



Control Number: 47175



Item Number: 1

Addendum StartPage: 0



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: **47175**

(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.

RECEIVED  
2017 MAY 16 PM 1:58  
PUBLIC UTILITY COMMISSION  
FILING CLERK

### 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 type="checkbox"/> Amend	<input type="checkbox"/> Water CCN# (s) _____	
<input checked="" type="checkbox"/> Amend	<input checked="" type="checkbox"/> Sewer CCN#(s) <u>20679</u>	

#### 1. Applicant Information

##### Applicant

Utility name: Liberty Utilities (Woodmark) Corp.

Certificate number: 20679

Street address (City/ST/ZIP/Code): 12725 W. Indian School Rd. Suite D101

Mailing address(City/ST/ZIP/Code): Avondale, AZ 85392

Utility Phone Number and Fax: (903) 703-4840

##### 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: Mark H. Zeppa

Title: Attorney

Mailing address: 4833 Spicewood Springs Road #202 Austin, TX 78759

Email: markzeppa@austin.twcbc.com

Phone and Fax: (512) 346-4100

List all counties in which service is proposed:

Smith

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.
- ii. The corporation's charter number as recorded with the Office of the Texas Secretary of State: 0148556500
- 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? Liberty Utilities (Woodmark) Corp.

**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
- 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:

Single Certification - Area is not currently within a certificated area.

### 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.
- B. A map showing only the proposed area by:
  - 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.
- 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
  - 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;
  - 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

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

- 

- Application to Obtain or Amend a Water or Sewer Certificate of Convenience and Necessity, 9/1/14 (formerly TCEQ form 10362)  
Page 6 of 25

W	Q	1	3	1	6	8	-	0	0	1	;
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- iii. Date of last TCEQ water and/or sewer system inspection(s): \_\_\_\_\_
- iv. Attach a copy of the most recent TCEQ water and/or sewer inspection report letter(s).
- v. For each system deficiency listed in the TCEQ inspection report letter; attach a brief explanation listing the actions taken or being taken by the utility to correct the listed deficiencies, including the proposed completion dates.

B. Provide the following information about the utility's certified water and/or sewer operators

Name	Classes	License Number
Gene Estoll	A	WW0034911
Josh Young	D	WW0051621
Joseph McCown	D	WW0052000

- Attach additional sheet(s) if necessary -

C. Using the current number of customers, is any facility component in systems named in #5A above operating at 85% or greater of minimum standard capacity?

- ☐ Yes
- ☒ No

Attach a copy of the 85% rule compliance document filed with the TCEQ if the system is operating at 85% or greater of the TCEQ's minimum standard capacity requirements.

D. In the table below, the number of existing and/or proposed metered and non-metered connections (by size). The proposed number should reflect the information presented in the business plan or financial **documentation** and reflect the number of service requests identified in Question 2.b in the application.

TCEQ Water System			TCEQ Sewer System		
Connection	Existing	Proposed	Connection	Existing	Proposed
5/8" or 3/4" meter			Residential	48	
1" meter or larger			Commercial		
Non-Metered			Industrial		



TCEQ Water System			TCEQ Sewer System		
Other:			Other:		
Total Water			Total Sewer	48	

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

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

Water service is provided by Southern Utilities.

- G. Effect of Granting a Certificate Amendment.

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.

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.

This is an existing development with all infrastructure in place. Amending the CCN only brings the current customers into the service area.

## 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.
- 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

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

- 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.

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.
- 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 Smith

I, Matthew Garlick, 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.**

\_\_\_\_\_  
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 \_\_\_\_\_ of \_\_\_\_\_ 20 \_\_\_\_\_

SEAL

\_\_\_\_\_  
NOTARY PUBLIC IN AND FOR THE  
STATE OF TEXAS

\_\_\_\_\_  
PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES \_\_\_\_\_

## Notice for Publication

### NOTICE OF APPLICATION FOR CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) TO PROVIDE WATER/SEWER UTILITY SERVICE IN

Smith COUNTY(IES), TEXAS

Name of Applicant Liberty Utilities (Woodmark) Corp. has filed an application for a CCN to obtain or amend CCN No. (s) 20679 and to decertify a portion(s) of N/A with the  
(Name of Decertified Utility)

Public Utility commission of Texas to provide Sewer  
(specify 1) water or 2) sewer or 3) water & sewer)

utility service in Smith County  
(ies):

The proposed utility service area is located approximately 9 miles south [direction] of downtown Tyler, [City or Town] Texas, and is generally bounded on the north by 155' north of Chaparral run; on the east by 395' east of Chaparral Run; on the south by 175' south of Crooks Crossing; and on the west by CR 122.

The total area being requested includes approximately 38 acres and 48 current customers.

A copy of the proposed service area map is available at (Utility Address and Phone Number): Liberty Utilities, 16623 FM 2493, Suite E, Tyler Texas 903-730-4840.

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:**

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 commission 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 requests 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***

## Notice to Neighboring Systems, Landowners and Cities

NOTICE OF APPLICATION FOR CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) TO  
PROVIDE WATER/SEWER UTILITY SERVICE IN

Smith COUNTY(IES), TEXAS

To: City of Tyler Date Notice Mailed 20  
(Neighboring System, Landowner or City)

(Address)  
Tyler TX 75701  
City State Zip

Name of Applicant Liberty Utilities (Woodmark) Corp. has filed an application for a  
CCN to obtain or amend CCN No. (s) 20679 and to  
decertify a portion(s) of N/A with the  
(Name of Decertified Utility)

Public Utility Commission of Texas to provide Sewer  
(specify 1) water or 2) sewer or 3) water & sewer)  
utility service in Smith County(ies).

The proposed utility service area is located approximately 9 miles south  
[direction] of downtown Tyler, [City or Town] Texas, and is  
generally bounded on the north by 155' north of Chaparral Run ; on the east by  
395' east of Chaparral Run ; on the south by 175' south of Crooks Crossing ; and on the west by CR 122

**See enclosed map of the proposed service area.**

The total area being requested includes approximately 38 acres and 48  
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.



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If a public hearing is requested, the commission 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 requests 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.

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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**

## Notice to Customers of IOUs in Proposed Area

### NOTICE OF APPLICATION FOR CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) TO PROVIDE WATER/SEWER UTILITY SERVICE IN

Smith \_\_\_\_\_ COUNTY(IES), TEXAS

Dear Customer: \_\_\_\_\_ Date Notice Mailed \_\_\_\_\_ 20 \_\_\_\_

Name of Applicant Liberty Utilities (Woodmark) Corp has filed an application for a CCN to obtain or amend CCN No. (s) 20679 and to decertify a portion(s) of N/A with the \_\_\_\_\_  
(Name of Decertified Utility)

Public Utility commission of Texas to provide \_\_\_\_\_  
utility service in Smith \_\_\_\_\_ County(ies).  
(specify 1) water or 2) sewer or 3) water & sewer

The proposed utility service area is located approximately 9 miles south [direction] of downtown Tyler \_\_\_\_\_, [City or Town] Texas.

A copy of the proposed service area map is available at (Utility Address and Phone Number): Liberty Utilities 16623 FM 2493 Suite E, Tyler, Texas 70703 903-730-4840

The current utility rates which were first effective on \_\_\_\_\_ 20 \_\_\_\_

Monthly Flat Rate of \$ 66.92 Per connection

-OR-

Monthly Base Rate Including per \_\_\_\_\_ gallons connection for:

5/8" meter	\$ _____
1" meter	\$ _____
1 1/2" meter	\$ _____
2" meter	\$ _____

Other\$ \_\_\_\_\_

Gallage charge of \$ \_\_\_\_\_ Per 1,000  
Gallons above minimum (same for all meters sizes)

#### Miscellaneous Fees

#### Regulatory Assessment

**Tap Fee** (Average Actual Cost)

#### Reconnecting fee:

- Non Payment (\$25.00 max)
- Transfer
- Customer's request

#### Late fee

#### Returned Check charge

**Customer Deposit** (\$50.00 max)

#### Meter test fee

(Actual Cost not Exceed \$25.00)

#### Other Fees

1%
\$ 1,100.00
\$ 25.00
\$ 25.00
\$ 50.00
\$
\$ 5.00 or, 10%
\$
\$ 50.00
\$
\$

**Your utility service rates and fees cannot be changed by this application. If you are currently paying rates, those rates must remain in effect unchanged. Rates may only be increased if the utility files and gives notice of a separate rate change application.**

**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:**

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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 Commission 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 A HEARING IS HELD,** it is important that you or your representative attend to present your concerns. Your request serves only to cause a hearing to be held and is not used during the hearing.

If you are a landowner with a tract of land at least 25 acres or more, and 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 requests 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:**

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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**

## HISTORICAL BALANCE SHEETS

	CURRENT YEAR (A)	A-1 YEAR	A-2 YEAR	A-3 YEAR	A-4 YEAR	A-5 YEAR
<b>CURRENT ASSETS</b>						
Cash	4,987.44	490.12	15,190.37	8,485.96	30,864.00	62,346.38
Accounts Receivable	164,927.31	157,940.80	174,874.04	158,192.51	64,873.35	67,427.47
Inventories						
Income Tax Receivable						
Other	2,751.25	2,877.42	2,785.95	2,304.41	517,567.39	739,196.19
<b>Total</b>	<b>172,666.00</b>	<b>161,308.34</b>	<b>192,850.36</b>	<b>168,982.88</b>	<b>613,304.74</b>	<b>868,970.04</b>
<b>FIXED ASSETS</b>						
Land	36,414.91	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00
Collection/Distribution System	7,916,549.85	4,075,843.47	3,628,350.28	3,470,221.87	3,036,327.32	2,849,812.58
Buildings						
Equipment	4,788,750.09	4,024,843.47	3,607,601.24	3,436,909.28	1,080,638.90	968,839.05
Other	1,050,786.37	1,545,119.29	1,167,752.28	427,596.86	804,238.44	533,917.27
Less: Accum. Depreciation or Reserves	-3,026,481.61	-2,653,107.63	-2,264,484.37	-1,996,682.55	-1,784,655.58	-1,609,766.45
<b>Total</b>	<b>10,766,019.61</b>	<b>7,017,698.60</b>	<b>6,164,219.43</b>	<b>5,363,045.46</b>	<b>3,161,549.08</b>	<b>2,767,802.45</b>
<b>TOTAL ASSETS</b>	<b>10,938,685.61</b>	<b>7,179,006.94</b>	<b>6,357,069.79</b>	<b>5,532,028.34</b>	<b>3,774,853.82</b>	<b>3,636,772.49</b>
<b>CURRENT LIABILITIES</b>						
Accounts Payable	18.71	0.00	0.00	0.00	0.00	0.00
Notes Payable, Current						
Accrued Expenses	1,393,653.12	305,294.17	189,709.15	64,268.09	110,621.24	76,673.96
Other	6,066,577.02	3,154,588.92	2,377,112.03	1,718,565.47		
<b>Total</b>	<b>7,460,248.85</b>	<b>3,459,883.09</b>	<b>2,566,822.18</b>	<b>1,782,833.56</b>	<b>110,621.24</b>	<b>76,673.96</b>
<b>LONGTERM LIABILITIES</b>						
Notes Payable, Long-term						
Other	1,458,303.48	1,530,986.15	1,579,491.38	1,565,203.36	1,565,580.76	1,486,931.21
<b>TOTAL LIABILITIES</b>	<b>8,918,552.33</b>	<b>4,990,869.24</b>	<b>4,146,313.56</b>	<b>3,348,036.92</b>	<b>1,676,202.00</b>	<b>1,563,605.17</b>
<b>OWNER'S EQUITY</b>						
Paid in Capital	982,985.56	982,985.56	982,985.56	982,985.56	982,985.56	982,985.56
Retained Equity	1,852,128.86	1,227,770.67	1,201,005.86	1,117,666.28	1,090,181.74	833,523.82
Other						
Current Period Profit or Loss	-168,004.42	-22,618.53	26,764.81	83,339.58	27,484.52	256,657.94
<b>TOTAL OWNER'S EQUITY</b>	<b>2,020,133.28</b>	<b>2,188,137.70</b>	<b>2,210,756.23</b>	<b>2,183,991.42</b>	<b>2,100,651.82</b>	<b>2,073,167.32</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>10,938,685.61</b>	<b>7,179,006.94</b>	<b>6,357,069.79</b>	<b>5,532,028.34</b>	<b>3,776,853.82</b>	<b>3,636,772.49</b>
<b>WORKING CAPITAL</b>	<b>-7,287,582.85</b>	<b>-3,298,574.75</b>	<b>-2,373,971.82</b>	<b>-1,613,850.68</b>	<b>502,683.50</b>	<b>792,296.08</b>
<b>CURRENT RATIO</b>	<b>0.02</b>	<b>0.05</b>	<b>0.08</b>	<b>0.09</b>	<b>-0.24</b>	<b>-0.20</b>
<b>DEBT TO EQUITY RATIO</b>	<b>4.41</b>	<b>2.28</b>	<b>1.88</b>	<b>1.53</b>	<b>0.55</b>	<b>0.40</b>
<b>EQUITY TO TOTAL ASSETS</b>	<b>0.18</b>	<b>0.30</b>	<b>0.35</b>	<b>0.39</b>	<b>0.56</b>	<b>0.57</b>

## HISTORICAL INCOME STATEMENT

	CURRENT YEAR (A)	A-1 YEAR	A-2 YEAR	A-3 YEAR	A-4 YEAR	A-5 YEAR
<b>METER NUMBER</b>						
Existing Number of Taps	1,865.00	1,865.00	1,865.00	1,865.00	1,865.00	1,865.00
New Taps per Year						
Total Meters at Year End	1,865.00	1,865.00	1,865.00	1,865.00	1,865.00	1,865.00
<b>METER REVENUE</b>						
Fees Per Meter	1,100.00	1,100.00	1,100.00	1,100.00	1,100.00	1,100.00
Cost Per Meter	49.00	49.00	49.00	49.00	49.00	49.00
Operating Revenue Per Meter	1,051.00	1,051.00	1,051.00	1,051.00	1,051.00	1,051.00
<b>GROSS WATER REVENUE</b>						
Fees						
Other						
Gross Income	1,528,927.58	1,473,314.53	1,446,892.15	1,118,403.18	998,939.70	1,015,960.91
<b>OPERATING EXPENSES</b>						
General & Administrative	1,819,853.31	1,520,426.35	1,425,068.05	1,066,576.29	970,394.88	758,506.84
Interest	1,189.99	1,020.63	1,039.14	1,278.24	1,060.30	796.13
Other	-124,111.30	-25,513.92	-5,979.85	-32,790.93		
<b>NET INCOME</b>	-168,004.42	-22,618.53	26,764.81	83,339.58	27,484.52	256,657.94

## HISTORICAL EXPENSES STATEMENT

	CURRENT YEAR (A)	A-1 YEAR	A-2 YEAR	A-3 YEAR	A-4 YEAR	A-5 YEAR
<b>GENERAL/ADMINISTRATIVE EXPENSES</b>						
Salaries						
Office Expense	65,702.70	43,875.09	33,765.54	10,308.19	10,512.81	4,950.86
Computer Expense						
Auto Expense	23,401.75	20,419.65	27,104.59	18,272.41	17,882.23	14,113.14
Insurance Expense	8,800.92	9,637.40	9,518.00	11,814.75	8,900.83	8,992.81
Telephone Expense						
Utilities Expense						
Depreciation Expense						
Property Taxes	100,696.78	97,344.01	92,175.19	49,571.51	44,178.70	37,941.68
Professional Fees	857,180.61	702,733.31	585,185.89	473,419.08	410,937.10	325,105.22
Other	68,585.98	64,628.74	86,580.40	39,805.75	97,888.33	55,988.27
<b>Total</b>	<b>1,124,368.74</b>	<b>938,638.20</b>	<b>834,329.61</b>	<b>603,191.69</b>	<b>590,300.00</b>	<b>447,091.98</b>
% Increase Per Year	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>OPERATIONAL EXPENSES</b>						
Salaries						
Auto Expense						
Utilities Expense	218,853.30	206,243.66	296,071.94	283,006.41	271,747.83	206,504.71
Depreciation Expense	465,547.09	366,544.49	294,666.50	180,378.19	108,347.05	99,627.75
Repair & Maintenance						
Supplies						
Other	11,084.18	9,000.00				5,282.40
<b>Total</b>	<b>695,484.57</b>	<b>581,788.15</b>	<b>590,738.44</b>	<b>463,384.60</b>	<b>380,094.88</b>	<b>311,414.86</b>
% Increase Per Year	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>ASSUMPTIONS</b>						
Interest Rate/Terms						
Utility Cost/gal.	14.40	14.40	14.40	14.40	14.40	14.40
Depreciation Schedule						
Other						

## PROJECTED BALANCE SHEETS

	START UP	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
<b>CURRENT ASSETS</b>						
Cash	4,987.44	0.00	0.00	0.00	0.00	0.00
Accounts Receivable	164,927.31	157,128.00	157,128.00	157,128.00	157,128.00	157,128.00
Inventories						
Income Tax Receivable						
Other	2,751.25	2,750.00	2,750.00	2,750.00	2,750.00	2,750.00
<b>Total</b>	<b>172,666.00</b>	<b>159,878.00</b>	<b>159,878.00</b>	<b>159,878.00</b>	<b>159,878.00</b>	<b>159,878.00</b>
<b>FIXED ASSETS</b>						
Land	36,414.91	36,414.91	36,414.91	36,414.91	36,414.91	36,414.91
Collection/Distribution System	7,916,549.85	8,091,550.00	8,266,550.00	8,441,550.00	8,616,550.00	8,791,550.00
Buildings						
Equipment	4,788,750.09	4,838,750.00	4,888,750.00	4,938,750.00	4,988,750.00	5,038,750.00
Other	1,050,786.37	1,075,786.00	1,100,786.00	1,125,786.00	1,150,786.00	1,175,786.00
Less: Accum. Depreciation or Reserves	-3,025,481.61	-3,493,565.00	-3,969,982.00	-4,454,732.00	-4,947,815.00	-5,449,232.00
<b>Total</b>	<b>10,767,019.61</b>	<b>10,548,936.24</b>	<b>10,322,519.53</b>	<b>10,087,769.49</b>	<b>9,844,686.11</b>	<b>9,593,269.41</b>
<b>TOTAL ASSETS</b>	<b>10,939,685.61</b>	<b>10,708,814.24</b>	<b>10,482,397.53</b>	<b>10,247,647.49</b>	<b>10,004,564.11</b>	<b>9,753,147.41</b>
<b>CURRENT LIABILITIES</b>						
Accounts Payable	18.71					
Notes Payable, Current						
Accrued Expenses	1,393,653.12	1,488,434.00	468,434.00	468,434.00	468,434.00	468,434.00
Other	6,067,595.73	6,065,000.00	6,065,000.00	5,727,789.67	4,175,936.29	2,417,678.93
<b>Total</b>	<b>7,461,248.85</b>	<b>7,553,434.00</b>	<b>6,533,434.00</b>	<b>6,196,223.67</b>	<b>4,644,370.29</b>	<b>2,886,112.93</b>
<b>LONGTERM LIABILITIES</b>						
Notes Payable, Long-term						
Other	1,458,303.48	1,686,296.70	1,565,776.71			
<b>TOTAL LIABILITIES</b>	<b>8,919,552.33</b>	<b>9,239,730.70</b>	<b>8,099,210.71</b>	<b>6,196,223.67</b>	<b>4,644,370.29</b>	<b>2,886,112.93</b>
<b>OWNER'S EQUITY</b>						
Paid in Capital	982,985.56	982,985.56	982,985.56	982,985.56	982,985.56	982,985.56
Retained Equity	1,442,495.84	1,037,147.72	971,728.00	2,317,679.00	3,634,783.00	4,917,789.00
Other						
Current Period Profit or Loss	-405,348.12	-551,049.74	428,473.26	750,759.26	742,425.26	966,259.92
<b>TOTAL OWNER'S EQUITY</b>	<b>2,020,133.28</b>	<b>1,469,083.54</b>	<b>2,383,186.82</b>	<b>4,051,423.82</b>	<b>5,360,193.82</b>	<b>6,867,034.48</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>10,939,685.61</b>	<b>10,708,814.24</b>	<b>10,482,397.53</b>	<b>10,247,647.49</b>	<b>10,004,564.11</b>	<b>9,453,147.41</b>
<b>WORKING CAPITAL</b>	<b>-7,287,582.85</b>	<b>-7,393,556.00</b>	<b>-6,373,556.00</b>	<b>-6,036,345.67</b>	<b>-4,484,492.29</b>	<b>-2,726,234.93</b>
<b>CURRENT RATIO</b>	<b>0.02</b>	<b>0.02</b>	<b>0.02</b>	<b>0.03</b>	<b>0.03</b>	<b>0.06</b>
<b>DEBT TO EQUITY RATIO</b>	<b>4.42</b>	<b>6.29</b>	<b>3.40</b>	<b>1.53</b>	<b>0.87</b>	<b>0.42</b>
<b>EQUITY TO TOTAL ASSETS</b>	<b>0.18</b>	<b>0.14</b>	<b>0.23</b>	<b>0.40</b>	<b>0.54</b>	<b>0.70</b>

## PROJECTED INCOME STATEMENT

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
<b>METER NUMBER</b>						
Existing Number of Taps	1,865.00	1,865.00	1,865.00	1,865.00	1,865.00	9,325.00
New Taps per Year						
<b>Total Meters at Year End</b>	1,865.00	1,865.00	1,865.00	1,865.00	1,865.00	9,325.00
<b>METER REVENUE</b>						
Fees Per Meter	1,100.00	1,100.00	1,100.00	1,100.00	1,100.00	5,500.00
Cost Per Meter	49.00	49.00	49.00	49.00	49.00	245.00
Operating Revenue Per Meter	803.04	1,107.26	1,156.56	1,156.56	1,156.56	5,379.98
<b>GROSS WATER REVENUE</b>						
Fees						
Other						
<b>Gross Income</b>	1,528,927.58	1,498,800.00	2,487,656.00	2,817,275.00	2,817,275.00	11,149,933.58
<b>OPERATING EXPENSES</b>						
General & Administrative	2,057,197.01	2,048,649.74	2,056,982.74	2,065,315.74	2,073,649.74	10,301,794.97
Interest	1,189.99	1,200.00	1,200.00	1,200.00	1,200.00	5,989.99
Other	-124,111.30					-124,111.30
<b>NET INCOME</b>	-405,348.12	-551,049.74	428,473.26	750,759.26	742,425.26	966,259.92



## PROJECTED EXPENSES STATEMENT

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
<b>GENERAL/ADMINISTRATIVE EXPENSES</b>						
Salaries						
Office Expense	65,702.70	65,702.70	65,702.70	65,702.70	65,702.70	328,513.50
Computer Expense						
Auto Expense	23,401.75	23,401.75	23,401.75	23,401.75	23,401.75	117,008.75
Insurance Expense	8,800.92	8,800.92	8,800.92	8,800.92	8,800.92	44,004.60
Telephone Expense						
Utilities Expense						
Depreciation Expense						
Property Taxes	100,696.78	100,696.78	100,696.78	100,696.78	100,696.78	503,483.90
Professional Fees	857,180.61	857,180.61	857,180.61	857,180.61	857,180.61	4,285,903.05
Other	68,585.98	68,585.98	68,585.98	68,585.98	68,585.98	342,929.90
<b>Total</b>	<b>1,124,368.74</b>	<b>1,124,368.74</b>	<b>1,124,368.74</b>	<b>1,124,368.74</b>	<b>1,124,368.74</b>	<b>5,621,843.70</b>
% Increase Per Year						
<b>OPERATIONAL EXPENSES</b>						
Salaries						
Auto Expense						
Utilities Expense	456,197.00	456,197.00	456,197.00	456,197.00	456,197.00	2,043,641.30
Depreciation Expense	465,547.09	468,084.00	476,417.00	484,750.00	493,084.00	501,416.00
Repair & Maintenance						
Supplies						
Other	11,084.18					
<b>Total</b>	<b>932,828.27</b>	<b>924,281.00</b>	<b>932,614.00</b>	<b>940,947.00</b>	<b>949,281.00</b>	<b>4,349,905.39</b>
% Increase Per Year						
<b>ASSUMPTIONS</b>						
Interest Rate/Terms						
Utility Cost/gal.	14.40	14.40	14.40	14.40	14.40	72.00
Depreciation Schedule						
Other						

## PROJECTED SOURCES AND USES OF CASH STATEMENTS

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
<b>SOURCES OF CASH</b>						
Net Income			428,473.26	750,759.26	742,425.26	1,921,657.78
Depreciation (if Funded)	465,547.09	468,084.00	476,417.00	484,750.00	493,084.00	2,387,882.09
Loan Proceeds	189,801.02	332,965.74				522,766.76
Other						
<b>Total Sources</b>	655,348.11	801,049.74	904,890.26	1,235,509.26	1,235,509.26	4,832,306.63
<b>USES OF CASH</b>						
Net Loss	-405,348.12	-551,049.74				-956,397.86
Principle Portion of Pmts.						
Fixed Asset Purchase	-250,000.00	-250,000.00	-250,000.00	-250,000.00	-250,000.00	-1,250,000.00
Reserve						
Other						
<b>TOTAL USES</b>	-655,348.11	-801,049.74	-250,000.00	-250,000.00	-250,000.00	-2,206,397.85
<b>NET CASH FLOW</b>	0.00	0.00	654,890.26	985,509.26	985,509.26	2,625,908.77
<b>DEBT SERVICE COVERAGE</b>						
Cash Available for Debt						
Service (CADS)						
Net Income (Loss)						
Depreciation , or Reserve Interest						
<b>TOTAL</b>						
<b>REQUIRED DEBT SERVICE (RDS)</b>						
Principle Plus Interest						
<b>DEBT SERVICE COVERAGE RATIO</b>						
CADS Divided by RDS						

LIBERTY UTILITIES  
CCN AMENDMENT REQUEST  
COOK'S RANCH SUBDIVISION  
RESPONSE

Pg. 2, 1.B.

- iii. Liberty Utilities (Sub) Corp. is the sole shareholder of Liberty Utilities (Woodmark Sewer) Corp.
- iv. Matthew Garlick, President; Todd Wiley, Secretary/Treasurer.
- v. Directors – Ian Robertson, Chief Executive Officer, Algonquin Power & Utilities Corp., 354 Davis Road, Oakville, ON L6J 2X1, Canada, (905) 465-4510; Greg Sorensen, Liberty Utilities, President (West Region), 9750 Washburn Road, Downey, CA, (562) 299-5155.
- vi. Liberty Utilities (Woodmark Sewer) Corp. is a wholly owned subsidiary of Liberty Utilities (Sub) Corp., which is a wholly owned subsidiary of Liberty Utilities Co. The ultimate parent corporation of the Texas utility group is Algonquin Power & Utilities Corp.

Pg. 3, B.

i-vi. The requested service area is a small subdivision which has been served by the Applicant for many years. This application is being filed to bring the system into compliance with the CCN portions of Chapter 13, Texas Water Code. It would be uneconomical to duplicate the collection facilities in this subdivision. The collected waste is transported via transmission mains to the WWTP holding TPDES permit No. WQ13168-001.

Pg. 4 Item B

- i. Sewer Service was provided at the inception of this development. It recently came to our attention that the former owner had not amended the CCN to include this area.
- ii. None
- iii. This area is currently being served by the requester. In order to protect the environment and maintain the homes occupancy service must continue.
- iv. None
- v. This is a pre-platted subdivision and it is not anticipated to grow beyond the current approved platted lots.

Pg. 5 Item C

The service area is located south of Tyler, Texas, and is generally bounded on the north by Chaparral Run; on the east by Chaparral Run; on the south by Crooks Crossing, and on the west by CR 122.

Pg. 5 Item 4

- i. Sewer is supplied within 2 mile radius  
Liberty Utilities (Tall Timbers) Corp. CCN 20694

City of Tyler CCN 20319

- ii. Service is already being provide by Liberty Utilities (Woodmark) Corp. Amendment request is to correct and existing deficiency in the CCN.
- iii. Service requests were not sent to the two identified neighboring utilities. Liberty Utilities (Tall Timbers) Corp. is an affiliate and does not wish to take over this system already being served by the applicant. The City of Tyler has no facilities in or around the service area and any facilities it might construct to extend its service would be duplicative and uneconomical given the small customer base.
- iv. TCEQ Permit No. WQ0013168001

Corporations Section  
P.O.Box 13697  
Austin, Texas 78711-3697



Gwyn Shea  
Secretary of State

## Office of the Secretary of State

The undersigned, as Secretary of State of Texas, does hereby certify that the attached is a true and correct copy of each document on file in this office as described below:

WOODMARK UTILITIES, INC.  
Filing Number: 148556500

Articles Of Incorporation

April 02, 1998

In testimony whereof, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in Austin, Texas on December 18, 2002.



*Gwyn Shea*

Secretary of State

ARTICLES OF INCORPORATION  
OF  
WOODMARK UTILITIES INC.

FILED  
in the Office of the  
Secretary of State of Texas  
APR 02 1998  
Corporations Section

I, the undersigned, a natural person of the age of eighteen (18) years or more, a citizen of the State of Texas, acting as incorporator of a corporation under the Texas Business Corporation Act, do hereby adopt the following articles of incorporation for such corporation:

ARTICLE ONE

The name of the corporation is WOODMARK UTILITIES, INC.

ARTICLE TWO

The period of its duration is perpetual.

ARTICLE THREE

The purposes for which this corporation is formed are:  
To operate a wastewater treatment facility and all other purposes which corporations formed in the State of Texas may be legally incorporated under the Texas Business Corporation Act.

ARTICLE FOUR

The aggregate number of shares which the corporation shall

have authority to issue is 100,000 shares at no par value.

ARTICLE FIVE

The corporation will not commence business until it has received for the issuance of its shares consideration of the value of ONE THOUSAND AND NO/100 (\$1,000.00) DOLLARS consisting of money, labor done or property actually received.

ARTICLE SIX

The post office address of its initial registered office is 820 Barclay, Tyler, Texas 75703. The name of the Registered Agent is JOSEPH G. WILKINS.

ARTICLE SEVEN

The number of directors constituting the initial Board of Directors is TWO (2) and the names and addresses of the persons who are to serve as directors until the first annual meeting of the shareholders or until their successors are elected and qualified are:

<u>NAME</u>	<u>ADDRESS</u>
1) JOSEPH G. WILKINS	P.O. BOX 131808 Tyler, Texas 75713
2) KATHY L. WILKINS	P.O. BOX 131808 Tyler, Texas 75713

12-19-02;11:30AM;Adams and Coker

;19035811407

# 5/ 5

ARTICLE EIGHT

The name and address of the incorporator is Richard H. Hughes,  
1917 S. Beckham, Tyler, TX 75701.

IN WITNESS WHEREOF, I have hereunto set my hand this the 31st  
day of March, 1998.

  
RICHARD H. HUGHES

RECORDED  
MAR 24 1998  
COUNTY CLERK



32 Corporations Section  
P.O.Box 13697  
Austin, Texas 78711-3697



John Steen  
Secretary of State

## Office of the Secretary of State

May 24, 2013

CT Corporation System  
701 Brazos, Ste. 720  
Austin, TX 78701 USA

-----  
RE: Liberty Utilities (Woodmark Sewer) Corp.  
File Number: 148556500

It has been our pleasure to file the Certificate of Amendment for the referenced entity. Enclosed is the certificate evidencing filing. Payment of the filing fee is acknowledged by this letter.

If we may be of further service at any time, please let us know.

Sincerely,

Corporations Section  
Business & Public Filings Division  
(512) 463-5555

Enclosure



**Office of the Secretary of State**

**CERTIFICATE OF FILING  
OF**

**Liberty Utilities (Woodmark Sewer) Corp.  
148556500**

**[formerly: WOODMARK UTILITIES, INC.]**

The undersigned, as Secretary of State of Texas, hereby certifies that a Certificate of Amendment for the above named entity has been received in this office and has been found to conform to the applicable provisions of law.

ACCORDINGLY, the undersigned, as Secretary of State, and by virtue of the authority vested in the secretary by law, hereby issues this certificate evidencing filing effective on the date shown below.

Dated: 05/23/2013

Effective: 05/23/2013



A handwritten signature of John Steen in black ink.

John Steen  
Secretary of State

**Form 424  
(Revised 05/11)**

Submit in duplicate to:  
 Secretary of State  
 P.O. Box 13697  
 Austin, TX 78711-3697  
 512 463-5555  
 FAX: 512/463-5709  
 Filing Fee: See instructions

**Certificate of Amendment**

This space reserved for office use.

**FILED**  
 In the Office of the  
 Secretary of State of Texas  
 MAY 23 2013  
**Corporations Section**

**Entity Information**

The name of the filing entity is:

WOODMARK UTILITIES, INC.

State the name of the entity as currently shown in the records of the secretary of state. If the amendment changes the name of the entity, state the old name and not the new name.

The filing entity is a: (Select the appropriate entity type below.)

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> For-profit Corporation | <input type="checkbox"/> Professional Corporation               |
| <input type="checkbox"/> Nonprofit Corporation             | <input type="checkbox"/> Professional Limited Liability Company |
| <input type="checkbox"/> Cooperative Association           | <input type="checkbox"/> Professional Association               |
| <input type="checkbox"/> Limited Liability Company         | <input type="checkbox"/> Limited Partnership                    |

The file number issued to the filing entity by the secretary of state is: 0148556500The date of formation of the entity is: April 2, 1998**Amendments****1. Amended Name**

(If the purpose of the certificate of amendment is to change the name of the entity, use the following statement)

The amendment changes the certificate of formation to change the article or provision that names the filing entity. The article or provision is amended to read as follows:

The name of the filing entity is: (state the new name of the entity below)

Liberty Utilities (Woodmark Sewer) Corp.

The name of the entity must contain an organizational designation or accepted abbreviation of such term, as applicable.

**2. Amended Registered Agent/Registered Office**

The amendment changes the certificate of formation to change the article or provision stating the name of the registered agent and the registered office address of the filing entity. The article or provision is amended to read as follows:

**Registered Agent**  
(Complete either A or B, but not both. Also complete C.)

☐ A. The registered agent is an organization (cannot be entity named above) by the name of:

**OR**

☐ B. The registered agent is an individual resident of the state whose name is:

<i>First Name</i>	<i>M.I.</i>	<i>Last Name</i>	<i>Suffix</i>
-------------------	-------------	------------------	---------------

The person executing this instrument affirms that the person designated as the new registered agent has consented to serve as registered agent.

C. The business address of the registered agent and the registered office address is:

<i>Street Address (No P.O. Box)</i>	<i>City</i>	<b>TX</b>	<i>State    Zip Code</i>
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### 3. Other Added, Altered, or Deleted Provisions

Other changes or additions to the certificate of formation may be made in the space provided below. If the space provided is insufficient, incorporate the additional text by providing an attachment to this form. Please read the instructions to this form for further information on format.

Text Area (The attached addendum, if any, is incorporated herein by reference.)

☐ **Add** each of the following provisions to the certificate of formation. The identification or reference of the added provision and the full text are as follows:

☐ **Alter** each of the following provisions of the certificate of formation. The identification or reference of the altered provision and the full text of the provision as amended are as follows:

☐ **Delete** each of the provisions identified below from the certificate of formation.

### Statement of Approval

The amendments to the certificate of formation have been approved in the manner required by the Texas Business Organizations Code and by the governing documents of the entity.

**Effectiveness of Filing** (Select either A, B, or C.)

- A. ☒ This document becomes effective when the document is filed by the secretary of state.
- B. ☐ This document becomes effective at a later date, which is not more than ninety (90) days from the date of signing. The delayed effective date is: \_\_\_\_\_
- C. ☐ This document takes effect upon the occurrence of a future event or fact, other than the passage of time. The 90<sup>th</sup> day after the date of signing is: \_\_\_\_\_

The following event or fact will cause the document to take effect in the manner described below:

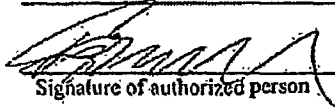
--

**Execution**

The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument and certifies under penalty of perjury that the undersigned is authorized under the provisions of law governing the entity to execute the filing instrument.

Date: May 22, 2013

By: \_\_\_\_\_

  
Signature of authorized person

Louis Bernickeski, Chief Financial Officer, Treasurer + Secretary  
Printed or typed name of authorized person (see instructions)

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BYLAWS OF  
WOODMARK UTILITIES INC.

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**CONTENTS OF INITIAL BYLAWS**

<u>ARTICLE</u>	<u>PAGE</u>
<b>1.00 CORPORATE CHARTER AND BYLAWS</b>	
1.01 Corporate Charter Provisions . . . . .	3
1.02 Registered Agent or Office--Requirement of Filing Changes with Secretary of State . . . .	3
1.03 Initial Business Office . . . . .	4
1.04 Amendment of Bylaws . . . . .	4
<b>2.00 DIRECTORS AND DIRECTORS' MEETINGS</b>	
2.01 Action Without Meeting . . . . .	4
2.02 Telephone Meetings . . . . .	4
2.03 Place of Meetings . . . . .	4
2.04 Regular Meetings . . . . .	5
2.05 Call of Special Meeting . . . . .	5
2.06 Quorum . . . . .	5
2.07 Adjournment--Notice of Adjourned Meetings . . .	5
2.08 Conduct of Meetings . . . . .	6
2.09 Powers of the Board of Directors . . . . .	6
2.10 Board Committees--Authority to Appoint . . . .	6
2.11 Transactions with Interested Directors . . . .	6
2.12 Number of Directors . . . . .	7
2.13 Term of Office . . . . .	7
2.14 Removal of Directors . . . . .	7
2.15 Vacancies . . . . .	7
2.15(a) Declaration of Vacancy . . . . .	7
2.15(b) Filling Vacancies by Directors . . . . .	8
2.15(c) Filling Vacancies by Shareholders . . . .	8
2.16 Compensation . . . . .	8
2.17 Indemnification of Directors and Officers . . . .	8
2.18 Insuring Directors, Officers, and Employees . . .	8

<u>ARTICLE</u>		<u>PAGE</u>
<b>3.00 SHAREHOLDERS' MEETINGS</b>		
3.01	Action without Meeting . . . . .	9
3.02	Telephone Meetings . . . . .	9
3.03	Place of Meetings . . . . .	9
3.04	Notice of Meetings . . . . .	9
3.05	Voting List . . . . .	10
3.06	Votes per Share . . . . .	10
3.07	Cumulative Voting . . . . .	10
3.08	Proxies . . . . .	11
3.09	Quorum . . . . .	11
	3.09(a) Quorum of Shareholders . . . . .	11
	3.09(b) Adjourn for Lack or Loss of Quorum . . . . .	11
3.10	Voting by Voice or Ballot . . . . .	11
3.11	Conduct of Meetings . . . . .	11
3.12	Annual Meetings . . . . .	12
3.13	Failure to Hold Annual Meeting . . . . .	12
3.14	Special Meetings . . . . .	12
<b>4.00 OFFICERS</b>		
4.01	Title and Appointment . . . . .	13
	4.01(a) Chairman . . . . .	13
	4.01(b) President . . . . .	13
	4.01(c) Vice President . . . . .	13
	4.01(d) Secretary . . . . .	14
	4.01(e) Treasurer . . . . .	14
	4.01(f) Assistant Secretary or Assistant Treasurer . . . . .	15
4.02	Removal and Resignation . . . . .	15
4.03	Vacancies . . . . .	15
4.04	Compensation . . . . .	15
<b>5.00 AUTHORITY TO EXECUTE INSTRUMENTS</b>		
5.01	No Authority Absent Specific Authorization . . . . .	16
5.02	Execution of Certain Instruments . . . . .	16
<b>6.00 ISSUANCE AND TRANSFER OF SHARES</b>		
6.01	Classes and Series of Shares . . . . .	16
6.02	Certificates for Fully Paid Shares . . . . .	16
6.03	Consideration for Shares . . . . .	17
6.04	Replacement of Certificates . . . . .	17
6.05	Signing Certificates--Facsimile Signatures . . . . .	17
6.06	Transfer Agents and Registrars . . . . .	17
6.07	Conditions of Transfer . . . . .	17
6.08	Reasonable Doubts as to Right to Transfer . . . . .	18

<u>ARTICLE</u>	<u>PAGE</u>
<b>7.00 CORPORATE RECORDS AND ADMINISTRATION</b>	
7.01 Minutes of Corporate Meetings . . .	18
7.02 Share Register . . . . .	18
7.03 Corporate Seal . . . . .	19
7.04 Books of Account . . . . .	19
7.05 Inspection of Corporate Records . .	19
7.06 Fiscal Year . . . . .	19
7.07 Waiver of Notice . . . . .	20
<b>8.00 ADOPTION OF INITIAL BYLAWS . .</b>	<b>20</b>

## **ARTICLE ONE—CORPORATE CHARTER AND BYLAWS**

### **1.01 CORPORATE CHARTER PROVISIONS**

The Corporation's Charter authorizes 100,000 shares to be issued. The officers and transfer agents issuing shares of the Corporation shall ensure that the total number of shares outstanding at any given time does not exceed this number. Such officers and agents shall advise the Board at least annually of the authorized shares remaining available to be issued. No shares shall be issued for less than the par value stated in the Charter. Each Charter provision shall be observed until amended by Restated Articles or Articles of Amendment duly filed with the Secretary of State.

### **1.02 REGISTERED AGENT AND OFFICE—REQUIREMENT OF FILING CHANGES WITH SECRETARY OF STATE**

The address of the Registered Office provided in the Articles of Incorporation, as duly filed with the Secretary of State for the State of Texas, is: 800 Barclay, Tyler, Texas 75703

The name of the Registered Agent of the Corporation at such address, as set forth in its Articles of Incorporation, is:

Joseph G. Wilkins

The Registered Agent or Office may be changed by filing a Statement of Change of Registered Agent or Office or Both with the Secretary of State, and not otherwise. Such filing shall be made promptly with each change. Arrangements for each change in Registered Agent or Office shall ensure that the Corporation is not exposed to the possibility of a default judgment. Each successive Registered Agent shall be of reliable character and well informed of the necessity of immediately furnishing the papers of any lawsuit against the Corporation to its attorneys.



**1.03 INITIAL BUSINESS OFFICE**

The address of the initial principal business office of the Corporation is hereby established as:

JCW  
Hw/ 890 Barclay, Tyler, Texas 75703

The Corporation may have additional business offices within the State of Texas, and where it may be duly qualified to do business outside of Texas, as the Board of Directors may from time to time designate or the business of the Corporation may require.

**1.04 AMENDMENT OF BYLAWS**

The Shareholders or Board of Directors, subject to any limits imposed by the Shareholders, may amend or repeal these Bylaws and adopt new Bylaws. All amendments shall be upon advice of counsel as to legality, except in emergency. Bylaw changes shall take effect upon adoption unless otherwise specified. Notice of Bylaws changes shall be given in or before notice given of the first Shareholders' meeting following their adoption.

**ARTICLE TWO—DIRECTORS AND DIRECTORS' MEETINGS****2.01 ACTION BY CONSENT OF BOARD WITHOUT MEETING**

Any action required or permitted to be taken by the Board of Directors may be taken without a meeting, and shall have the same force and effect as a unanimous vote of Directors, if all members of the Board consent in writing to the action. Such consent may be given individually or collectively.

**2.02 TELEPHONE MEETINGS**

Subject to the notice provisions required by these Bylaws and by the Business Corporation Act, Directors may participate in and hold a meeting by means of conference call or similar communication by which all persons participating can hear each other. Participation in such a meeting shall constitute presence in person at such meeting, except participation for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

**2.03 PLACE OF MEETINGS**

Meetings of the Board of Directors shall be held at the business office of the Corporation or at such other place within or without the State of Texas as may be designated by the Board.

#### **2.04 REGULAR MEETINGS**

Regular meetings of the Board of Directors shall be held, without call or notice, immediately following each annual Shareholders' meeting, and at such other regularly repeating times as the Directors may determine.

#### **2.05 CALL OF SPECIAL MEETING**

Special meetings of the Board of Directors for any purpose may be called at any time by the President or, if the President is absent or unable or refuses to act, by any Vice President or any two Directors. Written notices of the special meetings, stating the time and place of the meeting, shall be mailed ten days before, or telegraphed or personally delivered so as to be received by each Director not later than two days before, the day appointed for the meeting. Notice of meetings need not indicate an agenda. Generally, a tentative agenda will be included, but the meeting shall not be confined to any agenda included with the notice.

Meetings provided for in these Bylaws shall not be invalid for lack of notice if all persons entitled to notice consent to the meeting in writing or are present at the meeting and do not object to the notice given. Consent may be given either before or after the meeting.

Upon providing notice, the Secretary or other officer sending notice shall sign and file in the Corporate Record Book a statement of the details of the notice given to each Director. If such statement should later not be found in the Corporate Record Book, due notice shall be presumed.

#### **2.06 QUORUM**

The presence throughout any Directors' meeting, or adjournment thereof, of a majority of the authorized number of Directors shall be necessary to constitute a quorum to transact any business, except to adjourn. If a quorum is present, every act done or resolution passed by a majority of the Directors present and voting shall be the act of the Board of Directors.

#### **2.07 ADJOURNMENT AND NOTICE OF ADJOURNED MEETINGS**

A quorum of the Directors may adjourn any Directors' meeting to meet again at a stated hour on a stated day. Notice of the time and place where an adjourned meeting will be held need not be given to absent Directors if the time and place is fixed at the adjourned meeting. In the absence of a quorum, a majority of the Directors present may adjourn to a set time and place if notice is duly given to the absent members, or until the time of the next regular meeting of the Board.

**2.08 CONDUCT OF MEETINGS**

At every meeting of the Board of Directors, the Chairman of the Board, if there is such an officer, and if not, the President, or in the President's absence, a Vice President designated by the President, or in the absence of such designation, a Chairman chosen by a majority of the Directors present, shall preside. The Secretary of the Corporation shall act as Secretary of the Board of Directors' meetings. When the Secretary is absent from any meeting, the Chairman may appoint any person to act as Secretary of that meeting.

**2.09 POWERS OF THE BOARD OF DIRECTORS**

The business and affairs of the Corporation and all corporate powers shall be exercised by or under authority of the Board of Directors, subject to limitations imposed by law, the Articles of Incorporation, any applicable Shareholders' agreement, and these Bylaws.

**2.10 BOARD COMMITTEES—AUTHORITY TO APPOINT**

The Board of Directors may designate an executive committee and one or more other committees to conduct the business and affairs of the Corporation to the extent authorized. The Board shall have the power at any time to change the powers and membership of, fill vacancies in, and dissolve any committee. Members of any committee shall receive such compensation as the Board of Directors may from time to time provide. The designation of any committee and the delegation of authority thereto shall not operate to relieve the Board of Directors, or any member thereof, of any responsibility imposed by law.

**2.11 TRANSACTIONS WITH INTERESTED DIRECTORS**

Any contract or other transaction between the Corporation and any of its Directors (or any corporation or firm in which any of its Directors are directly or indirectly interested) shall be valid for all purposes notwithstanding the presence of that Director at the meeting during which the contract or transaction was authorized, and notwithstanding the Director's participation in that meeting. This section shall apply only if the contract or transaction is just and reasonable to the Corporation at the time it is authorized and ratified, the interest of each Director is known or disclosed to the Board of Directors, and the Board nevertheless authorizes or ratifies the contract or transaction by a majority of the disinterested Directors present. Each interested Director is to be counted in determining whether a quorum is present, but shall not vote and shall not be counted in calculating the majority necessary to carry the vote. This section shall not be construed to invalidate contracts or transactions that would be valid in its absence.

## **2.12 NUMBER OF DIRECTORS**

The number of Directors of this Corporation shall be two (2). No Director need be a resident of Texas or a Shareholder. The number of Directors may be increased or decreased from time to time by amendment to these Bylaws. Any decrease in the number of Directors shall not have the effect of shortening the tenure which any incumbent Director would otherwise enjoy.

## **2.13 TERM OF OFFICE**

Directors shall be entitled to hold office until their successors are elected and qualified. Election for all Director positions, vacant or not vacant, shall occur at each annual meeting of the Shareholders and may be held at any special meeting of Shareholders called specifically for that purpose.

## **2.14 REMOVAL OF DIRECTORS**

The entire Board of Directors or any individual Director may be removed from office by a vote of Shareholders holding a majority of the outstanding shares entitled to vote at an election of Directors. However, if less than the entire Board is to be removed, no one of the Directors may be removed if the votes cast against his removal would be sufficient to elect him if then cumulatively voted at an election of the entire Board of Directors. No director may be so removed except at an election of the class of Directors of which he is a part. If any or all Directors are so removed, new Directors may be elected at the same meeting. Whenever a class or series of shares is entitled to elect one or more Directors under authority granted by the Articles of Incorporation, the provisions of this Paragraph apply to the vote of that class or series and not to the vote of the outstanding shares as a whole.

## **2.15 VACANCIES**

Vacancies on the Board of Directors shall exist upon the occurrence of any of the following events: (a) the death, resignation, or removal of any Director; (b) an increase in the authorized number of Directors; or (c) the failure of the Shareholders to elect the full authorized number of Directors to be voted for at any annual, regular, or special Shareholders' meeting at which any Director is to be elected.

### **2.15(a) DECLARATION OF VACANCY**

A majority of the Board of Directors may declare vacant the office of a Director if the Director: (a) is adjudged incompetent by a court order; (b) is convicted of a crime involving moral turpitude; (c) or fails to accept the office of Director, in

writing or by attending a meeting of the Board of Directors, within thirty (30) days of notice of election.

#### **2.15(b) FILLING VACANCIES BY DIRECTORS**

Vacancies other than those caused by an increase in the number of Directors may be filled temporarily by majority vote of the remaining Directors, though less than a quorum, or by a sole remaining Director. Each Director so elected shall hold office until a qualified successor is elected at a Shareholders' meeting.

#### **2.15(c) FILLING VACANCIES BY SHAREHOLDERS**

Any vacancy on the Board of Directors, including those caused by an increase in the number of Directors shall be filled by the Shareholders at the next annual meeting or at a special meeting called for that purpose. Upon the resignation of a Director tendered to take effect at a future time, the Board or the Shareholders may elect a successor to take office when the resignation becomes effective.

#### **2.16 COMPENSATION**

Directors shall receive such compensation for their services as Directors as shall be determined from time to time by resolution of the Board. Any Director may serve the Corporation in any other capacity as an officer, agent, employee, or otherwise, and receive compensation therefor.

#### **2.17 INDEMNIFICATION OF DIRECTORS AND OFFICERS**

The Board of Directors shall authorize the Corporation to pay or reimburse any present or former Director or officer of the Corporation any costs or expenses actually and necessarily incurred by that officer in any action, suit, or proceeding to which the officer is made a party by reason of holding that position, provided, however, that no officer shall receive such indemnification if finally adjudicated therein to be liable for negligence or misconduct in office. This indemnification shall extend to good-faith expenditures incurred in anticipation of threatened or proposed litigation. The Board of Directors may, in proper cases, extend the indemnification to cover the good-faith settlement of any such action, suit, or proceeding, whether formally instituted or not.

#### **2.18 INSURING DIRECTORS, OFFICERS, AND EMPLOYEES**

The Corporation may purchase and maintain insurance on behalf of any Director, officer, employee, or agent of the Corporation, or on behalf of any person serving at the request of the Corporation as a Director, officer, employee, or agent of

another corporation, partnership, joint venture, trust, or other enterprise, against any liability asserted against that person and incurred by that person in any such corporation, whether or not the Corporation has the power to indemnify that person against liability for any of those acts.

### **ARTICLE THREE—SHAREHOLDERS' MEETINGS**

#### **3.01 ACTION WITHOUT MEETING**

Any action that may be taken at a meeting of the Shareholders under any provision of the Texas Business Corporation Act may be taken without a meeting if authorized by a consent or waiver filed with the Secretary of the Corporation and signed by all persons who would be entitled to vote on that action at a Shareholders' meeting. Each such signed consent or waiver, or a true copy thereof, shall be placed in the Corporate Record Book.

#### **3.02 TELEPHONE MEETINGS**

Subject to the notice provisions required by these Bylaws and by the Business Corporation Act, Shareholders may participate in and hold a meeting by means of conference call or similar communication by which all persons participating can hear each other. Participation in such a meeting shall constitute presence in person at such meeting, except participation for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

#### **3.03 PLACE OF MEETINGS**

Shareholders' meetings shall be held at the business office of the Corporation, or at such other place within or without the State of Texas as may be designated by the Board of Directors or the Shareholders.

#### **3.04 NOTICE OF MEETINGS**

The President, the Secretary, or the officer or persons calling a Shareholders' Meeting, shall give notice, or cause it to be given, in writing to each Director and to each Shareholder entitled to vote at the meeting at least ten (10) but not more than sixty (60) days before the date of the meeting. Such notice shall state the place, day, and hour of the meeting, and, in case of a special meeting, the purpose or purposes for which the meeting is called. Such written notice may be given personally, by mail, or by other means. Such notice shall be addressed to each recipient at such address as appears on the Books of the Corporation or as the recipient has given to the Corporation for

the purpose of notice. Meetings provided for in these Bylaws shall not be invalid for lack of notice if all persons entitled to notice consent to the meeting in writing or are present at the meeting in person or by proxy and do not object to the notice given. Consent may be given either before or after the meeting. Notice of the reconvening of an adjourned meeting is not necessary unless the meeting is adjourned more than thirty days past the date stated in the notice, in which case notice of the adjourned meeting shall be given as in the case of any special meeting. Notice may be waived by written waivers signed either before or after the meeting by all persons entitled to the notice.

### **3.05 VOTING LIST**

At least ten (10), but not more than sixty (60), days before each Shareholders' meeting, the officer or agent having charge of the Corporation's share transfer books shall make a complete list of the Shareholders entitled to vote at that meeting or any adjournment thereof, arranged in alphabetical order, with the address and the number of shares held by each. The list shall be kept on file at the Registered Office of the Corporation for at least ten (10) days prior to the meeting, and shall be subject to inspection by any Director, officer, or Shareholder at any time during usual business hours. The list shall also be produced and kept open at the time and place of the meeting and shall be subject, during the whole time of the meeting, to the inspection of any Shareholder. The original share transfer books shall be prima facie evidence as to the Shareholders entitled to examine such list or transfer books or to vote at any meeting of Shareholders. However, failure to prepare and to make the list available in the manner provided above shall not affect the validity of any action taken at the meeting.

### **3.06 VOTES PER SHARE**

Each outstanding share, regardless of class, shall be entitled to one (1) vote on each matter submitted to a vote at a meeting of Shareholders, except to the extent that the voting rights of the shares of any class or classes are limited or denied pursuant to the Articles of Incorporation. A Shareholder may vote in person or by proxy executed in writing by the Shareholder, or by the Shareholder's duly authorized attorney-in-fact.

### **3.07 CUMULATIVE VOTING**

Subject to any limitation stated in the Articles of Incorporation, every Shareholder entitled to vote at any election of Directors may cumulate votes. For this purpose, each Shareholder shall have a number of votes equal to the number of

Directors to be elected multiplied by the number of votes to which the Shareholder's shares are entitled. The Shareholder may cast all these votes for one candidate or may distribute the votes among any number of candidates. The candidates receiving the highest number of votes are elected, up to the number of vacancies to be filled. No Shareholder may cumulate votes unless that Shareholder gives written notice of his or her intention to do so to the Secretary of the Corporation on or before the day preceding the election at which the votes will be cumulated. If any Shareholder gives written notice as provided above, all Shareholders may cumulate their votes.

### **3.08 PROXIES**

A Shareholder may vote either in person or by proxy executed in writing by the Shareholder or his or her duly authorized attorney in fact. Unless otherwise provided in the proxy or by law, each proxy shall be revocable and shall not be valid after eleven (11) months from the date of its execution.

### **3.09 QUORUM**

#### **3.09(a) QUORUM OF SHAREHOLDERS**

As to each item of business to be voted on, the presence (in person or by proxy) of the persons who are entitled to vote a majority of the outstanding voting shares on that matter shall constitute the quorum necessary for the consideration of the matter at a Shareholders' meeting. The vote of the holders of a majority of the shares entitled to vote on the matter and represented at a meeting at which a quorum is present shall be the act of the Shareholders' meeting.

#### **3.09(b) ADJOURNMENT FOR LACK OR LOSS OF QUORUM**

No business may be transacted in the absence of a quorum, or upon the withdrawal of enough Shareholders to leave less than a quorum, other than to adjourn the meeting from time to time by the vote of a majority of the shares represented at the meeting.

### **3.10 VOTING BY VOICE OR BALLOT**

Elections for Directors need not be by ballot unless a Shareholder demands election by ballot before the voting begins.

### **3.11 CONDUCT OF MEETINGS**

Meetings of the Shareholders shall be chaired by the President, or, in the President's absence, a Vice President designated by the President, or, in the absence of such designation, any other person chosen by a majority of the Shareholders of the Corporation present in person or by proxy and



entitled to vote. The Secretary of the Corporation, or, in the Secretary's absence, an Assistant Secretary, shall act as Secretary of all meetings of the Shareholders. In the absence of the Secretary or Assistant Secretary, the Chairman shall appoint another person to act as Secretary of the meeting.

### **3.12 ANNUAL MEETINGS**

The time, place, and date of the annual meeting of the Shareholders of the Corporation, for the purpose of electing Directors and for the transaction of any other business as may come before the meeting, shall be set from time to time by a majority vote of the Board of Directors. If the day fixed for the annual meeting shall be on a legal holiday in the State of Texas, such meeting shall be held on the next succeeding business day. If the election of Directors is not held on the day thus designated for any annual meeting, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the Shareholders as soon thereafter as possible.

### **3.13 FAILURE TO HOLD ANNUAL MEETING**

If, within any 13-month period, an annual Shareholders' Meeting is not held, any Shareholder may apply to a court of competent jurisdiction in the county in which the principal office of the Corporation is located for a summary order that an annual meeting be held.

### **3.14 SPECIAL MEETINGS**

A special Shareholders' meeting may be called at any time by: (a) the President; (b) the Board of Directors; or (c) one or more Shareholders holding in the aggregate one-tenth or more of all the shares entitled to vote at the meeting. Such meeting may be called for any purpose. The party calling the meeting may do so only by written request sent by registered mail or delivered in person to the President or Secretary. The officer receiving the written request shall within ten (10) days from the date of its receipt cause notice of the meeting to be sent to all the Shareholders entitled to vote at such a meeting. If the officer does not give notice of the meeting within ten (10) days after the date of receipt of the written request, the person or persons calling the meeting may fix the time of the meeting and give the notice. The notice shall be sent pursuant to Section 3.04 of these Bylaws. The notice of a special Shareholders' meeting must state the purpose or purposes of the meeting and, absent consent of every Shareholder to the specific action taken, shall be limited to purposes plainly stated in the notice, notwithstanding other provisions herein.

## **ARTICLE FOUR—OFFICERS**

### **4.01 TITLE AND APPOINTMENT**

The officers of the Corporation shall be a President and a Secretary, as required by law. The Corporation may also have, at the discretion of the Board of Directors, a Chairman of the Board, one or more Vice Presidents, a Treasurer, one or more Assistant Secretaries, and one or more Assistant Treasurers. Any two or more offices, including President and Secretary, may be held by one person. All officers shall be elected by and hold office at the pleasure of the Board of Directors, which shall fix the compensation and tenure of all officers.

#### **4.01(a) CHAIRMAN OF THE BOARD**

The Chairman, if there shall be such an officer, shall, if present, preside at the meetings of the Board of Directors and exercise and perform such other powers and duties as may from time to time be assigned to the Chairman by the Board of Directors or prescribed by these Bylaws.

#### **4.01(b) PRESIDENT**

Subject to such supervisory powers, if any, as may be given to the Chairman, if there is one, by the Board of Directors, the President shall be the chief executive officer of the Corporation and shall, subject to the control of the Board of Directors, have general supervision, direction, and control of the business and officers of the Corporation. The President shall have the general powers and duties of management usually vested in the office of President of a corporation; shall have such other powers and duties as may be prescribed by the Board of Directors or the Bylaws; and shall be ex officio a member of all standing committees, including the executive committee, if any. In addition, the President shall preside at all meetings of the Shareholders and in the absence of the Chairman, or if there is no Chairman, at all meetings of the Board of Directors.

#### **4.01(c) VICE PRESIDENT**

Any Vice President shall have such powers and perform such duties as from time to time may be prescribed by these Bylaws, by the Board of Directors, or by the President. In the absence or disability of the President, the senior or duly appointed Vice President, if any, shall perform all the duties of the President, pending action by the Board of Directors. When so acting, such Vice President shall have all the powers of, and be subject to all the restrictions on, the President.

**4.01(d) SECRETARY**

The Secretary shall:

(1) See that all notices are duly given in accordance with the provisions of these Bylaws and as required by law. In case of the absence or disability of the Secretary, or the Secretary's refusal or neglect to act, notice may be given and served by an Assistant Secretary or by the Chairman, the President, any Vice President, or by the Board of Directors.

(2) Keep the minutes of corporate meetings, and the Corporate Record Book, as set out in Section 7.01 hereof.

(3) Maintain, in the Corporate Record Book, a record of all share certificates issued or cancelled and all shares of the Corporation cancelled or transferred.

(4) Be custodian of the Corporation's records and of any seal which the Corporation may from time to time adopt. When the Corporation exercises its right to use a seal, the Secretary shall see that the seal is embossed on all share certificates prior to their issuance and on all documents authorized to be executed under seal in accordance with the provisions of these Bylaws.

(5) In general, perform all duties incident to the office of Secretary, and such other duties as from time to time may be required by Sections 7.01, 7.02, and 7.03 of these Bylaws, by these Bylaws generally, by the Board of Directors, or by the President.

**4.01(e) TREASURER**

The Treasurer shall:

(1) Have charge and custody of, and be responsible for, all funds and securities of the Corporation, and deposit all funds in the name of the Corporation in those banks, trust companies, or other depositories that shall be selected by the Board of Directors.

(2) Receive, and give receipt for, monies due and payable to the Corporation.

(3) Disburse or cause to be disbursed the funds of the Corporation as may be directed by the Board of Directors, taking proper vouchers for those disbursements.

(4) If required by the Board of Directors or the President, give to the Corporation a bond to assure the faithful performance of the duties of the Treasurer's office and the restoration to the Corporation of all corporate books, papers, vouchers, money, and other property of whatever kind in the

Treasurer's possession or control, in case of the Treasurer's death, resignation, retirement, or removal from office. Any such bond shall be in a sum satisfactory to the Board of Directors, with one or more sureties or a surety company satisfactory to the Board of Directors.

(5) In general, perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to the Treasurer by Sections 7.04 and 7.05 of these Bylaws, by these Bylaws generally, by the Board of Directors, or by the President.

#### **4.01(f) ASSISTANT SECRETARY AND ASSISTANT TREASURER**

The Assistant Secretary or Assistant Treasurer shall have such powers and perform such duties as the Secretary or Treasurer, respectively, or as the Board of Directors or President may prescribe. In case of the absence of the Secretary or Treasurer, the senior Assistant Secretary or Assistant Treasurer, respectively, may perform all of the functions of the Secretary or Treasurer.

#### **4.02 REMOVAL AND RESIGNATION**

Any officer may be removed, either with or without cause, by vote of a majority of the Directors at any regular or special meeting of the Board, or, except in case of an officer chosen by the Board of Directors, by any committee or officer upon whom that power of removal may be conferred by the Board of Directors. Such removal shall be without prejudice to the contract rights, if any, of the person removed. Any officer may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary of the Corporation. Any resignation shall take effect on the date of the receipt of that notice or at any later time specified therein, and, unless otherwise specified therein, the acceptance of that resignation shall not be necessary to make it effective.

#### **4.03 VACANCIES**

Upon the occasion of any vacancy occurring in any office of the Corporation, by reason of death, resignation, removal, or otherwise, the Board of Directors may elect an acting successor to hold office for the unexpired term or until a permanent successor is elected.

#### **4.04 COMPENSATION**

The compensation of the officers shall be fixed from time to time by the Board of Directors, and no officer shall be prevented from receiving a salary by reason of the fact that the officer is also a Shareholder or a Director of the Corporation, or both.

## **ARTICLE FIVE—AUTHORITY TO EXECUTE INSTRUMENTS**

### **5.01 NO AUTHORITY ABSENT SPECIFIC AUTHORIZATION**

These Bylaws provide certain authority for the execution of instruments. The Board of Directors, except as otherwise provided in these Bylaws, may additionally authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances. Unless expressly authorized by these Bylaws or the Board of Directors, no officer, agent, or employee shall have any power or authority to bind the Corporation by any contract or engagement nor to pledge its credit nor to render it pecuniarily liable for any purpose or in any amount.

### **5.02 EXECUTION OF CERTAIN INSTRUMENTS**

Formal contracts of the Corporation, promissory notes, deeds, deeds of trust, mortgages, pledges, and other evidences of indebtedness of the Corporation, other corporate documents, and certificates of ownership of liquid assets held by the Corporation shall be signed or endorsed by the President or any Vice President and by the Secretary or the Treasurer, unless otherwise specifically determined by the Board of Directors or otherwise required by law.

## **ARTICLE SIX—ISSUANCE AND TRANSFER OF SHARES**

### **6.01 CLASSES AND SERIES OF SHARES**

Any time the Corporation has on file with the IRS an active election of Subchapter S status, the Corporation shall issue only one class and one series of shares. At other times, the Corporation may issue one or more classes or series of shares, or both. All shares of any one class if the class is not divided into series, and all shares of any one series, shall have the same voting, conversion, redemption, and other rights, preferences, privileges, and restrictions. Any of these classes or series may have full, limited, or no voting rights, and may have such other preferences, rights, privileges, and restrictions as authorized in the Articles of Incorporation. There shall always be a class or series of shares outstanding that has complete voting rights except as limited or restricted by voting rights conferred on some other class or series of outstanding shares.

### **6.02 CERTIFICATES FOR FULLY PAID SHARES**

Neither shares nor certificates representing shares may be issued by the Corporation until the full amount of the

consideration has been received. When the consideration has been paid to the Corporation, the shares shall be deemed to have been issued and the certificate representing the shares shall be issued to the shareholder.

#### **6.03 CONSIDERATION FOR SHARES**

Shares may be issued for such consideration as may be fixed from time to time by the Board of Directors, but not less than the par value stated in the Articles of Incorporation. The consideration paid for the issuance of shares shall consist of money paid, labor done, or property actually received, and neither promissory notes nor the promise of future services shall constitute payment nor partial payment for shares of the Corporation.

#### **6.04 REPLACEMENT OF CERTIFICATES**

No replacement share certificate shall be issued until the former certificate for the shares represented thereby shall have been surrendered and cancelled, except that replacements for lost or destroyed certificates may be issued, upon such terms, conditions, and guarantees as the Board may see fit to impose, including the filing of sufficient indemnity.

#### **6.05 SIGNING CERTIFICATES—FACSIMILE SIGNATURES**

All share certificates shall be signed by the officer(s) designated by the Board of Directors. The signatures of the foregoing officers may be facsimiles if the certificate is countersigned by a transfer agent or registered by a registrar, either of which is not the Corporation itself or an employee of the Corporation. If the officer who has signed or whose facsimile signature has been placed on the certificate has ceased to be such officer before the certificate issued, the certificate may be issued by the Corporation with the same effect as if he or she were such officer on the date of its issuance.

#### **6.06 TRANSFER AGENTS AND REGISTRARS**

The Board of Directors may appoint one or more transfer agents or transfer clerks, and one or more registrars, at such times and places as the requirements of the Corporation may necessitate and the Board of Directors may designate. Each registrar appointed, if any, shall be an incorporated bank or trust company, either domestic or foreign.

#### **6.07 CONDITIONS OF TRANSFER**

The party in whose name shares of stock stand on the books of the Corporation shall be deemed the owner thereof as regards the Corporation, provided that whenever any transfer of shares

shall be made for collateral security, and not absolutely, and prior written notice thereof shall be given to the Secretary of the Corporation, or to its transfer agent, if any, such fact shall be stated in the entry of the transfer.

#### **6.08 REASONABLE DOUBTS AS TO RIGHT TO TRANSFER**

When a transfer of shares is requested and there is reasonable doubt as to the right of the person seeking the transfer, the Corporation or its transfer agent, before recording the transfer of the shares on its books or issuing any certificate therefor, may require from the person seeking the transfer reasonable proof of that person's right to the transfer. If there remains a reasonable doubt of the right to the transfer, the Corporation may refuse a transfer unless the person gives adequate security or a bond of indemnity executed by a corporate surety or by two individual sureties satisfactory to the Corporation as to form, amount, and responsibility of sureties. The bond shall be conditioned to protect the Corporation, its officers, transfer agents, and registrars, or any of them, against any loss, damage, expense, or other liability for the transfer or the issuance of a new certificate for shares.

### **ARTICLE SEVEN—CORPORATE RECORDS AND ADMINISTRATION**

#### **7.01 MINUTES OF CORPORATE MEETINGS**

The Corporation shall keep at the principal office, or such other place as the Board of Directors may order, a book recording the minutes of all meetings of its Shareholders and Directors, with the time and place of each meeting, whether such meeting was regular or special, a copy of the notice given of such meeting, or of the written waiver thereof, and, if it is a special meeting, how the meeting was authorized. The record book shall further show the number of shares present or represented at Shareholders' meetings, and the names of those present and the proceedings of all meetings.

#### **7.02 SHARE REGISTER**

The Corporation shall keep at the principal office, or at the office of the transfer agent, a share register showing the names of the Shareholders, their addresses, the number and class of shares issued to each, the number and date of issuance of each certificate issued for such shares, and the number and date of cancellation of every certificate surrendered for cancellation. The above information may be kept on an information storage device such as a computer, provided that the device is capable of reproducing the information in clearly legible form. If the Corporation is taxed under Internal Revenue Code Section 1244 or

Subchapter S, the Officer issuing shares shall maintain the appropriate requirements regarding issuance.

### **7.03 CORPORATE SEAL**

The Board of Directors may at any time adopt, prescribe the use of, or discontinue the use of, such corporate seal as it deems desirable, and the appropriate officers shall cause such seal to be affixed to such certificates and documents as the Board of Directors may direct.

### **7.04 BOOKS OF ACCOUNT**

The Corporation shall maintain correct and adequate accounts of its properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, surplus, and shares. The corporate bookkeeping procedures shall conform to accepted accounting practices for the Corporation's business or businesses. Subject to the foregoing, the chart of financial accounts shall be taken from, and designed to facilitate preparation of, current corporate tax returns. Any surplus, including earned surplus, paid-in surplus, and surplus arising from a reduction of stated capital, shall be classed by source and shown in a separate account. If the Corporation is taxed under Internal Revenue Code Section 1244 or Subchapter S, the officers and agents maintaining the books of account shall maintain the appropriate requirements.

### **7.05 INSPECTION OF CORPORATE RECORDS**

A Director or Shareholder demanding to examine the Corporation's books or records may be required to first sign an affidavit that the demanding party will not directly or indirectly participate in reselling the information and will keep it confidential other than in use for proper purposes reasonably related to the Director's or Shareholder's role. A Director who insists on examining the records while refusing to sign this affidavit thereby resigns as a Director.

### **7.06 FISCAL YEAR**

The fiscal year of the Corporation shall be as determined by the Board of Directors and approved by the Internal Revenue Service. The Treasurer shall forthwith arrange a consultation with the Corporation's tax advisers to determine whether the Corporation is to have a fiscal year other than the calendar year. If so, the Treasurer shall file an election with the Internal Revenue Service as early as possible, and all correspondence with the IRS, including the application for the Corporation's Employer Identification Number, shall reflect such non-calendar year election.

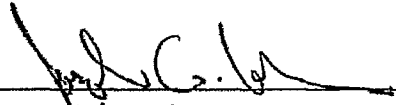



**7.07 WAIVER OF NOTICE**

Any notice required by law or by these Bylaws may be waived by execution of a written waiver of notice executed by the person entitled to the notice. The waiver may be signed before or after the meeting.

**ARTICLE EIGHT—ADOPTION OF INITIAL BYLAWS**

The foregoing bylaws were adopted by the Board of Directors on April 10, 1998

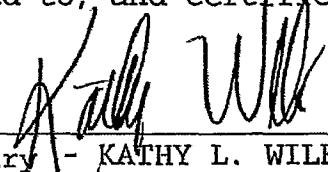
  
\_\_\_\_\_  
Director  
JOSEPH G. WILKINS

  
\_\_\_\_\_  
Director  
KATHY L. WILKINS

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

Attested to, and certified by:

  
\_\_\_\_\_  
Secretary - KATHY L. WILKINS

Corporate  
Seal



## SECTION 1.0 -- RATE SCHEDULE

### Section 1.01 - Rates

#### Monthly Service Charge

Base Equivalent Rate (BER)	Phase 1 - \$76.54	Phase 2 - \$96.38
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#### **Residential**

	Phase 1	Phase 2
Single Family Residential	\$76.54	\$96.38
Duplex (per unit)	\$76.54	\$96.38

**Other Residential** – the monthly rate equals the BER multiplied by the following factors:

	Phase 1	Phase 2
Triplexes and Quadplexes	0.68 per unit	0.68 per unit
Apartments and condos with 5 or more units	0.55 per unit	0.55 per unit
Mobile home park	0.68 per space	0.68 per space
Transient mobile home park	0.55 per space	0.55 per space

**Institutional** – the monthly rate equals the BER multiplied by the following factors:

	Phase 1	Phase 2
Schools with Showers	1.00 per 12 attendees	1.00 per 12 attendees
Schools without Showers	1.00 per 15 attendees	1.00 per 15 attendees
Hospital	0.89 per bed	0.89 per bed
Nursing Home	0.45 per bed	0.45 per bed

**Commercial** – the monthly rate equals the larger of: 1) 80 percent of the actual water meter usage as supplied by the water utility or 2) the BER multiplied by the following factors:

	Phase 1	Phase 2
Restaurant (fast food and/or disposal)	1.12 per table	1.12 per table
Restaurant (sit down and/or dishwashers)	0.45 per table	0.45 per table
Motel without restaurant	0.50 per unit	0.50 per unit
Motel with restaurant	0.50 per unit plus 0.45 per table	0.50 per unit plus 0.45 per table
Laundromat	2.00 per washer	2.00 per washer
Commercial Laundry	3.00 per washer	3.00 per washer
Retail Space	1.50 per space	1.50 per space
Service Station without bays	1.50 per facility	1.50 per facility

Service Station with bays	1.50 per facility plus 6.96 per service bay	1.50 per facility plus 6.96 per service bay
Grocery without butcher	1.50 per facility	1.50 per facility
Grocery with butcher	2.00 per facility plus 4.18 per facility	2.00 per facility plus 4.18 per facility
Carwash, self service	1.50 per bay	1.50 per bay
Churches	1.50 per 200 person capacity in main sanctuary or meeting room	1.50 per 200 person capacity in main sanctuary or meeting room
Golf Course with showers	1.0 per 30 potential golfers during the normal day of 8:00AM to 1:00 with foursomes being dispatched every 10 minutes (120 per day)	1.0 per 30 potential golfers during the normal day of 8:00AM to 1:00 with foursomes being dispatched every 10 minutes (120 per day)
Golf Course without showers	1.0 per 50 potential golfers during the normal day of 8:00AM to 1:00 with foursomes being dispatched every 10 minutes (120 per day)	1.0 per 50 potential golfers during the normal day of 8:00AM to 1:00 with foursomes being dispatched every 10 minutes (120 per day)

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

Cash X, Check X, Money Order X, Credit Card X, Other (specify) Visa/Master Card Credit Card/Only;

Electronic Draft Available Upon Request

(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. CASH PAYMENTS MUST BE MADE AT LOCAL OFFICE.)

REGULATORY ASSESSMENT .....1.0%

THE PUBLIC UTILITY COMMISSION (COMMISSION) RULES REQUIRE THE UTILITY TO COLLECT AND REMIT TO THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL.

### Section 1.02 - Miscellaneous Fee

TAP FEE.....\$1,100.00

TAP FEE IS BASED ON THE AVERAGE OF THE UTILITY'S ACTUAL COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL CONNECTION PLUS UNIQUE COSTS AS PERMITTED BY PUC RULE AT COST.

## SECTION 1.0 -- RATE SCHEDULE (continued)

TAP FEE (Large Connection Tap).....Actual Cost  
 TAP FEE IS BASED ON THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR TAP SIZE INSTALLED.

### RECONNECTION FEE:

THE RECONNECT FEE WILL BE CHARGED BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS:

- |  |                      |
|--|----------------------|
| a) Non payment of bill (Maximum \$25.00) .....           | ..... <u>\$25.00</u> |
| b) Customer's request .....                              | ..... <u>\$25.00</u> |
| OR OTHER REASONS LISTED UNDER SECTION 2.0 OF THIS TARIFF |                      |

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

LATE CHARGE ..... \$5.00  
 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 ..... \$30.00

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

COMMERCIAL AND NON-RESIDENTIAL DEPOSIT..... 1/6<sup>th</sup> EST. ANNUAL BILL

SERVICE RELOCATION FEE.....Actual Cost to Relocate that Service Connection  
 THIS FEE MAY BE CHARGED IN A CUSTOMER REQUESTS RELOCATION OF AN EXISTING SERVICE CONNECTION

### SEASONAL RECONNECTION FEE:

BASE RATE TIMES NUMBER OF MONTHS OFF THE SYSTEM NOT TO EXCEED SIX MONTHS WHEN LEAVE AND RETURN WITHIN A TWELVE MONTH PERIOD.

### LINE EXTENSION AND CONSTRUCTION CHARGES:

Refer to Section 2.20 Specific Utility Service Rules and Section 3.20 Utility Specific Extension Policy for terms, conditions, and charges.

### GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE CLAUSE:

Increase in inspection fees and water testing costs imposed by state or federal law may be passed through as an adjustment to the monthly base rate charge under the terms and conditions of 16 TAC 24.21(k)(2) when authorized by the Commission and after notice to customers.

## SECTION 2.0 — SERVICE RULES AND REGULATIONS

### Section 2.01 – Public Utility Commission of Texas Rules

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

### Section 2.02 - Application for Sewer Service

All applications for service will be made on the utility's standard application or contract form (attached in the Appendix to this tariff), will be signed by the applicant before sewer service is provided by the utility. A separate application or contract will be made for each service location.

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

Where service has previously been provided, the utility will reconnect the service within one working day after the applicant has met requirements for reconnection.

The customer will be responsible for furnishing and laying the necessary customer service pipe from the connection location to the place of use.

### Section 2.03 - Refusal of Service

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

## SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

### Section 2.04–Customer Deposits

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

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

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

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

### Section 2.05–Meter Requirements, Readings, and Testing

It is not a requirement that the utility use meters to measure the quantity of sewage disposed of by individual customers. One connection is required for each residential, commercial, or industrial facility in accordance with Commission rules.

### Section 2.06–Billing

Bills from the utility will be mailed monthly unless otherwise authorized by the Commission. The due date of bills for utility service will be at least twenty (20) days from the date of issuance. The postmark on the bill or, if there is no postmark on the bill, the recorded date of mailing by the utility will constitute proof of the date of issuance. If the due date falls on a holiday or weekend, the due date for payment purposes will be the next workday after the due date.

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

## SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

Each bill will provide all information required by the commission rules. For each of the systems it operates, the utility will maintain and note on the monthly bill a local or toll-free telephone number (or numbers) which may be reached by a local call by customers. At the utility's option, a toll-free telephone number or the equivalent may be provided.

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

### Section 2.07 - Service Disconnection

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

The utility is encouraged to offer a deferred payment plan to a customer who cannot pay an outstanding bill in full and is willing to pay the balance in reasonable installments. However, a customer's utility service may be disconnected if a bill has not been paid or a deferred payment agreement entered into within 30 days from the date of issuance of a bill and if proper notice of termination has been given.

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

Utility service may also be disconnected without notice for reasons as described in the commission rules.

Utility personnel must be available to collect payments and to reconnect service on the day of and the day after any disconnection of service unless service was disconnected at the customer's request or due to a hazardous condition.

### Section 2.08-Reconnection of Service

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



## SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

### Section 2.09–Service Interruptions

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

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

### Section 2.10 - Quality of Service

The utility will plan, furnish, and maintain and operate a treatment and collection facilities of sufficient size and capacity to provide continuous and adequate service for all reasonable consumer uses and to treat sewage and discharge effluent of the quality required by its discharge permit issued by the TCEQ. Unless otherwise authorized by the TCEQ, the utility will maintain facilities as described in the TCEQ's rules.

### Section 2.11 - Customer Complaints and Disputes

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

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

## SECTION 2.20 SPECIFIC UTILITY SERVICE RULES AND REGULATIONS

This section contains specific utility service rules in addition to the rules previously listed under Section 2.0. It must be reviewed and approved by the Commission and in compliance with the commission rules to be effective.

## SECTION 2.20 SPECIFIC UTILITY SERVICE RULES AND REGULATIONS

(continued)

The utility adopts the administrative rules of the Public Utility Commission of Texas, as the same may be amended from time to time, as its company specific service rules and regulations. These rules will be kept on file at the company's offices for customer inspection during regular business hours. In the event of a conflict between the commission's amended rules and the provisions of this tariff, the amended rules shall prevail. Where necessary, any conflicting provision of this tariff shall be deemed to have been superseded by the commission rule in question to the degree that the Utility may conduct its lawful business in conformance with all requirements of said rule.

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

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

Customer shall be liable for any damage or injury to utility-owned property or personnel shown to be caused by the customer, his invitees, his agents, his employees, or others directly under his control.

Limitation on Product/Service Liability - The utility will not accept liability for any injury or damage to individuals or their property occurring on the customer's premises. The utility makes no representations or warranties (expressed or implied) that customer's appliances will not be damaged by disruptions of or fluctuations in sewer service whatever the cause. The utility will not accept liability for injuries or damages to persons or property due to disruption of sewer service caused by: (1) acts of God, (2) acts of third parties not subject to the control of the utility if the utility has undertaken such preventive measures as are required by commission rules, (3) electrical power failures in sewer systems not required by commission rule to have auxiliary power supplies, or (4) termination of sewer service pursuant to the utility's tariff and the commission's rules.

If the services of a registered professional engineer are required as a result of an application for service received by the Utility for service to that applicant's service extension only, such engineer will be selected by the Utility and the applicant, and the applicant shall bear all expenses incurred therein.

## SECTION 2.20 SPECIFIC UTILITY SERVICE RULES AND REGULATIONS

(continued)

If an applicant requires service other than the standard service provided by the utility, such applicant will be required to pay all expenses incurred by the utility in excess of the expenses that would be incurred in providing the standard service and connection. Any applicant who places unique or non-standard service demands on the system may be required to provide contributions in aid of construction (as may be allowed by commission rule) for the actual costs of any additional facilities required to maintain compliance with the Texas Commission Environmental Quality minimum design criteria for sewer collection, treatment, pumping and discharge.

Any applicant or existing customer required to pay for any costs not specifically set forth in the rate schedule pages of this tariff shall be entitled to a written explanation of such costs prior payment and/or commencement of construction. If the applicant or existing customer does not believe that these costs are reasonable or necessary, the applicant or existing customer shall have the right to appeal such costs to the commission or such other regulatory authority having jurisdiction over the utility's rates in that portion of the utility's service area in which the applicant's or existing customer's property(ies) is located.

Tap fees may be increased by unique costs not normally incurred as may be permitted by 16 TAC 24.86(b)(1)(C).

The Utility adopts the Uniform Plumbing Code pursuant to TCEQ Rule 290.46(i). The piping and other equipment on the premises furnished by the customer will be maintained by the customer at all times in conformity with the requirements of the PUC, TCEQ, the Uniform Plumbing Code, and with the service rules and regulations of the Utility. The customer will bring out his service line to his property line at the point on the customer's property mutually acceptable to the customer and the Utility subject to such requirements as may exist by commission rule.

The utility will have the right of access to the customer's premises at all times reasonable for the purpose of installing, testing, inspecting or repairing sewer mains or other equipment used in connection with its provision of sewer service, or for the purpose of removing its property and disconnecting lines, and for all other purposes necessary to the operation of the utility system including inspecting the customer's plumbing for code, plumbing or tariff violations. The customer shall allow the utility and its personnel access to the customer's property to conduct any tests or inspections required by law. Unless necessary to respond to equipment failure, leak or other condition creating an immediate threat to public health and safety or the continued provision of adequate utility service to others, such entry upon the customer's property shall be during normal business hours. The

## SECTION 2.20 SPECIFIC UTILITY SERVICE RULES AND REGULATIONS (continued)

customer may require any utility representative, employee, contractor, or agent seeking to make such entry identify themselves, their affiliation with the utility, and the purpose of their entry.

Threats to or assaults upon utility personnel shall result in criminal prosecution.

Except in cases where the customer has a contract with the utility for reserve or auxiliary service, no other sewer service will be used by the customer on the same installation in conjunction with the utility's service, either by means of a cross-over valve or any other connection. Customer shall not connect, or allow any other person or party to connect, onto any sewer lines on his premises. Two places shall not be permitted to be supplied with one service pipe where there is a sewer main abutting the premises.

No application, agreement or contract for service may be assigned or transferred without the written consent of the utility.

It is agreed and understood that any and all sewer lines and other equipment furnished by the utility (excepting the customer's individual service lines from the point of connection to customer's structures on customer's premises) are and shall remain the sole property of the utility, and nothing contained herein or in a contract/application for service shall be construed to reflect a sale or transfer of any such lines or equipment to any customer. All tap and extension charges shall be for the privilege of connecting to said sewer lines and for installation, not purchase, of said lines.

Service applicants may be required to comply with any pre-condition to receiving service not printed herein as may exist under PUC or TCEQ rule (customer service, health and safety or environmental), USEPA rule, TWDB rule, local regulatory district rule or health department rule. Existing customer shall be required to comply with such rules, including modification of their plumbing and/or consumption patterns, after notice.

The disposal into the utility's sewer collection system of bulk quantities of food or food scraps not previously processed by a grinder or similar garbage disposal unit and grease and oils, except as incidental waste in process or wash water, used in or resulting from food preparation by sewer utility customers engaged in the preparation and/or processing of food for other than domestic consumption for sale to the public shall be prohibited. Specifically included in this prohibition are grease and oils from grease traps to other grease and/or oil storage containers. These substances are defined as

## SECTION 2.20 SPECIFIC UTILITY SERVICE RULES AND REGULATIONS (continued)

“garbage” under Section 361.003 (12) of the Solid Waste Disposal Act, Texas Health and Safety Code, and are not “sewage” as defined by Section 26.001 (7) of the Texas Water Code. The utility only provides “sewage” collection and disposal service to the public. This service is limited to the collection, treatment and disposal of waterborne human waste and waste from domestic activities such as washing, bathing, and food preparation. This service does not include the collection, treatment or disposal of waste of such high BOD or TSS characteristics that it cannot reasonably be processed by the utility's state-approved waste water treatment plant within the parameters of the utility's state and federal waste water discharge permits. THIS SERVICE DOES NOT INCLUDE THE COLLECTION AND DISPOSAL OF STORM WATERS OR RUN OFF WATERS, WHICH MAY NOT BE DIVERTED INTO OR DRAINED INTO THE UTILITY'S COLLECTION SYSTEM.

Pursuant to PUC Rule 16 TAC 24.87(n), the utility may charge for all labor, material, equipment, and other costs necessary to repair or replace all equipment damaged due to service diversion or the discharge of wastes which the system cannot properly treat. This shall include all repair and clean -up costs associated with discharges of grease and oils, except as incidental waste in process or wash water, used in or resulting from food preparation by sewer utility customers engaged in the preparation and/or processing of food for other than domestic consumption or for sale to the public discharged from grease traps or other grease and/or oil storage containers. The utility may charge for all costs necessary to correct service diversion or unauthorized taps where there is no equipment damage, including incidents where service is reconnected without authority. The utility may not charge any additional penalty or charge other than actual costs unless such penalty has been expressly approved by the regulatory authority having rate/tariff jurisdiction and filed in the utility's tariff.

Pursuant to PUC Rule 16 TAC 24.86(b)(3)(A) and (B), the customer's service line and appurtenances shall be construed in accordance with the laws and regulations of the State of Texas, local plumbing codes, or, in the absence of such local codes, the Uniform Plumbing Code. It shall be the customer's responsibility to maintain the service line and appurtenances in good operating condition, i.e., clear of obstruction, defects, or blockage. If the utility can provide evidence of excessive infiltration or inflow or failure to provide proper pretreatment, the utility may, with the written approval of the Commission, require the customer to repair the line or eliminate the infiltration or inflow or take such actions necessary to correct the problem. If the customer fails to correct the problem within a reasonable time, the utility may disconnect service after proper notice.

## SECTION 2.20 SPECIFIC UTILITY SERVICE RULES AND REGULATIONS

(continued)

In accordance with the requirements of Utility's Wastewater discharge Permit, any and all repairs and maintenance of Utility's lines, tanks, pumps and equipment located on Customer's premises shall be performed exclusively by the Utility.

Copies of the utility's state and federal waste water discharge permits shall be available for public inspection and copying in the utility's business office during normal business hours.

Non-residential customers electing the pretreatment option for sewage with non-standard characteristics may be charged those costs set forth in the utility's extension policy if such pretreatment fails or otherwise causes the utility's facilities to violate their waste-water discharge permits.

### RESIDENTIAL SINGLE FAMILY GRINDER/SEWAGE STATIONS

Prior to the installation of a grinder I sewage station, the utility must be given a complete listing of all materials and equipment that will be used.

In order to prevent inflow and infiltration, the materials must comply with standard specifications, approved by the TCEQ.

After the utility has approved the proposed grinder/sewage station, the construction may begin. Once the work has been completed, the utility will do an inspection of the grinder I sewage station to ensure the complete installation was as specified.

The customer will retain ownership of receiving tanks or lift stations on the customer's property, and all maintenance; repairs and replacement are the customer's responsibility. The repairs may be performed by anyone selected by the customer, who is competent to perform such repairs. The utility requires that parts and equipment meet the minimum standards approved by the TCEQ, to insure proper and efficient operation of the sewer system.

### MULTI-FAMILY AND COMMERCIAL RECEIVING TANK/LIFT STATIONS

Prior to the installation of a grinder I sewage station, the utility must be given a complete listing of all materials and equipment that will be used, along with the storage for that development.

## SECTION 2.20 SPECIFIC UTILITY SERVICE RULES AND REGULATIONS

(continued)

In order to minimize inflow and infiltration into the collection system, the installation and materials must comply with standard specifications approved by the TCEQ.

After the utility has approved the proposed grinder I sewage station, the construction may begin. Once the work has been completed, the utility will do an inspection of the grinder/sewage station to ensure the complete installation was as specified.

Prior to acceptance of an existing receiving tank or lift station that is being used as an interceptor tank for primary treatment, wastewater storage or pump tanks prior to discharge into an alternative or conventional sewage system must be cleaned, inspected, repaired, modified, or replaced if necessary to minimize inflow and infiltration into the collection system.

Existing pumps and tanks must be of adequate size to insure proper pumpage in the event of high flow or if the pump is out of service. If the existing pumps and receiving tanks or lift stations are of inadequate size the utility will not accept liability for backups due to: high flows, one pump out of service, rainfall (causing inflow or infiltration, power outages, lack of proper storage capacity, etc.

If the collection system that discharges into the receiving tank/lift station has an inflow or infiltration problem and collects rainfall discharge, the owner or P.O.A. will correct it within 90 days of written notice from the utility. If no action is taken to correct the problem within 90 days, the utility may take the responsibility to make corrections at the owner's/P.O.A.'s expense. The utility is not responsible for the collection system that discharges into the receiving tank/lift station.

The owner/P.O.A. shall be responsible for the monthly electric bill.

An adequate easement must encompass the receiving tank I lift station by a 15 foot radius and also a 15 foot access easement to the receiving tank/ lift station site. If this easement does not exist, one must be created and filed of record.

## SECTION 3.0 -- EXTENSION POLICY

### Section 3.01 - Standard Extension Requirements

LINE EXTENSION AND CONSTRUCTION CHARGES: No contribution in aid of construction may be required of any customer except as provided for in this approved extension policy.

## SECTION 3.0 – EXTENSION POLICY (continued)

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

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

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

Developers may be required to provide contributions in aid of construction in amounts to furnish the system with all facilities necessary to comply with the Texas Commission on Environmental Quality's Rules.

### Section 3.02 – Specific Utility Extension Policies

This section contains the utility's specific extension policy which complies with the requirements already stated under Section 3.01. It must be reviewed and approved by the Commission and in compliance with Commission Rules to be effective.

Residential customers not covered under Section 3.01 will be charged the equivalent of the costs of extending service to their property from the nearest collection line even if that line does not have adequate capacity to serve the customer. However, if the customer places unique, non-standard service demands upon the system, the customer may be charged the full cost of extending service to and throughout their property, including the cost of all necessary treatment capacity necessary to meet the service demands anticipated to be created by that property.



### SECTION 3.0 – EXTENSION POLICY (continued)

Developers will be required to provide contributions in aid of construction in amounts sufficient to furnish the development with all facilities necessary to provide for reasonable local demand requirements and to comply with Texas Commission on Environmental Quality's minimum design criteria for facilities used in collecting, treating, transmitting, and discharging of wastewater effluent. For purposes of this subsection, a developer is one who subdivides or requests more than two connections on a piece of property. Commercial, industrial, and wholesale customers will be treated as developers.

The utility adopts the administrative rules of the Public Utility Commission of Texas, as amended from time to time, as its company specific extension policy. These rules will be kept on file at the company's business office for customer inspection during normal business hours.

Non-residential customers generating sewage creating unique or non-standard treatment demands which might reasonably be expected to cause the utility's treatment facilities to operate outside their current wastewater discharge permit parameters may be charged the cost of all studies, engineering plans, permit costs, and collection treatment or discharge facilities construction or modification costs necessary to enable the utility to treat said sewage within permit limits acceptable to the Texas Commission On Environmental Quality, EPA and other regulatory agencies. In the alternative, the customer may have the option of pretreating said sewage in such a manner to that it may not reasonably be expected to cause the utility's facilities to operate outside their permit parameters. In such case, the customer shall be required to pay the utility's costs of evaluating such pretreatment processes and cost of obtaining regulatory approval of such pretreatment processes. In the event of the pretreatment facilities of a customer making this election fail and cause the utility's facilities to operate outside their permit parameters, the customer shall indemnify the utility for all costs incurred for clean ups or environmental remediation and all fines, penalties, and costs imposed by regulatory or judicial enforcement actions relating to such permit violations.

Non-residential sewer customers producing water borne waste significantly different from waste generated by residential customers may be required to provide a suitable sampling point at the property line for testing the customer's waste for chemicals or substances, e.g., grease, oils, solvents, pesticides, etc., which can reasonably be believed to have an injurious effect on the Utility's plant and/or its ability to treat and dispose of such wastes within the parameters of the Utility's permit. Utility shall have reasonable access to the sampling point at all times.

### SECTION 3.0 – EXTENSION POLICY (continued)

Any service extension to a subdivision (recorded or unrecorded) may be subject to the provisions and restrictions of 16 TAC 24.86(d) and this tariff. When a developer wishes to extend the system to prepare to service multiple new connections, the charge shall be the cost of such extension, plus a pro-rata charge based upon the capacities of collection, transmission, storage, treatment and discharge facilities, compliant with the Texas Commission On Environmental Quality minimum design criteria, which must be committed to such extension. As provided by 16 TAC 24.86(d)(4), for purposes of this section, commercial, industrial, and wholesale customers shall be treated as developers.

The imposition of additional extension costs or charges as provided by Sections 2.20 and 3.20 of this tariff shall be subject to appeal as provided in this tariff, PUC rules, or the rules of such other regulatory authority as may have jurisdiction over the utility's rates and services. Any applicant required to pay for any costs not specifically set forth in the rate schedule pages of this tariff shall be entitled to a written explanation of such costs prior to payment and/or commencement of construction. If the applicant does not believe that these costs are reasonable or necessary, the applicant shall have the right to appeal such costs to the PUC or such other regulatory authority having jurisdiction over the utility's rates in that portion of the utility's service area in which the applicant's property(ies) is located. Unless the PUC or other regulatory authority enters interlocutory orders to the contrary, service to the applicant may be delayed until such appeal is resolved.

The Utility will provide a written service application form to the applicant for each request for service received by the Utility's business offices. A separate application shall be required for each potential service location if more than one service connection is desired by any individual applicant. Service applications forms will be available for applicant pick up at the Utility's business office during normal weekday business hours. Service applications will be sent by prepaid first class United States mail to the address provided by the applicant upon request. Completed applications should be returned by hand delivery in case there are questions which might delay fulfilling the service request. Completed service applications may be submitted by mail if hand delivery is not possible.

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

### SECTION 3.0 – EXTENSION POLICY (continued)

The Utility is not required to extend service to any applicant outside of its certificated service area and will only do so, at the Utility's sole option, under terms and conditions mutually agreeable to the Utility and the applicant and upon extension of the Utility's certificated service area boundaries by the PUC. Service applicants may be required to bear the cost of the service area amendment.

A “qualified service applicant” is an applicant who has: (1) met all of the Utility's requirements of service contained in this tariff, PUC rules and/or PUC order, (2) has made all payments for tap fees and extension charges, (3) has provided all necessary easements and rights-of-way necessary to provide service to the requested location, including staking said easements or rights-of-way where necessary, and (4) has executed a customer service application for each location to which service is being requested.

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

The Utility shall require a developer (as defined by PUC rule) to provide permanent recorded public utility easements as a condition of service to any location within the developer's property. The Developer shall be required to obtain all necessary easements and rights-of-way required to extend the Utility's existing service facilities from their nearest point with adequate service capacity (as prescribed by PUC rules and local service conditions) to and throughout the Developer's property. The easements shall be sufficient to allow the construction, installation, repair, maintenance, testing, and replacement of any and all utility plant necessary to provide continuous and adequate service to each and every potential service location within the property at full occupancy. Unless otherwise restricted by law, sewage treatment, holding tank sites, lift station sites shall convey with all

### SECTION 3.0 – EXTENSION POLICY (continued)

permanent easements and buffers required by PUC rules. Unless otherwise agreed to by the Utility, pipe line right-of-way easements must be at least 15 feet wide to allow adequate room to facilitate backhoe and other heavy equipment operation and meters. Easements must be provided for all storage, treatment, pressurization and disposal sites which are sufficient to construct and maintain all weather roads as prescribed by commission rules. All easements shall be evidenced, at Developer's expense, by recorded county-approved subdivision plat or by specific assignment supported by metes and bounds survey from a surveyor licensed by the State of Texas.

Prior to the extension of utility service to developers (as defined by PUC rules) or new subdivisions, the Developer shall comply with the following;

- (a) The Developer shall make a written request for service to property that is to be subdivided and developed. The Developer shall submit to the Utility a proposed plat on a scale of one inch (1/11) to two hundred feet (200') for review and determination of required easements, utility plant, and plant location. If sewer service is requested, the plat must contain elevation data. A reconcilable deposit in an amount set by the Utility may be required to cover preliminary engineering, legal and copy cost to be incurred by the Utility in reviewing and planning to meet this service request. The plat and/or accompanying information shall identify the type, location and number of houses and other planned structures that will be requiring utility service. If other than residential structures are to be located on the property, all other types of anticipated businesses and their service demands shall be identified with specificity. All areas requiring special irrigation and/or other unique water demands must be identified. To the extent reasonably possible, this information must be precise so that adequate facilities can be designed and constructed to meet all future service demands without hazard to the public, other utility customers and/or the environment.
- (b) After the requirements of easements and rights-of-way have been determined, a red line copy will be returned by the Utility to the Developer for final plat preparation.
- (c) Copies of all proposed plats and plans must be submitted to the Utility prior to their submission to the county for approval to insure that they are compatible with the adequate long-term utility needs of potential service customers. Copies will be returned after review by the Utility so that necessary changes may be incorporated into the Developer's final submitted plat(s) and plans.

- (d) The Utility shall be provided with three (3) certified copies of the final plat(s) approved by the County Commissioners Court. At this time, the Utility will begin engineering the facilities necessary to serve the property. Plans and specifications will be prepared and submitted to the TCEQ by the Utility if required by law. If further plat or plans changes are necessary to accommodate the specific service needs of the property and the anticipated customer demands, the Developer will be so notified. Plat amendments must be obtained by the Developer. The Developer shall be notified when all required TCEQ or other governmental approvals or permits have been received. No construction of utility plant which requires prior TCEQ plans approval shall be commenced until that approval has been received by the Utility and any conditions imposed by the TCEQ in association with its approvals have been satisfied.
- (e) The Developer shall be required to post bond or escrow the funds necessary to construct all required utility plant, except individual sewer connections, required to serve the property. Construction shall not commence until funds are available. If the construction is to be done in coordination with the phased development of the property, funds must be provided in advance which are sufficient to complete each phase. No phase or facilities for any phase shall be constructed prior to the bonding or escrowing of all funds associated with that phase.
- (f) At the sole option of the Utility, the Developer may be required to execute a Developer Extension Contract setting forth all terms and conditions of extending service to their property including all contributions-in-aid of construction and developer reimbursements, if any.
- (g) The Utility may require the Developer to commence construction of subdivision improvements within three (3) months of utility plans approval or the Utility may abate its construction activities until full development construction begins. If the Developer stops construction of subdivision improvements for any purpose, the Utility may abate its construction for a similar period.
- (h) As soon as the roads are rough cut and prior to paving, extension lines will need to be constructed at each road crossing. The Developer must notify the Utility sufficiently in advance of this development stage to allow for the necessary utility construction without disruption to other service operations of the Utility. Failure to provide adequate advance notice and cooperation in the construction of necessary utility plant may result in additional delays in obtaining service to the property. The Developer shall be required to pay for all additional costs of road boring or other remedial construction necessary to install adequate utility plant throughout the affected property.

### SECTION 3.0 – EXTENSION POLICY (continued)

Within its certificated area, the Utility shall bear the cost of the first 200 feet of any water main or sewer collection line necessary to extend service to an individual residential service applicant within a platted subdivision unless the Utility can document:

- (a) that the developer of the subdivision refused to provide facilities compatible with the utility's facilities in accordance with the Utility's approved extension policy after receiving a written request from the Utility; or,
- (b) that the Developer defaulted on the terms and conditions of a written agreement or contract existing between the utility and the developer or the terms of this tariff regarding payment for services, extensions, or other requirements; or in the event the Developer declared bankruptcy and was therefore unable to meet obligations; and,
- (c) that the residential service applicant purchased the property from the Developer after the Developer was notified of the need to provide facilities to the utility. A residential service applicant may be charged the remaining costs of extending service to his property; provided, however, that the residential service applicant may only be required to pay the cost equivalent to the cost of extending the nearest water main or wastewater collection line, whether or not that line has adequate capacity to serve that residential service applicant. The following criteria shall be considered to determine the residential service applicant's cost for extending service:
  - (a) the residential service applicant shall not be required to pay for costs of main extensions greater than 2" in diameter for pressure wastewater collection lines and 6" in diameter for gravity wastewater lines.
  - (b) Exceptions may be granted by the TCEQ Executive Director or PUC if:
    - (1) adequate service cannot be provided to the applicant using the maximum line sizes listed due to distance or elevation, in which case, it shall be the utility's burden to justify that a larger diameter pipe is required for adequate service;
    - (2) larger minimum line sizes are required under subdivision platting requirements or applicable building codes.

Patricia W. Shaw, Ph.D., Chairman  
 Carlos Rulinstein, Commissioner  
 John Baker, Commissioner  
 Zak Covar, Executive Director

## TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

*Protecting Texas by Reducing and Preventing Pollution*

July 12, 2013

Mr. Joe Wilkins, Business Manager  
 Liberty Water  
 16623 FM 2493 Suite E  
 Tyler, Texas 75703

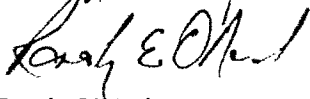
Re: Investigation at:  
 Woodmark Utilities, Tyler, Smith County, Texas  
 RN101511400, TCEQ Permit No., WQ0013168001, Investigation No. 1101970

Dear Mr. Wilkins:

On July 2, 2013 Jennifer Smith of the Texas Commission on Environmental Quality (TCEQ) Tyler Region Office conducted an investigation of the above-referenced regulated entity to evaluate compliance with applicable wastewater treatment regulations. No violations were being alleged as a result of the investigation however additional issues were noted and are attached as a summary of investigation findings.

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 Jennifer Smith in the Tyler Region Office at (903) 535-5104.

Sincerely,



Randy O'Neal  
 Team Work Leader  
 Tyler Regional Office

RO/jw

Enclosure: Summary of Investigation Findings

## Summary of Investigation Findings

<b>WOODMARK UTILITIES</b> HWY 346 TYLER, SMITH COUNTY, TX 75713 Additional ID(s): WQ0013168001 TX0098795	Investigation # <b>1101970</b> Investigation Date: 07/02/2013
No Violations Associated to this Investigation	
<b>ADDITIONAL ISSUES</b>	

### Description

Have there been any unauthorized discharges from the collection system?

### Additional Comments

During the Baker Plantation lift station inspection it was observed that the lift station had overflowed in an unnamed creek. The wastewater crew was onsite fixing the main breaker which had failed. Mr. Estoll was told to pump the wastewater from the creek and to submit a noncompliance notification stating the amount discharged and the actions taken to correct the issue. An e-mailed was received from Mr. Beecher Vaillancourt (Operations Manager) on July 2, 2013 at 3:02 pm along with a noncompliance notification.

Is excessive grease present within the wet well(s) at the lift station(s)?

It was also observed that the Highway 69 lift station had a large deposit of grease. Mr. Estoll stated that he would use a degreaser. No violations were issued during this investigation.

Are the flow measuring devices functioning properly?

It was observed that an effluent staff gauge was not adhered to the chlorine contact chamber. Mr. Estoll stated that he uses a yard stick to measure the flow. When asked where he puts the yard stick, Mr. Estoll stated in the middle of the outfall box before it goes over the weir. The chlorine contact chamber is about four feet, to which the staff gauge is only three feet. This was address as an additional issue. Mr. Estoll stated that a staff gauge would be installed promptly.

Item #1.

During the review of the laboratory Chain of Custodies it was documented in April 2013 and May 2013 on three separate occasions that the samples were not preserved to 4 degrees Celsius according to the TCEQ Houston Sample Guide Collection Guide. This was written as an additional issue and discussed with Mr. Estoll.



## Inspection Letters – Responses

In November, 2013, following a change in management, Liberty Utilities increased staff from 4 operators to 8 operators and added one additional operator in 2015. A daily lift station check and system test of all lift stations were implemented. These checks verify the functionality of each pump, and the testing is to verify the functionality of each float for pump control and for the high level call out system. Liberty Utilities followed this up with and moved into an extensive multimillion dollar lift station rehabilitatee for Woodmark and Tall Timbers. The evaluation work was started in late 2013; the work began in early 2014 and was completed in early 2015.

Immediately after implementation, a pump program was implemented that ensured two functioning pumps were operational in all lift stations. Liberty moved forward with a pump replacement program ensuring there were also one or more spares on the floor. We also implemented a pump replacement program that only allows for one rebuild for a pump. If that rebuilt pump fails, it is replaced with a new one. Temporary lighting for after-hours checks and work was installed at all lift stations. Telemetry was installed in all lift stations and was recently upgraded to a 4G system. This telemetry identifies power outages – when a pump fails and anytime a lift station level rises beyond a specified level. It is set in a manner that it provides approximately 30 minutes of response time by the on-call operator.

Over the next twelve months, all lift stations were professionally evaluated by a Master electrician and a pump and pipe contractor. Electrical improvements and all control panels were upgraded or replaced and all new pump control floats installed. All lift stations were thoroughly evaluated, and new pumps, rails, and piping were installed in all of the lift stations where replacement was indicated. New safety covers and hatches were installed with locking hatches.

Fencing for all lift stations was either repaired or replaced.

New access roads were installed where necessary ensuring access under any conditions. Permanent lighting was installed at every lift station and at the WWTPs. Rehabilitated and relined four of the lift stations.

Liberty continues to be proactive by completing daily lift station checks and system functionality performing checks seven days per week. All issues that are identified are quickly responded to and remedied.

Improvements to the Woodmark system were mandated by and approved by TCEQ enforcement. This approval included the expansion of Woodmark to 0.7 MGD, the TxDOT requirement to move the FM 2493 force main.

An odor control plan is in progress.

**GLENN HEGAR** TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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P.O.Box 13528 • Austin, TX 78711-3528

May 16, 2017

LIBERTY UTILITIES (WOODMARK SEWER) CORP.  
2845 BRISTOL CIRCLE  
OAKVILLE ONTARIO CANADA L6H7H-7

**LIBERTY UTILITIES (WOODMARK SEWER) CORP.**  
Taxpayer Number: 17527851285 File Number: 0148556500

Thank you for submitting your request for a Tax Clearance Letter. This entity has met franchise tax filing requirements and the entity's right to transact business in Texas is currently active so no letter is required.

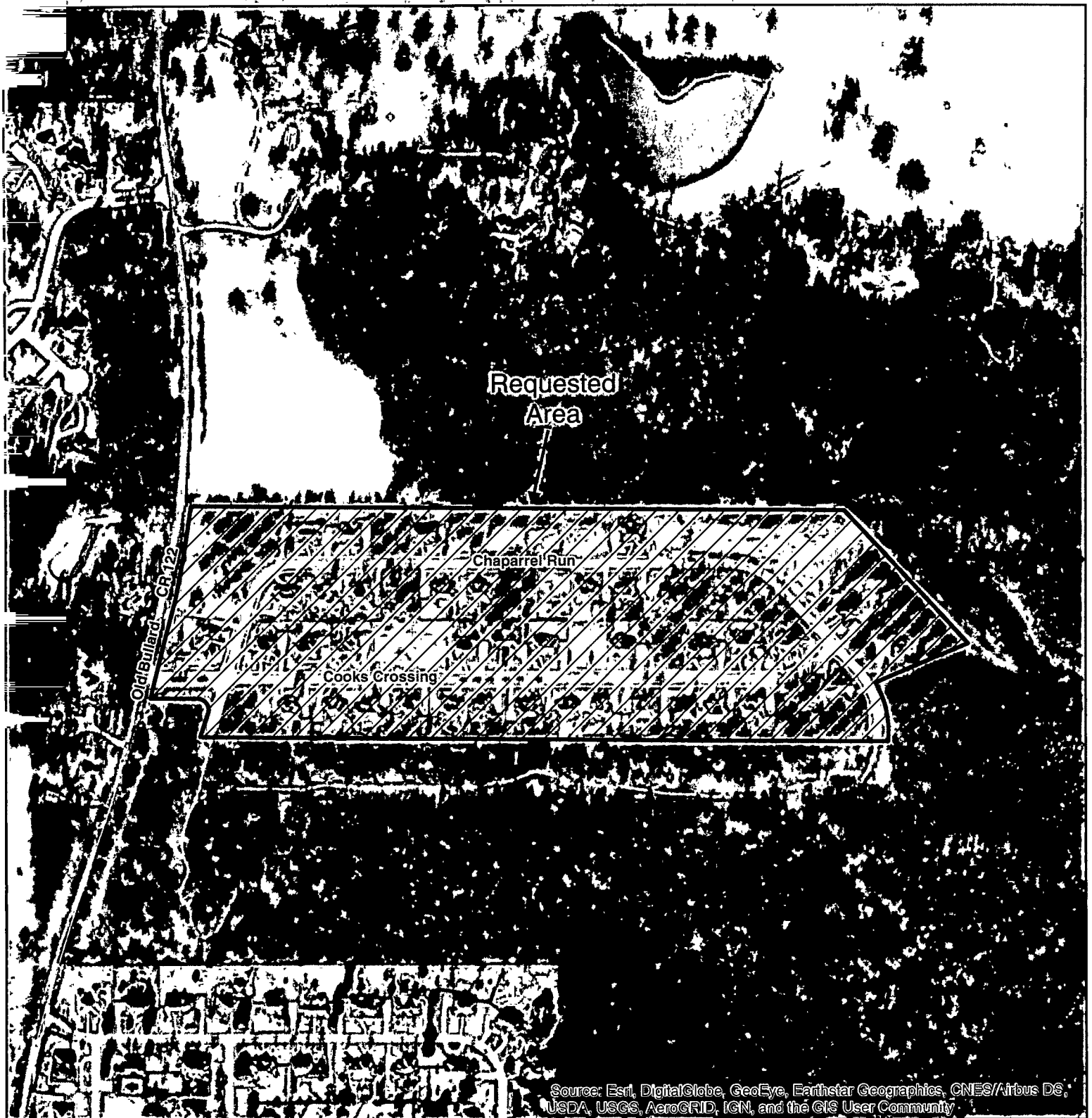
You may view your franchise tax account status at any time on our website at:  
<https://mycpa.cpa.state.tx.us/coa/>

*Any correspondence should be mailed to address on letterhead.*

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**Comptroller Contact Information**

For tax assistance, call 1-800-252-1381.



### Large Scale Map on Imagery

Liberty Utilities (Woodmark) Corp.  
Application to Amend Sewer CCN No. 20679  
Requested Area Includes Current Customers in Cooks Ranch Subdivision  
Smith County



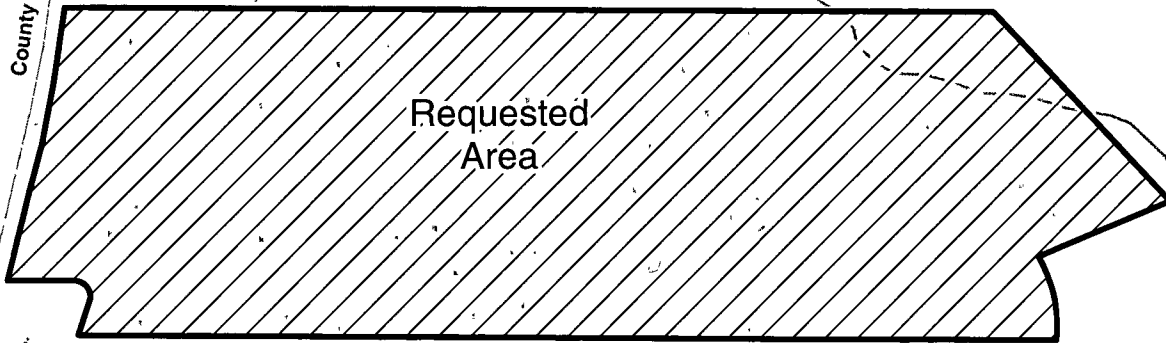
Requested Area - Cooks Ranch - approx 38 acres

0 250 500  
Feet

Map by: S. Burt, ASBGI  
Date: Jan 26, 2017

\* Project: CooksRanch\_large scale\_imagery

County Rd 122  
Old Bullard.



**Large Scale Map on Imagery**

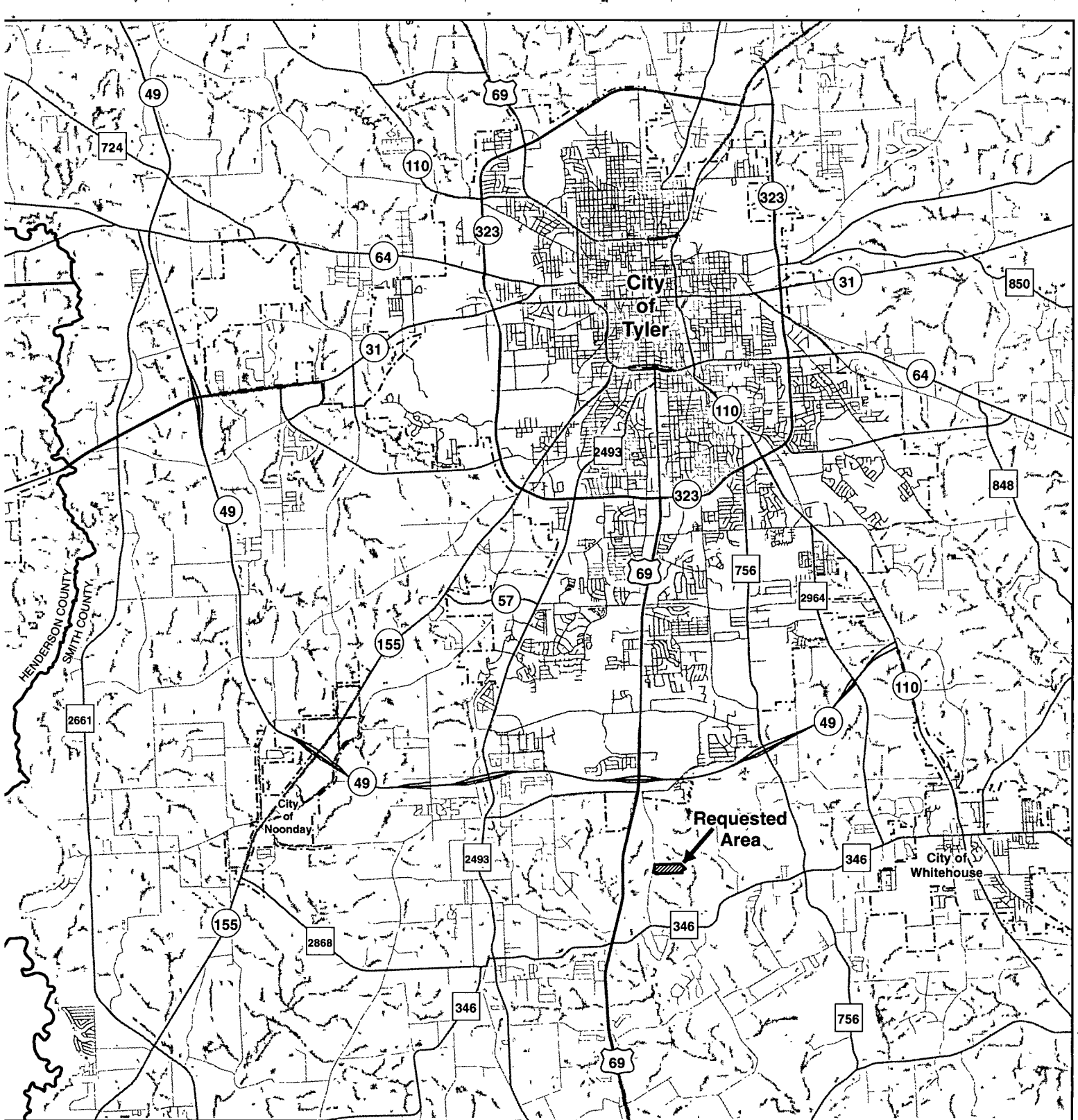
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Requested Area - Cooks Ranch - approx 38 acres

0 250 500  
Feet

Map by: S. Burt, ASBGI  
Date: Jan. 26, 2017  
Base: TxDOT 2015 Roadways  
Project: CooksRanch\_large scale



### General Location

Liberty Utilities (Woodmark) Corp.

Application to Amend Sewer CCN No. 20679

Requested Area Includes Current Customers in Cooks Ranch Subdivision  
Smith County



Requested Area - Cooks Ranch - approx 38 acres



Cities

0 1 2  
Miles

Map by: S. Burt, ASBGI

Date: Jan. 26, 2017

Base: TxDOT 2015 Roadways

Project: Cooks Ranch\_General Location