



Control Number: 46743



Item Number: 1

Addendum StartPage: 0



WATERENGINEERS, INC.

WATER & WASTEWATER TREATMENT CONSULTANTS

17230 HUFFMEISTER ROAD, SUITE A~CYPRESS, TEXAS 77429-1643

TEL: 281-373-0500 FAX: 281-373-1113

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PUBLIC UTILITY COMMISSION
FILING CLERK

January 6, 2017

Public Utility Commission of Texas
Central Records
1701 N. Congress, Suite 8-100
Austin, TX 78701

▶ 46743

Re: Application from T & W Water Service Company to Amend Water CCN No. 12892
to Serve the Proposed Encino Estates Subdivision in Liberty County, TX

Dear Public Utility Commission of Texas:

Please find enclosed seven (7) copies of an Application for an Amendment to Water CCN No. 12892 for T & W Water Service Company. Also enclosed are two (2) CD's containing digital map data and one (1) CD containing an electronic copy of the application in .pdf format.

We appreciate your earliest review and issuance of a letter indicating administrative completeness. Please feel free to email me at syoung@waterengineers.com or call at 281-373-0500 if you have any questions regarding the information contained in this submittal.

Thank you for your assistance in this review process.

Sincerely,
WATERENGINEERS, INC.

Shelley Young, P.E.
Project Engineer

Encl. – 7 copies of CCN Amendment application
2 CD's containing digital map data
1 CD containing an electronic copy of the CCN Amendment Application

1000

**APPLICATION FOR AN AMENDMENT TO
WATER CERTIFICATE OF CONVENIENCE AND NECESSITY
NO. 12892**

FOR

**T & W WATER SERVICE COMPANY
P.O. BOX 2927
CONROE, TEXAS 77305-2927**

PREPARED BY:

WATERENGINEERS, INC.
WATER & WASTEWATER TREATMENT CONSULTANTS
17230 HUFFMEISTER ROAD CYPRESS, TEXAS 77429
TEL: 281-373-0500 FAX: 281-373-1113

JANUARY 2017

APPLICATION FOR AN AMENDMENT TO
WATER CCN NO. 12892

T & W WATER SERVICE COMPANY

TABLE OF CONTENTS

<u>DESCRIPTION</u>	<u>NUMBER OF PAGES</u>
Application for an Amendment to Water CCN No. 12892 (Pages 1 – 16 of 25)	16
Attachment “A”- Certificate of Account Status	1
Attachment “B”- Need For Service	6
Attachment “C”- General Location Map	1
Attachment “D”- Proposed Service Area Map	1
Attachment “E”- Written Description of Service Area	1
Attachment “F”- Facilities Map	4
Attachment “G”- Neighboring Public Utilities within 2 Miles And Service Request Letters & Map	4
Attachment “H”- Other System Most Recent Inspection Reports	27
Attachment “I”- Effect of Granting a Certificate	1
Attachment “J”- Ability to Provide Adequate Service	1
Attachment “K”- Financial Information	14
Attachment “L” – Water Tariff	5



PURSUANT TO PUC CHAPTER 24, SUBSTANTIVE RULES APPLICABLE TO WATER AND SEWER SERVICE PROVIDERS, SUBCHAPTER G: CERTIFICATES OF CONVENIENCE AND NECESSITY

Application to Obtain or Amend a Water or Sewer Certificate of Convenience and Necessity (CCN)

Docket Number: _____

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

7 copies of the application, including the original, shall be filed with

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

If submitting digital map data, two copies of the portable electronic storage medium (such as CD or DVD) are required.

Table of Contents

Purpose of Application	2
1. Applicant Information.....	2
2. Location Information.....	3
3. Map Requirements.....	5
4. New System Information or Utilities Requesting a CCN for the First Time	5
5. Existing System Information	6
6. Financial Information	9
7. Notice Requirements.....	10
OATH.....	12
Notice for Publication	13
Notice to Neighboring Systems, Landowners and Cities.....	15
Notice to Customers of IOUs in Proposed Area	17

Historical Balance Sheets	19
Historical Income Statement.....	20
Historical Expenses Statement	21
Projected Balance Sheets	22
Projected Income Statement	23
Projected Expenses Statement.....	24
Projected Sources And Uses Of Cash Statements	25

Application to Obtain or Amend a Water or Sewer Certificate of Convenience and Necessity (CCN)

Purpose of Application		
<input type="checkbox"/> Obtain	<input type="checkbox"/> New Water CCN	<input type="checkbox"/> New Sewer CCN
<input checked="" type="checkbox"/> Amend	<input checked="" type="checkbox"/> Water CCN# (s)	<u>12892</u>
<input type="checkbox"/> Amend	<input type="checkbox"/> Sewer CCN#(s)	_____

1. Applicant Information

Applicant	
Utility name: T & W Water Service Company	
Certificate number: 12892	
Street address (City/ST/ZIP/Code): 12284 FM 3083, Conroe, Texas 77301	
Mailing address(City/ST/ZIP/Code): P.O. Box 2927, Conroe, Texas 77305-2927	
Utility Phone Number and Fax: (936) 756-7400 (phone) (866) 422-8519 (fax)	
Contact information	
Please provide information about the person(s) to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney, accountant manager, or other title related to the applicant.	
Name: Shelley Young	Title: Engineer
Mailing address: 17230 Huffmeister Road, Cypress, Texas 77429	
Email: syoung@waterengineers.com	Phone and Fax: (281) 373-0500
List all counties in which service is proposed: Liberty	

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

- Investor Owned Utility Individual Partnership
 Home or Property Owners Association For-profit Corporation
 Non-profit, member-owned, member-controlled cooperative corporation
(Water Code Chapter 67; Water Supply or Sewer Service Corporation)
 Municipality District Other - Please explain:

B. If the applicant is a For-Profit business or corporation, please include the following information:

- i. A copy of the corporation's "Certification of Account Status" from the Texas State Comptroller of Public Accounts. See Attachment A
- ii. The corporation's charter number as recorded with the Office of the Texas Secretary of State: 0046041000
- iii. A listing of all stockholders and their respective percentages of ownership.
- iv. A copy of the company's organizational chart, if available.
- v. A list of all directors and disclose the title of each individual.
- vi. A list of all affiliated organizations (if any) and explain the affiliate's business relationship with the applicant.

C. If the applicant is a Texas Water Code (TWC) Chapter 67 water supply or sewer service corporation please provide:

- i. A copy of the Articles of Incorporation and By-Laws.
- ii. The corporation's charter number as recorded with the Office of the Texas Secretary of State.
- iii. Identification of all board members including name, address, title, and telephone number.
- iv. A copy of the corporation's *Certificate of Account Status* from the Texas Comptroller of Public Accounts.

2. Location Information

- A. Are there people already living in the proposed area? Yes No
If YES, are any currently receiving utility service? Yes No
If YES, from WHOM? _____

B. Demonstrate the Need for Service by providing the following:

Have you received any requests for service in the requested service area?

Yes No

If YES, provide the following:

- i. Describe the service area and circumstances driving the need for service in the requested area. Indicate the name(s) and address(es) of landowner(s), prospective landowner(s), tenant(s), or resident(s) that have requested service; and/or See Attachment B
- ii. Describe the economic need(s) for service in the requested area (i.e. plat approvals, recent annexation(s) or annexation request(s), building permits, septic tank permits, hospitals, etc.); and/or
- iii. Discuss in detail the environmental need(s) for service in the requested area (i.e. failing septic tanks in the requested area, fueling wells, etc.); and/or
- iv. Provide copies of any written application(s) or request(s) for service in the requested area; and/or
- v. Provide copies of any reports and/or market studies demonstrating existing or anticipated growth in the requested area.
- vi. If none of these items exist or are available, please justify the need for service in the proposed area in writing.

Note: Failure to demonstrate a need for additional service in the proposed service area may result in the delay and /or possible denial of the application.

C. Is any portion of the proposed service area inside an incorporated city or district?

Yes No

If YES, within the corporate limits of: _____

Provide a copy of any franchise, permit, or consent granted by the city or district. If not available please explain:

D. Is any portion of the proposed service area inside another utility's CCN area?

Yes No

If YES, has the current CCN holder agreed to decertify the proposed area?

If NO, are you seeking dual or single certification of the area? Explain why decertification of the area is in the public interest:

3. Map Requirements

Attach the following hard copy maps with each copy of the application:

- A. A location map delineating the proposed service area with enough detail to accurately locate the proposed area within the county. See Attachment C
- B. A map showing only the proposed area by: See Attachment D
 - i. metes and bounds survey certified by a licensed state or register professional land surveyor; or
 - ii. projectable digital data with metadata (proposed areas should be in a single record and clearly labeled). Also, a data disk labeled with the applicant's name must be provided; or
 - iii. following verifiable natural and man-made landmarks; or
 - iv. a copy of recorded plat map with metes and bounds.
- C. A written description of the proposed service area. See Attachment E
- D. Provide separate and additional maps of the proposed area(s) to show the following:
 - i. all facilities, illustrating separately facilities for production, transmission, and distribution of the applicant's service(s); and See Attachment F
 - ii. any facilities, customers or area currently being served outside the applicant's certificated area(s).

Note: Failure to provide adequate mapping information may result in the delay or possible denial of your application.

Digital data submitted in a format other than ArcView shape file or Arc/Info E00 file may result in the delay or inability to review applicant's mapping information.

For information on obtaining a CCN base map or questions about sending digital map data, please visit the Water Utilities section of the PUC website for assistance.

4. New System Information or Utilities Requesting a CCN for the First Time

- A. Please provide the following information:
 - i. a list of public drinking water supply system(s) or sewer system(s) within a 2 mile radius of the proposed system; See Attachment G
 - ii. copies of written requests seeking to obtain service from each of the public drinking water systems or sewer systems listed in a. 1 above or documentation that it is not economically feasible to obtain service from each entity;
 - iii. copies of written responses from each system or evidence that they did not reply; and
 - iv. for sewer utilities, documentation showing that you have obtained or applied for a wastewater discharge permit.
- B. Were your requests for service denied? Yes No

- i. If yes, please provide documentation of the denial of service and go to c.
- ii. If no, please provide a detailed analysis which justifies your reasons for not accepting service. A separate analysis must be prepared and submitted for each utility that granted your request for service.

C. Please summarize how the proposed utility system will be constructed and describe each projected construction phase, if any:

Phase I will serve 249 connections and will consist of a 6" well capable of delivering 200 gpm, a 125,000 gallon ground storage tank, a 6500 gallon hydropneumatic tank and two 425 gpm booster pumps. Phase II will add another 6" well capable of delivering 200 gpm, an additional 6500 gallon hydropneumatic tank, one additional 425 gpm booster pump and a 125 KW generator to serve a total of 625 connections.

Another water plant will be built in the future at another location within the development once the initial water plant reaches capacity. +

D. Date of plat approval, if required: Plat not yet submitted. County requires water plant approval prior to platting.
 Approved by: _____

E. Date Plans & Specifications submitted to the TCEQ for approval:
12/23/2016 Attach copy of approval letter, if available. If the letter is not available by the time your CCN application is submitted, please supplement your application with a copy of the letter once you receive it from the TCEQ.

F. Date construction is scheduled to commence: 3/1/2017

G. Date service is scheduled to commence: 7/1/2017

5 Existing System Information

A. Please provide the following information for each water and/or sewer system, attach additional sheets if necessary.

i. Water system(s): TCEQ Public Water System identification number(s):

1	7	0	0	7	0	0	1	7	0	0	7	7	7	1	7	0	0	6	7	3
1	7	0	0	6	4	3	1	7	0	0	6	8	2	1	0	1	3	1	8	0
1	7	0	0	6	7	5	1	4	6	0	1	5	6	1	7	0	0	6	6	2
1	7	0	0	6	0	4	1	7	0	0	7	7	8	1	4	6	0	1	5	3

ii. Sewer system(s): TCEQ Discharge Permit number(s) N/A

- i. If yes, please provide documentation of the denial of service and go to c.
 - ii. If no, please provide a detailed analysis which justifies your reasons for not accepting service. A separate analysis must be prepared and submitted for each utility that granted your request for service.
- C. Please summarize how the proposed utility system will be constructed and describe each projected construction phase, if any:

Phase I will serve 249 connections and will consist of a 6" well capable of delivering 200 gpm, a 125,000 gallon ground storage tank, a 6500 gallon hydropneumatic tank and two 425 gpm booster pumps. Phase II will add another 6" well capable of delivering 200 gpm, an additional 6500 gallon hydropneumatic tank, one additional 425 gpm booster pump and a 125 KW generator to serve a total of 625 connections.

Another water plant will be built in the future at another location within the development once the initial water plant reaches capacity. +

D. Date of plat approval, if required: Plat not yet submitted. County requires water plant approval prior to platting.
 Approved by: _____

E. Date Plans & Specifications submitted to the TCEQ for approval:
12/23/2016 Attach copy of approval letter, if available. If the letter is not available by the time your CCN application is submitted, please supplement your application with a copy of the letter once you receive it from the TCEQ.

F. Date construction is scheduled to commence: 3/1/2017

G. Date service is scheduled to commence: 7/1/2017

5. Existing System Information

A. Please provide the following information for each water and/or sewer system, attach additional sheets if necessary.

i. Water system(s): TCEQ Public Water System identification number(s):

1 4 6 0 1 5 7 ;	1 7 0 0 6 8 6 ;	1 4 6 0 1 5 4
1 7 0 0 6 3 5 ;		

ii. Sewer system(s): TCEQ Discharge Permit number(s)

TCEQ Water System			TCEQ Sewer System		
Other:			Other:		
Total Water		625	Total Sewer		0

E. If this application is for a water CCN only, please explain how sewer service is or will be provided:

Individual septic systems.

F. If this application is for a sewer CCN only, please explain how water service is or will be provided:

N/A

- G. Effect of Granting a Certificate Amendment. See Attachment I
 Explain in detail the effect of granting of a certificate or an amendment, including, but not limited to regionalization, compliance and economic effects on the following:
- i. the applicant,
 - ii. any retail public utility of the same kind already serving the proximate area; and
 - iii. any landowner(s) in the requested area.

H. Do you currently purchase or plan to purchase water or sewer treatment capacity from another source?

- i. No, (skip the rest of this question and go to #6)
- ii. Yes, Water

Purchased on a Regular Seasonal Emergency basis?

Water Source	% of Total Treatment
	0.00%

Water Source	% of Total Treatment
	0.00%
	0.00%

iii. Yes, Sewer treatment capacity

Purchased on a Regular Seasonal Emergency basis?

Sewer Source	% of Total Treatment
	0.00%
	0.00%
	0.00%

iv. Provide a signed and dated copy of the most current water or sewer treatment capacity purchase agreement or contract.

I. Ability to Provide Adequate Service. See Attachment J

Describe the ability of the applicant to provide adequate service, including meeting the standards of the commission, taking both of the following items into consideration:

- i. the current and projected density; and
- ii. the land use of the requested area.

J. Effect on the Land. Explain the effect on the land to be included in the certificated area.

The land, which is currently vacant and wooded, will be developed into a residential subdivision.

6. Financial Information

- A. For new water and/or sewer systems and for applicants with existing CCNs who are constructing a new stand-alone water and/or sewer system:
 - i. the applicant must provide an analysis of all necessary costs for constructing, operating, and maintaining the system, and the source of that capital (such as a financial statement for the developing entity) for which the CCN is requested for at least the first five years. In addition, if service has been offered by an existing retail water service provider as stated in #4.A., but the applicant has determined that the cost of service as finally offered renders the project not economically feasible, the applicant must provide a comparison analysis of all necessary costs for acquiring and continuing to receive service from the existing system for the same period. See Attachment K
 - ii. Attach projected profit and loss statements, cash flow worksheets, and balance sheets (projected five year financial plan worksheet is attached) for each of the first five years of operation. Income from rates

13

should correlate to the projected growth in connections, shown on the projected profit and loss statement. See Attachment K

- iii. Attach a proposed rate schedule or tariff. Describe the procedure for determining the rates and fees and indicate the date of last change, if applicable. Attach copies of any cost of service studies or rate analysis worksheets. See Attachment L

B. For existing water and/or sewer systems:

- i. Attach a profit and loss statement and current balance sheet for existing businesses (end of last fiscal year is acceptable). Describe sources and terms for borrowed capital such as loans, bonds, or notes (profit and loss and balance sheet worksheets are attached, if needed).
- ii. Attach a proposed rate schedule or tariff.

❖ **Note: An existing water and/or sewer system may be required to provide the information in 6.A.i. above during the technical review phase if necessary for staff to completely evaluate the application**

C. Identify any funds you are required to accumulate and restrict by lenders or capital providers.

D. In lieu of the information in #6.A. thru #6.C., you may provide information concerning loan approvals within the last three (3) years from lending institutions or agencies including the most recent financial audit of the applicant.

❖ **Note: Failure to provide adequate financial information may result in the delay or possible denial of your application.**

7. Notice Requirements

- A. All proposed notice forms must be completed and submitted with the application. Do not mail or publish the notices until you receive written approval from the commission to do so.
- B. The commission cannot grant a CCN until proper notice of the application has been given. Commission rules do not allow a waiver of notice requirements for CCN applicants.
- C. It is the applicant's responsibility to ensure that proper notice is given to all entities that are required to receive notice.
- D. Recommended notice forms for publication, neighboring cities and systems, landowners with 25 acres or more, and customers are included with this application for use in preparing proposed notices. (Notice forms are available in Spanish upon request.)
- E. After reviewing and, if necessary, modifying the proposed notice, the commission will send the notice to the applicant after the application is accepted for filing along with instructions for publication and/or mailing. Please review the notice carefully before providing the notice.
- F. **Notice For Publication:**
The applicant shall publish the notice in a newspaper with general circulation in the county(ies) where a CCN is being requested. The notice must be published once each week for two consecutive weeks beginning with the week after the notice is received from the commission. Proof of publication in the form of a publisher's affidavit shall be submitted to the commission within 30 days of the last publication date. The affidavit shall state with specificity each county in which the newspaper is of general circulation.
- G. **Notice To Neighboring Utilities:**
 - i. List all neighboring retail public utilities and cities providing the same utility service within the following vicinities of the applicant's proposed certificate area.
 - ii. For applications for the issuance of a NEW CCN, the applicant must mail the notice with a copy of the proposed CCN map to all cities and neighboring retail public utilities providing the same utility service within five (5) miles of the requested service area.

iii. For applications for the AMENDMENT of a CCN, the applicant must mail the notice with a copy of the proposed CCN map to all cities and neighboring retail public utilities providing the same utility service within two (2) miles of the requested service area. See Attachment G

H. Notice to Customers:

Investor Owned Utilities (IOUs) that are currently providing service without a CCN must provide individual mailed notice to all current customers. The notice must contain the current rates, the date those rates were instituted and any other information required in the application.

I. The commission may require the applicant to deliver notice to other affected persons or agencies.

Do not publish or send copies of the proposed notices to anyone at the time you submit the application to the commission. Wait until you receive written authorization to do so. Authorization occurs after the commission has reviewed the notices for completeness, and your application has been accepted for filing. Once the application is accepted for filing, you will receive written authorization to provide notice. Please check the notices for accuracy before providing them to the public. It is the applicant's burden to ensure that correct and accurate notice is provided.

OATH

STATE OF TEXAS
COUNTY OF MONTGOMERY

I, Ronald L. Payne, being duly sworn, file this application as President (indicate relationship to Applicant, that is, owner, member of partnership, title as officer of corporation, or other authorized representative of Applicant); that, in such capacity, I am qualified and authorized to file and verify such application, am personally familiar with the maps and financial information filed with this application, and have complied with all the requirements contained in this application; and, that all such statements made and matters set forth therein are true and correct. I further state that the application is made in good faith and that this application does not duplicate any filing presently before the Public Utility Commission of Texas.

I further represent that the application form has not been changed, altered or amended from its original form.

I further represent that the Applicant will provide continuous and adequate service to all customers and qualified applicants for service within its certificated service area.

R. Payne
AFFIANT
(Utility's Authorized Representative)

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

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public in and for the State of Texas,
This day 4th of January 20 17

SEAL

Deanna Degeyter
NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS



Deanna Degeyter
PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES 11/14/17

Notice for Publication

NOTICE OF APPLICATION TO AMEND A CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) TO PROVIDE WATER UTILITY SERVICE IN LIBERTY COUNTY, TEXAS

T & W Water Service Company has filed an application with the Public Utility Commission of Texas to amend its Water CCN No. 12892 for the provision of water utility service in Liberty County, Texas.

The proposed utility service area is located approximately **6.5 miles north of downtown Dayton, Texas**, and is **generally** bounded on the north by **a line 1.75 miles north of and parallel to Spur Forest Drive (County Road 6501)**; on the east by **FM 1008**; on the south by **Spur Forest Drive (County Road 6501)**; and on the west by **a line 2,150 feet east of and parallel to FM 321**.

A copy of the proposed service area map is available at: WaterEngineers, Inc., 17230 Huffmeister Road, Suite A, Cypress, Texas 77429 (281) 373-0500.

The total proposed area for the CCNs being requested includes approximately 1,365 acres and 0 current customers.

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

Persons who wish to intervene or comment should file with the PUC at the following address:

Public Utility Commission of Texas
Central Records
1701 N. Congress, P.O. Box 13326
Austin, TX 78711-3326

within thirty (30) days from the date of this publication or notice. A public hearing will be held only if a legally sufficient hearing request is received or if the Commission on its own motion requests a hearing. Only those individuals who submit a written hearing request or a written request to be notified if a hearing is set will receive notice if a hearing is scheduled.

If a public hearing is requested, the Executive Director will not issue the CCN and will forward the application to the State Office of Administrative Hearings (SOAH) for a hearing. If no settlement is reached and an evidentiary hearing is held, the SOAH will submit a recommendation to the Commission for final decision. If an evidentiary hearing is held, it will be a legal proceeding similar to a civil trial in state district court.

If you are a landowner with a tract of land at least 25 acres or more, that is partially or wholly located within the proposed area, you may request to be excluded from the proposed area (or “opt out”) by providing written notice to the Commission within (30) days from the date that notice was provided by the applicant. All request to opt out of the requested service area must include a scaled, general location map and a metes and bounds description of the tract of land.

Persons who meet the requirements to opt out, and wish to request this option should file the required documents with the:

Public Utility Commission of Texas
Central Records
1701 N. Congress, P.O. Box 13326
Austin, TX 78711-3326

A copy of the request to opt out of the proposed area must also be sent to the applicant. Staff may request additional information regarding your request.

Si desea informacion en Espanol, puede llamar al 1-512-936-7221.

Notice to Neighboring Systems, Landowners and Cities

NOTICE OF APPLICATION FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) TO PROVIDE WATER UTILITY SERVICE IN LIBERTY COUNTY, TEXAS

To: _____
(Neighboring System, Landowner or City)

(Address)

(City State Zip)

Date Notice Mailed: _____, 2017

T & W Water Service Company has filed an application with the Public Utility Commission of Texas to amend its Water CCN No. 12892 for the provision of water utility service in Liberty County, Texas.

The proposed utility service area is located approximately **6.5 miles north of downtown Dayton, Texas**, and is **generally** bounded on the north by **a line 1.75 miles north of and parallel to Spur Forest Drive (County Road 6501)**; on the east by **FM 1008**; on the south by **Spur Forest Drive (County Road 6501)**; and on the west by **a line 2,150 feet east of and parallel to FM 321**.

See enclosed map of the proposed service area.

The total area being requested for the proposed water and sewer service areas includes approximately 1,365 acres for each service area and 0 current customers.

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

Persons who wish to intervene or comment should write the:

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

within thirty (30) days from the date of this publication or notice. A public hearing will be held only if a legally sufficient hearing request is received or if the Commission on its own motion requests a hearing. Only those individuals who submit a written hearing request or a written request to be notified if a hearing is set will receive notice if a hearing is scheduled.

If a public hearing is requested, the Executive Director will not issue the CCN and will forward the application to the State Office of Administrative Hearings (SOAH) for a hearing. If no settlement is reached and an evidentiary hearing is held, the SOAH will submit a recommendation to the Commission for final decision. If an evidentiary hearing is held, it will be a legal proceeding similar to a civil trial in state district court.

If you are a landowner with a tract of land at least 25 acres or more, that is partially or wholly located within the proposed area, you may request to exclude the tract from the proposed area (or "opt out") by providing written notice to the Commission within (30) days from the date that notice was provided by the applicant. All request to opt out of the requested service area must include a scaled, general location map and a metes and bounds description of the tract of land.

Persons who meet the requirements to opt out, and wish to request this option should file the required documents with the:

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

A copy of the request to opt out of the proposed area must also be sent to the applicant. Staff may request additional information regarding your request.

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

ATTACHMENT "A"
CERTIFICATE OF ACCOUNT STATUS
T & W WATER SERVICE COMPANY



Franchise Tax Account Status

As of : 12/21/2016 15:19:27

This Page is Not Sufficient for Filings with the Secretary of State

T & W WATER SERVICE COMPANY

Texas Taxpayer Number 17420569893

Mailing Address PO BOX 2927 CONROE, TX 77305-2927

Right to Transact Business in Texas ACTIVE

State of Formation TX

Effective SOS Registration Date 01/18/1979

Texas SOS File Number 0046041000

Registered Agent Name RONALD L. PAYNE

Registered Office Street Address 12284 FM 3083 CONROE, TX 77301

22

ATTACHMENT "B"

NEED FOR SERVICE

T & W WATER SERVICE COMPANY

ATTACHMENT B

NEED FOR SERVICE

Encino Estates, Ltd., (DEVELOPER) plans to develop approximately 1,365 acres of land in Liberty County, Texas into residential lots, and has partnered with T & W Water Service Company to provide water utility service. The tract is not in any other CCN, district or city.

See attached "Agreement for a Public Water Supply for Encino Estates Section One".

AGREEMENT FOR A PUBLIC WATER SUPPLY FOR ENCINO ESTATE SECTION ONE

This agreement for the construction, installation and operation of a public water supply system ("Agreement") is made and entered into as of the Effective Date (as hereinafter defined) between Encino Estates, Ltd., a Texas partnership acting by and through its duly authorized agent and General Partner, Eighteen Investments, Inc. a Texas corporation, ("Developer") and T & W Water Service Company, a Texas corporation ("Contractor"), upon the following terms and conditions:

RECITALS

Developer is the owner of a subdivision known as Encino Estates, Section One, a subdivision of 333.32 acres out of a 1,365.26 acres tract, lying and being situated in the William Everett Survey, Abstract No. 33, the I. & G. N. Railroad Survey No. 10, Abstract No. 284, and the Richard Green Survey, Abstract No. 197 Liberty County, Texas, comprised of 392 Lots, 13 Blocks and 2 Reserves.

CLAUSES

In consideration of the premises and the mutual representations, covenants, undertakings and agreements contained below, Developer and Contractor represent, covenant, undertake and agree as follows:

Section 1. Contractor Will Furnish/Provide:

- (1) All engineering for the water system at Contractor's sole cost;
- (2) Contractor, will supply all items required by Texas Commission on Environmental Quality (TCEQ) to obtain a CCN covering Encino Estates Section 1, and obtain the CCN covering Encino Estates Section 1, all at Contractor's sole cost and expense, said application by Contractor to TCEQ shall be made as soon as possible after the effective date after the effective date of this agreement; **(Note: In the event Contractor is for any reason unable to complete the water distribution system herein referenced Contractor will assign its CCN for Encino Estates Section 1 to another water utility provider selected by developer.);**
- (3) Contractor will build and pay for the water treatment plant, including drilling all water wells, furnishing all water tanks and associated items necessary to operate said water treatment plant, at Contractor's sole cost and expense;
- (4) Contractor will construct and install the water distribution system contemplated, with the cost of all of the 4 inch and 6 inch Schedule 40

PVC pipe installed being allocated as follows: The Contractor and Developer will each pay for ½ or 50% of said pipe installed in Encino Estates Section 1. The amount paid by Developer will be reimbursed to Developer by Contractor at the sum of \$500.00 for each tap in Encino Estates section 1, as the taps are made. These reimbursement payments will be paid on a _____ basis until all to pipe paid for by Developer has been repaid in full; **(The provisions regarding reimbursement shall survive completion of this agreement.)**

- (5) Contractor agrees to complete the installation of all water distribution lines in Encino Estates section 1 on or before the expiration of _____ days after commencement of construction;

Section 2. Developer will Furnish/Provide:

- (1) An accurate field note description of the land constituting Encino Estates Section 1;
- (2) A representative plat of Encino Estates Section 1, with said plat showing a utility easement along the front 15 feet of each lot in Encino Estates Section 1, said easements will be cleared and reasonably level prior to Contractor installing the PVC pipe referenced herein;
- (3) Developer agrees to provide the site for the water treatment plant to Contractor, at this time the site selected is agreed to be all of Reserve "B", in Block 4 of Encino Estates Section 1, and shall be referred to herein as the Property; **(At such time as Contractor substantially completes the water treatment plant, and completes a water well Developer shall execute a general warranty deed to Contractor, conveying said Reserve "B" subject all matters of record in Liberty County, Texas, but free from liens.)**
- (4) Developer will provide Contractor with two (2) sanitary control easements, at present said sanitary easements will impact Lots Five and 6, Block 4, Encino Estates Section 1; said sanitary easements shall be worded in accordance with TCEQ regulations and recorded in the Liberty County Official Public Records;
- (5) Developer will furnish three phase electrical power to the water treatment site, at Developer's sole cost and expense;
- (6) Developer shall make available to Contractor such as reports, studies, plans, drawings or other written materials ("Information"), shall be delivered without any representation or warranty as to the completeness or accuracy of the data or Information contained therein, and all such information is furnished to Contractor solely as a courtesy.

Section 3. Notices.

A. Any notice required or permitted to be given hereunder by one party to the other shall be in writing and the same shall be given and shall be deemed to have been served and given if (i) delivered in person to the address set forth hereinbelow for the party to whom the notice is given, (ii) delivered in person at the Closing (if such party is present at the Closing, (iii) placed in the United States mail, return receipt requested, addressed to such party at the address hereinafter specified, (iv) deposited into the custody of Federal Express Corporation to be sent by Federal Express Overnight Delivery or other reputable overnight carrier for next day delivery, addressed to such party at the address hereinafter specified, or (v) emailed or telecopied by facsimile transmission to such party at the email address or telecopy number listed below.

B. The address of Developer for all purposes under this Contract and for all notices hereunder shall be:

Eighteen Investments, Inc.,
General Partner for Encino Estates, Ltd.;
Dennis J. Wilkerson, President
18 Augusta Pines Drive, Suite 210-C
Spring, Texas 77389

Telecopy: (281) 351-5755
Telephone: (281) 290-1900

C. The address of Contractor for all purposes under this Contract and for all notices hereunder shall be:

T & W Water Service Company
P. O. Box 2927
Conroe, Texas 77305-2927

Att. Ronald L. Payne, President
Email: customerservice@twwaterservice.com
Telephone: (936) 756-7400

D. From time to time either party may designate another address within the 48 contiguous states of the United States of America for all purposes of this Contract by giving the other party not less than thirty (30) days' advance written notice of such change of address in accordance with the provisions hereof.

Section 4. Assigns. This Agreement shall inure to the benefit of and be binding on the parties hereto and their respective legal representatives, successors, and assigns. Contractor may not assign its rights under this Agreement without the prior written consent of Developer; provided, however, Contractor may assign its rights under this Agreement to any corporation which is controlled by Contractor or to any limited or general partnership of which Contractor or a corporation controlled by Contractor is a general partner.

Section 5. Time for Execution and Effective Date. The date on which this Agreement is executed by the last to sign of the Developer and Contractor shall be the "Effective Date" of this Agreement.

Section 6. Terminology. The captions beside the section numbers of this Agreement are for reference only and shall not modify or affect this Agreement in any manner whatsoever. Wherever required by the context, any gender shall include any other gender, the singular shall include the plural, and the plural shall include the singular.

Section 7. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas.

Section 8. Performance of Contract. The obligations under the terms of the Agreement are performable in Liberty County, Texas, and any and all payments under the terms of the Agreement are to be made in Liberty County, Texas.

Section 9. Venue. The parties hereto hereby consent that venue of any action brought under this Agreement shall be in Liberty County, Texas.

Section 10. Severability. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

Section 11. Rule of Construction. The parties acknowledge that each party and its counsel has reviewed and revised this Agreement, and the parties hereby agree that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendments or exhibits hereto.

Section 12. Attorney's Fees. If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party or parties shall be entitled to reasonable attorney's fees, costs and necessary

disbursements in addition to any other relief to which such party or parties may be entitled.

Section 13. Business Days. If the Closing Date or the day for performance of any act required under this Agreement falls on a Saturday, Sunday or legal holiday, then the Closing Date or the day for such performance, as the case may be, shall be the next following regular business day.

Section 14. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall, for all purposes, be deemed an original, but which together shall constitute one and same instrument.

Section 15. Waiver. The waiver by any party of a breach of any provision of this Agreement shall not be deemed a continuing waiver or a waiver of any subsequent breach whether of the same or another provision of this Agreement.

IN WITNESS WHEREOF, this Agreement is hereby executed as of the Effective Date, as set out herein.

Encino Estates, Ltd, acting by and through its
General Partner, Eighteen Investments, Inc.,
A Texas corporation

By: _____
Dennis J. Wilkerson, President

DATE: _____

"SELLER"

T & W Water Service Company, a Texas corporation

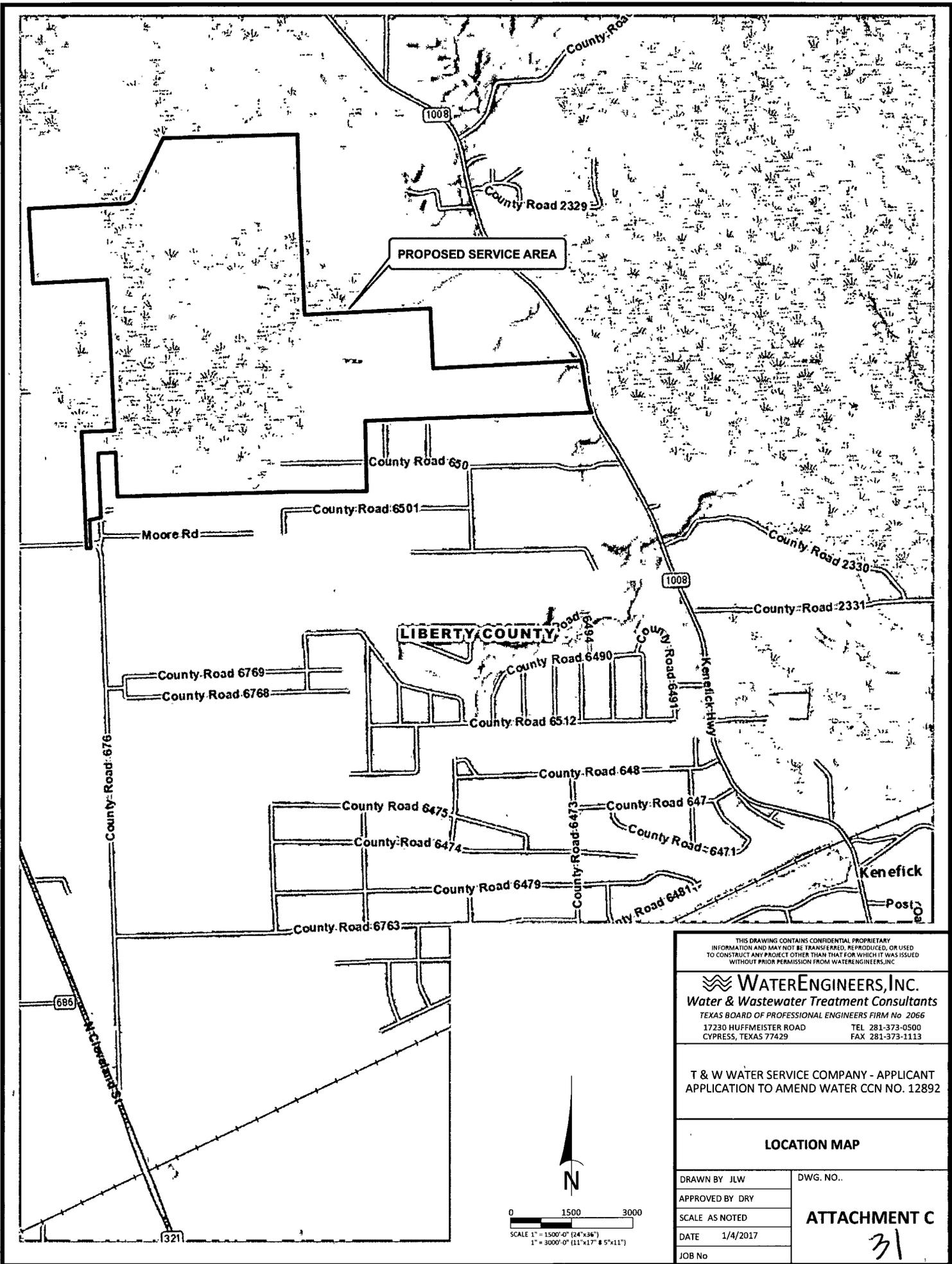
By: _____
Ronald L. Payne, President

DATE: _____

"PURCHASER"

ATTACHMENT "C"
GENERAL LOCATION MAP

T & W WATER SERVICE COMPANY



THIS DRAWING CONTAINS CONFIDENTIAL PROPRIETARY INFORMATION AND MAY NOT BE TRANSFERRED, REPRODUCED, OR USED TO CONSTRUCT ANY PROJECT OTHER THAN THAT FOR WHICH IT WAS ISSUED WITHOUT PRIOR PERMISSION FROM WATERENGINEERS, INC.

WATERENGINEERS, INC.
 Water & Wastewater Treatment Consultants
 TEXAS BOARD OF PROFESSIONAL ENGINEERS FIRM No. 2066
 17230 HUFFMEISTER ROAD TEL 281-373-0500
 CYPRESS, TEXAS 77429 FAX 281-373-1113

T & W WATER SERVICE COMPANY - APPLICANT
 APPLICATION TO AMEND WATER CCN NO. 12892

LOCATION MAP

DRAWN BY JLW
 APPROVED BY DRY
 SCALE AS NOTED
 DATE 1/4/2017
 JOB No

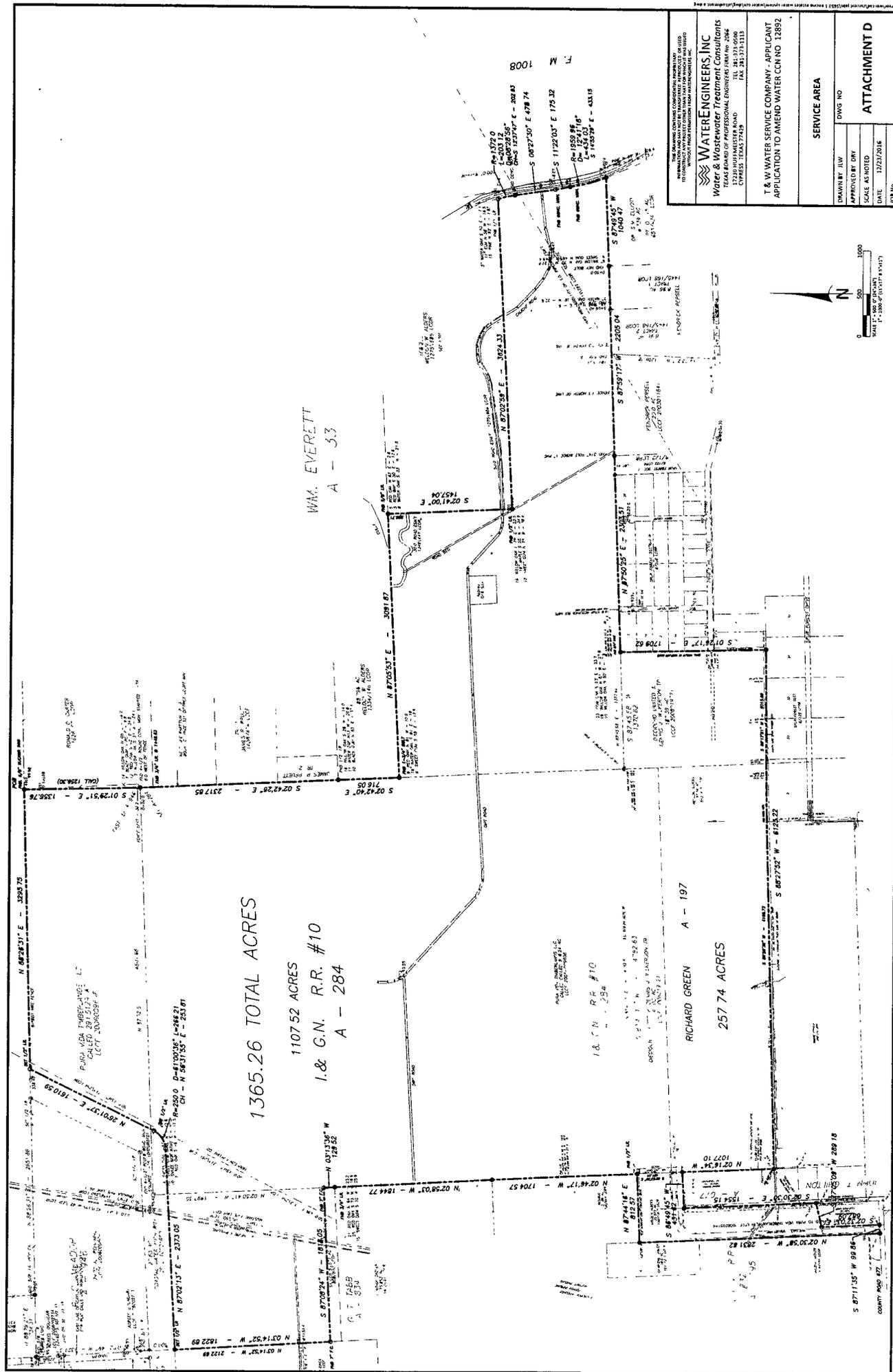
DWG. NO.
ATTACHMENT C
 31

User:\water\cal\current\job\15853_1\encos\states\water\system\water\con\dwg\attachment_c_location_map.dwg

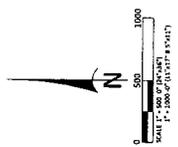
ATTACHMENT "D"

PROPOSED SERVICE AREA MAP

T & W WATER SERVICE COMPANY



<small>THIS PLAN IS THE PROPERTY OF WATER ENGINEERS, INC. IT IS TO BE USED ONLY FOR THE PROJECT AND AREA SPECIFICALLY IDENTIFIED ON THIS PLAN. NO PART OF THIS PLAN IS TO BE REPRODUCED OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, WITHOUT PRIOR PERMISSION FROM WATER ENGINEERS, INC.</small>	
WATER ENGINEERS, INC. PROFESSIONAL ENGINEERS 17280 HIGHMEISTER ROAD CYPRESS, TEXAS 77429	
T & W WATER SERVICE COMPANY - APPLICANT APPLICATION TO AMEND WATER CCN NO. 12892	
SERVICE AREA	
DRAWN BY: JLM	DWG. NO.
APPROVED BY: DRY	SCALE AS NOTED
DATE: 11/21/2018	
ATTACHMENT D	



33

ATTACHMENT "E"
WRITTEN DESCRIPTION OF SERVICE AREA
T & W WATER SERVICE COMPANY

ATTACHMENT E

WRITTEN DESCRIPTION OF SERVICE AREA

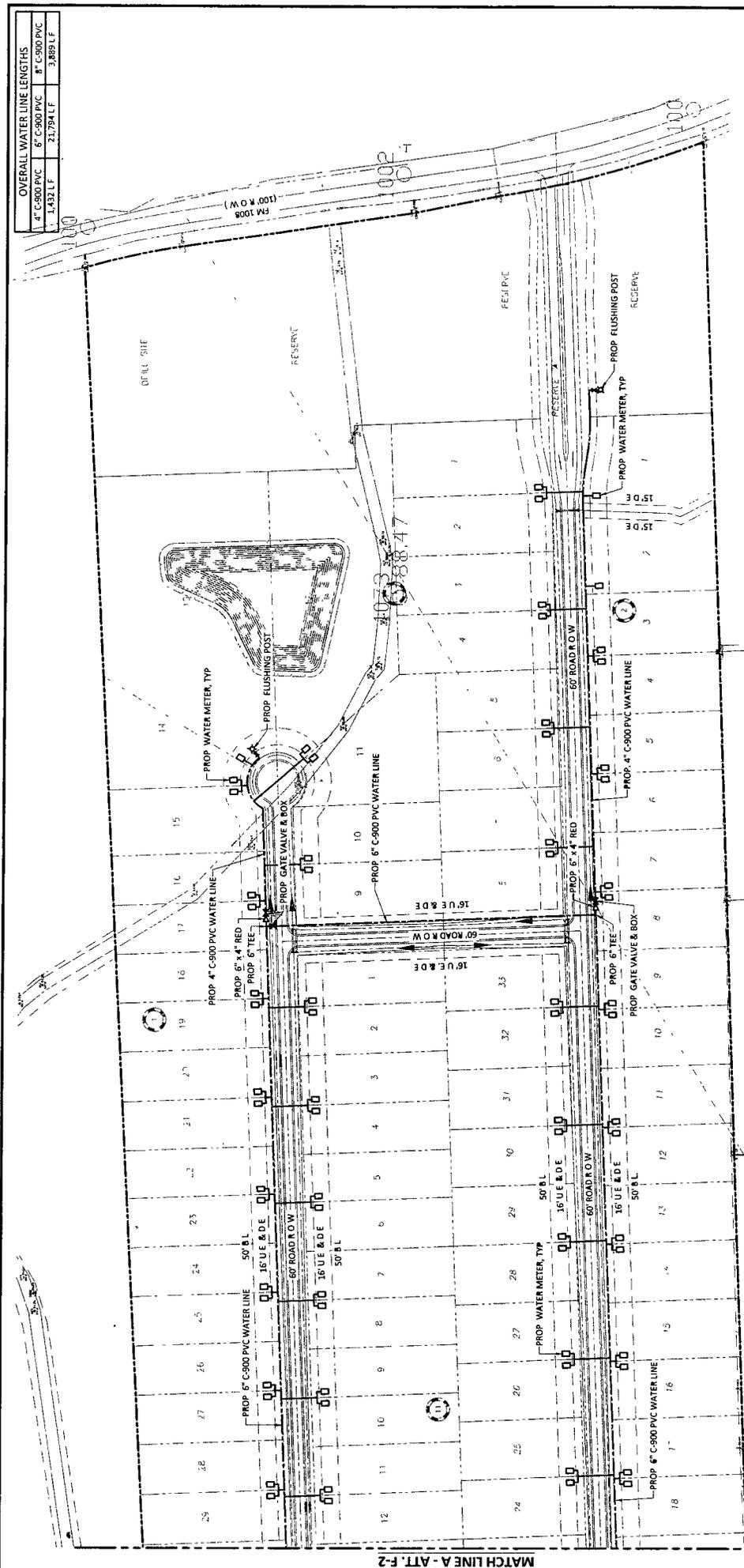
The proposed utility service area is located approximately 6.5 miles north of the City of Dayton, Texas in Liberty County and is generally bounded on the north by a line 1.75 miles north of and parallel to Spur Forest Drive (County Road 6501), on the east by FM 1008, on the south by Spur Forest Drive (County Road 6501), and on the west by a line 2,150 feet east of and parallel to FM 321.

ATTACHMENT "F"

FACILITIES MAP

T & W WATER SERVICE COMPANY

OVERALL WATER LINE LENGTHS		
4" C-900 PVC	6" C-900 PVC	8" C-900 PVC
1,432.1 LF	21,794.1 LF	3,885.1 LF



THE DRAWING CONTAINS INFORMATION PROPRIETARY TO THE ENGINEER AND IS TO BE USED ONLY FOR THE PROJECT AND SITE SPECIFICALLY IDENTIFIED HEREIN.

Water Engineers, Inc.
 Water & Wastewater Treatment Consultants
 TEXAS BOARD OF PROFESSIONAL ENGINEERS FIRM NO. 2086
 1100 WEST WINDYBROOK ROAD
 CUPRESS, TEXAS 77428
 P.O. BOX 1000
 P.O. BOX 1000
 CUPRESS, TEXAS 77428

T & W WATER SERVICE COMPANY - APPLICANT
 APPLICATION TO AMEND WATER CON. NO. 12892

FACILITIES PLAN

DRAWN BY: RW
 DWG. NO.
 APPROVED BY: DNY
 SCALE AS NOTED
 DATE: 1/4/2017
 JOB NO.

134

OVERALL WATER LINE LENGTHS		
4" C-900 PVC	6" C-900 PVC	8" C-900 PVC
1,432 L.F.	21,794 L.F.	3,889 L.F.



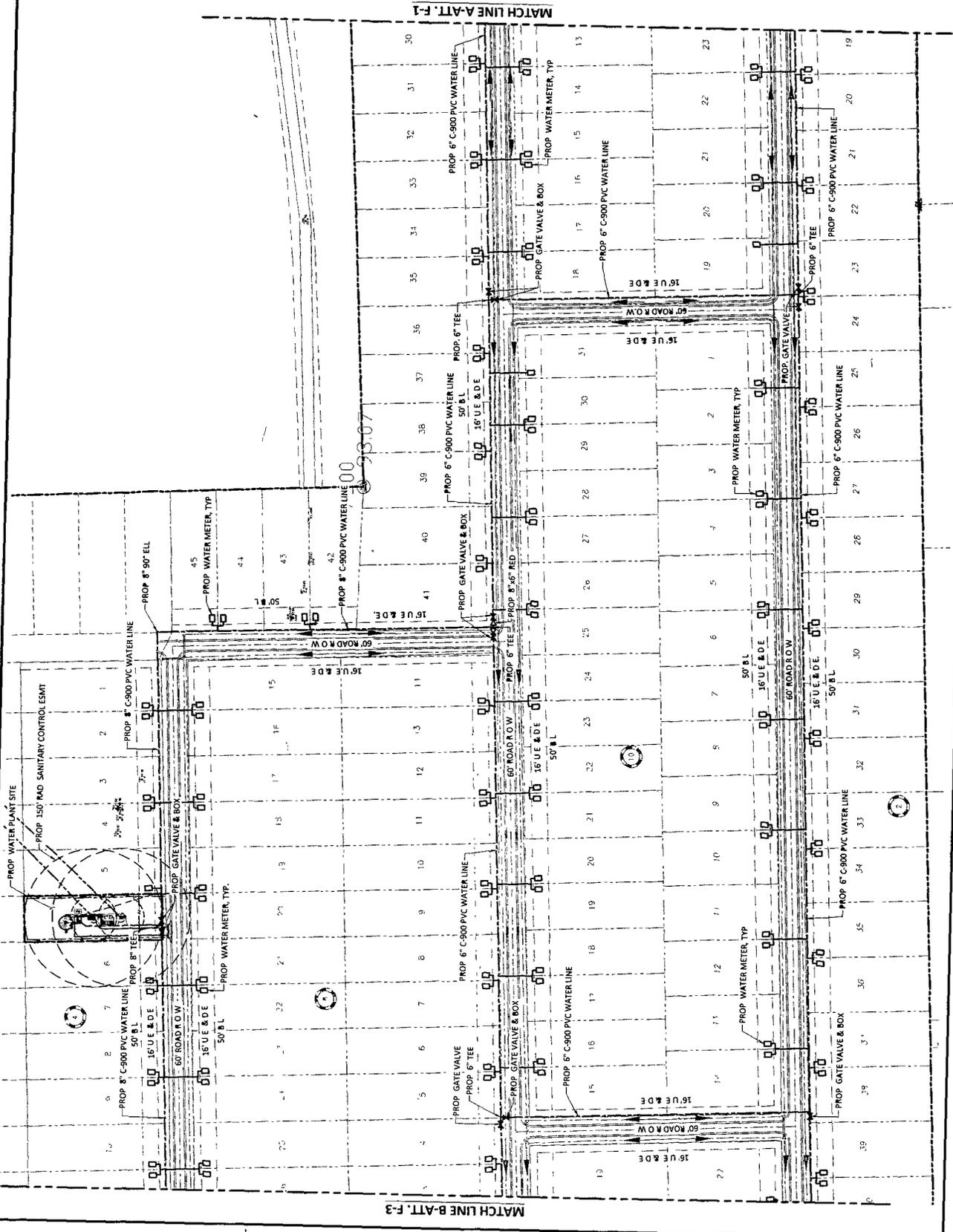
T & W WATER SERVICE COMPANY - APPLICANT
 APPLICATION TO AMEND WATER CCA NO. 12892

WATERENGINEERS, INC.
 Water & Wastewater Treatment Consultants
 21238 HUNTERS CREEK ROAD
 CYPRESS, TEXAS 77429
 P.O. BOX 1000
 HOUSTON, TEXAS 77258
 PHONE: 281.439.1111
 FAX: 281.439.1113

DRAWN BY: JUV
 CHECKED BY: JUV
 APPROVED BY: DWT
 SCALE AS NOTED
 DATE: 3/4/2017
 JOB NO.

FACILITIES PLAN
 DWG NO.

ATTACHMENT F-2

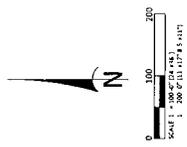


MATCH LINE B-ATT. F-3

MATCH LINE A-ATT. F-1

86

OVERALL WATER LINE LENGTHS		
4" C-900 PVC	6" C-900 PVC	8" C-900 PVC
1,432 LF	21,794 LF	3,891 LF



THIS DRAWING IS FOR INFORMATION PURPOSES ONLY. IT IS NOT TO BE USED FOR CONSTRUCTION. THE CONTRACTOR SHALL VERIFY ALL DIMENSIONS AND CONDITIONS IN THE FIELD AND SHALL BE RESPONSIBLE FOR ANY DISCREPANCIES.

WATERENGINEERS, INC
 Water & Wastewater Treatment Consultants
 TEXAS BOARD OF PROFESSIONAL ENGINEERS FIRM NO. 2084
 1000 WEST WALKER STREET, SUITE 100
 CRYSTAL SPRING, TEXAS 75835

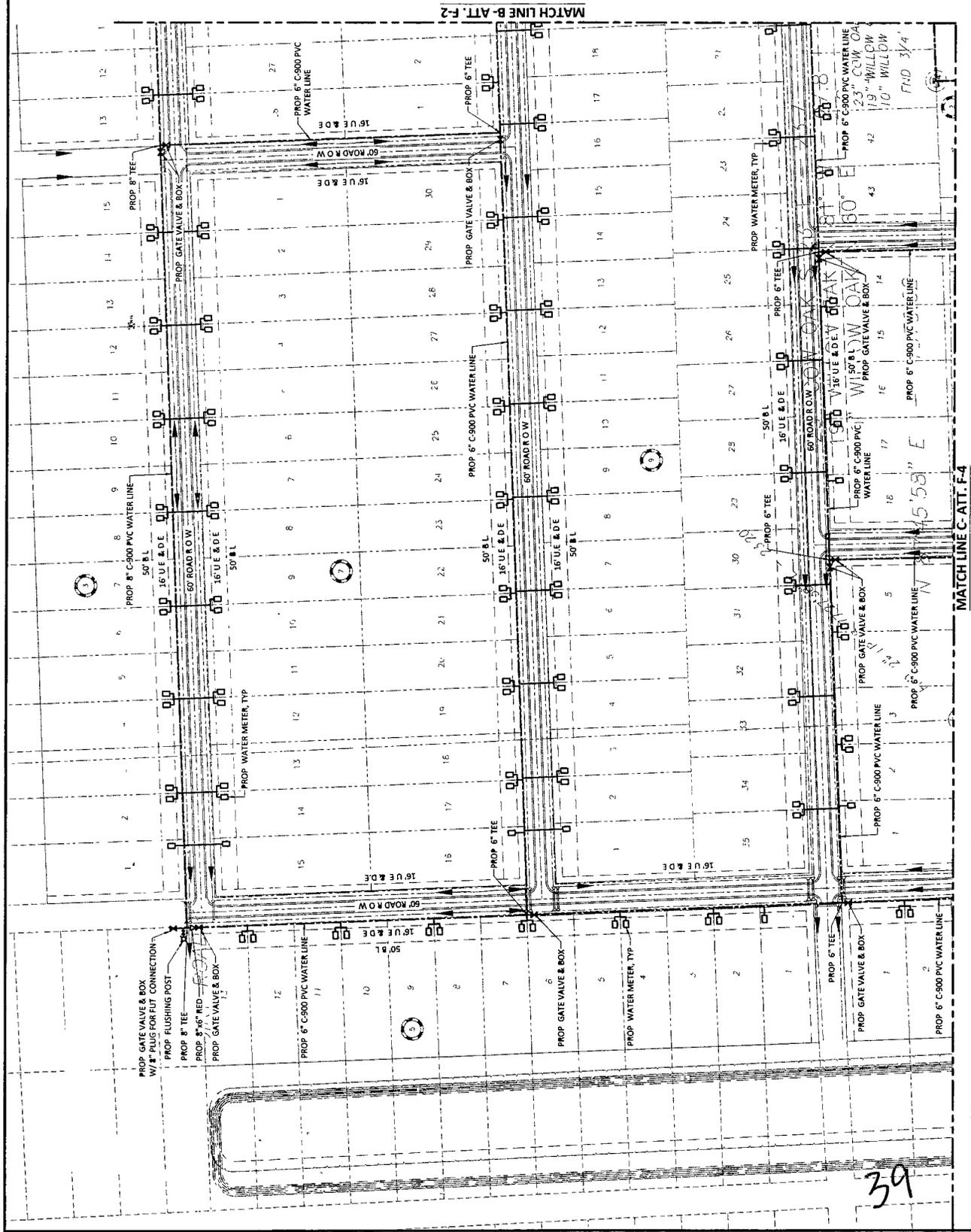
T & W WATER SERVICE COMPANY - APPLICANT
 APPLICATION TO AMEND WATER CCM NO. 12892

DRAWN BY: AW
 APPROVED BY: DMV
 SCALE: AS SHOWN
 DATE: 1/4/2017
 JOB NO.

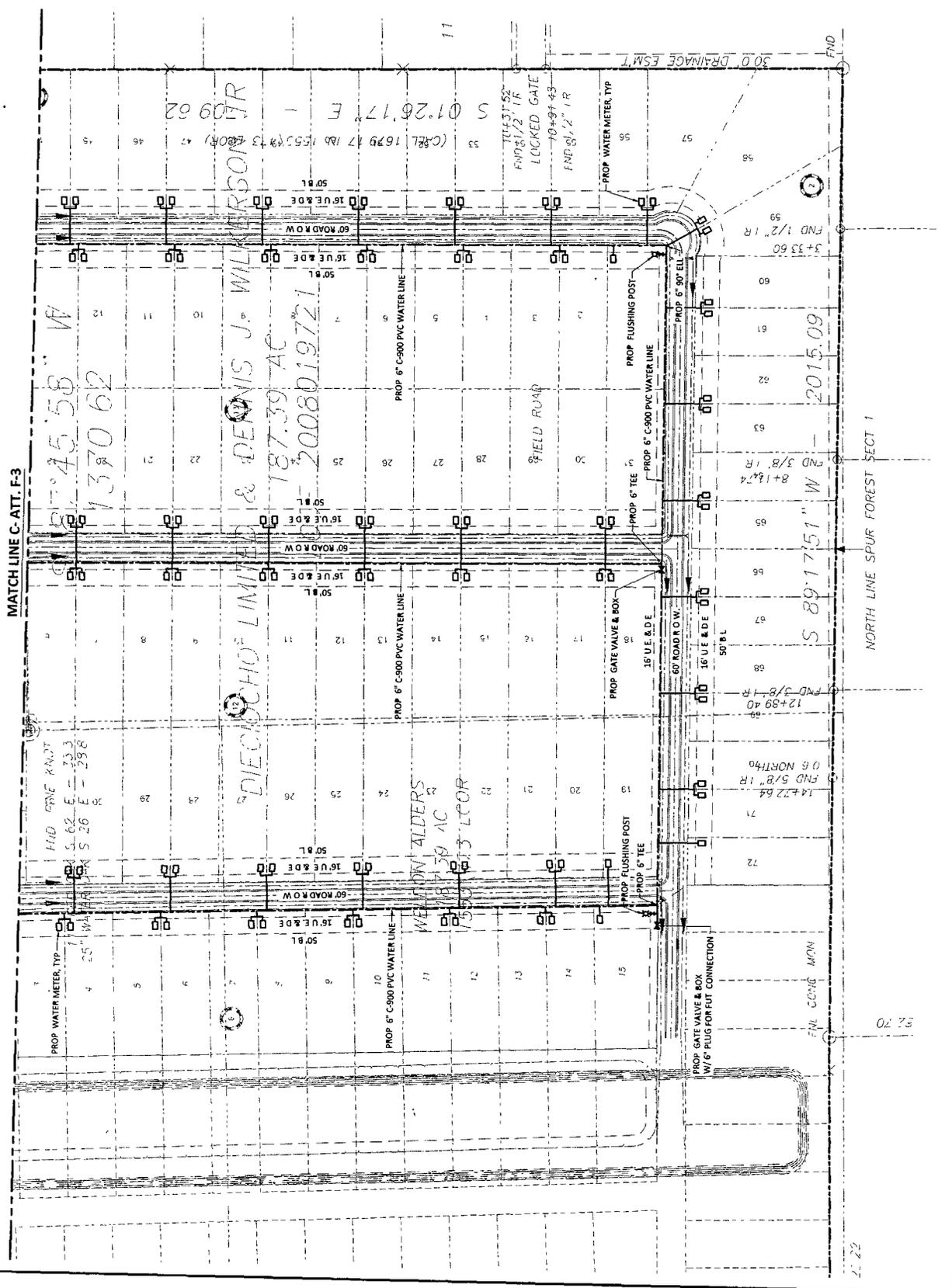
FACILITIES PLAN

DWG NO.

ATTACHMENT F-3



OVERALL WATER LINE LENGTHS		
4" C-900 PVC	6" C-900 PVC	8" C-900 PVC
1,432 LF	21,794 LF	3,889 LF



MATCH LINE C-ATT. F-3

NORTH LINE SPUR FOREST SECT 1



SCALE 1" = 80' (1:80)

WATERENGINEERS, INC.
 Treatment Consultants
 TEXAS BOARD OF PROFESSIONAL ENGINEERS LICENSE NO. 12882
 1728 HURSTMEISTER ROAD
 EXPRESS TEXAS 77429
 TEL. 281.573.4500
 FAX. 281.573.8111

T & W WATER SERVICE COMPANY - APPLICANT
 APPLICATION TO AMEND WATER CCN NO. 12882

FACILITIES PLAN

DWG. NO.
 DRAWN BY: JTW
 APPROVED BY: DRY
 SCALE AS NOTED
 DATE: 1/4/2017
 JOB NO.

ATTACHMENT F-4

ATTACHMENT "G"

**NEIGHBORING PUBLIC UTILITIES
WITHIN 2 MILES AND SERVICE
REQUEST LETTERS**

T & W WATER SERVICE COMPANY

ATTACHMENT G

TWO MILE RADIUS
DISTRICTS, CCN HOLDERS AND OTHER ENTITIES

Aqua Texas, Inc.
1106 Clayton Lane, Suite 400W
Austin, TX 78723

CCN No. 13203

Woodland Hills Water, LLC
1775 N. Loop 336 E
Conroe, TX 77301

CCN No. 12388

Liberty County
1923 Sam Houston, Suite 201
Liberty, TX 77575

Trinity River Authority
P.O. Box 60
Arlington, TX 76018

WATERENGINEERS, INC.

WATER & WASTEWATER TREATMENT CONSULTANTS

17230 HUFFMEISTER ROAD, SUITE A ~ CYPRESS, TEXAS 77429-1643

TEL: 281-373-0500 FAX: 281-373-1113

Certified Mail Receipt # 7016-0910-0001-8038-7845

December 23, 2016

Woodland Hills Water
1775 N. Loop 336 E STE
Conroe, Texas 77301-1500

Re: Proposed Public Water System
Encino Estates Subdivision Water System

Dear Board of Directors:

We are in the process of preparing a submittal package to obtain approval from the TCEQ to construct a water well for a water system to serve the proposed Encino Estates Subdivision located on FM 1008 in Dayton, Texas 77535, shown on the attached map.

TCEQ rules require that we contact all existing water supply utilities within a one-half mile radius to determine if an existing utility is willing to provide retail water service to the proposed development.

In accordance with TCEQ requirements, we are hereby requesting your response regarding the possibility of your utility providing retail water service to the proposed facility. Please indicate whether or not your utility is willing to provide service, and return a copy of this letter indicating if service is available; and if so, please indicate what is required to consider an application for service, including line extension charges, tap fees, etc. In addition, please include a copy of your utility tariff.

Please fax your response to 281-373-1113, mail it to WaterEngineers, Inc., 17230 Huffmeister Road, Suite A, Cypress, Texas 77429-1643, or email to Kalena@waterengineers.com. Please feel free to call me at 281-373-0500 if you have any questions. Thank you for your assistance.

Sincerely,
WaterEngineers, Inc.

Kalena Miller, P.E.

Attachments: Service Area Map

REPLY

Date of Reply: _____

Printed Name: _____

Name of Utility: _____

Title: _____

Will You Provide Retail Water and Sewer Service?

Organization: _____

(Yes/No) _____

Address: _____

(If Yes, please provide a copy of your Rate Order).

Terms: _____

Telephone: _____

Signature: _____

Email: _____

43

WATERENGINEERS, INC.

WATER & WASTEWATER TREATMENT CONSULTANTS

17230 HUFFMEISTER ROAD, SUITE A ~ CYPRESS, TEXAS 77429-1643

TEL: 281-373-0500 FAX: 281-373-1113

Certified Mail Receipt # 7016-0910-0001-8038-7838

December 23, 2016

Aqua Texas, Inc.
1106 Clayton Lane Ste 400W
Austin, Texas 78723-2476

Re: Proposed Public Water System
Encino Estates Subdivision Water System

Dear Aqua Texas:

We are in the process of preparing a submittal package to obtain approval from the TCEQ to construct a water well for a water system to serve the proposed Encino Estates Subdivision located on FM 1008 in Dayton, Texas 77535, shown on the attached map.

TCEQ rules require that we contact all existing water supply utilities within a two mile radius to determine if an existing utility is willing to provide retail water service to the proposed development.

In accordance with TCEQ requirements, we are hereby requesting your response regarding the possibility of your utility providing retail water service to the proposed facility. Please indicate whether or not your utility is willing to provide service, and return a copy of this letter indicating if service is available; and if so, please indicate what is required to consider an application for service, including line extension charges, tap fees, etc. In addition, please include a copy of your utility tariff.

Please fax your response to 281-373-1113, mail it to WaterEngineers, Inc., 17230 Huffmeister Road, Suite A, Cypress, Texas 77429-1643, or email to Kalena@waterengineers.com . Please feel free to call me at 281-373-0500 if you have any questions. Thank you for your assistance.

Sincerely,
WaterEngineers, Inc.

Kalena Miller, P.E.

Attachments: Service Area Map

REPLY

Date of Reply: _____

Printed Name: _____

Name of Utility: _____

Title: _____

Will You Provide Retail Water and Sewer Service?

Organization: _____

(Yes/No) _____

Address: _____

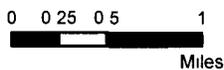
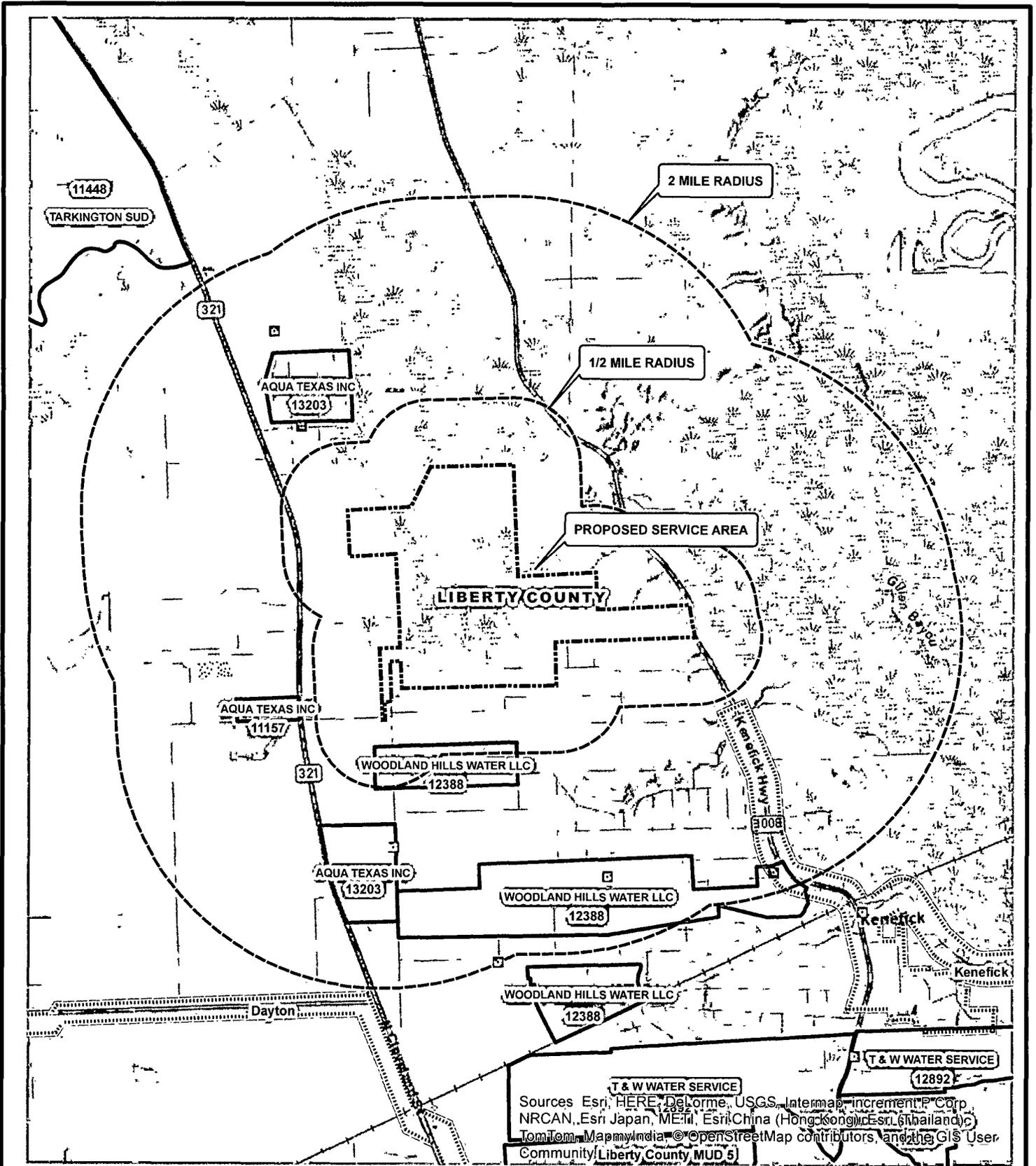
(If Yes, please provide a copy of your Rate Order).

Terms: _____

Telephone: _____

Signature: _____

Email: _____



ENCINO ESTATES SUBDIVISION
 0 FM 1008
 DAYTON, TEXAS 77535

WATER ENGINEERS, INC.
Water & Wastewater Treatment Consultants

17230 HUFFMEISTER RD., SUITE A
 CYPRESS, TEXAS 77429

TEL: 281-373-0500
 FAX: 281-373-1113

LEGEND

- PROPOSED SERVICE AREA
- 1/2 MILE RADIUS
- 2 MILE RADIUS
- Utility Districts
- Water CCN Boundary
- Public Water Wells
- TCEQ Wastewater Outfall Permits

45

ATTACHMENT "H"

**OTHER SYSTEM MOST RECENT
INSPECTION REPORTS**

T & W WATER SERVICE COMPANY

Bryan W. Shaw, Ph.D., P.E., *Chairman*
Toby Baker, *Commissioner*
Zak Covar, *Commissioner*
Richard A. Hyde, P.E., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

July 14, 2014

Mr. Ronald L. Payne, President
T & W Water Service Company
P O Box 2927
Conroe, Texas 77305-2927

Re: Notice of Compliance with Notice of Violation (NOV) dated June 6, 2013:
Deer Run, 10550 Fawn Mist Drive, Conroe, Montgomery County, Texas
Regulated Entity No.: 102673027
TCEQ ID No. 1700700 Investigation No. 1178405

Dear Mr. Payne:

On June 26, 2014, the Texas Commission on Environmental Quality (TCEQ) Houston Region Office received adequate compliance documentation to resolve the alleged violation documented during the investigation of the above-referenced regulated entity conducted on April 26, 2013. Based on the information submitted, no further action is required concerning this investigation.

The Texas Commission on Environmental Quality appreciates your assistance in this matter and your compliance efforts to ensure protection of the State's environment. If you or members of your staff have any questions, please feel free to contact Ms. Maggie Wright in the Houston Region Office at (713)767-3650.

Sincerely,

A handwritten signature in cursive script that reads "Leticia De Leon".

Leticia De Leon, Team Leader
Public Water Supply
Houston Region Office

LD/mw/kc

Enclosure: *Summary of Investigation Findings*

cc: Montgomery County Environmental Health Services

Summary of Investigation Findings

DEER RUN	Investigation # 1178405
, MONTGOMERY COUNTY,	Investigation Date: 06/26/2014
Additional ID(s): 1700700	

ALLEGED VIOLATION(S) NOTED AND RESOLVED

Track No: 501223
30 TAC Chapter 290.39(j)

Alleged Violation:

Investigation: 1086272

Comment Date: 05/13/2013

Examination of Plans and Specifications

Failure to notify the executive director prior to making any significant change or addition to the system's production, treatment, storage, pressure maintenance, or distribution facilities.

Please be aware that all change requests must be in writing and submitted to Austin for approval to the: Texas Commission on Environmental Quality, Technical Review and Oversight Team (MC-159), P.O. Box 13087, Austin, Texas 78711-3087, phone (512)239-4691.

At the time of the inspection, the system was using polyphosphate. The system did not provide the approval letter for the installation of the polyphosphate.

Investigation: 1138736

Comment Date: 12/12/2013

Examination of Plans and Specifications

Failure to notify the executive director prior to making any significant change or addition to the system's production, treatment, storage, pressure maintenance, or distribution facilities.

Please be aware that all change requests must be in writing and submitted to Austin for approval to the: Texas Commission on Environmental Quality, Technical Review and Oversight Team (MC-159), P.O. Box 13087, Austin, Texas 78711-3087, phone (512)239-4691.

At the time of the inspection, the system was using polyphosphate. The system did not provide the approval letter for the installation of the polyphosphate.

As of this date, this violation still exists.

Investigation: 1178405

Comment Date: 06/26/2014

Failure to notify the executive director prior to making any significant change or addition to the system's production, treatment, storage, pressure maintenance, or distribution facilities.

Recommended Corrective Action: Submit a copy of the approval letter for the polyphosphate to verify compliance.

Resolution: An emailed copy of the notification for the usage of polyphosphate was submitted, reviewed, and approved by Plans and Technical Review on 07/23/2013.

Bryan W. Shaw, Ph.D., P.E., *Chairman*
Toby Baker, *Commissioner*
Jon Niermann, *Commissioner*
Richard A. Hyde, P.E., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

May 26, 2016

Mr. Ron Payne, President
T & W Water Service Company
PO Box 2927
Conroe, Texas 77305-2927

Re: Comprehensive Compliance Investigation at:
Emerald Lakes Subdivision, 1505 Emerald Lakes Dr., Willis, Montgomery County, Texas
Regulated Entity No.: 105348932, TCEQ ID No.: 1700777, Investigation No.: 1335957

Dear Mr. Payne:

On April 21, 2016, Ms. Dawn Olivo, of the Texas Commission on Environmental Quality (TCEQ) Houston Region Office, conducted an investigation of the above-referenced facility to evaluate compliance with the applicable requirements for public water supply systems. No violations are being alleged as a result of the investigation. In addition, please be advised that a violation could be issued upon further review of your system's records or self-reported documentation.

The TCEQ appreciates your assistance in this matter and your compliance efforts to ensure protection of the State's environment. If you or members of your staff have any questions regarding these matters, please feel free to contact Ms. Olivo in the Houston Region Office at (713) 767-3650.

Sincerely,

A handwritten signature in cursive script that reads "Latrichia Spikes".

Latrichia Spikes, Team Leader
Public Water Supply
Houston Region Office

LS/DO/ra

cc: Montgomery County Environmental Health Services

Falls of Wildwood – PWS 1700673 has not been inspected to date.

Bryan W. Shaw, Ph.D., P.E., *Chairman*
Toby Baker, *Commissioner*
Zak Covar, *Commissioner*
Richard A. Hyde, P.E., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

May 28, 2014

Mr. Thomas L. Baudat, President
T&W Water Service Company
PO Box 2927
Conroe, Texas 77305- 2927

Re: Comprehensive Compliance Investigation at:
Grand Harbor W.S., 18984 Ocean Mist Ct., Montgomery County, Texas
Regulated Entity No.: 101179513
TCEQ ID No.: 1700643 Investigation No.: 1163694

Dear Mr. Baudat:

On March 28, 2014, Ms. Elaine Jackson of the Texas Commission on Environmental Quality (TCEQ) Houston Region Office conducted an investigation of the above-referenced facility to evaluate compliance with the applicable requirements for public water supply systems. No violations are being alleged as a result of the investigation; however, please see the attached Additional Issue. In addition, please be advised that a violation could be issued upon further review of your system's records or self-reported documentation.

The TCEQ appreciates your assistance in this matter and your compliance efforts to ensure protection of the State's environment. If you or members of your staff have any questions regarding these matters, please feel free to contact Ms. Elaine Jackson in the Houston Region Office at (713)767-3650.

Sincerely,

A handwritten signature in cursive script that reads "Leticia De Leon".

Leticia De Leon, Team Leader
Public Water Supply
Houston Region Office

LD/ej/kc

cc: Montgomery County Environmental Health Services

Enclosure: Summary of Findings

Summary of Investigation Findings

GRAND HARBOR WATER SYSTEM	Investigation # 1163694
, MONTGOMERY COUNTY,	Investigation Date: 03/28/2014
Additional ID(s): 1700643	

ALLEGED VIOLATION(S) NOTED AND RESOLVED

Track No: 374881
30 TAC Chapter 290.44(d)
30 TAC Chapter 290.46(r)

Alleged Violation:

Investigation: 767702

Comment Date: 08/27/2009

Failure to design and maintain a water distribution system to provide at all points within the distribution network a minimum pressure of 35 pounds per square inch (psi) at flow rates of at least 1.5 gallons per minute per connection at each service outlet or connection. When the regulated entity is intended to provide fire fighting capability, it must also be designed to maintain a minimum pressure of 20 psi under combined fire and drinking water flow conditions.

Investigation: 1163694

Comment Date: 05/20/2014

Failure to design and maintain a water distribution system to provide at all points within the distribution network a minimum pressure of 35 pounds per square inch (psi) at flow rates of at least 1.5 gallons per minute per connection at each service outlet or connection. When the regulated entity is intended to provide fire fighting capability, it must also be designed to maintain a minimum pressure of 20 psi under combined fire and drinking water flow conditions.

Recommended Corrective Action: Submit photo, work order, receipt to verify compliance.

Resolution: On March 28, 2014, the investigator observed that the pressure in the distribution system was 70 pounds per square inch (psi).

ADDITIONAL ISSUES

Description
Item 2

Additional Comments
Certificate of Convenience and Necessity

Failure, by a retail public utility that possesses a certificate of public convenience and necessity that has reached 85% of its capacity as compared to the most restrictive criteria of the commission's minimum capacity requirements in Chapter 290 T.A.C., to submit to the executive director a planning report that clearly explains how the retail public utility will provide the expected service demands to the remaining areas within the boundaries of its certificated area. The pressure tank capacity has reach 98 % of its capacity.

Compliance Documentation: Submit a planning report within 90 days.

Bryan W. Shaw, Ph.D., P.E., *Chairman*
Toby Baker, *Commissioner*
Zak Covar, *Commissioner*
Richard A. Hyde, P.E., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

June 6, 2014

Mr. Thomas L. Baudat, President
T&W Water Service Company
PO Box 2927
Conroe, Texas 77305- 2927

Re: Comprehensive Compliance Investigation at:
Harborside, 18824 Harborside, Montgomery County, Texas
Regulated Entity No.: 101224806
TCEQ ID No.: 1700682, Investigation No.: 1163688

Dear Mr. Baudat:

On March 28, 2014, Ms. Elaine Jackson of the Texas Commission on Environmental Quality (TCEQ) Houston Region Office conducted an investigation of the above-referenced facility to evaluate compliance with the applicable requirements for public water supply systems. No violations are being alleged as a result of the investigation; however, please see the attached Additional Issue. In addition, please be advised that a violation could be issued upon further review of your system's records or self-reported documentation.

The TCEQ appreciates your assistance in this matter and your compliance efforts to ensure protection of the State's environment. If you or members of your staff have any questions regarding these matters, please feel free to contact Ms. Elaine Jackson in the Houston Region Office at (713)767-3650.

Sincerely,


Leticia De Leon, Team Leader
Public Water Supply
Houston Region Office

LD/ej/kc

cc: Montgomery County Environmental Health Services

53

Bryan W. Shaw, Ph.D., P.E., *Chairman*
Toby Baker, *Commissioner*
Zak Covar, *Commissioner*
Richard A. Hyde, P.E., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

October 1, 2014

Protecting Texas by Reducing and Preventing Pollution

Mr. Ron Payne, General Manager
T&W Water Service Company
PO Box 2927
Conroe, Texas 77305-2927

Re: Comprehensive Compliance Investigation at:
Hydies Crossing, 5606 Rhetta Ln, Spring, Harris County, Texas
Regulated Entity No.: 101209625, TCEQ ID No.: 1013180, Investigation No.: 1193648

Dear Mr. Payne:

On August 26, 2014 Ms. Sharon Patry of the Texas Commission on Environmental Quality (TCEQ) Houston Region Office conducted an investigation of the above-referenced facility to evaluate compliance with the applicable requirements for public water supply systems. No violations are being alleged as a result of the investigation; however, please see the attached Additional Issue. In addition, please be advised that a violation could be issued upon further review of your system's records or self-reported documentation.

The TCEQ appreciates your assistance in this matter and your compliance efforts to ensure protection of the State's environment. If you or members of your staff have any questions regarding these matters, please feel free to contact Ms. Sharon Patry in the Houston Region Office at (713) 767-3650.

Sincerely,


Leticia De Leon, Team Leader
Public Water Supply
Houston Region Office

LD/SJP/ra

cc: Harris County Public Health and Environmental Services

Enclosure: Summary of Investigation Findings

Summary of Investigation Findings

HYDIES CROSSING

5606 RHETTA LN

SPRING, HARRIS COUNTY, TX 77389

Investigation #

1193648

Investigation Date: 08/26/2014

Additional ID(s): 1013180

No Violations Associated to this Investigation

ADDITIONAL ISSUES

Description

Item 1

Additional Comments

Operating Records and Reports

Failure to maintain the public water system's operating records organized, and copies kept on file or stored electronically. The operating records must be accessible for review during inspections. At the time of the investigation it was found that the flushing report records were not organized or completed properly.

A copy of the flushing report records were provided to the investigator via email on September 3, 2014 and the regulated entity has ensured that all operators have received the flushing report record and will ensure it is organized and completed. It is recommended that during the next inspection the investigator verify that the flushing report records have been properly organized and completed.

Bryan W Shaw, Ph.D., P.E., *Chairman*
Toby Baker, *Commissioner*
Zak Covar, *Commissioner*
Richard A. Hyde, P.E., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

December 1, 2014

Mr. Ronald L. Payne, President
T & W Water Service Company
PO Box 2927
Conroe, Texas 77305-2927

Re: Comprehensive Compliance Investigation at:
Miller's Crossing, 9030 Miller Road, Conroe, Montgomery County, Texas
Regulated Entity No.101274702, TCEQ ID No.1700675, Investigation No. 1204666

Dear Mr. Payne:

On October 30, 2014, Ms. Patricia Blackwell of the Texas Commission on Environmental Quality (TCEQ) Houston Region Office conducted an investigation of the above-referenced facility to evaluate compliance with the applicable requirements for public water supply systems. No violations are being alleged as a result of the investigation. In addition, please be advised that a violation could be issued upon further review of your system's records or self-reported documentation.

The TCEQ appreciates your assistance in this matter and your compliance efforts to ensure protection of the State's environment. If you or members of your staff have any questions regarding these matters, please feel free to contact Ms. Patricia Blackwell in the Houston Region Office at (713) 767-3650.

Sincerely,

A handwritten signature in cursive script, appearing to read "Leticia De Leon".

Leticia De Leon, Team Leader
Public Water Supply
Houston Region Office

LD/PB/ra

cc: Montgomery County Environmental Health Services

Bryan W. Shaw, Ph.D., P.E., *Chairman*
Toby Baker, *Commissioner*
Jon Niermann, *Commissioner*
Richard A. Hyde, P.E., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

November 24, 2015

CERTIFIED MAIL # 7010 1870 0003 4949 5912
RETURN RECEIPT REQUESTED

Mr. Ronald Payne, President
T & W Water Service Company
PO Box 2927
Conroe, Texas 77305

Re: Notice of Violation for the Comprehensive Compliance Investigation at:
Oaks of Trinity Subdivision, South of Kenefick on FM 1008, Dayton, Liberty County,
Texas
Regulated Entity No.: 101246007
TCEQ ID No.: 1460156
Investigation No.: 1286854

Dear Mr. Payne:

On October 14, 2015, Ms. Valerie Burkett, of the Texas Commission on Environmental Quality (TCEQ) Houston Region Office conducted an investigation of the above-referenced regulated entity to evaluate compliance with applicable requirements for Public Water Supply. Enclosed is a summary which lists the investigation findings. During the investigation, a concern was noted which was an alleged noncompliance that has been resolved as a Resolved Violation based on subsequent corrective action. Therefore, no further action is required. Please be advised that a violation could be issued upon further review of your system's records or self-reported documentation.

The TCEQ appreciates your assistance in this matter and your compliance efforts to ensure protection of the State's environment. If you or members of your staff have any questions regarding these matters, please feel free to contact Ms. Burkett, in the Houston Region Office at (713) 767-3650.

Sincerely,

A handwritten signature in black ink, appearing to read "Julia Thorp".

Julia Thorp, Team Leader
Public Water Supply
Houston Region Office

JT /VB/mar

Enclosure: Summary of Investigation Findings

Summary of Investigation Findings

OAKS OF TRINITY SUBDIVISION	Investigation # 1286854
, LIBERTY COUNTY,	Investigation Date: 10/14/2015
Additional ID(s): 1460156	

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

Track No: 586157
30 TAC Chapter 290.46(s)(1)

Alleged Violation:
Investigation: 1286854
Comment Date: 10/14/2015

Testing Equipment

Failure by the regulated entity to calibrate the well meter required by 30 TAC 290.41(c)(3)(N) according to the manufacturer's specifications at least once every three years.

Specifically, at the time of the investigation, a well meter calibration test certificate was not available for review.

Recommended Corrective Action: Submit a copy of the well meter calibration certificate to verify compliance.

Resolution: On November 09, 2015, the regulated entity emailed a copy of the well meter calibration report.

Bryan W. Shaw, Ph.D., P.E., *Chairman*
Toby Baker, *Commissioner*
Zak Covar, *Commissioner*
Richard A. Hyde, P.E., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

July 14, 2014

Mr. Ronald L. Payne, President
T & W Water Service Company
PO Box 2927
Conroe, TX 77305-2927

Re: Comprehensive Compliance Investigation at:
Old Mill Lake, 1400 Fishers Cove, Montgomery County, Texas
Regulated Entity No.: 101281012
TCEQ ID No.: 1700662 Investigation No.: 1171227

Dear Mr. Payne:

On May 28, 2014, Ms. Maggie Wright of the Texas Commission on Environmental Quality (TCEQ) Houston Region Office conducted an investigation of the above-referenced facility to evaluate compliance with the applicable requirements for public water supply systems. No violations are being alleged as a result of the investigation; however, please see the attached Area of Concern. In addition, please be advised that a violation could be issued upon further review of your system's records or self-reported documentation.

The TCEQ appreciates your assistance in this matter and your compliance efforts to ensure protection of the State's environment. If you or members of your staff have any questions regarding these matters, please feel free to contact Ms. Maggie Wright in the Houston Region Office at (713)767-3650.

Sincerely,


Leticia De Leon, Team Leader
Public Water Supply
Houston Region Office

LD/mw/kc

cc: Montgomery County Environmental Health Services

Enclosure: Summary of Findings

Summary of Investigation Findings

OLD MILL LAKE	Investigation # 1171227
, MONTGOMERY COUNTY,	Investigation Date: 05/28/2014
Additional ID(s): 1700662	

AREA OF CONCERN

Track No: 537669
30 TAC Chapter 290.46(s)(1)

Alleged Violation:

Investigation: 1171227

Comment Date: 06/06/2014

Testing Equipment

Failure to calibrate the well meter as required by 30 TAC §290.41(c)(3)(N) according to the manufacturer's specifications at least once every three years.

At the time of the investigation, no calibration report on the flow meter was provided.

Recommended Corrective Action: Submit a copy of the calibration report on the well flow meter to verify compliance.

Resolution: A copy of the calibration report on the flow meter was submitted by email on 05/28/2014.

Bryan W. Shaw, Ph.D., P.E., *Chairman*
Toby Baker, *Commissioner*
Jon Niermann, *Commissioner*
Richard A. Hyde, P.E., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

August 24, 2016

Thomas L. Baudat, P.E., President
T & W Water Service Company
PO Box 2927
Conroe, Texas 77305-2927

Re: Comprehensive Compliance Investigation at:
Riverwalk Subdivision, 22789 Colorado Dr., Montgomery County, Texas
Regulated Entity No.: 101241677
TCEQ ID No.: 1700604 Investigation No.: 1344204

Dear Mr. Baudat:

On June 15, 2016, Ms. Melody Kirksey, of the Texas Commission on Environmental Quality (TCEQ) Houston Region Office conducted an investigation of the above-referenced facility to evaluate compliance with the applicable requirements for public water supply systems. No violations are being alleged as a result of the investigation. In addition, please be advised that a violation could be issued upon further review of your system's records or self-reported documentation.

The TCEQ appreciates your assistance in this matter and your compliance efforts to ensure protection of the State's environment. If you or members of your staff have any questions regarding these matters, please feel free to contact Ms. Kirksey, in the Houston Region Office at (713) 767-3650.

Sincerely,


for Julia Thorp, Team Leader
Public Water Supply
Houston Region Office

JT/MK/mar

cc: Montgomery County Environmental Health Services

(e)

Bryan W. Shaw, Ph.D., P.E., *Chairman*
Toby Baker, *Commissioner*
Zak Covar, *Commissioner*
Richard A. Hyde, P.E., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

September 29, 2014

**CERTIFIED MAIL #7099 3220 0002 7146 3470
RETURN RECEIPT REQUESTED**

Mr. Ronald L. Payne, General Manager
T & W Water Service Company
P.O. Box 2927
Conroe, Texas 77305-2927

Re: Notice of Violation for the Comprehensive Compliance Investigation at:
Rio Vista Subdivision, 17206 Pecos Drive, Splendora, Montgomery County, Texas
Regulated Entity No.: 105347751, TCEQ ID No.: 1700778, Investigation No.: 1184269

Dear Mr. Payne:

On July 29, 2014- August 6, 2014, Ms. LaTrichia Spikes of the Texas Commission on Environmental Quality (TCEQ) Houston Region Office conducted an investigation of the above-referenced regulated entity to evaluate compliance with applicable requirements for Public Water Supply. Enclosed is a summary which lists the investigation findings. In addition, a certain outstanding alleged violation was identified for which compliance documentation is required. Please submit to this office by December 22, 2014, a written description of corrective action taken and the required documentation demonstrating that compliance has been achieved for the outstanding alleged violation. In addition, the investigator resolved apparent instances of noncompliance noted during the investigation.

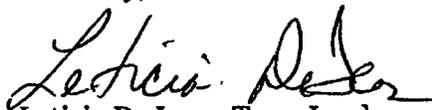
In the listing of the alleged violation, we have cited applicable requirements, including TCEQ rules. Please note that both the rules themselves and the agency brochure entitled *Obtaining TCEQ Rules* (GI 032) are located on our agency website at <http://www.tceq.texas.gov> for your reference. If you would like a hard copy of this brochure mailed to you, you may call and request one from either the Houston Region Office at Phone (713)767-3650 or the Central Office Publications Ordering Team at (512)239-0028.

The TCEQ appreciates your assistance in this matter. Please note that the Legislature has granted TCEQ enforcement powers which we may exercise to ensure compliance with environmental regulatory requirements. We anticipate that you will resolve the alleged violation as required in order to protect the State's environment. If you have additional information that we are unaware of, you have the opportunity to contest the violation documented in this notice. Should you choose to do so, you must notify the Houston Region Office within 10 days from the date of this letter. At that time, PWS Team Leader Ms. Leticia De Leon, will schedule a violation review meeting to be conducted within 21 days from the date of this letter.

Mr. Ronald L. Payne, General Manager
Page 2
September 29, 2014

If you or members of your staff have any questions, please feel free to contact Ms. LaTrichia Spikes in the Houston Region Office at (713)767-3650.

Sincerely,



Leticia De Leon, Team Leader
Public Water Supply
Houston Region Office

LD/LS/ ra

cc: Montgomery County Environmental Health Services

Enclosure: Summary of Investigation Findings

Summary of Investigation Findings

RIO VISTA SUBDIVISION

Investigation #
1184269
Investigation Date: 07/29/2014

, COUNTY,

Additional ID(s): 1700778

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

Track No: 548093 Compliance Due Date: 12/22/2014
30 TAC Chapter 290.46(s)(1)

Alleged Violation:

Investigation: 1184269

Comment Date: 09/16/2014

Testing Equipment

Failure by the regulated entity to calibrate the well meter required by 30 TAC 290.41(c)(3)(N) according to the manufacturer's specifications at least once every three years.

At the time of the investigation, the regulated entity did not submit a well meter calibration report.

Recommended Corrective Action: Submit the well meter calibration report to verify compliance.

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

Track No: 548091
30 TAC Chapter 290.46(m)(1)(B)

Alleged Violation:

Investigation: 1184269

Comment Date: 09/16/2014

Design and Construction of Pressure Tanks

Failure to conduct an inspection of the pressure tank annually, to determine that the pressure release device and pressure gauge are working properly, the air-water ratio is being maintained at the proper level, the exterior coating systems are continuing to provide adequate protection to all metal surfaces, and that the tank remains in a watertight condition. Pressure tanks provided with an inspection port must have the interior surface inspected every five years.

At the time of the investigation, the regulated entity did not provide an exterior pressure tank inspection report.

Recommended Corrective Action: Provide an exterior pressure tank inspection report to verify compliance.

Resolution: On August 6, 2014, the regulated entity submitted an exterior pressure tank inspection report via email.

Track No: 548096
30 TAC Chapter 290.46(i)

Alleged Violation:

Investigation: 1184269

Comment Date: 09/11/2014

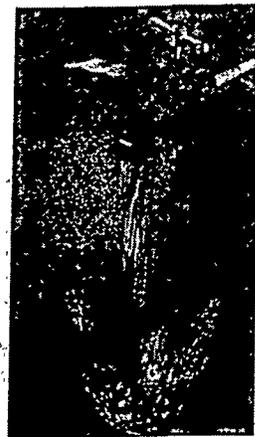
64

T & W Water Service

P. O. Box 2927

Conroe, TX 77305-2927

936-756-7400



October 16, 2014

Leticia De Leon
Texas Commission on Environmental Quality
5425 Polk Street, Suite H
Houston, Texas 7023-1452

Re: Notice of Violation for the Comprehensive Compliance Investigation at:
Rio Vista Subdivision, 17206 Pecos Drive, Splendora, Montgomery County, Texas
Regulated Entity No.: 105347751, TCEQ ID No. 1700778, Investigation No.: 1184269

Dear Ms. De Leon:

In reference to the outstanding alleged violation associated to a notice of violation from your office dated September 29, 2014 I have attached a well meter calibration which was completed on August 13, 2014.

All other alleged violations have been resolved according to your letter. If you need any additional information please let me know. As a side note I wanted to tell you that your team always acts in a professional manner and is a pleasure to work with.

Sincerely,

Ronald L Payne
President



1402 Vander Wilt Lane, Katy, Texas 77449
(281) 391-8100 Fax (281) 391-8110
www accuratemeter.com

Customer: Service Order:
District: Cust No. Date:
Address: Key Map:
Location: Priority:
Tech:

Description:

Meter:	Size:	Serial #:	Read:
<input type="text" value="IMC"/>	<input type="text" value="3"/>	<input type="text" value="11156430"/>	<input type="text" value="345223.6"/>

New Meter:	Size:	New Serial #:	New Read:
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Work Completed:

TESTED METER AT: 102.5%

Test Before:	<input type="text" value="0.0%"/>
Test After:	<input type="text" value="0.0%"/>

Time Start:	<input type="text"/>
Time Stop:	<input type="text"/>
Time Worked:	<input type="text"/>

Pump?:	<input type="checkbox"/>
Tester?:	<input type="checkbox"/>
Torch?:	<input type="checkbox"/>

Complete?:	<input checked="" type="checkbox"/>	Incomplete?:	<input type="checkbox"/>
Complete Date:	<input type="text" value="08-13-2014"/>		
Status:	<input type="text"/>		

Notes:

66

Bryan W. Shaw, Ph.D., P.E., *Chairman*
Toby Baker, *Commissioner*
Jon Niermann, *Commissioner*
Richard A. Hyde, P.E., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

October 7, 2016

Ron Payne, President/Operator
T & W Water Service Company
PO Box 2927
Conroe, Texas 77305

Re: Notice of Compliance with Notice of Violation (NOV) dated January 6, 2016:
Splendora Woods, Organ Cemetery Rd off Fostoria Rd., Splendora, Liberty County, Texas
Regulated Entity No.: 101190236
TCEQ ID No. 1460153 Investigation No. 1363115

Dear Mr. Payne:

On September 15, 2016, the Texas Commission on Environmental Quality (TCEQ) Houston Region Office received adequate compliance documentation to resolve the alleged violation documented during the investigation of the above-referenced regulated entity conducted on December 10, 2015. Based on the information submitted, no further action is required concerning this investigation.

The Texas Commission on Environmental Quality appreciates your assistance in this matter and your compliance efforts to ensure protection of the State's environment. If you or members of your staff have any questions, please feel free to contact Ms. Destiny Winning, in the Houston Region Office at (713) 767-3650.

Sincerely,

A handwritten signature in cursive script that reads "Latrichia Spikes".

Latrichia Spikes, Team Leader
Public Water Supply
Houston Region Office

LS/DW/mar

Enclosure: Summary of Investigation Findings

Summary of Investigation Findings

SPLENDORA WOODS	Investigation # 1363115
, LIBERTY COUNTY,	Investigation Date: 09/27/2016
Additional ID(s): 1460153	

ALLEGED VIOLATION(S) NOTED AND RESOLVED

Track No: 591862
30 TAC Chapter 290.45(b)(1)(B)(i)

Alleged Violation:

Investigation: 1299795

Comment Date: 12/30/2015

Capacity Requirements

Failure to meet this Agency's "Minimum Water System Capacity Requirements." These requirements include:

At the time of the investigation the regulated entity had 164 connections and population of 492 and is required to provide 0.6 gallons per minute (gpm) per connection(conn). The well was only producing 81 gallons per minute and the regulations require that the regulated entity is required to provide 98.4 gallons per minute and is short a total of 17.4 gallons per minute.

Required: 0.6gpm/conn x 164 connections = 98.4 gpm Total
Short: 98.4 gpm Required – 81 gpm Produced = 17.4 gpm Total

Your water system must be modified to meet this requirement to assure an adequate supply of water at all times.

Please be advised that public water systems shall notify the executive director prior to making any significant change or addition to the system's production, treatment, storage, or distribution facilities. Public water systems shall submit plans and specifications for the proposed changes upon request.

The water system may request an exception to these requirements by writing to TCEQ, Water Supply Division, Public Drinking Water Section, Technical Review & Oversight, MC 159, P.O. Box 13087, Austin, TX 78711-3087; phone: (512) 239-4691.

Investigation: 1328209

Comment Date: 05/11/2016

The regulated entity received permission to drill a second well from TCEQ on March 6, 2008. The regulated entity recently received an exception letter for the Sanitary Control Easement from TCEQ on April 5, 2016.

At this time, the regulated entity will start to drill the well. Well #2 is expected to be finished in 60 to 90 day period.

The proposed well #2 is rated for 100 gallons per minute (gpm).

During the last inspection the system had 164 connections and one well that produced 81 gpm.

0.6 gpm/conn X 164 connections = 98.4 gpm required.

With the reading from well #1 and the proposed well #2 the system will produce a hypothetical 181 gpm. With the addition of the new proposed well #2, the system will meet capacities after well #2 is completed.

The well was only producing 81 gallons per minute and the regulations require that the regulated entity is required to provide 98.4 gallons per minute and is short a total of 17.4 gallons per minute.

On September 15, 2016, the regional office received documentation from the regulated entity for this violation. This violation is now resolved.

The new well is able to produce 100 gpm. The two wells produce 181 gpm and is now able to meet the required 98.4 gpm.

Recommended Corrective Action: Submit a copy of engineering report for the second well. Include information on the gallons per minute that the well is rated for upon completion of construction to verify compliance.

Resolution: The regulated entity submitted a copy of the engineer's plans that were submitted to the Plans Review & Rate Design Team in the Water Utilities Division at TCEQ. The copy of the engineer's plans were received by the investigator via email on September 9, 2016.

Bryan W. Shaw, Ph.D., P.E., *Chairman*
Toby Baker, *Commissioner*
Jon Niermann, *Commissioner*
Richard A. Hyde, P.E., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

January 7, 2016

Ronald Payne, President
T & W Water Service Company
PO Box 2927
Conroe, Texas 77305-2927

Re: Comprehensive Compliance Investigation at:
Spring Oaks Subdivision, 278 CR 2800, Liberty County, Texas
Regulated Entity No.: 101235166
TCEQ ID No.: 1460157

Investigation No.: 1299798

Dear Mr. Payne:

On December 10, 2015, Ms. Destiny Winning, of the Texas Commission on Environmental Quality (TCEQ) Houston Region Office conducted an investigation of the above-referenced facility to evaluate compliance with the applicable requirements for public water supply systems. No violations are being alleged as a result of the investigation. In addition, please be advised that a violation could be issued upon further review of your system's records or self-reported documentation.

The TCEQ appreciates your assistance in this matter and your compliance efforts to ensure protection of the State's environment. If you or members of your staff have any questions regarding these matters, please feel free to contact Ms. Winning, in the Houston Region Office at (713) 767-3650.

Sincerely,

A handwritten signature in black ink, appearing to read "Julia Thorp".

Julia Thorp, Team Leader
Public Water Supply
Houston Region Office

JT/DW/mar

Bryan W. Shaw, Ph.D., P.E., *Chairman*
Toby Baker, *Commissioner*
Jon Niermann, *Commissioner*
Richard A. Hyde, P.E., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

August 9, 2016

Mr. Thomas Baudat, Administrative Contact
T & W Water Service Company
P.O. Box 2927
Conroe, Texas 77305

Re: Complaint Investigation at:
Sunrise Ranch, Sunrise Ranch Rd., Conroe, Montgomery County, Texas
Regulated Entity No.: 101238616 TCEQ ID No.: 1700686 Investigation No.: 1344796

Dear Mr. Baudat:

On July 8, 2016, Ms. Destiny Winning and Ms. Nicole Reed of the Texas Commission on Environmental Quality (TCEQ) Houston Region Office conducted an investigation of the above-referenced facility to evaluate compliance with the applicable requirements for public water supply systems. No violations are being alleged as a result of the investigation. In addition, please be advised that a violation could be issued upon further review of your system's records or self-reported documentation.

The TCEQ appreciates your assistance in this matter and your compliance efforts to ensure protection of the State's environment. If you or members of your staff have any questions regarding these matters, please feel free to contact Ms. Winning in the Houston Region Office at (713) 767-3650.

Sincerely,

A handwritten signature in black ink, appearing to read "Latrichia Spikes".

for Latrichia Spikes, Team Leader
Public Water Supply
Houston Region Office

LS/DW/ra

cc: Montgomery County Environmental Health Services

Bryan W. Shaw, Ph.D., P.E., *Chairman*
Toby Baker, *Commissioner*
Jon Niermann, *Commissioner*
Richard A. Hyde, P.E., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

October 27, 2015

Ronald Payne, General Manager
T & W Water Service Company
P.O. Box 2927
Conroe, Texas 77305-2927

Re: Comprehensive Compliance Investigation at:
The Ranch Subdivision, 129A Cr 4401, Liberty County, Texas
Regulated Entity No.: 101200905
TCEQ ID No.: 1460154

Investigation No.: 1275373

Dear Mr. Payne:

On October 20, 2015, Ms. Alethea Seals, of the Texas Commission on Environmental Quality (TCEQ) Houston Region Office conducted an investigation of the above-referenced facility to evaluate compliance with the applicable requirements for public water supply systems. No violations are being alleged as a result of the investigation. In addition, please be advised that a violation could be issued upon further review of your system's records or self-reported documentation.

The TCEQ appreciates your assistance in this matter and your compliance efforts to ensure protection of the State's environment. If you or members of your staff have any questions regarding these matters, please feel free to contact Ms. Seals, in the Houston Region Office at (713) 767-3595.

Sincerely,

A handwritten signature in black ink, appearing to read "Julia Thorp".

Julia Thorp, Team Leader
Public Water Supply
Houston Region Office

JT/AS/mar

T2

Bryan W. Shaw, Ph.D., P.E., *Chairman*
Toby Baker, *Commissioner*
Jon Niermann, *Commissioner*
Richard A. Hyde, P.E., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

December 16, 2015

Mr. Ron Payne, President
T & W Water Service Company
PO Box 2927
Conroe, Texas 77305-2927

Re: Notice of Compliance with Notice of Violation (NOV) dated August 11, 2015:
Thousand Oaks, 33301 Acorn Court, Magnolia, Montgomery County, Texas
Regulated Entity No.: 101233021
TCEQ ID No.: 1700635
Investigation No.: 1295177

Dear Mr. Payne:

On October 23, 2015, the Texas Commission on Environmental Quality (TCEQ) Houston Region Office received adequate compliance documentation to resolve the alleged violation documented during the investigation of the above-referenced regulated entity conducted on July 8, 2015. Based on the information submitted, no further action is required concerning this investigation.

The Texas Commission on Environmental Quality appreciates your assistance in this matter and your compliance efforts to ensure protection of the State's environment. If you or members of your staff have any questions, please feel free to contact Ms. Olivo, in the Houston Region Office at (713) 767-3650.

Sincerely,

Jul

Julia Thorp, Team Leader
Public Water Supply
Houston Region Office

JT/DO/mar

Enclosure: Summary of Investigation Findings

cc: Montgomery County Environmental Health Services

ATTACHMENT "I"
EFFECT OF GRANTING A CERTIFICATE

T & W WATER SERVICE COMPANY

ATTACHMENT I

EFFECT OF GRANTING A CERTIFICATE

The effect of granting an amended water certificate to T & W Water Service Company would be to allow the development of a residential area in Liberty County. There are no other retail utilities in the proximate area that can supply the water requirements of the proposed development.

ATTACHMENT "J"

ABILITY TO PROVIDE ADEQUATE SERVICE

T & W WATER SERVICE COMPANY

ATTACHMENT J

ABILITY TO PROVIDE SERVICE

T & W Water Service Company has been in the utility business for over 35 years, successfully providing high quality water service to over 3100 current customers in 16 different neighborhoods in Harris, Liberty and Montgomery Counties. T & W Water Service Company proposes to build and grow the proposed Encino Estates subdivision system in the same way that it has built and grown its other water systems. T & W Water Service Company has a good operations, maintenance and performance record with TCEQ and plans to operate this new system in the same manner.

ATTACHMENT "K"

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

T & W WATER SERVICE COMPANY

**FINANCIAL ASSUMPTIONS AND DATA
FOR TCEQ WATER CCN APPLICATION
FOR ENCINO ESTATES SUBDIVISION
BY T & W WATER SERVICE**

INCOME AND EXPENSE

Development Rate, New Connections/Month =	7.0				
Maximum Number of Connections =	380				
AVERAGE ANNUAL WATER USE/EQUIV. CONN. =	200	GAL/DAY			
AVERAGE ANNUAL WATER USE/EQUIV. CONN. =	6,000	GAL/MONTH			
BASE WATER RATE =	\$55.00	Gal Included	-	Plus	\$2.37 /1000 GAL
WATER CONSERVATION RATE =	\$2.50	Gal In Excess of		10,000	Gal/Month
SEWER RATE =		Gal Included	-		
EXCESS SEWER USE RATE =		/Gal in Excess of			Gal/Month
AVERAGE MONTHLY WATER/SEWER BILL/CONN. =	\$69.22				
Water Tap Fee =	\$950.00				
Sewer Tap Fee =					
BAD DEBTS =	1.00%	OF SALES			
CAPITAL INVESTMENT SCHEDULE (CUMMULATIVE)		FY1	FY2	FY3	FY4
WATER PLANT CONSTRUCTION COST =		\$332,750	\$332,750	\$532,400	\$532,400
WWTP CONSTRUCTION COST =					
WATER DISTRIBUTION SYSTEM CONSTRUCTION COST =		\$212,175	\$305,175	\$492,050	\$624,550
SEWAGE COLLECTION SYSTEM CONSTRUCTION COST =					
TOTAL SYSTEM CONSTRUCTION COST =		\$544,925	\$637,925	\$1,024,450	\$1,156,950
CONTRIBUTIONS IN AID OF CONSTRUCTION =		\$0	\$0	\$0	\$0
NET SYSTEM CAPITAL COST TO UTILITY =		\$544,925	\$637,925	\$1,024,450	\$1,156,950
SALVAGE VALUE =		\$0	\$0	\$0	\$0
AVG LIFE, YEARS =		48	48	48	48
DEPRECIATION/MONTH =		\$946	\$1,108	\$1,779	\$2,009

VARIABLE OPERATING COSTS

EMPLOYEE SALARIES =	\$2,500	/Mo. Plus	\$2.00	/CONNECTION
OFFICE EXPENSE COST =	\$100	/Mo. Plus	\$1.00	/CONNECTION
CUSTOMER BILLING/COLLECTION COST =	\$100	/Mo. Plus	\$4.50	/CONNECTION
OPERATOR COST =	\$1,250	/Mo. Plus	\$2.00	/CONNECTION
VEHICLE & EQUIPMENT COST =	\$250	/Mo. Plus	\$3.00	/CONNECTION
ELEC. COST =	\$1,000	/Mo. Plus	\$3.00	/CONNECTION
CHEMICAL COST =	\$100	/Mo. Plus	\$1.00	/CONNECTION
SLUDGE DISPOSAL COST =		/Mo. Plus		/CONNECTION
TCEQ FEES =	\$100	/Mo. Plus	\$1.00	/CONNECTION
REPAIR COST/MO., % CAP =	0.10%	Of Invested Capital		
RESERVE ACCT DEPOSIT/MO., % CAP =	0.10%	Of Invested Capital		

FIXED OPERATING COSTS

LABORATORY COST =	\$25	/Mo. Plus	\$0.50	/CONNECTION
PROFESSIONAL FEES =	\$250	/Mo. Plus	\$0.50	/CONNECTION
EFFECTIVE LOCAL TAX RATE =	\$0.75	/ \$100		
LIAB/PROP INSURANCE =	\$0.75	/ \$100		

Month	Fiscal Year	Seasonal Use Multiplier	Projected Use Gal/Day	Projected Monthly Cost for Water/Sewer	Projected Monthly Bill (*)
1	JAN	0.65	130	\$ 64.55	\$65.20
2	FEB	0.65	130	\$ 63.63	\$64.26
3	MAR	0.75	150	\$ 66.02	\$66.68
4	APR	1.00	200	\$ 69.22	\$69.91
5	MAY	1.20	240	\$ 72.63	\$73.36
6	JUN	1.35	270	\$ 74.20	\$74.94
7	JUL	1.35	270	\$ 74.84	\$75.59
8	AUG	1.35	270	\$ 74.84	\$75.59
9	SEP	1.20	240	\$ 72.06	\$72.78
10	OCT	1.10	220	\$ 71.16	\$71.88
11	NOV	0.75	150	\$ 65.67	\$66.32
12	DEC	0.65	130	\$ 64.55	\$65.20
SUMMATION		12.00	200.00	\$833.37	\$841.70

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

79

**PROJECTED INCOME & EXPENSE STATEMENT
FOR TCEQ WATER CCN APPLICATION
FOR ENCINO ESTATES SUBDIVISION
BY T & W WATER SERVICE**

FISCAL YEAR 1

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
TOTAL ON-LINE CONNECTIONS.	7.0	14.0	21.0	28.0	35.0	42.0	49.0	56.0	63.0	70.0	77.0	84.0	546
Seasonal Multiplier, mo. avg/ annual avg	0.65	0.65	0.75	1.00	1.20	1.35	1.35	1.35	1.20	1.10	0.75	0.65	12.00
Monthly Water Use/ Customer, Gal	4,030	3,840	4,850	6,000	7,440	8,100	8,370	8,370	7,200	6,820	4,500	4,030	
Monthly Water Use in Base Rate, Gal	4,030	3,840	4,650	6,000	7,440	8,100	8,370	8,370	7,200	6,820	4,500	4,030	
Monthly Water Use Subject to Water Charge, Gal	\$ 64.55	\$ 63.63	\$ 66.02	\$ 69.22	\$ 72.63	\$ 74.20	\$ 74.84	\$ 74.84	\$ 72.06	\$ 71.16	\$ 65.67	\$ 64.55	\$ 833.37
Monthly Water Income Per Customer, \$													
Monthly Sewer Use in Base Rate, Gal													
Monthly Sewer Use Subject to Sewer Charge, Gal													
Monthly Sewer Income Per Customer, \$													
Monthly Water Bill, \$	\$ 64.55	\$ 63.63	\$ 66.02	\$ 69.22	\$ 72.63	\$ 74.20	\$ 74.84	\$ 74.84	\$ 72.06	\$ 71.16	\$ 65.67	\$ 64.55	\$ 833.37
Total Monthly Water Pumped, Gal	28,210	50,960	97,650	169,000	260,400	340,200	410,130	488,720	453,600	477,400	346,500	338,520	3,440,290
GROSS WATER/SEWER USE INCOME	\$452	\$891	\$1,386	\$1,938	\$2,542	\$3,116	\$3,667	\$4,191	\$4,540	\$4,981	\$5,056	\$5,422	\$38,183
RESERVE FOR BAD DEBTS	\$5	\$9	\$14	\$19	\$25	\$31	\$37	\$42	\$45	\$50	\$51	\$54	\$382
WATER/SEWER INCOME (ADJUSTED)	\$447	\$882	\$1,373	\$1,919	\$2,517	\$3,085	\$3,630	\$4,149	\$4,495	\$4,932	\$5,006	\$5,368	\$37,802
TAP FEE INCOME	\$6,650	\$6,650	\$6,650	\$6,650	\$6,650	\$6,650	\$6,650	\$6,650	\$6,650	\$6,650	\$6,650	\$6,650	\$79,800
TOTAL MONTHLY INCOME	\$7,097	\$7,532	\$8,023	\$8,569	\$9,167	\$9,735	\$10,280	\$10,799	\$11,145	\$11,582	\$11,656	\$12,018	\$117,602
EXPENSE													
GENERAL & ADMINISTRATIVE													
OFFICE EXPENSE	\$107	\$114	\$121	\$128	\$135	\$142	\$149	\$156	\$163	\$170	\$177	\$184	\$1,746
EMPLOYEE SALARIES	\$2,514	\$2,528	\$2,542	\$2,556	\$2,570	\$2,584	\$2,598	\$2,612	\$2,626	\$2,640	\$2,654	\$2,668	\$31,092
PROFESSIONAL FEES	\$254	\$257	\$261	\$264	\$268	\$271	\$275	\$278	\$282	\$285	\$289	\$292	\$3,273
INSURANCE	\$341	\$341	\$341	\$341	\$341	\$341	\$341	\$341	\$341	\$341	\$341	\$341	\$4,087
ADVANCEMENT TAXES	\$341	\$341	\$341	\$341	\$341	\$341	\$341	\$341	\$341	\$341	\$341	\$341	\$4,087
TCEQ PERMIT FEES	\$107	\$114	\$121	\$128	\$135	\$142	\$149	\$156	\$163	\$170	\$177	\$184	\$1,746
MONTHLY G&A OPERATIONS	\$3,663	\$3,694	\$3,726	\$3,757	\$3,789	\$3,820	\$3,852	\$3,883	\$3,915	\$3,946	\$3,978	\$4,009	\$46,031
OPERATOR COST	\$1,264	\$1,278	\$1,292	\$1,306	\$1,320	\$1,334	\$1,348	\$1,362	\$1,376	\$1,390	\$1,404	\$1,418	\$16,092
VEHICLE & EQUIPMENT COST	\$271	\$292	\$313	\$334	\$355	\$376	\$397	\$418	\$439	\$460	\$481	\$502	\$4,638
CUSTOMER BILLING COST	\$132	\$163	\$195	\$226	\$258	\$289	\$321	\$352	\$384	\$415	\$447	\$478	\$3,857
ELECTRICITY	\$1,021	\$1,042	\$1,063	\$1,084	\$1,105	\$1,126	\$1,147	\$1,168	\$1,189	\$1,210	\$1,231	\$1,252	\$13,638
CHEMICAL COST	\$107	\$114	\$121	\$128	\$135	\$142	\$149	\$156	\$163	\$170	\$177	\$184	\$1,746
SLUDGE DISPOSAL COST	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TAP MAT'L & FIELD LABOR COST	\$4,988	\$4,988	\$4,988	\$4,988	\$4,988	\$4,988	\$4,988	\$4,988	\$4,988	\$4,988	\$4,988	\$4,988	\$59,850
REPAIR COSTS	\$545	\$545	\$545	\$545	\$545	\$545	\$545	\$545	\$545	\$545	\$545	\$545	\$6,539
CONTRIBUTION TO RESERVE ACCT	\$545	\$545	\$545	\$545	\$545	\$545	\$545	\$545	\$545	\$545	\$545	\$545	\$6,539
MONTHLY O & M COST	\$8,872	\$8,966	\$9,061	\$9,155	\$9,250	\$9,344	\$9,439	\$9,533	\$9,628	\$9,722	\$9,817	\$9,911	\$112,699
TOTAL MONTHLY EXPENSE	\$12,535	\$12,661	\$12,787	\$12,913	\$13,039	\$13,165	\$13,291	\$13,417	\$13,543	\$13,669	\$13,795	\$13,921	\$158,730
NET INCOME OR EXPENSE/MONTH	(\$5,437)	(\$5,129)	(\$4,764)	(\$4,344)	(\$3,872)	(\$3,429)	(\$3,010)	(\$2,618)	(\$2,398)	(\$2,087)	(\$2,139)	(\$1,902)	(\$41,128)

**PROJECTED INCOME & EXPENSE STATEMENT
FOR TCEQ WATER CGN APPLICATION
FOR ENCINO ESTATES SUBDIVISION
BY T & W WATER SERVICE**

FISCAL YEAR 2

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
TOTAL ON-LINE EQUIVALENT CONN.	91	98	105	112	119	126	133	140	147	154	161	168	833.37
Seasonal Multiplier; mo. avg/ annual avg	0.65	0.65	0.75	1.00	1.20	1.35	1.35	1.35	1.20	1.10	0.75	0.65	1,554
Monthly Water Use/Customer, Gal	4,030	3,640	4,650	6,000	7,440	8,100	8,370	8,370	7,200	6,820	4,500	4,030	12,000
Monthly Water Use in Base Rate, Gal													
Monthly Water Use Subject to Surcharge, Gal	4,030	3,640	4,650	6,000	7,440	8,100	8,370	8,370	7,200	6,820	4,500	4,030	
Monthly Water Income Per Customer, \$	64.55	63.63	66.02	69.22	72.63	74.20	74.84	74.84	72.06	71.16	65.67	64.55	\$
Monthly Sewer Use in Base Rate, Gal													
Monthly Sewer Use Subject to Sewer Charge, Gal	4,030	3,640	4,650	6,000	7,440	8,100	8,370	8,370	7,200	6,820	4,500	4,030	
Monthly Sewer Income Per Customer, \$													
Monthly Water Bill, \$	64.55	63.63	66.02	69.22	72.63	74.20	74.84	74.84	72.06	71.16	65.67	64.55	\$
Total Monthly Water Pumped, Gal	366,730	356,720	488,250	672,000	885,360	1,020,600	1,113,210	1,171,800	1,068,400	1,050,280	724,500	677,040	833.37
GROSS WATER/SEWER USE INCOME	\$5,874	\$6,235	\$6,932	\$7,753	\$8,643	\$9,349	\$9,953	\$10,477	\$10,593	\$10,959	\$10,572	\$10,845	9,584,880
RESERVE FOR BAD DEBTS	\$59	\$62	\$69	\$78	\$86	\$93	\$100	\$105	\$106	\$110	\$106	\$108	\$1,082
WATER/SEWER INCOME (ADJUSTED)	\$5,815	\$6,173	\$6,863	\$7,675	\$8,557	\$9,256	\$9,854	\$10,372	\$10,487	\$10,850	\$10,466	\$10,736	\$1,071,104
TAP FEE INCOME	\$6,650	\$6,650	\$6,650	\$6,650	\$6,650	\$6,650	\$6,650	\$6,650	\$6,650	\$6,650	\$6,650	\$6,650	\$79,800
TOTAL MONTHLY INCOME	\$12,465	\$12,823	\$13,513	\$14,325	\$15,207	\$15,905	\$16,504	\$17,022	\$17,137	\$17,500	\$17,116	\$17,386	\$186,904
EXPENSE													
GENERAL & ADMINISTRATIVE													
OFFICE EXPENSE	\$191	\$198	\$205	\$212	\$219	\$226	\$233	\$240	\$247	\$254	\$261	\$268	\$2,754
EMPLOYEE SALARIES	\$2,682	\$2,696	\$2,710	\$2,724	\$2,738	\$2,752	\$2,766	\$2,780	\$2,794	\$2,808	\$2,822	\$2,836	\$33,108
PROFESSIONAL FEES	\$296	\$299	\$303	\$306	\$310	\$313	\$317	\$320	\$324	\$327	\$331	\$334	\$3,777
INSURANCE	\$399	\$399	\$399	\$399	\$399	\$399	\$399	\$399	\$399	\$399	\$399	\$399	\$4,784
ADVALOREM TAXES	\$399	\$399	\$399	\$399	\$399	\$399	\$399	\$399	\$399	\$399	\$399	\$399	\$4,784
TCEQ PERMIT FEES	\$191	\$198	\$205	\$212	\$219	\$226	\$233	\$240	\$247	\$254	\$261	\$268	\$2,754
TOTAL G&A	\$4,157	\$4,188	\$4,220	\$4,251	\$4,283	\$4,314	\$4,346	\$4,377	\$4,409	\$4,440	\$4,472	\$4,503	\$51,962
OPERATIONS													
OPERATOR COST	\$1,432	\$1,446	\$1,460	\$1,474	\$1,488	\$1,502	\$1,516	\$1,530	\$1,544	\$1,558	\$1,572	\$1,586	\$18,108
VEHICLE & EQUIPMENT COST	\$523	\$544	\$565	\$586	\$607	\$628	\$649	\$670	\$691	\$712	\$733	\$754	\$7,562
CUSTOMER BILLING COST	\$510	\$541	\$573	\$604	\$636	\$667	\$699	\$730	\$762	\$793	\$825	\$856	\$8,193
ELECTRICITY	\$1,273	\$1,294	\$1,315	\$1,336	\$1,357	\$1,378	\$1,399	\$1,420	\$1,441	\$1,462	\$1,483	\$1,504	\$16,662
CHEMICAL COST	\$191	\$198	\$205	\$212	\$219	\$226	\$233	\$240	\$247	\$254	\$261	\$268	\$2,754
SLUDGE DISPOSAL COST	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TAP MAT'L & FIELD LABOR COST	\$4,988	\$4,988	\$4,988	\$4,988	\$4,988	\$4,988	\$4,988	\$4,988	\$4,988	\$4,988	\$4,988	\$4,988	\$59,850
REPAIR COSTS	\$638	\$638	\$638	\$638	\$638	\$638	\$638	\$638	\$638	\$638	\$638	\$638	\$7,655
CONTRIBUTION TO RESERVE ACCT	\$638	\$638	\$638	\$638	\$638	\$638	\$638	\$638	\$638	\$638	\$638	\$638	\$7,655
MONTHLY O & M COST	\$10,192	\$10,286	\$10,381	\$10,475	\$10,570	\$10,664	\$10,759	\$10,853	\$10,948	\$11,042	\$11,137	\$11,231	\$128,539
TOTAL MONTHLY EXPENSE	\$14,349	\$14,475	\$14,601	\$14,727	\$14,853	\$14,979	\$15,105	\$15,231	\$15,357	\$15,483	\$15,609	\$15,735	\$180,501
NET INCOME OR EXPENSE/MONTH	(\$1,883)	(\$1,652)	(\$1,088)	(\$402)	\$354	\$927	\$1,399	\$1,792	\$1,781	\$2,017	\$1,508	\$1,651	\$6,403

81

**PROJECTED INCOME & EXPENSE STATEMENT
FOR TCEQ WATER CCN APPLICATION
FOR ENCINO ESTATES SUBDIVISION
BY T & W WATER SERVICE**

FISCAL YEAR 3

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
TOTAL ON-LINE EQUIVALENT CONN.	175	182	189	196	203	210	217	224	231	238	245	252	2,562
Seasonal Multiplier, mo. avg/ annual avg	0.65	0.75	0.75	1.00	1.20	1.35	1.35	1.35	1.20	1.10	0.75	0.65	12.00
Monthly Water Use/Customer, Gal	4,030	3,640	4,650	6,000	7,440	8,100	8,370	8,370	7,200	6,820	4,500	4,030	
Monthly Water Use in Base Rate, Gal	-	-	-	-	-	-	-	-	-	-	-	-	
Monthly Water Use Subject to Surcharge, Gal	4,030	3,640	4,650	6,000	7,440	8,100	8,370	8,370	7,200	6,820	4,500	4,030	
Monthly Sewer Use in Base Rate, Gal	\$ 64.55	\$ 63.63	\$ 66.02	\$ 69.22	\$ 72.63	\$ 74.20	\$ 74.84	\$ 74.84	\$ 72.06	\$ 71.16	\$ 65.67	\$ 64.55	\$ 833.37
Monthly Sewer Use Subject to Sewer Charge, Gal	4,030	3,640	4,650	6,000	7,440	8,100	8,370	8,370	7,200	6,820	4,500	4,030	
Monthly Sewer Income Per Customer, \$	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Monthly Water Bill, \$	\$ 64.55	\$ 63.63	\$ 66.02	\$ 69.22	\$ 72.63	\$ 74.20	\$ 74.84	\$ 74.84	\$ 72.06	\$ 71.16	\$ 65.67	\$ 64.55	\$ 833.37
Total Monthly Water Pumped, Gal	705,250	662,480	878,850	1,176,000	1,510,320	1,701,000	1,816,290	1,874,880	1,663,200	1,623,160	1,102,500	1,015,560	15,729,490
GROSS WATER/SEWER USE INCOME	\$11,296	\$11,580	\$12,478	\$13,567	\$14,744	\$15,581	\$16,240	\$16,763	\$16,847	\$16,937	\$16,088	\$16,267	\$178,189
RESERVE FOR BAD DEBTS	\$113	\$116	\$125	\$136	\$147	\$156	\$162	\$168	\$166	\$169	\$161	\$163	\$1,782
WATER/SEWER INCOME (ADJUSTED)	\$11,183	\$11,464	\$12,353	\$13,431	\$14,597	\$15,426	\$16,077	\$16,596	\$16,680	\$16,768	\$15,927	\$16,104	\$176,407
TAP FEE INCOME	\$6,650	\$6,650	\$6,650	\$6,650	\$6,650	\$6,650	\$6,650	\$6,650	\$6,650	\$6,650	\$6,650	\$6,650	\$79,800
TOTAL MONTHLY INCOME	\$17,833	\$18,114	\$19,003	\$20,081	\$21,247	\$22,076	\$22,727	\$23,246	\$23,130	\$23,418	\$22,577	\$22,754	\$256,207
EXPENSE													
GENERAL & ADMINISTRATIVE													
OFFICE EXPENSE	\$275	\$282	\$289	\$296	\$303	\$310	\$317	\$324	\$331	\$338	\$345	\$352	\$3,762
EMPLOYEE SALARIES	\$2,850	\$2,864	\$2,878	\$2,892	\$2,906	\$2,920	\$2,934	\$2,948	\$2,962	\$2,976	\$2,990	\$3,004	\$36,124
PROFESSIONAL FEES	\$338	\$341	\$345	\$348	\$352	\$355	\$359	\$362	\$366	\$369	\$373	\$376	\$4,281
INSURANCE	\$640	\$640	\$640	\$640	\$640	\$640	\$640	\$640	\$640	\$640	\$640	\$640	\$7,683
ADVALOREM TAXES	\$640	\$640	\$640	\$640	\$640	\$640	\$640	\$640	\$640	\$640	\$640	\$640	\$7,683
TCEQ PERMIT FEES	\$275	\$282	\$289	\$296	\$303	\$310	\$317	\$324	\$331	\$338	\$345	\$352	\$3,762
TOTAL G&A OPERATIONS	\$5,018	\$5,050	\$5,081	\$5,113	\$5,144	\$5,176	\$5,207	\$5,239	\$5,270	\$5,302	\$5,333	\$5,365	\$62,296
OPERATOR COST	\$1,600	\$1,614	\$1,628	\$1,642	\$1,656	\$1,670	\$1,684	\$1,698	\$1,712	\$1,726	\$1,740	\$1,754	\$20,124
VEHICLE & EQUIPMENT COST	\$775	\$796	\$817	\$838	\$859	\$880	\$901	\$922	\$943	\$964	\$985	\$1,006	\$10,886
CUSTOMER BILLING COST	\$888	\$919	\$951	\$982	\$1,014	\$1,045	\$1,077	\$1,108	\$1,140	\$1,171	\$1,203	\$1,234	\$12,729
ELECTRICITY	\$1,525	\$1,546	\$1,567	\$1,588	\$1,609	\$1,630	\$1,651	\$1,672	\$1,693	\$1,714	\$1,735	\$1,756	\$19,686
CHEMICAL COST	\$275	\$282	\$289	\$296	\$303	\$310	\$317	\$324	\$331	\$338	\$345	\$352	\$3,762
SLUDGE DISPOSAL COST	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TAP MATL & FIELD LABOR COST	\$4,988	\$4,988	\$4,988	\$4,988	\$4,988	\$4,988	\$4,988	\$4,988	\$4,988	\$4,988	\$4,988	\$4,988	\$59,850
REPAIR COSTS	\$1,024	\$1,024	\$1,024	\$1,024	\$1,024	\$1,024	\$1,024	\$1,024	\$1,024	\$1,024	\$1,024	\$1,024	\$12,293
CONTRIBUTION TO RESERVE ACCT	\$1,024	\$1,024	\$1,024	\$1,024	\$1,024	\$1,024	\$1,024	\$1,024	\$1,024	\$1,024	\$1,024	\$1,024	\$12,293
MONTHLY O & M COST	\$12,099	\$12,193	\$12,288	\$12,382	\$12,477	\$12,571	\$12,666	\$12,760	\$12,855	\$12,949	\$13,044	\$13,138	\$151,424
TOTAL MONTHLY EXPENSE	\$17,117	\$17,243	\$17,369	\$17,495	\$17,621	\$17,747	\$17,873	\$17,999	\$18,125	\$18,251	\$18,377	\$18,503	\$213,720
NET INCOME OR EXPENSE/MONTH	\$717	\$871	\$1,634	\$2,586	\$3,626	\$4,329	\$4,854	\$5,247	\$5,005	\$5,167	\$4,200	\$4,251	\$42,487

82

**PROJECTED INCOME & EXPENSE STATEMENT
FOR TCEQ WATER CCN APPLICATION
FOR ENCINO ESTATES SUBDIVISION
BY T & W WATER SERVICE**

FISCAL YEAR 4

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
TOTAL ON-LINE EQUIVALENT CONN.	259	266	273	280	287	294	301	308	315	322	329	336	3,570
Seasonal Multiplier, mo. avg/ annual avg	0.65	0.65	0.75	1.00	1.20	1.35	1.35	1.35	1.20	1.10	0.75	0.65	12.00
Monthly Water Use/Customer, Gal	4,030	3,640	4,650	6,000	7,440	8,100	8,370	8,370	7,200	6,820	4,500	4,030	
Monthly Water Use in Base Rate, Gal	-	3,640	4,650	6,000	7,440	8,100	8,370	8,370	7,200	6,820	4,500	4,030	
Monthly Water Use Subject to Surcharge, Gal	4,030	3,640	4,650	6,000	7,440	8,100	8,370	8,370	7,200	6,820	4,500	4,030	
Monthly Water Income Per Customer, \$	64.55	63.63	66.02	69.22	72.63	74.20	74.84	74.84	72.06	71.16	65.67	64.55	833.37
Monthly Sewer Use in Base Rate, Gal	-	3,640	4,650	6,000	7,440	8,100	8,370	8,370	7,200	6,820	4,500	4,030	
Monthly Sewer Income Per Customer, \$	-	63.63	66.02	69.22	72.63	74.20	74.84	74.84	72.06	71.16	65.67	64.55	833.37
Monthly Water Bill, \$	1,043,770	968,240	1,269,450	1,680,000	2,135,280	2,381,400	2,519,370	2,577,960	2,268,000	2,196,040	1,480,500	1,354,080	21,874,090
Total Monthly Water Pumped, Gal	16,719	16,925	18,024	19,382	20,846	21,814	22,526	23,050	22,700	22,915	21,604	21,689	248,192
GROSS WATER/SEWER USE INCOME	\$167	\$169	\$180	\$194	\$208	\$218	\$225	\$230	\$227	\$229	\$216	\$217	\$2,482
RESERVE FOR BAD DEBTS	\$16,552	\$16,755	\$17,843	\$19,188	\$20,637	\$21,596	\$22,301	\$22,819	\$22,473	\$22,685	\$21,388	\$21,472	\$245,710
WATER/SEWER INCOME (ADJUSTED)	\$6,650	\$6,650	\$6,650	\$6,650	\$6,650	\$6,650	\$6,650	\$6,650	\$6,650	\$6,650	\$6,650	\$6,650	\$79,800
TAP FEE INCOME	\$23,202	\$23,405	\$24,493	\$25,838	\$27,287	\$28,246	\$28,951	\$29,469	\$29,123	\$29,335	\$28,038	\$28,122	\$325,510
TOTAL MONTHLY INCOME													
EXPENSE													
GENERAL & ADMINISTRATIVE													
OFFICE EXPENSE	\$359	\$366	\$373	\$380	\$387	\$394	\$401	\$408	\$415	\$422	\$429	\$436	\$4,770
EMPLOYEE SALARIES	\$3,018	\$3,032	\$3,046	\$3,060	\$3,074	\$3,088	\$3,102	\$3,116	\$3,130	\$3,144	\$3,158	\$3,172	\$37,140
PROFESSIONAL FEES	\$380	\$383	\$387	\$390	\$394	\$397	\$401	\$404	\$408	\$411	\$415	\$418	\$4,785
INSURANCE	\$723	\$723	\$723	\$723	\$723	\$723	\$723	\$723	\$723	\$723	\$723	\$723	\$8,677
ADVALOREM TAXES	\$723	\$723	\$723	\$723	\$723	\$723	\$723	\$723	\$723	\$723	\$723	\$723	\$8,677
TCEQ PERMIT FEES	\$359	\$366	\$373	\$380	\$387	\$394	\$401	\$408	\$415	\$422	\$429	\$436	\$4,770
TOTAL G&A OPERATIONS	\$5,562	\$5,593	\$5,625	\$5,656	\$5,688	\$5,719	\$5,751	\$5,782	\$5,814	\$5,845	\$5,877	\$5,908	\$68,819
OPERATOR COST	\$1,768	\$1,782	\$1,796	\$1,810	\$1,824	\$1,838	\$1,852	\$1,866	\$1,880	\$1,894	\$1,908	\$1,922	\$22,140
VEHICLE & EQUIPMENT COST	\$1,027	\$1,048	\$1,069	\$1,090	\$1,111	\$1,132	\$1,153	\$1,174	\$1,195	\$1,216	\$1,237	\$1,258	\$13,710
CUSTOMER BILLING COST	\$1,266	\$1,297	\$1,329	\$1,360	\$1,392	\$1,423	\$1,455	\$1,486	\$1,518	\$1,549	\$1,581	\$1,612	\$17,265
ELECTRICITY	\$1,777	\$1,798	\$1,819	\$1,840	\$1,861	\$1,882	\$1,903	\$1,924	\$1,945	\$1,966	\$1,987	\$2,008	\$22,710
CHEMICAL COST	\$359	\$366	\$373	\$380	\$387	\$394	\$401	\$408	\$415	\$422	\$429	\$436	\$4,770
SLUDGE DISPOSAL COST	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TAP MAT'L & FIELD LABOR COST	\$4,988	\$4,988	\$4,988	\$4,988	\$4,988	\$4,988	\$4,988	\$4,988	\$4,988	\$4,988	\$4,988	\$4,988	\$59,850
REPAIR COSTS	\$1,157	\$1,157	\$1,157	\$1,157	\$1,157	\$1,157	\$1,157	\$1,157	\$1,157	\$1,157	\$1,157	\$1,157	\$13,883
CONTRIBUTION TO RESERVE ACCT	\$1,157	\$1,157	\$1,157	\$1,157	\$1,157	\$1,157	\$1,157	\$1,157	\$1,157	\$1,157	\$1,157	\$1,157	\$13,883
MONTHLY O & M COST	\$13,498	\$13,592	\$13,687	\$13,781	\$13,876	\$13,970	\$14,065	\$14,159	\$14,254	\$14,348	\$14,443	\$14,537	\$168,212
TOTAL MONTHLY EXPENSE	\$19,060	\$19,186	\$19,312	\$19,438	\$19,564	\$19,690	\$19,816	\$19,942	\$20,068	\$20,194	\$20,320	\$20,446	\$237,031
NET INCOME OR EXPENSE/MONTH	\$4,142	\$4,220	\$5,182	\$6,400	\$7,724	\$8,556	\$9,135	\$9,528	\$9,056	\$9,142	\$7,718	\$7,677	\$88,479

53

**PROJECTED INCOME & EXPENSE STATEMENT
FOR TCEQ WATER CCN APPLICATION
FOR ENCINO ESTATES SUBDIVISION
BY T & W WATER SERVICE**

FISCAL YEAR 5

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
TOTAL ON-LINE EQUIVALENT CONN.	343	350	357	364	371	378	380	380	380	380	380	380	4,443
Seasonal Multiplier, mo. avgr annual avg	0.65	0.65	0.75	1.00	1.20	1.35	1.35	1.35	1.20	1.10	0.75	0.65	12.00
Monthly Water Use/Consumer, Gal	4,030	3,640	4,650	6,000	7,440	8,100	8,370	8,370	7,200	6,820	4,500	4,030	
Monthly Water Use in Base Rate, Gal	-	-	-	-	-	-	-	-	-	-	-	-	
Monthly Water Use Subject to Surcharge, Gal	4,030	3,640	4,650	6,000	7,440	8,100	8,370	8,370	7,200	6,820	4,500	4,030	
Monthly Water Income Per Customer, \$	64.55	63.63	66.02	69.22	72.63	74.20	74.84	74.84	72.06	71.16	65.67	64.55	833.37
Monthly Sewer Use in Base Rate, Gal	-	-	-	-	-	-	-	-	-	-	-	-	
Monthly Sewer Use Subject to Sewer Charge	4,030	3,640	4,650	6,000	7,440	8,100	8,370	8,370	7,200	6,820	4,500	4,030	
Monthly Sewer Income Per Customer, \$	-	-	-	-	-	-	-	-	-	-	-	-	
Monthly Water Bill, \$	64.55	63.63	66.02	69.22	72.63	74.20	74.84	74.84	72.06	71.16	65.67	64.55	833.37
Total Monthly Water Pumped, Gal	1,382,290	1,274,000	1,660,050	2,184,000	2,760,240	3,061,800	3,180,600	3,180,600	2,736,000	2,591,600	1,710,000	1,531,400	27,252,580
GROSS WATER/SEWER USE INCOME	\$22,141	\$22,269	\$23,569	\$25,196	\$26,947	\$28,046	\$28,438	\$28,438	\$27,384	\$27,042	\$24,953	\$24,529	\$308,954
RESERVE FOR BAD DEBTS	\$221	\$223	\$236	\$252	\$269	\$280	\$284	\$284	\$274	\$270	\$250	\$245	\$3,090
WATER/SEWER INCOME (ADJUSTED)	\$21,920	\$22,047	\$23,334	\$24,944	\$26,677	\$27,766	\$28,154	\$28,154	\$27,110	\$26,772	\$24,703	\$24,284	\$305,864
TAP FEE INCOME	\$6,650	\$6,650	\$6,650	\$6,650	\$6,650	\$6,650	\$1,900	\$0	\$0	\$0	\$0	\$0	\$41,800
TOTAL MONTHLY INCOME	\$28,570	\$28,697	\$29,984	\$31,594	\$33,327	\$34,416	\$30,054	\$28,154	\$27,110	\$26,772	\$24,703	\$24,284	\$347,664
EXPENSE													
GENERAL & ADMINISTRATIVE													
OFFICE EXPENSE	\$443	\$450	\$457	\$464	\$471	\$478	\$480	\$480	\$480	\$480	\$480	\$480	\$5,643
EMPLOYEE SALARIES	\$3,186	\$3,200	\$3,214	\$3,228	\$3,242	\$3,256	\$3,260	\$3,260	\$3,260	\$3,260	\$3,260	\$3,260	\$38,886
PROFESSIONAL FEES	\$422	\$425	\$429	\$432	\$436	\$439	\$440	\$440	\$440	\$440	\$440	\$440	\$5,222
INSURANCE	\$723	\$723	\$723	\$723	\$723	\$723	\$723	\$723	\$723	\$723	\$723	\$723	\$8,677
ADVALOREM TAXES	\$723	\$723	\$723	\$723	\$723	\$723	\$723	\$723	\$723	\$723	\$723	\$723	\$8,677
TCEQ PERMIT FEES	\$443	\$450	\$457	\$464	\$471	\$478	\$480	\$480	\$480	\$480	\$480	\$480	\$5,643
TOTAL G&A	\$5,940	\$5,971	\$6,003	\$6,034	\$6,066	\$6,097	\$6,106	\$6,106	\$6,106	\$6,106	\$6,106	\$6,106	\$72,748
OPERATIONS													
OPERATOR COST	\$1,936	\$1,950	\$1,964	\$1,978	\$1,992	\$2,006	\$2,010	\$2,010	\$2,010	\$2,010	\$2,010	\$2,010	\$23,886
VEHICLE & EQUIPMENT COST	\$1,279	\$1,300	\$1,321	\$1,342	\$1,363	\$1,384	\$1,390	\$1,390	\$1,390	\$1,390	\$1,390	\$1,390	\$16,329
CUSTOMER BILLING COST	\$1,644	\$1,675	\$1,707	\$1,738	\$1,770	\$1,801	\$1,810	\$1,810	\$1,810	\$1,810	\$1,810	\$1,810	\$21,194
ELECTRICITY	\$2,029	\$2,050	\$2,071	\$2,092	\$2,113	\$2,134	\$2,140	\$2,140	\$2,140	\$2,140	\$2,140	\$2,140	\$25,329
CHEMICAL COST	\$443	\$450	\$457	\$464	\$471	\$478	\$480	\$480	\$480	\$480	\$480	\$480	\$5,643
SLUDGE DISPOSAL COST	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TAP MAT'L & FIELD LABOR COST	\$4,988	\$4,988	\$4,988	\$4,988	\$4,988	\$4,988	\$1,425	\$0	\$0	\$0	\$0	\$0	\$31,350
REPAIR COSTS	\$1,157	\$1,157	\$1,157	\$1,157	\$1,157	\$1,157	\$1,157	\$1,157	\$1,157	\$1,157	\$1,157	\$1,157	\$13,883
CONTRIBUTION TO RESERVE ACCT	\$1,157	\$1,157	\$1,157	\$1,157	\$1,157	\$1,157	\$1,157	\$1,157	\$1,157	\$1,157	\$1,157	\$1,157	\$13,883
MONTHLY O & M COST	\$14,632	\$14,726	\$14,821	\$14,915	\$15,010	\$15,104	\$11,569	\$10,144	\$10,144	\$10,144	\$10,144	\$10,144	\$151,497
TOTAL MONTHLY EXPENSE	\$20,572	\$20,698	\$20,824	\$20,950	\$21,076	\$21,202	\$17,675	\$16,250	\$16,250	\$16,250	\$16,250	\$16,250	\$224,245
NET INCOME OR EXPENSE/MONTH	\$7,998	\$7,999	\$9,160	\$10,645	\$12,252	\$13,214	\$12,379	\$11,904	\$10,860	\$10,522	\$8,453	\$8,034	\$123,419

84

**SUMMARY OF INCOME & EXPENSE
FOR TCEQ WATER CCN APPLICATION
FOR ENCINO ESTATES SUBDIVISION
BY T & W WATER SERVICE**

PROJECTED INCOME & EXPENSE PROJECTIONS

	DECEMBER 31					
	FY 0	FY 1	FY 2	FY 3	FY 4	FY 5
AVERAGE NUMBER OF CUSTOMERS	0	46	130	214	298	370
TOTAL ANNUAL WATER USE, 1000 GAL	0	3,440,290	9,584,890	15,729,490	21,874,090	27,252,580
WATER/SEWER USE INCOME (ADJUSTED)	\$0	\$37,802	\$107,104	\$176,407	\$245,710	\$305,864
TAP FEE INCOME	\$0	\$79,800	\$79,800	\$79,800	\$79,800	\$41,800
TOTAL ANNUAL INCOME	\$0	\$117,602	\$186,904	\$256,207	\$325,510	\$347,664
EXPENSE						
GENERAL & ADMINISTRATIVE						
OFFICE EXPENSE	\$0	\$1,746	\$2,754	\$3,762	\$4,770	\$5,643
EMPLOYEE SALARIES	\$0	\$31,092	\$33,108	\$35,124	\$37,140	\$38,886
PROFESSIONAL FEES	\$0	\$3,273	\$3,777	\$4,281	\$4,785	\$5,222
INSURANCE	\$0	\$4,087	\$4,784	\$7,683	\$8,677	\$8,677
ADVALOREM TAXES	\$0	\$4,087	\$4,784	\$7,683	\$8,677	\$8,677
TCEQ PERMIT FEES	\$0	\$1,746	\$2,754	\$3,762	\$4,770	\$5,643
TOTAL G&A	\$0	\$46,031	\$51,962	\$62,296	\$68,819	\$72,748
OPERATIONS						
OPERATOR COST	\$0	\$16,092	\$18,108	\$20,124	\$22,140	\$23,886
VEHICLE & EQUIPMENT COST	\$0	\$4,638	\$7,662	\$10,686	\$13,710	\$16,329
CUSTOMER BILLING COST	\$0	\$3,657	\$8,193	\$12,729	\$17,265	\$21,194
ELECTRICITY	\$0	\$13,638	\$16,662	\$19,686	\$22,710	\$25,329
CHEMICAL COST	\$0	\$1,746	\$2,754	\$3,762	\$4,770	\$5,643
SLUDGE DISPOSAL COST	\$0	\$0	\$0	\$0	\$0	\$0
TAP MAT'L & FIELD LABOR COST	\$0	\$59,850	\$59,850	\$59,850	\$59,850	\$31,350
REPAIR COSTS	\$0	\$6,539	\$7,655	\$12,293	\$13,883	\$13,883
CONTRIBUTION TO RESERVE ACCT	\$0	\$6,539	\$7,655	\$12,293	\$13,883	\$13,883
TOTAL OPERATING COST	\$0	\$112,699	\$128,539	\$151,424	\$168,212	\$151,497
TOTAL MONTHLY EXPENSE	\$0	\$158,730	\$180,501	\$213,720	\$237,031	\$224,245
INCOME (LOSS) BEFORE DEPRECIATION	\$0	(\$41,128)	\$6,403	\$42,487	\$88,479	\$123,419
DEPRECIATION	\$0	\$11,353	\$13,290	\$21,343	\$24,103	\$24,103
NET INCOME (LOSS)	\$0	(\$52,481)	(\$6,887)	\$21,145	\$64,376	\$99,316

PROJECTED BALANCE SHEET

	FY 0	FY 1	FY 2	FY 3	FY 4	FY 5
ASSETS						
CASH (CHECKING)	\$75,000	\$33,872	\$65,275	\$62,762	\$96,241	\$219,660
RESERVE ACCOUNT	\$0	\$6,539	\$14,194	\$26,488	\$40,371	\$54,254
ACCOUNTS RECEIVABLE	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL CURRENT ASSETS	\$75,000	\$40,411	\$79,469	\$89,250	\$136,612	\$273,914
PROPERTY AND EQUIPMENT						
WATER PLANT	\$0	\$332,750	\$332,750	\$532,400	\$600,000	\$600,000
WASTEWATER PLANT	\$0	\$0	\$0	\$0	\$0	\$0
WATER DISTRIBUTION LINES	\$0	\$212,175	\$305,175	\$624,550	\$624,550	\$624,550
SEWAGE COLLECTION LINES	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL PROPERTY AND EQUIPMENT	\$0	\$544,925	\$637,925	\$1,156,950	\$1,224,550	\$1,224,550
LESS ACCUMULATED DEPRECIATION	\$0	\$11,353	\$24,643	\$45,985	\$70,089	\$94,192
TOTAL PROPERTY & EQUIPMENT, NET	\$0	\$533,572	\$613,282	\$1,110,965	\$1,154,461	\$1,130,358
TOTAL ASSETS	\$75,000	\$573,983	\$692,751	\$1,200,214	\$1,291,073	\$1,404,273
RETURN ON INVESTED CAPITAL ASSETS, %		-9.84%	-1.12%	1.90%	5.58%	8.79%
LIABILITIES AND CAPITAL						
LIABILITIES						
ACCOUNTS PAYABLE	\$0	\$0	\$0	\$0	\$0	\$0
SHORT TERM DEBT	\$75,000	\$75,000	\$100,000	\$55,000	\$0	\$0
ACCRUED RESERVES	\$0	\$6,539	\$14,194	\$26,488	\$40,371	\$54,254
LONG TERM DEBT	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL LIABILITIES	\$75,000	\$81,539	\$114,194	\$81,488	\$40,371	\$54,254
OWNER/STOCKHOLDER EQUITY						
COMMON STOCK	\$0	\$544,925	\$637,925	\$1,156,950	\$1,224,550	\$1,224,550
RETAINED EARNINGS (CUMMULATIVE)	\$0	\$0	(\$52,481)	(\$59,368)	(\$38,223)	\$26,152
NET INCOME	\$0	(\$52,481)	(\$6,887)	\$21,145	\$64,376	\$99,316
TOTAL CAPITAL	\$0	\$492,444	\$578,557	\$1,118,727	\$1,250,702	\$1,350,018
TOTAL LIABILITIES + CAPITAL	\$75,000	\$573,983	\$692,751	\$1,200,214	\$1,291,073	\$1,404,273

CONSTRUCTION COST ESTIMATE

Construction of Encino Estates Groundwater Supply Plant
Phase 1 to Serve 250 Connections

Item No.	Description	Quan.	Unit	Unit Price	Total
1	SWPPP	200	LF	\$3	\$600
2	Portable Toilet Facilities During Construction	4	MO	\$150	\$600
3	Clearing & Grubbing	1	LS	\$1,500	\$1,500
4	Site Fencing - Chain Link	800	LF	\$25	\$20,000
5	Crushed Concrete Access Drive	250	SY	\$20	\$5,000
6	6" Water Well, 25 HP Pump, 185 gpm	1	LS	\$75,000	\$75,000
7	4" PVC Piping, Well - GST	75	LF	\$20	\$1,500
8	10" GIP Piping GST-Pump Slab	20	LF	\$100	\$2,000
9	10" Gate Valve	1	EA	\$500	\$500
10	8" PVC Piping Pump Slab -HPT- Dist	100	LF	\$35	\$3,500
11	Pump Suction Manifold & Valves	1	EA	\$2,500	\$2,500
12	Pump Discharge Manifold & Valves	1	EA	\$2,500	\$2,500
13	8" Gate Valve & Box	3	EA	\$500	\$1,500
14	8" C-900 Piping HPT- Dist	140	LF	\$35	\$4,900
15	6" Gate Valve & Box	4	EA	\$600	\$2,400
16	6" C-900 Piping HPT- Dist	50	LF	\$30	\$1,500
17	GST Concrete Foundation & Pad	30	CY	\$500	\$15,000
18	Concrete Foundation For HPT	6	CY	\$500	\$3,000
19	Booster Pump/Chem/Storage Slab	8	CY	\$500	\$4,000
20	Painting	1	LS	\$2,000	\$2,000
21	125,000 Gal Bolted Ground Storage Tank	1	LS	\$55,000	\$55,000
22	Hydropneumatic Tank, 6,500 gallon	1	LS	\$30,000	\$30,000
23	400 gpm @ 50 psi Booster Pumps, 20 HP	2	Ea	\$3,000	\$6,000
24	Chlorination Equipment (Liquid)	1	LS	\$1,500	\$1,500
25	Misc Piping & Tubing in Conduit	200	LF	\$10	\$2,000
26	Well Booster Pump Control Panel & Pressure Switch	1	LS	\$10,000	\$10,000
27	Electrical Service Rack & Disconnects	1	LS	\$10,000	\$10,000
28	Electrical Conduit, Wiring & Switches	1	LS	\$11,000	\$11,000
29	Subtotal				\$275,000
30	Contingency @ 10%				\$27,500
31	Total Estimated Construction Cost				\$302,500
32	Engineering @ 10%				\$30,250
33	Total Capital Cost				\$332,750

46

CONSTRUCTION COST ESTIMATE

Construction of Encino Estates Groundwater Supply Plant

Phase II 250+ Connections

Item No.	Description	Quan.	Unit	Unit Price	Total
1	Portable Toilet Facilities During Construction	4	MO	\$150	\$600
2	SWPPP	600	LF	\$2	\$1,200
3	8" Water Well, 25 HP Pump	1	LS	\$75,000	\$75,000
4	4" PVC Piping, Well - GST	120	LF	\$20	\$2,400
5	8" PVC Piping @ HPT	20	LF	\$35	\$700
6	Misc Piping & Tubing in Conduit	60	LF	\$10	\$600
7	8" Gate Valve & Box	3	EA	\$1,000	\$3,000
8	Concrete Foundation For HPT	4	CY	\$750	\$3,000
9	Hydropneumatic Tank, 6,500 gallon	1	LS	\$3,000	\$3,000
10	400 gpm @ 50 psi Booster Pumps, 20 HP	1	Ea	\$3,000	\$3,000
11	Pumps Suction & Discharge Valves	1	LS	\$1,500	\$1,500
12	Chlorination Equipment Addition (Liquid)	1	LS	\$1,000	\$1,000
13	Electrical Conduit & Wiring	1	LS	\$20,000	\$20,000
14	125 kW Diesel Generator & ATS	1	LS	\$50,000	\$50,000
15	Subtotal Phase II				\$165,000
16	Contingency @ 10%				\$16,500
17	Total Estimated Phase II Construction Cost				\$181,500

DEMONSTRATION OF ADEQUATE FINANCIAL ABILITY

TCEQ Plan Review Log # P-_____ (if known)

Financial Responsible Individual or Company information:

Name: T & W Water Service Company

Signature of Company Officer (if applicable): R Payne

Address: PO Box 2927

Phone Number: 936-756-7400

Contact Person: RON PAYNE

This Financial Responsible Individual or Company has funds available to operate the proposed pubic water system for at least one year and/or plug the well or appropriately close down operations, if legal and necessary, in compliance with TCEQ rules and regulations.

This Financial Responsible Individual or Company has net assets (Assets minus Liabilities), at market value, in excess of \$100,000.

This Financial Responsible Individual or Company has liquid assets (cash or near cash investments) in excess of \$10,000, and the financial capability to install and operate the system.

**If you are an entity registered with the Texas Secretary of State's Office, please provide your filing number and/or Tax ID number.*

I, RON PAYNE, am a responsible officer/individual of the entity listed on this form. I swear to the best of my knowledge that the information contained on this form is true and correct, and this form contains no false or misleading statements or errors.



SUBSCRIBED AND SWORN TO BEFORE ME,

Deanne Degeyter a Notary Public in and for the State of

Texas this 22 (day) of December, 20 14

66

T&W Water Service Company
Profit & Loss
 October 2015 through September 2016

	Oct '15 - Sep 16
Ordinary Income/Expense	
Income	
7000 · Water Sales	2,572,461
7010 · Recon Fees	38,950
7020 · Late Fees	27,110
7030 · NSF Fees	1,650
7099 · Bad Debt	-4,749
Total Income	2,635,422
Cost of Goods Sold	
7500 · Chemicals & Treatment	43,429
7510 · Engineering Fees	21,020
7515 · Laboratory Fees	21,945
7535 · Repairs & Maintenance	154,616
7540 · Utilities	165,841
Total COGS	406,851
Gross Profit	2,228,571
Expense	
8007 · Answering Service	3,174
8000 · Accounting & Legal Fees	70,404
8010 · Bank Charges	27,282
8020 · Building Maintenance	15,460
8025 · Continuing Education	2,790
8030 · Contributions	3,000
8035 · Depreciation Expense	504,056
8040 · Dues & Subscriptions	12,447
8045 · Equipment Lease Cost	62,400
8050 · Insurance	204,243
8055 · Licenses & Fees	36,978
8060 · Management Fees	44,000
8070 · Medical Reimbursement	20,187
8085 · Network Administration	16,898
8090 · Office Supplies & Expense	52,145
8095 · Officer's Life Insurance	12,209
8100 · Payroll Expenses	468
8105 · Payroll Tax Expense	52,903
8110 · Postage	5,769
8115 · Property Taxes	28,330
8150 · Salaries	688,875
8160 · Telephone Expense	21,869
8165 · Tools/Parts	10,660
8170 · Travel Expense	2,113
8175 · Truck & Equipment Expense	86,493
Total Expense	1,985,153
Net Ordinary Income	243,418
Other Income/Expense	
Other Income	
9000 · Gain/Loss on Sale of Asset	-8,696
9010 · Groundwater Fees	-4,621
9020 · Interest Income Boston Capital	12
9030 · Interest Income	799
9040 · Other Income	39,579
9050 · Non Taxable Items	-0
9060 · Net Income (Loss) Partnership	1,449
9100 · Tap Fees	145,025
Total Other Income	173,548

89

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12/21/16
Accrual Basis

T&W Water Service Company
Profit & Loss
October 2015 through September 2016

	<u>Oct '15 - Sep 16</u>
Other Expense	
9500 · Tap Cost	138,295
9600 · FIT Expense	86,955
9700 · Franchise Tax Expense	8,621
9800 · Interest Expense	97,532
	<hr/>
Total Other Expense	331,403
	<hr/>
Net Other Income	-157,855
	<hr/>
Net Income	85,562
	<hr/> <hr/>

90

T&W Water Service Company

Balance Sheet

12/21/16

As of September 30, 2016

Accrual Basis

	<u>Sep 30, 16</u>
ASSETS	
Current Assets	
Checking/Savings	
1005 · New Checking - Woodforest	33,310
1010 · T&W M.M. Savings - Woodforest	552,690
Total Checking/Savings	<u>586,001</u>
Accounts Receivable	
1200 · Accounts Receivable	274,177
Total Accounts Receivable	<u>274,177</u>
Other Current Assets	
1300 · Employee Loans	200
2050 · Boston Capital Investments	2,406
Total Other Current Assets	<u>2,606</u>
Total Current Assets	<u>862,783</u>
Fixed Assets	
3000 · Buildings	199,261
3010 · Furniture & Fixtures	953
3020 · Office Equipment	6,325
3050 · Utility Plant (not in service)	99,102
3100 · Utility Plant in Service	
3101 · Cost	5,579,336
3599 · Accumulated Depreciation	-3,729,535
Total 3100 · Utility Plant in Service	<u>1,849,801</u>
Total Fixed Assets	<u>2,155,441</u>
TOTAL ASSETS	<u><u>3,018,225</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	130,227
Other Current Liabilities	
4020 · Customer Deposits	69,083
4030 · Accrued Interest - Customer Dep	6,808
4035 · TCEQ State Assess Fee Payable	18,844
4040 · Accrued Property Taxes	11,226
4050 · FIT Payable	14,886
4053 · N/P - Z Sunrise Development II,	11,506
4099 · Current Portion LTD	180,905
Total Other Current Liabilities	<u>313,258</u>
Total Current Liabilities	<u>443,485</u>
Long Term Liabilities	
5025 · N/P - Walter Baudat	1,650,899
5050 · N/P - Citizens 1st Bank	187,332
5099 · Less Current Portion LTD	-180,905
Total Long Term Liabilities	<u>1,657,326</u>
Total Liabilities	<u>2,100,811</u>

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12/21/16
Accrual Basis

T&W Water Service Company
Balance Sheet
As of September 30, 2016

	<u>Sep 30, 16</u>
Equity	
6005 · Treasury Stock	-1,200,000
6010 · Common Stock	1,000
6050 · Retained Earnings	2,030,851
Net Income	<u>85,562</u>
Total Equity	<u>917,414</u>
TOTAL LIABILITIES & EQUITY	<u><u>3,018,225</u></u>

ATTACHMENT "L"
WATER TARIFF

T & W WATER SERVICE COMPANY

**WATER UTILITY TARIFF
FOR**

T & W Water Service Company
(Utility Name)

12284 FM 3083
(Business Address)

Conroe, Texas 77301
(City, State, Zip Code)

281-367-9566, 800-256-2636
(Area Code/Telephone)

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

12892

This tariff is effective in the following county:

Montgomery, Harris, Liberty

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

City of Conroe

The rates set or approved by the city for the systems entirely within its corporate boundary are not presented in this tariff. Those rates are not under the original jurisdiction of the TCEQ and will have to be obtained from the city or utility.

This tariff is effective in the following subdivisions or systems:

See attached List of Subdivisions

TABLE OF CONTENTS

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

SECTION 1.0 -- RATE SCHEDULE.....	2
SECTION 2.0 -- SERVICE RULES AND POLICIES.....	4
SECTION 3.0 -- EXTENSION POLICY	11
SECTION 4.0 -- DROUGHT CONTINGENCY PLAN.....	15
APPENDIX A -- SAMPLE SERVICE AGREEMENT	
APPENDIX B -- APPLICATION FOR SERVICE	

TEXAS COMM. ON ENVIRONMENTAL QUALITY
37736-R, CCN 12892, SEPTEMBER 1, 2013
APPROVED TARIFF BY SPLG

List of Subdivisions		
SYSTEM/SUBDIVISION	PWS ID NUMBER	COUNTY
Deer Run	1700700	Montgomery
Emerald Lakes	1700777	Montgomery
Falls of Wildwood	1700673	Montgomery
Gemstone Estates	1700608	Montgomery
Grand Harbor	1700643	Montgomery
Harborside	1700682	Montgomery
Hidden Springs Ranch	1700696	Montgomery
Hydies Crossing	1013180	Harris
Millers Crossing	1700675	Montgomery
Oaks of Trinity	1460156	Liberty
Old Mill Lake	1700662	Montgomery
Rio Vista (inside city limits of Patton Village, however they surrendered jurisdiction)	1700778	Montgomery
Riverwalk	1700604	Montgomery
Southwind Ridge	1700659	Montgomery
Splendor Woods	1460153	Liberty
Spring Forest Estates	1460153	Liberty
Spring Oaks	1460157	Liberty
Sunrise Ranch	1700686	Montgomery
The Ranch	1460154	Liberty
Thousand Oaks	1700635	Montgomery

TEXAS COMM. ON ENVIRONMENTAL QUALITY
 37736-R, CCN 12892, SEPTEMBER 1, 2013
 APPROVED TARIFF BY SP/LG

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 -- Rates

MONTHLY BASE RATE BY METER SIZE (INCLUDES 0 GALLONS)	Year 1	Year 2
5/8 x 3/4"	\$25.00	\$22.00
1"	\$46.88	\$55.00
1 1/2"	\$85.93	\$110.00
2"	\$148.44	\$176.00
3"	\$179.69	\$352.00
GALLONAGE CHARGE PER 1000 GALLONS		
0 - 10,000 GALLONS	\$2.24	\$2.37 *
10,000 - 20,000 GALLONS	\$2.34	\$2.50 *
> 20,000 GALLONS	\$2.66	\$3.00 *

* **PLUS - PassThrough Fees apply to all Gallonage Used:**

San Jacinto River Authority (SJRA) GRP fees beginning September 1, 2013, until revised, of \$2.00 per 1,000 gallons (increase from \$1.43 to \$2.00/1,000 gallons) for affected customers in Montgomery County only.

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

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

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

REGULATORY ASSESSMENT.....1.0%

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

Section 1.02 - Miscellaneous Fees

TAP FEE.....\$750.00

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

TAP FEE.....\$950.00

TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL 1" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

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

TEXAS COMM. ON ENVIRONMENTAL QUALITY
37736-R, CCN 12892, SEPTEMBER 1, 2013
APPROVED TARIFF BY SP/LG

96

SECTION 1.0 -- RATE SCHEDULE (Continued)

TAP FEE (Unique costs) Actual Cost
FOR EXAMPLE, A ROAD BORE FOR CUSTOMERS OUTSIDE OF SUBDIVISIONS OR RESIDENTIAL
AREAS.

TAP FEE (Large meter) Actual Cost
TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METER SIZE
INSTALLED.

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

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

RECONNECTION FEE

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

- a) Non payment of bill (Maximum \$25.00) \$25.00
- b) Other than nonpayment \$40.00

TRANSFER FEE \$40.00
THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME
SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED.

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

RETURNED CHECK CHARGE \$25.00
RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

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

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

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE:

WHEN AUTHORIZED IN WRITING BY TCEQ AND AFTER NOTICE TO CUSTOMERS, THE UTILITY
MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER
TESTING. [30 TAC 291.21(K)(2)]

LINE EXTENSION AND CONSTRUCTION CHARGES:

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

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

SECTION 1.0 – RATE SCHEDULE (Continued)

PURCHASED WATER/UNDERGROUND WATER DISTRICT FEE PASS THROUGH PROVISION CLAUSE: For Utilities subject to changes in costs imposed by any non-affiliated provider of purchased water or sewer or a groundwater conservation district having jurisdiction over the Utility, these increases (decreases) shall be passed through as an adjustment to the gallonage charge according to the formula:

$AG = G + B/(1-L)$, Where:

AG = adjusted gallonage charge, rounded to nearest one cent

G = approved gallonage charge, per 1,000 gallons

B = changed in fee (per 1,000 gallons)

L = water or sewer line loss for preceding 12 months, not to exceed 0.15 (15%)

To implement or modify the Purchased Water/Underground Water District Fee, the utility must comply with all notice and other requirements of 30 TAC 291.21(h).