER P.O. BOX 1165 HIGHLANDS, TX. 77562

Terms	Due Date
DUE ON RECE...	3/2/2016

Description	Qty	Rate	Amount
Preparation of Cash Basis Financial Statement for Income Tax Return for the period January through December 2015	1	3,475.10	3,475.10
Preparation of 2015 - 1065 U.S. Partnership Return of Income	1	1,350.00	1,350.00
Preparation of 2016 Texas Corporation Franchise Tax Report and 2016 Public Information Report	1	395.00	395.00
Rec'd in Mail: 3/1 Entered in QB: 3/17 Paid: 			
THE FINEST COMPLIMENT WE CAN RECEIVE IS A REFERRAL.		Total	\$5,220.10

AFTE FINANCIAL SERVICES

2190 NORTH LOOP WEST- STE 106
 HOUSTON TEXAS 77018
 PHONE 713-490-2510
 FAX 713-490-0455

Invoice

Date	Invoice #
3/8/2016	28654

Bill To
J & S WATER P O BOX 1165 HIGHLANDS TX 77562

Terms	Due Date
DUE ON RECE	3/8/2016

Description	Qty	Rate	Amount
Time spent regarding Preparation of Financial Statement	1	1 330 00	1 330 00
THE FINEST COMPLIMENT WE CAN RECEIVE IS A REFERRAL			Total \$1 330 00

1
S Water Company, LLC/PO Box 1165
03/08/2016 Tom Franklin

005992
450.00

Plains State Bank...9857

450.00



10209

Exhibit D



WOODLANDS INSURANCE SERVICES, LLC

P. O. Box 8369
The Woodlands, Texas 77387-8369
Phone (281) 367-5010 Fax (281) 367-5013
ryank@woodlandsinsurance.com
www.woodlandsinsurance.com

QUOTATION CONFIRMATION

TO: Spring Insurance Agency
ATTN: Jeff Bolin / Kay Dockins

FROM: Ryan Kopal
DATE: April 7, 2017

RE: Sludge Net Dewatering Systems Inc. dba Enviro Sludge Solutions

COMPANY: Westchester Surplus Lines Insurance Company (A+ XV)

COVERAGE: COMMERCIAL GENERAL LIABILITY – Occurrence Form
CONTRACTORS POLLUTION LIABILITY – Occurrence Form
PROFESSIONAL LIABILITY – Claims Made

LIMITS: Per Attached Quote.

PREMIUM: \$4,000.00 M&D

POLICY FEE: \$250.00

INSPECTION FEE:

SURPLUS LINES TAX: \$206.13

STAMPING FEE: \$6.38

TOTAL: \$4,462.51

DEDUCTIBLE: Per Attached
INCLUDING LAE

TERM: 4/10/2017 – 4/10/2018

MINIMUM EARNED: 25%

ADJUSTABLE RATE: Flat/Non-Auditable

CONDITIONS: CGL on 2001 ISO Occurrence Form.
Professional on Claims Made Form (Retro Date- 4/10/2012).

Endorsements & Exclusions: Per Attached Quote.

Need:

- Confirm in binding instructions whether TRIA will be Rejected or Accepted

Ryan Kopal
Ryan Kopal

Coverage offered in this quotation may differ from that requested in the application. Please refer to the policy for complete policy language including conditions, coverage, limits, and exclusions.

UMBRELLA

PREMIUM
CUMULATIVE

AUTO

Business Automobile

Coverage Analysis

Provides coverage for your company's liability for Bodily Injury or Property Damage to the property of others arising out of the Ownership, Maintenance, or Use of any owned, Hired, or Non-Owned vehicle. Physical Damage Coverage is also provided of all Owned Vehicles for which a charge has been made for the respective coverage

Coverages:	Limit
Bodily Injury & Property Damage - C.S.L.	\$1,000,000
Personal Injury Protection - Each Person	\$2,500
Uninsured/Underinsured Motorists - C.S.L.	\$1,000,000
Comprehensive Deductible	\$1,000
Collision	\$1,000
Hired and non-owned	\$1,000,000

Includes:

- Blanket Waiver of Subrogation
- Form E Filing for TX
- MCS-90
- CA9948 pollution coverage
- Blanket Additional Insured

ESTIMATED ANNUAL PREMIUM: \$35,214.00

CARRIER: ACE American Insurance Company

Please see the attached ACE American Insurance Company's quote for additional terms conditions.

PREMIUM
SUMMARY

Commercial Excess liability

Coverage Analysis

Excess Liability Coverage for underlying liability policies in excess or scheduled underlying liability. The principal coverages are Auto Liability, General Liability, and Employer's

COVERAGE LIMITS

Coverages:	Limit
Per Occurrence	\$1,000,000
General Aggregate	\$1,000,000

REQUIRED UNDERLYING LIMITS

AUTOMOBILE

Combined Single Limit of Liability	\$1,000,000
Employer's liability:	
Bodily Injury (each Accident)	\$1,000,000
Bodily Injury by disease (policy limit)	\$1,000,000
Bodily Injury By Disease (each employee)	\$1,000,000

GENERAL LIABILITY

Per Occurrence	\$1,000,000
General Aggregate	\$2,000,000
Products / Completed Operations Aggregate	\$2,000,000
Personal & Advertising	\$1,000,000

Premium:	\$9,030.00
Policy Fee:	\$250.00
State Fees and Taxes:	\$464.00
ESTIMATED ANNUAL PREMIUM:	\$9,744.00

CARRIER: Westchester Surplus Lines Insurance Company

Please see the attached Westchester Surplus Insurance Company's quote for additional terms and conditions.

PREMIUM
SUMMARY

AUTO

Exhibit E

INVOICE

Date: 4/11/2017
Invoice # 11/16

B & D Environmental, Inc.
913 Hyde Park Dr.
Round Rock, Texas 78665
(512) 264-9124
Email: bretfenner@yahoo.com

Mr. Gerry Nowling
J & S Water Company, LLC
8010 Thompson Road
Highlands, TX 77562-3122
Customer ID: J & S

Docket No.	Job	Payment Terms	Due Date
46438	Rate/Tariff Change Application	Due on receipt	

Quantity	Description	Unit Price	Line Total
1	11/25/16: Prepared a Class B Water and Sewer Rate/Tariff Change Application which was submit to the PUC for approval		\$ 8,000.00
4 Hours	01/13/17: Prepared responses to the PUC in regards to Rate/Tariff Change Application	\$ 175 per Hour	\$ 700.00
1	01/12/17: Prepared a Pass Thru Rate Change Application for an Increase in the NHCRWA GRP Fee which was submit to the PUC for approval		\$ 500.00
4 Hours	02/19/17 -02/20/17: Prepared response to PUC staff request for information	\$ 175 per Hour	\$ 700.00
5 Hours	03/08/17 -03/09/17: Prepared response to PUC staff request for information	\$ 175 per Hour	\$ 875.00
1	03/09/17: Partial Payment Check No. 6506		\$ (2,000.00)
2 Hours	04/07/17: Prepared response to PUC staff request for information	\$ 175 per Hour	\$ 350.00
1	04/11/17: Prepared a Pass Thru Rate Change Application for an Increase in the NHCRWA GRP Fee which was submit to the PUC for approval		\$ 500.00
Subtotal			\$ 9,625.00
Sales Tax			0
Total			\$ 9,625.00

Make all checks payable to B & D Environmental, Inc.
Thank you for your business!

Exhibit F

UTILITY NAME: J & S Water Company, LLC
 SCHEDULES - CLASS B RATE/TARIFF CHANGE
III-2 RATE BASE SUMMARY (Water)
 FOR THE TEST YEAR ENDED: July 31, 2016

Line No.	Description	Amount	Reference
1	Additions:		(From)
2.	Utility plant (Original Cost)	965,741	Schedule III-3, Line 50, Col D
3.	Construction work in progress	8,312	Schedule III-4, Line 5
4.	Materials and supplies	0	Schedule III-4, Line 8
5.	Working cash (capital)	22,563	Schedule III-5, Line 2
6.	Prepayments	0	Schedule III-4, line 8
7.	Other Additions	0	Add schedule
8.	TOTAL ADDITIONS (Add Lines 2 through 6)	996,616	
	Deductions:		
9.	Reserve for depreciation (Accumulated)	463,052	Schedule III-3, Col F, Line 50
10.	Advances for construction	0	Schedule III-8(a), Col F, Line 6
11.	Developer Contributions in aid of construction	0	Schedule III-8(b), Col G, Line 6
12.	Accumulated deferred income taxes	0	Schedule III-9(a), Line 3
13.	Accumulated deferred investment tax credits	0	Schedule III-9(b), Line 3
14.	Other Deductions	0	Add schedule
15.	TOTAL DEDUCTIONS (Add lines 9 through 14)	463,052	
16.	RATE BASE (Line 8, less Line 15)	533,564	

J & S Water Company L.L.C.						Schedule III - Water				
Test Period Ends:		31-Jul-16								
NARUC Aggt. No.	Item Description	Installation Date	Original Cost	Developer Customer CIAC	Service Life	Economic Life	Remaining Service Life	Annual Deprec. Expense	Total Accum. Deprec.	Net Book Value
FIVE OAKS										
303	Land	1-Jan-81	\$4,071							\$4,071
307	Wells - 2 Ea.	1-Jan-81	\$80,771	\$0	50	36	14	\$1,615	\$57,671	\$23,100
322	GST - 84,000 gal.	1-Jul-90	\$24,602	\$0	50	26	24	\$492	\$12,678	\$11,724
313	Booster Pump - 10 Hp	5-Jan-10	\$5,112	\$0	10	7	3	\$511	\$3,369	\$1,743
313	Booster Pump - 10 Hp	21-Jan-11	\$5,432	\$0	10	6	4	\$543	\$3,011	\$2,421
313	Pump Repair	12-May-10	\$1,491	\$0	10	6	4	\$149	\$931	\$580
320	PST - 10,000 gal	1-Jul-90	\$42,500	\$0	50	26	24	\$850	\$22,247	\$20,253
325	Distribution System (Since Last Rate Case)	1-Jan-81	\$108,646	\$0	50	36	14	\$2,173	\$77,574	\$31,072
308	Road Gravel	28-Jan-15	\$1,875	\$0	10	2	8	\$188	\$283	\$1,592
313	Booster Pump - 15 Hp	9-Jun-14	\$1,105	\$0	10	2	8	\$111	\$238	\$867
328	Meters - 10 Ea	13-Aug-15	\$963	\$0	20	1	19	\$48	\$47	\$916
310	Well Pump - 20 Hp	15-Sep-15	\$16,773	\$0	10	1	9	\$1,677	\$1,475	\$15,298
328	Meter	9-Apr-15	\$1,881	\$0	20	1	19	\$94	\$124	\$1,757
322	CWIP 5000 gal Tank	11-Aug-16	\$8,312	\$0	50	0	50	\$0	\$0	\$8,312
WOODLAND ACRES										
303	Land	1-Jun-74	\$582							\$582
307	Wells - 2 Ea.	1-Jul-71	\$25,750	\$0	50	45	5	\$515	\$23,298	\$2,452
322	GST - 21,000 gal	1-Jan-93	\$11,189	\$0	50	24	26	\$224	\$5,294	\$5,895
322	GST - 42,000 gal.	1-Jan-93	\$15,943	\$0	50	24	26	\$319	\$7,544	\$8,399
320	PST - 6000 gal	1-Jul-81	\$17,317	\$0	50	35	15	\$346	\$12,192	\$5,125
313	Booster Pump - 7.5 Hp	22-Feb-11	\$1,299	\$0	10	5	5	\$130	\$709	\$590
305	Wood Building	21-Oct-10	\$2,734	\$0	15	6	9	\$182	\$1,057	\$1,677
349	Electrical Controls	28-Oct-09	\$2,000	\$0	10	7	3	\$200	\$1,356	\$644
325	Dist. System (Since Last Rate Case)	1-Dec-76	\$60,140	\$0	50	40	10	\$1,203	\$47,871	\$12,269
313	Booster Pump - 15 Hp	31-Jan-13	\$1,155	\$0	10	4	6	\$116	\$405	\$750
309	Well Pump - 5 Hp	2-Feb-15	\$5,393	\$0	5	1	4	\$1,079	\$1,615	\$3,778
310	Well w/ 20 Hp Pump	15-Sep-15	\$16,773	\$0	50	1	49	\$335	\$295	\$16,478
315	Chl Equipment	13-Feb-15	\$1,806	\$0	5	1	4	\$361	\$530	\$1,276
334	Fencing	10-Mar-16	\$3,275	\$0	20	0	20	\$164	\$64	\$3,211
313	Blower Repair	14-Jun-16	\$2,900	\$0	10	0	10	\$290	\$37	\$2,863
Totals:			\$471,790	\$0				\$13,915	\$282,116	\$189,674

J & S Water Company L.L.C.			Schedule III - Water							
NARUC Acct. No.	Item Description	Installation Date	Original Cost	Developer Customer, CIAC	Expected Service Life	Economic Life	Remaining Service Life	Annual Deprec. Expense	Total Accum. Deprec.	Net Book Value
	MAPLE LEAF									
303	Land	1-Jul-78	\$5,000							\$5,000
303	Land	1-Jan-81	\$2,456							\$2,456
307	Water Plant	1-Mar-81	\$46,755	\$0	50	36	14	\$935	\$33,232	\$13,523
328	3" Dia. Master Meter	16-Nov-10	\$1,134	\$0	20	6	14	\$57	\$325	\$809
305	GST - 65,000 gal.	8-Sep-15	\$48,312	\$0	50	1	49	\$966	\$668	\$47,444
325	Dist. System	1-Jul-78	\$26,134	\$0	50	38	12	\$523	\$19,974	\$6,160
325	Dist. System	1-Sep-78	\$16,017	\$0	50	38	12	\$320	\$12,187	\$3,830
325	Dist. System	1-Nov-83	\$400	\$0	50	33	17	\$8	\$263	\$137
325	Dist. System	1-May-83	\$52,197	\$0	50	33	17	\$1,044	\$34,831	\$17,366
	(Since Last Rate Case)									
307	Well	2-Jun-16	\$65,678	\$0	50	0	50	\$1,314	\$213	\$65,465
313	Booster Pumps - 15 Hp	18-Jun-14	\$2,195	\$0	10	2	8	\$220	\$467	\$1,728
313	Booster Pump - 15 Hp	16-Sep-15	\$1,139	\$0	10	1	9	\$114	\$100	\$1,039
310	Well Pump - 20 Hp	3-Mar-15	\$12,632	\$0	10	1	9	\$1,263	\$1,791	\$10,841
322	GST - Pad	28-Jun-14	\$2,400	\$0	50	2	48	\$48	\$101	\$2,299
322	GST	4-Nov-14	\$11,423	\$0	50	2	48	\$228	\$399	\$11,024
320	PST - 5000 gal	29-Jul-15	\$20,108	\$0	50	1	49	\$402	\$407	\$19,701
320	Crane - PST Install.	29-Jul-15	\$1,712	\$0	50	1	49	\$34	\$35	\$1,677
315	Chl Equipment	14-Sep-15	\$1,513	\$0	5	1	4	\$303	\$267	\$1,246
349	Electrical Equipment	10-Mar-11	\$1,193	\$0	10	5	5	\$119	\$646	\$547
325	Interconnection - WHC11	28-Apr-16	\$1,500	\$0	20	0	20	\$75	\$19	\$1,481
	Totals:		\$319,698	\$0				\$7,973	\$106,122	\$213,776

J & S Water Company L.L.C.			Schedule III - Water							
Test Period Ends:			31-Jul-16							
NARUC Acct. No.	Item Description	Installation Date	Original Cost	Developer Customer CIAC	Expected Service Life	Economic Life	Remaining Service Life	Annual Deprec. Expense	Total Accum. Deprec.	Net Book Value
OAKLAND VILLAGE										
303	Land	1-Sep-79	\$2,679							\$2,679
307	Well & Pumps	1-Sep-79	\$14,867	\$0	50	37	13	\$297	\$11,014	\$3,853
307	Well & Pumps	1-Sep-79	\$14,867	\$0	50	37	13	\$297	\$11,014	\$3,853
320	PST - 500 gal	1-Sep-79	\$6,795	\$0	50	37	13	\$136	\$5,034	\$1,761
325	Dist. System	1-Sep-79	\$31,298	\$0	50	37	13	\$626	\$23,186	\$8,112
GENERAL ITEMS										
303	Office Site Land - 50%	1-Sep-13	\$25,000							\$25,000
399	Engineennng	28-May-16	\$1,000	\$0	10	0	10	\$100	\$18	\$982
328	Meter Calibration	28-Nov-14	\$1,575	\$0	20	2	18	\$79	\$132	\$1,443
328	Meters - 10 Ea	9-Sep-15	\$1,010	\$0	20	1	19	\$51	\$45	\$965
341	Truck F350 - 50%	31-Aug-12	\$23,828	\$0	5	4	1	\$4,766	\$18,722	\$5,106
341	Truck F250 - 50%	16-Jul-16	\$31,712	\$0	5	0	5	\$6,342	\$261	\$31,451
340	Billing Software - 50%	10-Mar-09	\$1,351	\$0	10	7	3	\$135	\$1,002	\$349
343	Test Equipment - 50%	24-Jan-11	\$844	\$0	10	6	4	\$84	\$467	\$377
341	Kuboto Tractor - 50%	25-Apr-14	\$17,229	\$0	10	2	8	\$1,723	\$3,919	\$13,309
Totals Page 3			\$174,054	\$0				\$14,636	\$74,814	\$99,240
Totals Page 2			\$319,898	\$0				\$7,973	\$106,122	\$213,776
Totals Page 1			\$471,790	\$0				\$13,915	\$282,116	\$189,674
Totals - Utility Water Plant:			\$965,741	\$0				\$36,524	\$463,052	\$502,689

J & S Water Company L.L.C.						
Item Description	Installation Date	Quoted Cost Amount	Handy Whitman Index	NARUC Account	City Cost Index	Item Trended Cost
WOODLAND						
GST - 21,000 gal. Quote: 5/2/00 - Austin, Tx.	1-Jan-93	\$12,640	0.843	320	1.050	\$11,189
GST - 42,000 gal. Quote: 5/2/00 - Austin, Tx.	1-Jan-93	\$18,010	0.843	320	1.050	\$15,943
MAPLE LEAF						
GST - 63,000 gal. Quote: 5/2/00 - Austin, Tx.	1-Jul-99	\$24,572	0.979	320	1.050	\$25,252
OAKLAND VILLAGE						
Ground water Well w/ Pump Quote: 1/31/80 - Houston, Tx.	1-Sep-79	\$16,909	0.879	304	1.000	\$14,867
5000 Gal. PST Quote: 5/2/00 - Austin, Tx.	1-Sep-79	\$12,806	0.505	320	1.050	\$6,795
Dist. System - 2" PVC, 10,000 L.F. Quote: 5/2/00 - Austin, Tx.	1-Sep-79	\$ 5.00/L.F.	0.596	331	1.050	\$31,298
						Page 1

Windy Hill Utilities, Inc.
 DEPRECIATION SCHEDULE BY LOCATION
 For the Fiscal Year through 12/31/92
 Book Schedule

Faust-Maple Leaf, etc **WATER**

Num	Description	Date	Svc Method	Lf	Sec179		Prior Yr Accum Dep	Current Year Dep	Annual Net Book	Depr Cur Per	Through 12/31/92
					Cost	Bonus					
00511	Land-Faust-water	07/01/78	None	50	5,000	0	0	0	5,000	0	0
00512	Land-Faust-water	01/01/81	None	50	2,456	0	0	0	2,456	0	0
05 - Land					7,456	0	0	0	7,456	0	0
00010	Wells & pumps	07/01/78	S/L	30	7,016	0	3,275	234	3,507	20	120
00011	Treatment plant	03/01/81	S/L	30	46,755	0	17,666	1,559	27,530	130	780
81 - WELLS					53,771	0	20,941	1,793	31,037	150	900
00006	Building	02/01/78	S/L	20	105	0	76	5	24	0	0
00007	Fencing	08/01/78	S/L	20	560	0	387	28	145	2	12
00008	Buildings	05/01/83	S/L	20	606	0	277	30	299	3	18
00009	Fencing	08/01/84	S/L	20	1,452	0	575	73	804	6	36
82 - STRUCTURES					2,723	0	1,315	136	1,272	11	66
00010	Booster pumps	03/01/81	S/L	30	3,110	0	1,176	104	1,830	9	54
00012	Pump additions	04/01/84	S/L	30	557	0	154	19	384	2	12
83 - BOOSTER PUMPS					3,667	0	1,330	123	2,214	11	66
00006	Chlorinators	05/01/83	S/L	10	948	0	869	79	0	8	48
00007	Chemical feed equipment	07/01/78	S/L	20	150	0	105	8	37	1	6
89 - CHLORINATORS					1,098	0	974	87	37	9	54
00008	Distribution system	01/01/78	S/L	50	26,134	0	7,578	523	18,033	44	264
00009	Distribution system	09/01/78	S/L	50	16,017	0	4,431	320	11,266	27	162
00010	Distribution system	11/01/83	S/L	50	400	0	69	8	323	1	6
00011	Distribution system	05/01/83	S/L	50	52,197	0	9,572	1,044	41,581	87	522
91 - DISTRIBUTION SYSTEMS					94,748	0	21,650	1,895	71,203	159	654
LOCATION 006 TOTAL					163,463	0	46,210	4,034	113,219	340	2,040

Maple Leaf

JOHNSTON WATER WELL DRILLING

P.O. BOX 370,
NEW WAVERLY, TX 77358
FAX (936) 344-9838

PHONE (281) 351-5643

BILL TO:
J&S Water Co LLC

INVOICE

DATE: 6/2/2016
INVOICE #: 1144

P.O. NUMBER	TERMS	PROJECT
MAPLE LEAF		

QUANTITY	DESCRIPTION	RATE	AMOUNT
	INSTALL NEW 6" PRESSURE CEMENTED WATER WELL AT MAPLE LEAF FRANKLIN 220STS20-8 TURBINE PUMP 20HP SANDFIGHTER MOTOR 460 VOLT 252 FT 3" DROP PIPE FLOWMATIC 3" CHECK VALVE ELECTRIC LOG MUD HAULING TOTAL DEPTH 406' STATIC LEVEL 163' PUMP SETTING 252'	56,500.00	56,500.00
TOTAL			\$56,500.00

PRODUCT 13054G USE WITH 0508C ENVELOPE

Deluxe Corporation 1-800-328-0304 or www.deluxe.com/shop

PRINTED IN U.S.A.

0043

JOHNSTON WATER WELL DRILLING

P.O. BOX 370
 NEW WAVERLY, TX 77358
 FAX (936) 344-9838

PHONE (281) 351-5643

INVOICE

DATE
 6/2/2016

INVOICE #
 1143

BILL TO:
 J&S Water Co LLC

P.O. NUMBER	TERMS	PROJECT
Maple Leaf		

QUANTITY	DESCRIPTION	RATE	AMOUNT
5/23/16	PULL AND REPLACE 20HP PUMP ON WELL 11HRS	2,750.00	2,750.00
5/24/16	PULL 20HP PUMP AND INSTALL 5HP PUMP WITH SCREEN		
	5HP FRANKLIN MOTOR 460VOLT	1,557.00	1,557.00
	RANGER 50GPM STAINLESS PUMP	1,851.00	1,851.00
	20FT 4" SCREEN 12GAUGE	165.00	165.00
	4" WELL SEAL	35.00	35.00
	PARTS	97.50	97.50
	LABOR 9 HRS	2,250.00	2,250.00
	LOAD OF MATERIAL FOR TEMPORARY DRIVE	472.00	472.00
		TOTAL	\$9,177.50

PRODUCT 100046

USE WITH 52000 ENVELOPE

Deluxe Corporation 1-800-398-0304 or www.deluxe.com/shop

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104





REMIT TO:
 9500 LUCAS RANCH ROAD
 RANCHO CUCAMONGA, CA 91730
 909/912-0580 - FAX 909/912-0585

INVOICE NO.	REVISED	23901
DATE		9/8/2015
JOB NUMBER		12237H c
YOUR P.O. #		JERRY NOWLING
TERMS		25% DP / NET 30
SHIP VIA.		HIRED OUT
FOB		HOUSTON, TX.
SALESMAN		HL

COMPANY: RITEWAY CONTRACTORS
 ADDRESS: P.O. BOX 1165
 CITY / STATE / ZIP: HIGHLANDS, TX 77562
 ATTENTION: ACCOUNTS PAYABLE / JERRY NOWLING

DESCRIPTION	UNIT PRICE	AMOUNT
FURNISH AND INSTALL:		
ONE (1) 21'-6 1/2" DIA. X 24' HIGH, 65,434 GALLONS, HDG, BOLTED STEEL STORAGE TANK COMPLETE WITH APPURTENANCES.		
SALES PRICE K.D., F.O.B. HOUSTON, TX.	\$ 31,752.00	
ERECTION	\$ 13,940.00	
TOTAL CONTRACT AMOUNT:		\$ 45,692.00
C/O #1		
(ADD) SALES TAX @ 8.25%:	\$ 2,619.54	
TOTAL CHANGE ORDER #1		\$ -2,619.54
TOTAL REVISED CONTRACT AMOUNT		\$ 48,311.54
FINAL BILLING 100% COMPLETE	\$ 11,423.00 - J+S ck# 2009 on 12/20/13	\$ 48,311.54
LESS PAYMENT RECEIVED	\$ 11,423.00 - PSB ck# 4216 on 6/6/14	\$ 31,752.00
TOTAL AMOUNT DUE / THANK YOU	\$ 8,906.00 - J+S ck# 2029 on 6/10/14	\$ 16,559.54

PLEASE PAY FROM THIS INVOICE

THANK YOU

SUB-TOTAL	\$ 16,559.54
TAX	SEE ABOVE
FREIGHT	INCLUDED
TOTAL DUE	\$ 16,559.54

48,311.54

PSB - FO Services RITEWAY CONTRACTORS

1,034.50

PRODUCT DLT103 USE WITH 91863 ENVELOPE Deluxe Corporation 1-800-328-0304 or www.deluxe.com/shop

B517CF CHKDK04 10/13/2016 04:23 -195-

J&S WATER COMPANY LLC

Superior Tank Company, Inc.

5528

Date	Type	Reference	Original Amount	Balance Due	Payment
11/01/2016	Bill	23901/1116	1,565.63	1,565.63	1,565.63
			Check Amount		1,565.63

PSB - FO Services RITEWAY CONTRACTORS

1,565.63

PRODUCT DLT103 USE WITH 91863 ENVELOPE Deluxe Corporation 1-800-328-0304 or www.deluxe.com/shop

B517CF CHKDK04 10/13/2016 04:23 -225-

J&S WATER COMPANY LLC

Superior Tank Company, Inc.

5508

Date	Type	Reference	Original Amount	Balance Due	Payment
10/01/2016	Bill	23901/1016	1,565.63	1,565.63	1,565.63
			Check Amount		1,565.63

PSB - FO Services RITEWAY CONTRACTORS

1,565.63

PRODUCT DLT103 USE WITH 91863 ENVELOPE Deluxe Corporation 1-800-328-0304 or www.deluxe.com/shop

B517CF CHKDK04 10/13/2016

07/18/2016

Superior Tank Company, Inc.

Date	Type	Reference	Original Amount	Balance Due
07/01/2016	Bill	23901/0716	1,565.63	1,565.63
			Check Amount	

5465
 Payment
 1,565.63
 1,565.63

PAYMENT
 RECORD

PSB - FO Services RITEWAY CONTRACTORS

1,565.63

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08/09/2016

Superior Tank Company, Inc.

Date	Type	Reference	Original Amount	Balance Due
08/01/2016	Bill	23901/0816	1,565.63	1,565.63
			Check Amount	

5478
 Payment
 1,565.63
 1,565.63

PAYMENT
 RECORD

PSB - FO Services

1,565.63

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09/28/2016

Superior Tank Company, Inc.

Date	Type	Reference	Original Amount	Balance Due
09/01/2016	Bill	23901/0916	1,565.63	1,565.63
			Check Amount	

5498
 Payment
 1,565.63
 1,565.63

PAYMENT
 RECORD

05/16/2016		Superior Tank Company, Inc.			5442
Date	Type	Reference	Original Amount	Balance Due	Payment
05/01/2016	Bill	23901/0516	1,565.63	1,565.63	1,565.63
			Check Amount		1,565.63

PSB - FO Services RITEWAY CONTRACTORS 1,565.63

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04/19/2016		Superior Tank Company, Inc.			5422
Date	Type	Reference	Original Amount	Balance Due	Payment
04/01/2016	Bill	23901/0416	1,565.63	1,565.63	1,565.63
			Check Amount		1,565.63

PSB - FO Services RITEWAY CONTRACTORS 1,565.63

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06/23/2016		Superior Tank Company, Inc.			5452
Date	Type	Reference	Original Amount	Balance Due	Payment
06/01/2016	Bill	23901/0616	1,565.63	1,565.63	1,565.63
			Check Amount		1,565.63

02/15/2016

Superior Tank Company, Inc.

Date
02/01/2016

Type
Bill

Reference
23901/0216

Original Amount
1,500.00

Balance Due
1,500.00

Check Amount

5387
Payment
1,500.00
1,500.00

1 of 11

PAYMENT RECORD

PSB - FO Services

RITEWAY CONTRACTORS

1,500.00

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02/18/2016

Superior Tank Company, Inc.

Date
02/01/2016

Type
Bill

Reference
23901/0216

Original Amount
1,565.63

Balance Due
65.63

Check Amount

5394
Payment
65.63
65.63

1 of 11

PAYMENT RECORD

PSB - FO Services

RITEWAY CONTRACTORS

65.63

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03/28/2016

Superior Tank Company, Inc.

Date
03/01/2016

Type
Bill

Reference
23901/0316

Original Amount
1,565.63

Balance Due
1,565.63

Check Amount

5405
Payment
1,565.63
1,565.63

PAYMENT RECORD

Pump Company
 100 Spring Street
 Royersford, PA 19468
 A Gorman Rupp Company
 Phone: (610) 948-3800 Fax: (610) 948-5300

INVOICE

BILL TO:

SLUDGENET DEWATERING SYSTEMS
 PO BOX 1076
 HIGHLANDS, TX 77562

SHIP TO:

SLUDGENET DEWATERING SYSTEMS
 TIM ERVIN
 8010 THOMPSON ROAD
 TEL: 281-426-9869
 HIGHLANDS, TX 77562

INVOICE NO.: **338696** DATE: **06/18/2014**

PO NUMBER	TERMS	SHIPPED VIA	F.O.B.	SHIP DATE			
EMAIL-6/17/14-TIM	NET 30 DAYS	FDXFGT	ROYERSFORD, PA	06/18/2014			
PO LINE	AMT PRODUCT NO.	CUSTOMER PRODUCT NO.	PRODUCT DESCRIPTION	QUANTITY ORDERED	QUANTITY SHIPPED	PRICE	AMOUNT
-	4251-999-95	-	AMT XCI 3X2 15.0HPTEPC 3PH HI-HD PUMP	2	2	1005.00	2010.00
-	PREPAID	-	PREPAID SHIPPING CHARGES FEDEX/FRT/PRIOR/PP	1	1	185.10	185.10
						SUBTOTAL	2195.10
						SHIPPING HANDLING	0.00
						SALES TAX	0.00
						TOTAL	\$2,195.10

ML - water

THANK YOU FOR YOUR ORDER!

Gorman Rupp & Tool Company, Inc.

Gorman Rupp Pump Company
400 Spring Street
Royersford, PA 19468

A Gorman Rupp Company
Phone: (610) 948-3800 Fax: (610) 948-5300

INVOICE

BILL TO:

SLUDGENET DEWATERING SYSTEMS
PO BOX 1076
HIGHLANDS, TX 77562

SHIP TO:

SLUDGENET DEWATERING SYSTEMS
8010 THOMPSON ROAD
HIGHLANDS, TX 77562

INVOICE NO.: **365161** DATE: **09/16/2015**

PO NUMBER	TERMS	SHIPPED VIA	F.O.B.	SHIP DATE			
TE91515ML	CREDIT CARD	FDXFGT Freight Priority	ROYERSFORD, PA	09/16/2015			
PO LINE	AMT PRODUCT NO.	CUSTOMER PRODUCT NO.	PRODUCT DESCRIPTION	QUANTITY ORDERED	QUANTITY SHIPPED	PRICE	AMOUNT
-	4251-999-95	-	AMT XCI 3X2 15.0HPTEFC 3PH HI-HD PUMP	1	1	1025.00	1025.00
-	PREPAID	-	PREPAID SHIPPING CHARGES	1	1	114.03	114.03
Rec'd In Mail: <u>10/5</u> Entered in QB: _____ Paid: _____ <i>mc water</i>				<i>Maple leaf</i>			
						SUBTOTAL	1139.03
						SHIPPING HANDLING	0.00
						SALES TAX	0.00
						TOTAL	\$1,139.03

THANK YOU FOR YOUR ORDER!

SHIPPED BY FDXFGT, SERVICE-Freight Priority PREPAID

PAGE 1 OF 1

AAA Water Well Service
7622 Langley Rd.
Spring, Texas 77389
Office (281) 703-2004 Fax (281) 754-4464

Invoice

Date: March 3,2015

Customer: Jerry Nowling
 Sludgenet Utilities
 P.O. Box 1165
 Highlands, Texas 77562
 Ph: 713 542-1304, 281 426-5494
 E-mail: jerry@sludgenet.com

Purchase Order #: per Jerry
Job Location: Zacka Rd. and Sugar Maple
Diagnosis: 15hp 460v 3 ph 9 stage gpm pump and motor low production 90 gpm. Suspected cause – normal pump wear lower SWL
Recommendation: Replace with new 20 hp 460v 3 ph. 7 stage pump and motor, replace 42' of 3" steel pipe, add 63 ft of new pipe and wire, lowering pump from 210' to 273' install new starter

<u>Quantity</u>	<u>Description</u>	<u>Amount</u>
	Furnish labor and material to pull and inspect existing original pump, motor, wiring and drop pipe and evaluate depth of well, SWL, pumping level and equipment and reinstall -----	\$1,700.00
	Furnish labor and material to pull original pump and motor and replace with new 20 hp 460v 3 ph 7 stage grundfos pump and motor, add replace/add 105' of new 3" galvanized drop pipe and 70' of wire, install new motor controls (starter) -----	\$1,700.00
105'	3" galvanized pipe with couplings @\$7.75 -----	\$813.75
65'	12-3w/grd submersible pump cable @ \$1.40 -----	\$91.00
	6" Franklin Electric 20 hp 3ph 460v Sandfighter	
	Subtrol/Equip Motor -----	\$3,720.00
	6" 20 hp, 230 gpm 7stage C trimmed pump -----	\$3,711.00
	20hp 3ph 460 v motor starter -----	<u>\$896.00</u>

Total Due: \$12,631.75

Well Data
3/3/2015 – Total Well Depth 378'
Static Water Level 158"
Pump Setting 273'
Pumping Level 240' (approx.)

6-28-14

D. Q Cement Transport

\$2400.00 CASH

Maple Leaf concrete pads

ben

water tank pad



STATEMENT

SUPERIOR TANK CO INC
 9500 LUCAS RANCH ROAD
 RANCHO CUCAMONGA CA 91730
 (909) 912-0580

CUSTOMER ID: 08-RC01
 NAME: RITEWAY CONTRACTORS
 ADDRESS: PO BOX 1165
 HIGHLANDS, TX 77562
 CONTACT NAME: JERRY NOWLING

DATE: 12/06/2013

INVOICE DATE	INVOICE NUMBER	COMMENTS	INVOICE AMOUNT	PAYMENTS	BALANCE
11/04/2013	22073P-IN	<i>Storage tank with water</i>	11,423.00		11,423.00
Total:					11,423.00
Current	30 Days	60 Days	90 Days	120 Days	
11,423.00	0.00	0.00	0.00	0.00	11,423.00

Superior Tank

12/20/2013

002009

Date	Type	Reference
12/20/13	Bill	22073

Original Amt.
11,423.00

Balance Due
11,423.00

Discount

Payment
11,423.00

Check Amount

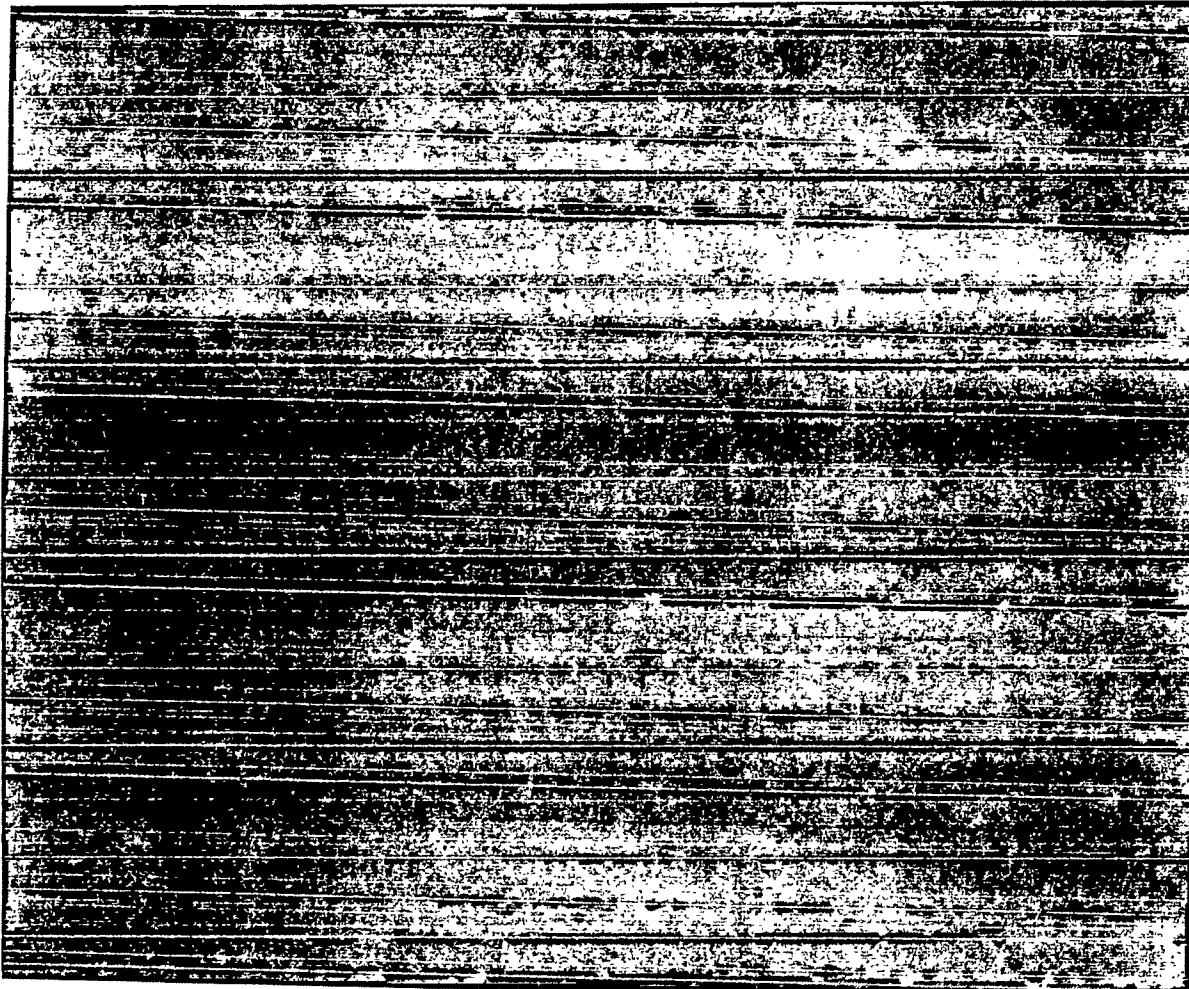
11,423.00

Plains Merchant Acct. Invoice 22073 - down payment

11,423.00



80860





MRE

BULLDOG STEEL PRODUCTS, INC.

P.O. Box 569
Clyde, TX 79510-0569

Phone: 325-893-5806
Fax: 325-893-4459

Internet Address: www.bulldogsteel.com

SOLD TO:
J&S Water Company, LLC
PO Box 1165
Highlands, TX 77562

SHIPPED TO:
Maple Leaf
9502 Sugar Maple St.
Houston, TX 77064

INVOICE NO.
13337
NET 30

INVOICE DATE 07/29/15

CUSTOMER PO NO. _____

THIS INVOICE IS DUE AND PAYABLE
IN CLYDE, CALLAHAN COUNTY,
TEXAS

DELIVERY DATE	SHIPPING RECEIPT NO.	DESCRIPTION	UNIT PRICE	NET SALES AMOUNT
07/29/15	7647	8' x 20', 7,500 gallon Hydropneumatic Tank BS115352	24,118.00	24,118.00

(APPROX)
 Rec'd in store *9/14*
 Entered in CR: *9/15*
 Paid: _____
 ✓ # 2098
 9/29 5000.00
 9/29 6000.00 (FO)

Subtotal	24,118.00
Down Payment	6,000.00
State Sales Tax	1,969.74
Pay Gross Amount Due	\$20,107.74

Jim's approval on hand Cooper →

002098

Date	Type	Reference	Original Amount	Balance Due	Payment
07/01/2015	Bill		26,107.74	20,107.74	5,000.00
		Check Amount			5,000.00

Plains Merchant Acct

5,000.00



80860

07/29/2015

Bulldog Steel Products, Inc.

Date	Type	Reference	Original Amount	Balance Due
07/29/2015	Bill	13381	6,000.00	6,000.00
			Check Amount	

5314
 Payment
 6,000.00
 6,000.00

PSB - FO Services

6,000.00

CHECKS UNLIMITED • COUNTRY CLUB • TO REORDER 1-800-667-7111 www.ChecksUnlimited.com

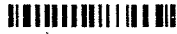


Date	Type	Reference	Original Amount	Balance Due
07/01/2015	Bill	13381	20,107.74	9,107.74
		Check Amount		

005891
Payment
9,107.74
9,107.74

Plains State Bank...98

9,107.74



10209

RWS CRANE & RIGGING

Rigging & Welding Specialists, Inc.



5800 Wade Road
 Baytown, TX 77521
 Phone: 281-838-0063

Invoice

Date	Invoice #
7/29/2015	710-44124

PAID
 07/29/2015

Bill To J & S Water Company P.O. Box 1165 Highlands, TX 77562	Remit To PO Box 301533 Dallas, TX 75303-1533
---	---

P.O. No.	Due Date	Terms	Rep	Requires PO
	8/8/2015	NET 10 Days	LDW	
Description		Qty	Rate	Amount
9702 Zaka Rd Job Date 07/29/2015, Job Ticket Number 710-44124 Called in by: Jerry 713-542-1304				
100 TON CRANE		6	252.00	1,512.00
FUEL SURCHARGE		1	49.86	49.86
PERMIT & ESCORT		1	150.00	150.00
PAID BY CHECK. Rec'd in Mail: _____ Entered in QB: _____ Paid: _____				

E-mail	Web Site
rws@rwscrane.com	www.rwscrane.com

Subtotal	\$1,711.86
Sales Tax	\$0.00
Total	\$1,711.86
Payments/Credits	-\$1,711.86
Balance Due	\$0.00

CHLORINATOR MAINT. CO., INC.

P. O. Box 1313
 PASADENA, TEXAS 77501
 phone (713) 472-1201
 fax (713) 472-7717

INVOICE

DATE	INVOICE #
9/14/2015	29940

open m+r

BILL TO
J & S Water Company P. O. Box 1165 Accounts Payable Highlands, Texas 77562

SHIP TO
Country Terrace (WWTP) Carlos 832-775-5818 9/14/15 Renee office 281-383-9869 Jerry Nowling

Rec'd in Mail: *9/15*
 Entered in QB: *9/16*
 Paid: _____

P.O. NO.	TERMS	SHIP VIA	PLUS TAX	TAX EXEMPT	TAXES DIRECT
Carlos	Net 30	WILL CALL	yes		
QTY	ITEM	DESCRIPTION	PRICE	AMOUNT	
1	4D150-1	4d150-1 sNGLE sCALE	947.50	947.50	
1	Switchover Mo	Switchover Module sureflow	450.00	450.00	
	S/T	Total Parts \$1,397.50 Sales Tax on \$1,397.50 Thanks for the Order	115.29	115.29	
It's been a pleasure working with you!			Total	\$1,512.79	

mpl WP

~~450.00~~

Received
 C. P. 2004
 amount of 6003.0004

11/16/10
 pd 11/16/10

243842	1 of 1
89322	09/27/10

89322
 COUNTRY TERRACE WATER CO

3
 COUNTRY TERRACE WATER CO.

PO BOX 1018
 HIGHLANDS, TX 77562
 USA

1905 N BATTLEBELL RD
 HIGHLANDS, TX 77562
 USA

ATTN JERRY NOWLING

VERBAL JERRY	09/27/10	DKL NET 30	TX	860401	01 PREPAID	UPS
19729	AMCO TS4000 Turbine Meter w/Screen 3 inch, Gallons		1	1	0 EA	999.95 EA 999.95
CA	CR Released		1	1	0 EA	.00 EA .00

AMOUNT	TAX	FEES	FRIGHT	TOTAL	
999.95	.00	.00	86.41	47.39	1133.75

Please Detach and Return Bottom Portion to Insure Proper Credit to Your Account

AMOUNT	TAX	FEES	FRIGHT	TOTAL
89322	243842	09/27/10	1133.75	

Please include this customer #
 in the case of your confidence check.

DELIVER TO

AMOUNT OF 6003.0004

JoAnn Chapital

To: TIM@SLUDGENET.COM
Subject: FW. WHC11 TEMPORARY METER INFOR
Attachments: TEMP METER FORM.docx
Importance: High

From: JoAnn Chapital
Sent: Thursday, April 28, 2016 11:18 AM
To: 'tim@sludgenet.com'
Subject: WHC11 TEMPORARY METER INFORMATION
Importance: High

Office Address: 9835 Whithorn Dr
Houston, TX 77095

**** Requirements:** temporary form
business card
check or money order

Deposit: \$1,500.00 (Check or Money order)
Base Rate: \$45.00 monthly
Usage: 0-5: \$45.00 (base rate)
5-15: \$6.00 per every thousand gal
15-25: \$6.75 per every thousand gal
25-35: \$7.50 per every thousand gal
35+: \$9.00 per every thousand gal

Rwa Fee: \$7.20 per every thousand gal



JoAnn Chapital

9835 Whithorn Dr
Houston, TX 77095
P) 281-807-9500
F) 832-683-4984

RECEIPT

RECEIVED FROM: Sludgenet Houston TX
DATE: 4/28/16
NO. 20359
\$1500.00 DOLLARS

FOR BEHT
FOR Temp Meter # 0000111
BY: [Signature]

ACCOUNT	
PAYMENT	\$1500.00
BAL. DUE	

CASH
 CHECK
 MONEY ORDER
 CREDIT CARD


FROM: [Signature] TO: [Signature]

A-2701 T-4680046802

meter for water supply to ML

Plains State Bank...9857

700.00

 DELUXE CORP™ 1+800-328-0304 www.deluxefirms.com

0035

35 CF932 03/01/2016 16:02

emergency well permit



04/28/2016

George Neill

maple leaf

5431
500.00

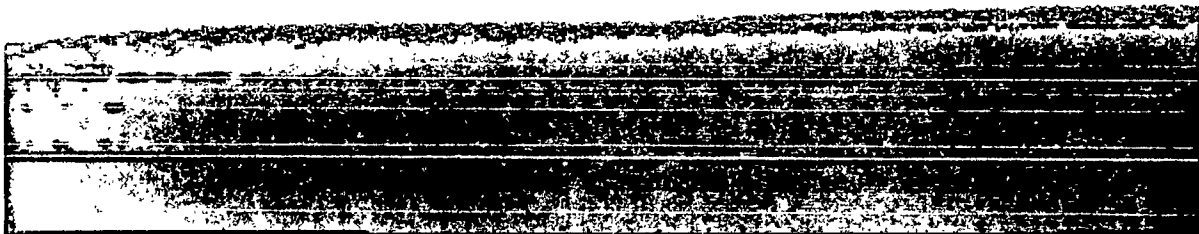
PSB - FO Services

500.00

• CHECKS UNLIMITED? • COUNTRY CLUB • TO REORDER 1-800-667-2439 • www.ChecksUnlimited.com



*em will permit
TCEQ*



04/27/2016

George Neill

5429
~~500.00~~

PSB - FO Services

500.00

Checks Unlimited • COUNTRY CLUB • TO REORDER 1-800-667-2439 • www.ChecksUnlimited.com

*em will permit
TC&Q*

CHLORINATOR MAINT.CO.,INC.

O. Box 1313
 PASADENA, TEXAS 77501
 phone (713) 472-1201
 fax (713) 472-7717

INVOICE

DATE	INVOICE #
3/10/2011	22259

BILL TO AQUA-PURE P. O. Box 279 ACCOUNTS PAYABLE New Waverly, Texas 77358	SHIP TO J & S Water Company 3/8/11 Carlos
--	---

P.D. NO.	TERMS	SHIP VIA	PLUS TAX	TAX EXEMPT	TAXES DIRECT
Carlos	Net 30	WILL. CALL	yes		
QTY	ITEM	DESCRIPTION	PRICE	AMOUNT	
1	SUPERIOR CL2	VRM-1 Close coupled regulator \$1,470.00 less 25%	1,102.50	1,102.50	
	S/T	Sales Tax if applicable Total \$1,193.46	90.96	90.96	
<p>Thanks for the Order</p> <p>If exempt please deduct sales tax and send certificate \$90.96</p> <p><i>V.K.K. please pay</i></p> <p><i>Maple Leaf</i></p> <p><i>K.L.</i></p>					
been a pleasure working with you!				Total	\$1,193.46

d.1

936-344-9838

STANON

BOZ 07/11 41 1014

08/25/93

WINDY HILL
 DEPRECIATION SCHEDULE
 For the Fiscal Year ending 8/31/93
 Book Schedule

Woodland Acres **WATER**

Num	Description	Date	Svc Method	Lf	Sec 179 Cost	Bonus	Prior Yr Accum Dep	C Yr Dep	Annual Net Book	C	B
0050	LAND-WOODLAND ACRES	06/01/74	None	50	582	0	0	0	582		
05	Land				582	0	0	0	582		
0810	WELLS	07/01/77	S/L	30	25,750	0	19,364	858	5,528	72	4
81	WELLS				25,750	0	19,364	858	5,528	72	4
08301	BOOSTER PUMPS	12/01/77	S/L	30	2,707	0	1,428	90	1,189	8	
83	BOOSTER PUMPS				2,707	0	1,428	90	1,189	8	
08804	PRESSURE STORAGE TANK	07/01/77	S/L	50	17,317	0	0	346	12,901	29	
88	PRESSURE TANKS				17,317	0	0	346	12,901	29	
08902	CHLORINATORS	01/01/77	S/L	10	2,392	0	5	239	958	20	
89	CHLORINATORS				2,392	0	5	239	958	20	
09103	DISTRIBUTION SYSTEM	12/01/76	S/L	50	60,140	0	2	1,203	38,689	100	600
91	DISTRIBUTION SYSTEMS				60,140	0	2	1,203	38,689	100	600
09302	METERS	06/01/85	S/L	20	12,729	0	4,884	636	7,209	53	318
93	METERS				12,729	0	4,884	636	7,209	53	318
LOCATION 00- TOTAL					0	51,189	3,372	67,056	282	1,492	

Woodland
 Acres

307

American Machine & Tool Co., Inc.
 400 Spring Street
 Royersford, PA 19468

A Subsidiary of The Gorman-Rupp Company
 Phone: (610) 948-3800 Fax: (610) 948-5300

INVOICE

BILL TO:

SLUDGENET DEWATERING SYSTEMS
 PO BOX 1076
 HIGHLANDS, TX 77562

SHIP TO:

SLUDGENET DEWATERING SYSTEMS
 ATTN: TIM
 1810 THOMPSON ROAD
 HIGHLANDS, TX 77562

INVOICE NO.: **309847** DATE: **01/31/2013**

PO NUMBER	TERMS	SHIPPED VIA	F.O.B.	SHIP DATE			
WOODLAND ACRES	NET 30 DAYS	FEDEX/FRT/PR	ROYERSFORD, PA	01/31/2013			
PO LINE	AMT PRODUCT NO.	CUSTOMER PRODUCT NO.	PRODUCT DESCRIPTION	QUANTITY ORDERED	QUANTITY SHIPPED	PRICE	AMOUNT
-	4251-999-95	-	AMT XCI 3X2 15.0HPTEFC 3PH HI-HD. PUMP	1	1	955.00	955.00
-	PREPAID	-	PREPAID SHIPPING CHARGES	1	1	99.00	99.00
							SUBTOTAL
							SHIPPING HANDLING
							SALES TAX
							TOTAL

THANK YOU FOR YOUR ORDER!

Invoice



PO Box 690808
Houston, Tx 77269-0908
10239 Cossey Rd
Houston Tx 77070
(281) 448-1352
(832) 448-1363 Sales Fax
(832) 448-1362 Acct Fax
www.pumpsforhouston.com
www.controlsforhouston.com

Invoice No **Page**
372523 1
Invoice date
2/9/2015

Bill To

J & S WATER COMPANY, LLC
P O BOX 1165
HIGHLANDS, TX 77562
US

Ship To

J & S WATER COMPANY, LLC.
P O BOX 1165
HIGHLANDS, TX 77562
US

Order number	Sales order date	Account number	Loc	Account manager			
374660	2/2/2015	100239	HO	9 HOUSE SALES			
	PO number	Job No	Ship via				
	VERBAL JERRY		BEST WAY				
Item No.	Quantity ordered	Qty Shipped/Returned	Item price	UON	Extended Total	Description	price
			Discount %				
SL1.30.A30.555	1	1		5,028 EA	5,028.00	GRUHDPOS PUMP/SHP/208-230/460V / 3PH,3"	

Comments:

Sales amount: 5,028.00
Miscellaneous amount: 0.00
Freight: 0.00
Sales tax: 364.53
Subtotal: 5,392.53
Amount Received: 0.00
Total amount due: ~~5,392.53~~

Payment terms: ***NET 30***

© 2011 PHI Schutte

* * * I N V O I C E * * *

O'BAY DRILLING CO., INC.
 1921 LOUISIANA STREET
 ROSSBORN, TX 77523
 PH#281-485-1330 FX281-485-0962

INVOICE NO.:000665650000
 CUSTOMER NO.:09116
 DATE: 09/15/15

SOLED TO:
 J & S WATER COMPANY
 ATTN: JERRY NOWLING
 P.O. BOX 1076
 HIGHLANDS, TX 77562

SHIP TO:
 J & S WATER COMPANY
 ATTN: JERRY NOWLING
 P.O. BOX 1076
 HIGHLANDS, TX 77562
 SALES- ORDER

SHIP DATE	SHIPPED VIA	F.O.B.	TERMS	PERSON	DATE	P.O. NUMBER
/ /			DUE ON RECEIPT		09/15/15	

QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT
	SERVICE CALL 9/14/15 AT WOODLAND LANE, OLD RIVER WINFREE		
1	SERVICE TECH: DUANE 20 HP FRANKLIN PUMP & MOTOR #220ST20 SN#091515-A # 14G19-17-06340A	6,782.00T	6,782.00
1	3" CHECK VALVE	575.00T	575.00
1	SIZE 3 PANEL & 3-70 FUSES	2,150.00T	2,150.00
1	230 PHASE MONITOR	189.00T	189.00
1	230' OF 4-3 JACKETED PUMP CABLE	1,995.00T	1,995.00
1	PUMP UP FLOAT	89.50T	89.50
1	30 FT. OF 1 1/4 CONDUIT 3 SWEEP	328.00T	328.00
1	6X6X4 BOX AND 6 CONIES	126.00T	126.00
1	1/2 AIR LINE	75.00T	75.00
1	CHECKED SYSTEM, PULLED AND REPLACED 20 HP PUMP, MOTOR, CHECK VALVE, SIZE 3 PANEL, PHASE MONITOR, AIR LINE, CONDUIT, JACKETED PUMP CABLE, PUMP UP FLOAT, FUSES, SWEEPS, BOX, CONIES, STARTED UP	3,185.00T	3,185.00

e 11/19
 Rec'd in Mail: 11/19
 Entered in GB: 11/19
 Paid: _____

IF CUSTOMER IS TAX EXEMPT, PLEASE SEND FORM!!

* T H A N K Y O U *	SUB-TOTAL	15,494.50	SHIPPING CHARGES	0.00
	SALES TAX	1,278.30	TOTAL	16,772.80

SERVICES & SUPPLIES, INC
 ENTERPRISES
 1148
 CANEY, TX 77357



MDN

NEW CANEY, TX 77357
 PH: 281-354-9621 FX: 281-354-9637
 7929 LDDP 540
 BEASLEY, TX 77417
 PH: 979-387-3180 FX: 979-387-3182
 WATTS: 800-360-6025

*****INVOICE***** 178338

SOLD TO: J&S WATER CO.,LLC SHIP TO: J&S WATER CO.,LLC
 J & S WATER CO.,LLC 8010 THOMPSON
 PO BOX 1165 HIGHLANDS, TEXAS 77562
 HIGHLANDS, TEXAS 77562

CONTACT: PHONE: (281)383-9869-0000

INVOICE# 178338 INVOICE-DATE FEB 22 2013 SALESMAN HG REQ-DATE FEB 22 2013 SHIP VIA PICKUP WGHT PGE 998

CUST# 11931 CUST PO NUMBER 022213 DOC-REQ# ROY SUB TERMS 01 NET 30 FREIGHT TRMS FOB INVALID CODE INSD SALES HG

OR'D	SHIP	BKOR	PRODUCT	UNIT DESCRIPTION	UNIT \$	EXTENDED
2	2		FPP4T60	EACH 6 S40 TEE	41.70	83.40
3	3		VAHGVJSMLO6	EACH 6" J&S MJ GATE VALVE O/L 2"NUT	489.55	1468.65
2	2		FPP44560	EACH 6 S40 45 BEND	26.86	53.72
3	3		FPP49060	EACH 6 S40 90 ELL	24.45	73.35
1	1		CHCGL7211Q	EACH 1QT 721 BLUE GLUE	14.50	14.50
1	1		CHCGLP68P1Q	EACH 1QT P68 PURPLE PRIMER	11.85	11.85
6	6		FDIMJAPT06	EACH 6 DI MJ TRAN ACC PAK	21.00	126.00
1	1		FPP8T60	EACH 6 S80 TEE	49.89	49.89
140	140		PPS4B060	FOOT 6 SCH 40 PVC PIPE BE	3.65	511.00
1	1		FPSW3ACD06	EACH 6" SDR35 HUB x 6" DWV HUB CPLG	17.60	17.60

m L water

SUB-TOTAL AMOUNT 2409.96
 SALES TAX 198.82

TOTAL AMOUNT 2608.78

WE APPRECIATE YOUR BUSINESS!!

All inventory items are subject to a restocking fee, plus freight cost, to be determined by our credit dept. Special order items are non-returnable and can not be cancelled after placing order. When you provide a check as payment you authorize us either to use information from your check to make a one-time electronic fund transfer from your account or to process the payment as a check transaction.

USABlueBook

Get the Best Treatment™

Remit To:
P.O. Box 9004
Gurnee, IL 60031-9004
TEL: (847) 689-3000
FAX: (847) 689-3001
TOLL FREE: 1-800-493-9876
F.E.I.N.: 52-2418852

INVOICE

JERRY NOWLING

INVOICE NO. 358246	PAGE NO. 1 of 1
CUSTOMER NO. 89322	DATE 03/22/11

View online at: <http://usabluebook.billtrust.com>
Web Enrollment Token: PMB HKM FDX

BILL TO: 89322
E0120X 10133 0305445434 P737340 0001:0001

SHIP TO: 3



COUNTRY TERRACE WATER CO
PO BOX 1018
HIGHLANDS TX 77562-1018

COUNTRY TERRACE WATER CO.
1905 N BATTLEBELL RD
HIGHLANDS TX 77562
USA

Attention: 0001 JERRY NOWLING

CUSTOMER P.O. NO.	SHIP DATE	SLP	TERMS	TAX CODE	SALES ORDER NO.	W/H	FREIGHT	SHIP VIA	
JERRY	03/21/11	JGO	NET 30	TX	943093	01	PREPAID	UPS	
USA STOCK NO.	DESCRIPTION	ORDERED	SHIPPED	BACKORDER	U/M	PRICE	PER	EXTENSION	
CA 77988	CR Released AMT 7.5HP/3PH/230V/CI Stralght Centrifugal Pump JERRY NOWLING 713-542-1304	1 1	1 1	0 0	EA EA	0.00 926.95	EA EA	0.00 926.95	0.00 926.95

THANK YOU for your business!
1.5% MONTHLY FINANCE CHARGE
ON AMOUNTS 30 DAYS PAST DUE
Discounts Apply to Merchandise Only

MERCHANDISE	MISCELLANEOUS	DISCOUNTS	TAX	FREIGHT	TOTAL
926.95	0.00	0.00	98.98	272.84	1,298.77

Should it become necessary to refer your unpaid balance to a collection agency, a collection fee, not to exceed 25% of the balance referred; plus reasonable attorney's fees; and court costs when necessary, will be added to the balance due

Please Detach and Return Bottom Portion to Insure Proper Credit to Your Account

USABlueBook

Get the Best Treatment™

WA

****IMPORTANT****

Please include this customer #
on the face of your remittance check.

INVOICE NO.	CUSTOMER NO.	DATE	TOTAL
358246	89322	03/22/11	1,298.77

COUNTRY TERRACE WATER CO
PO BOX 1018
HIGHLANDS TX 77562-1018

REMITTANCE ADDRESS

USABlueBook
P.O. Box 9004
Gurnee, IL 60031-9004

pd 10/2/10

Customer Service



Since 1900

No. _____
FAX 228 9011
713 697-1000
www.montalbano.com

OCT 21 2010

Customer Name	Customer No.	Customer Address	Customer City	Customer State	Customer Zip

Product Code	Product Description	Product Quantity	Product Price	Product Total

11/1/10

WA

pd. 12/11/09

INVOICE



QUOTE #091509
DATE: 10/28/2009

TO: JERRY NOWLING
FAX:281-426-1807

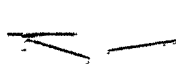
FOR: DUPLEX CONTROL PANEL
5HP PUMPS

DESCRIPTION	HOURS	RATE	AMOUNT
DUPLEX PANEL 230/3/60 TO INCLUDE:			
FIBERGLASS ENCLOSURE NEMA 4X			
HOA SWITCHES			
PHASE MONITOR			
ALTERNATOR			
PUMP BREAKERS (IEC)			
MOTOR STARTERS WITH OVERLOADS (IEC)			
GREEN RUN LIGHTS			
HIGH LEVEL ALARM LIGHT			
TERMINAL STRIP			
TRANSFORMER WITH FUSED PRIMARY AND SECONDARY			
INSTALLATION NOT INCLUDED			
FLOATS NOT INCLUDED			
IF ORDER ON 9/15/09 PANEL CAN BE COMPLETED BY 9/17/09			
TOTAL			\$2000.00

Make all checks payable to PB Hydro Flow
Total due in 30 days.

THANK YOU FOR YOUR BUSINESS!
PB HYDRO FLOW 318 ENFIELD DR HIGHLANDS TEXAS 77562 (713) 539-6980

WA



Yuan Smith

Quality Construction & Fence
807 S. Main
Highlands, TX 77562

12/29
Rec'd in Mob: 1/4
Entered in QB: 1/4
Paid: _____

Office 281-843-2800
Fax 888-631-1817
Mobile 281-917-2641★

ATTN: JERRY NOWLING
RE: GATE OPERATOR - WOODLAND ACRES

INVOICE
pd \$1637.50
2/11/2016
V# 5386
Five Dax

Sold To: SLUDGENET
Address: P O BOX 1076
HIGHLANDS, TX 77562

Date: 12/28/15
Telephone # 713-542-1304
Fax # 281-426-1807

Type of Fence: CHAIN LINK	INSTALL GATE OPERATOR	\$ 3275.00
Height of Fence:	FOR CANTILEVER GATE	
Gauge Fabric/Pickets:		
Top Rail/Rails:		
Line Posts:		
Terminal Posts:		
Gate Posts:		
B/W		
Gate Frame:	TOTAL	\$ 3275.00

SCOPE OF WORK
WOODLAWN ACRES WASTE WATER TREATMENT PLANT
OLD RIVER, TX

INSTALL GALVANIZED STEEL OPERATOR STAND IN CONCRETE, AND ONE CHAMBERLAIN LIFTMASTER CSL24V GATE OPERATOR TO OPEN/CLOSE CANTILEVER GATE. OPERATOR HAS BUILT IN BATTERY BACK UP IN CASE OF POWER FAILURE.

INSTALL GOOSENECK KEY PAD STAND IN CONCRETE, AND ONE CHAMBERLAIN LIFTMASTER WIRELESS PUSH BUTTON KEYPAD. PROGRAMMED TO CODE REQUESTED BY OWNER.

PROVIDE AND PROGRAM FOUR PUSH BUT ION REMOTE CONTROLLERS

INSTALL REFLECTIVE PHOTO EYE WITH HOOD AS A SAFETY DEVICE TO STOP GATE FROM ACCIDENTLY CLOSING ON A VEHICLE OR OTHER OBJECT

PROVIDE 100 FT HEAVY DUTY EXTENTION CORD TO PROVIDE POWER FROM BUILDING TO OPERATOR.

Please make check payable to Quality Construction and Fence.

We Appreciate Your Business !

Date	Type	Reference	Original Amount	Balance Due	5386
12/28/2015	Bill	122815	3,275.00	3,275.00	Payment
			Check Amount		1,637.50
					1,637.50

PSB - FO Services

1,637.50

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J&S Water Company LLC/Merchant Account

03/10/2016	Quality Construction & Fence				00213
Date	Type	Reference	Original Amount	Balance Due	Payment
12/28/2015	Bill	122815	800.00	800.00	800.00
			Check Amount		800.00

Plains Merchant Acct

800.00

80860

03/17/2016	Quality Fence				5403
Date	Type	Reference	Original Amount	Balance Due	Payment
12/28/2015	Bill	122815	2,475.00	837.50	837.50
			Check Amount		837.50

Windy Hill Utilities, Inc.
 DEPRECIATION SCHEDULE BY LOCATION
 For the Fiscal Year through 12/31/92
 Book Schedule

Five Oaks **WATER**

Num	Description	Date Svc	Method	Lf	Sec179 Cost	Bonus	Prior Tr Accum Dep	Current year Dep	Annual Net Book	Depr Cur Per	Through 12/31/92
00507	Land-Five Oaks-Water	01/01/81	None	50	4,071	0	0	0	4,071	0	0
05	- Land				4,071	0	0	0	4,071	0	0
08105	Wells-Five Oaks	01/01/80	S/L	30	80,771	0	32,904	2,692	45,175	224	1,311
81	- WELLS				80,771	0	32,904	2,692	45,175	224	1,311
00005	Storage tanks-Five Oaks	07/01/90	S/L	50	42,500	0	2,196	850	39,454	71	4
88	- PRESSURE TANKS				42,500	0	2,196	850	39,454	71	4
00006	Distribution sys-Five Oaks	01/01/81	S/L	50	108,646	0	26,170	2,173	80,303	181	1,001
91	- DISTRIBUTION SYSTEMS				108,646	0	26,170	2,173	80,303	181	1,001
00005	Meters-Five Oaks	12/01/84	S/L	20	22,715	0	8,991	1,136	12,588	95	570
93	- METERS				22,715	0	8,991	1,136	12,588	95	570
LOCATION 005 TOTAL					258,703	0	70,261	6,851	181,591	571	3,420

Five Oaks

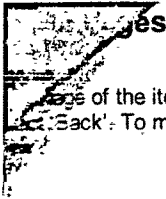


Image of the item you selected is displayed below. To return to the previous page, click 'Back'. To make the image larger or smaller select 'Enlarged View' or 'Normal'

Transaction Detail			
Date	Transaction Type	Description	Amount
1/2/2015	Check		5189 \$1,875.00
Check number 0000000005189			

J&S WATER COMPANY LLC
DBA FIVE OAKS WWTP SERVICES
 8010 THOMPSON RD
 HIGHLANDS, TX 77562

PLAINS STATE BANK
 EST. 1937
 PLAINS, TX (800) 456-2022
 HUMBLE, TX (713) 652-6650

5189
 08-0220-1113
 1-28-15

PAY TO THE ORDER OF: Rocks Plus \$1,875.00
One thousand eight hundred seventy five dollars DOLLARS

MEMO: Jerry Rowland

⑆005189⑆ ⑆1111323207⑆ ⑆181050⑆

F.O. water plant

Capital One, N.A. Richmond VA 065000090
 I710PHT1900220150130000074094648

>065000090<
 CAPITAL ONE, NA
 0045432508 01302015
 RICHMOND, VA 276 21
 Deposit 3822700038

FOR DEPOSIT ONLY
 ROCKS PLUS
 #382 27 0003 8

[Back](#) [Normal View](#) [Email This Image](#)

AMT Pump Company
 400 Spring Street
 Royersford, PA 19468
 A Gorman Rupp Company
 Phone: (610) 948-3800 Fax: (610) 948-5300

JAS-WA

INVOICE

BILL TO:

SLUDGENET DEWATERING SYSTEMS
 PO BOX 1076
 HIGHLANDS, TX 77562

SHIP TO:

SLUDGENET
 TIM ERVIN
 8010 THOMPSON ROAD
 HIGHLANDS, TX 77562

INVOICE NO.: 337932 DATE: 06/09/2014

PO NUMBER	TERMS	SHIPPED VIA	F.O.B.	SHIP DATE
EMAIL 6/5/14 TIM	NET 30 DAYS	FDXFGT	ROYERSFORD, PA	06/09/2014

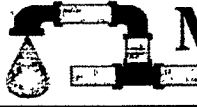
PO LINE	AMT PRODUCT NO.	CUSTOMER PRODUCT NO.	PRODUCT DESCRIPTION	QUANTITY ORDERED	QUANTITY SHIPPED	PRICE	AMOUNT
-	4251-999-95	-	AMT XCI 3X2 15.0HPTEFC 3PH HI-HD PUMP	1	1	1005.00	1005.00
-	PREPAID	-	PREPAID SHIPPING CHARGES FEDEX/FRT/PRIOR/PP	1	1	100.31	100.31

Size 3" x 2" 15.0HP

						SUBTOTAL	1105.31
						SHIPPING HANDLING	0.00
						SALES TAX	0.00
						TOTAL	\$1,105.31

THANK YOU FOR YOUR ORDER!

SERVICES & SUPPLIES, INC
ENTERPRISES
PO BOX 1148
NEW CANEY, TX 77367



MDN

21371 US HWY 59 NORTH
 NEW CANEY, TX 77357
 PH: 281-354-9621 FX: 281-354-9637
 7929 LOOP 540
 BEASLEY, TX 77417
 PH: 979-387-3180 FX: 979-387-3182
 WATTS: 800-360-6025

*****INVOICE***** 211075

SOLD TO: J&S WATER CO., LLC
 J & S WATER CO., LLC
 PO BOX 1165
 HIGHLANDS, TEXAS 77562

SHIP TO: J&S WATER CO., LLC
 8010 THOMPSON
 HIGHLANDS, TEXAS 77562

CONTACT: PHONE: (281)383-9869-0000

INVCE# INVCE-DATE SALESMAN REQ-DATE SHIP VIA WGHT PGE
 211075 AUG 13 2015 RLP AUG 13 2015 PICKUP 117

CUST# CUST PO NUMBER DOC-REQ# SUB TERMS FREIGHT TRMS FOB INSD SALES
 J1931 VERBAL DUSTIN 01 NET '30 INVALID CODE RLP

OR'D	SHIP	BKOR	PRODUCT	UNIT DESCRIPTION	UNIT \$	EXTENDED
10	10		WMAIPDBPDR057	EACH 5/8"x3/4"ZEN PD BRS BTM/PLS TP PLASTIC TOP, DIRECT READ	51.45	514.50
6	6		WNLCRMNC107	EACH 1" COMP x 3/4" MN CURBSTOP FP	62.45	374.70

meters

Five 0.125" water

SUB-TOTAL AMOUNT 889.20
 SALES TAX 73.36
 TOTAL AMOUNT 962.56

WE APPRECIATE YOUR BUSINESS!!

All items are subject to restocking fee and freight charge, to be determined by our credit dept. Special order items are non-returnable and non-cancellable.
 All sales on BS-S-S-S brass are FINAL and can not be returned as of 5/29/2012. When you provide a check as payment you authorize us either to use information from the check to make a one-time EFT from your account or to process the payment as a check transaction