



Control Number: 47494



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: **47494**

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

RECEIVED
2017 APR 11 AM 10:57
PUBLIC UTILITY COMMISSION
FILING CLERK

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.

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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>20453</u>	

1. Applicant Information

Applicant	
Utility name: Aqua Utilities, Inc. dba Aqua Texas	
Certificate number: 20453	
Street address (City/ST/ZIP/Code): 1106 Clayton Lane, Suite 400W, Austin, Texas 78723	
Mailing address(City/ST/ZIP/Code): 1106 Clayton Lane, Suite 400W, Austin, Texas 78723	
Utility Phone Number and Fax: (512) 990-4400; (512) 989-9891	
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: Geoffrey P. Kirshbaum	Title: Attorney
Mailing address: Terrill & Waldrop, 810 West 10th Street, Austin, Texas 78701	
Email: gkirshbaum@terrillwaldrop.com	Phone and Fax: (512) 474-9100; (512) 474-9800
List all counties in which service is proposed: Hays County, Texas	

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

Investor Owned Utility

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

- i. A copy of the corporation's "Certification of Account Status" from the Texas State Comptroller of Public Accounts. See Attachment 1.
- ii. The corporation's charter number as recorded with the Office of the Texas Secretary of State: 17605563919
- iii. A listing of all stockholders and their respective percentages of ownership. Aqua America, Inc. is the sole shareholder and owns 100%.
- iv. A copy of the company's organizational chart, if available.
- v. A list of all directors and disclose the title of each individual. See Attachment 2 - List of Aqua Utilities' Officers.
- vi. A list of all affiliated organizations (if any) and explain the affiliate's business relationship with the applicant.
 - a. Aqua America, Inc. – Aqua Utilities, Inc. is a wholly-owned subsidiary of Aqua America, Inc.
 - b. Aqua Texas, Inc. – Aqua Texas, Inc. is a wholly-owned subsidiary of Aqua America, Inc. Aqua Texas, Inc. and Aqua Utilities, Inc. are under common control and operate together, along with Aqua Development, Inc., as the Texas utility known as Aqua Texas.
 - c. Aqua Development, Inc. – Aqua Development, Inc. is a wholly-owned subsidiary of Aqua America, Inc. Aqua Texas, Inc. and Aqua Development, Inc. are under common control and operate together, along with Aqua Utilities, Inc., as the Texas utility known as Aqua Texas.
 - d. Kerrville South Water Company, Inc. – Kerrville South Water Company, Inc. is a wholly-owned subsidiary of Aqua Utilities, Inc. and operates as the Texas utility known as Aqua Texas.
 - e. Harper Water Company, Inc. – Harper Water Company, Inc. is a wholly-owned subsidiary of Aqua Utilities, Inc. and also operates as the Texas utility known as Aqua Texas.
 - f. Other Aqua America, Inc. subsidiaries under common control with Aqua Utilities, Inc. operate within jurisdictions outside of Texas (where the proposed CCN area is located), or are not regulated utilities. Please see Aqua America, Inc.'s 2016 Annual Report excerpts for complete information. Attachment 3.

2. Location Information

A. Are there people already living in the proposed area? Yes No

If YES, are any currently receiving utility service? Not Applicable.

If YES, from WHOM? _____

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

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

Yes No

If YES, provide the following:

- i. Describe the service area and circumstances driving the need for service in the requested area. Indicate the name(s) and address(es) of landowner(s), prospective landowner(s), tenant(s), or resident(s) that have requested service; and/or

The proposed amended certificate of convenience and necessity ("CCN") sewer service area is comprised of two tracts. The first tract is comprised of 192.865 acres and is owned by Kyle Three Partners, LP. ("Kyle Three"). The second tract is comprised of 331.536 acres and is owned by Cedar Stump Limited Partnership. However, as indicated in Attachment 4 (CCN Agreement), K Marcos, LLC ("K Marcos") currently has a contract to purchase this tract. Combined, the two tracts comprise the proposed sewer CCN property of approximately 524 acres ("CCN Property") as more particularly shown in Attachments 6 and 7. The CCN Property is located in Hays County, Texas, approximately 6 miles northeast of downtown San Marcos, TX, and is generally bounded on the north by CR 158 & 1.6 miles south of Grassland Ln; on the east by 1 mile southwest of CR 150 & SH 21 intersection; on the south by Yarrington Rd & SH 21; and on the west by CR 158. The CCN Property is not within a sewer CCN. Kyle Three and K Marcos ("Developers") would like Aqua to be the retail sewer utility service provider for the CCN Property and have executed a request for service letter and CCN Agreement as the means of requesting this service from Aqua for the development project that Developers have decided to call "Sunset Oaks Subdivision". Attachment 4.

- 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

Kyle Three and K Marcos ("Developers") would like Aqua to be the retail sewer utility service provider for the CCN Property. Aqua and the Developers have executed a request for service letter and CCN Agreement as the means of requesting this sewer service from Aqua for the development project that Developers have decided to call "Sunset Oaks Subdivision". Attachment 4. The Developers' anticipated need for the CCN Property within the next twelve months (Year 1) is sewer service sufficient to supply approximately 150 living unit equivalents ("LUEs") (with one LUE equating to approximately 250 gallons per day) with another 250 LUEs to follow in the next 12-month period (Year 2). Within the next five years, at full build-out, Developer anticipates a need for sewer service to the CCN Property sufficient to supply 2000 LUEs. Development within the CCN Property is anticipated to be residential. Granting the sewer CCN amendment Aqua requests in this application will enable Aqua to fulfill its commitment to serve the CCN Property and facilitate Developers' plans for same.

The interested parties hope that the Commission will use best efforts to process this application quickly. Timing is important for project success. Inclusion of the CCN Property within Aqua's CCN will benefit the land by facilitating the CCN Property improvements contemplated by Developers.

- 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

Centralized retail sewer utility service from an experienced provider within the CCN Property will eliminate the need for individual on-site sewage facilities (septic systems) within the CCN Property. This will represent an environmental benefit to the land in comparison to an alternative development plan that might use individual septic systems to meet wastewater collection and treatment needs.

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

- iv. Provide copies of any written application(s) or request(s) for service in the requested area; and/or
Please see Attachment 4.
- v. Provide copies of any reports and/or market studies demonstrating existing or anticipated growth in the requested area.

Please see information on anticipated growth in the requested area discussed or reflected within the following:

Request for Service Letter and CCN Agreement. Attachment 4

Various articles and public information related to improvement and development projects in the vicinity of the CCN Property, demonstrating that the CCN Property, which is located in close proximity to the heavily traveled Interstate 35 and several state highways, is in a high growth corridor. Attachment 8.

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

Yes

If YES, within the corporate limits of: Canyon Regional Water Authority (CRWA), and Guadalupe-Blanco River Authority's (GBRA) jurisdictional boundaries. Not within a municipality.

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

Please see correspondence to CRWA and GBRA included within Attachment 9. Neither entity provides retail public sewer utility service near the Property.

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? Not applicable.

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

Aqua Utilities, Inc. is seeking single certification of the 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. **See Attachment 7.**
- 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 **Attachment 6.**
 - 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 **See Attachments 7 and 13.**
 - ii. any facilities, customers or area currently being served outside the applicant's certificated area(s).

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

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

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

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

- A. Please provide the following information:
 - i. a list of public drinking water supply system(s) or sewer system(s) within a 2 mile radius of the proposed system; **See Attachment 10 .**
 - 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; **See Attachment 9. (Note: 16 TAC § 24.102(b)(2) now requires requests within one half mile only.)**
 - iii. copies of written responses from each system or evidence that they did not reply; and

At the time of filing, Developer reports Aqua that no responses to request letters have been received.

- iv. for sewer utilities, documentation showing that you have obtained or applied for a wastewater discharge permit.

Included as Attachment 5 is Aqua's Application for a Transfer of a Wasterwater Permit. Additionally, Applicant includes the final order from the case styled: TCEQ Docket No. 2015-1264-MWD; SOAH Docket No. 582-16-1442; Application by DMS Real Tree, LLC for TPDES Permit No. WQ0015293001. Aqua Utilities, Inc. and DMS Real Tree, LLC have applied with TCEQ to have the DMS Real Tree, LLC permit issued in this docket transferred to Aqua Utilities, Inc. The order constitutes documentation that it is not economically feasible for the Developers to obtain sewer service from Whisper Public Improvement District ("Whisper PID") or City of San Marcos. Attachment 11. Developer reports that Whisper PID was approved by City of San Marcos and may now include property within ½ mile of the CCN Property. However, the current status of Whisper PID is unclear and TCEQ records do not show its location or confirm its existence as an active district.

B. Were your requests for service denied? No

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

Please see phases and plant site as indicated in Attachment 13. Utility will install wastewater treatment plant. Developers will install collection lines according to phases and convey to utility.

D. Date of TCEQ plat approval, if required:
To be determined.

E. Date Plans & Specifications submitted to the TCEQ for approval:

To be determined. (Note: 16 TAC § 24.105(a)(5) has changed to only require proof of wastewater permit application or issuance for sewer CCM amendment applications involving a new sewer system.

Attach copy of approval letter, if available. If the letter is not available by the time your CCN application is submitted, please supplement your application with a copy of the letter once you receive it from the TCEQ.

F. Date construction is scheduled to commence: Within the next 12 months.

G. Date service is scheduled to commence: Within the next 12 months.

5. Existing System Information

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

i. Water system(s): TCEQ Public Water System identification number(s): Not applicable.

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

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

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:

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.

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

See next page.

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.

12. Financial Information

In lieu of all the financial info described above, there is an option to “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.”

Please see: Attachment 3 -- Aqua America, Inc. 2016 Annual Report Excerpt. Audits for Aqua are conducted annually. That information is reflected collectively with other Aqua America, Inc. subsidiaries within the Aqua America, Inc. annual reports.

Additionally, please see Aqua’s 2016 Annual Report filed in Docket No. 46928 for CCN No. 20453.

The rates Aqua would charge to the Sunset Oaks subdivision are included within its “Sewer Utility Tariff for Southwest Region”. Sunset Oaks Subdivision will need to be added to the subdivision/area served list. Please see Aqua's current sewer tariff for its Southwest Region included as Attachment 12.

- 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.

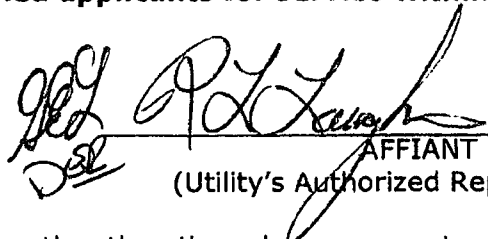
OATH

STATE OF Texas
COUNTY OF Travis

I, Robert L. Laughman, being duly sworn, file this application as President, Aqua Utilities, Inc. (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.

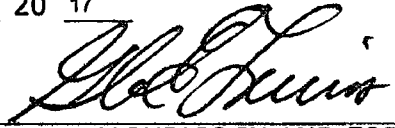
I further represent that the application form has not been changed, altered or amended from its original form.

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.

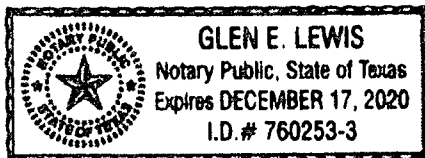

AFFIANT
(Utility's Authorized Representative)

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 28 of July 20 17


NOTARY PUBLIC IN AND FOR THE STATE OF TEXAS

SEAL



Glen E. Lewis
PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES Dec. 17, 2020

Notice for Publication

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

Hays COUNTY(IES), TEXAS

Name of Applicant Aqua Utilities, Inc. has filed an application for a
CCN to obtain or amend CCN No. (s) 20453

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

utility service in Hays County
(ies).

The proposed utility service area is located approximately 6 miles northeast of downtown San Marcos, TX, and is generally bounded on the north by CR 158 & 1.6 miles south of Grassland Ln; on the east by 1 mile southwest of CR 150 & SH 21 intersection; on the south by Yarrington Rd & SH 21; and on the west by CR 158.

The total area being requested includes approximately 524.401 acres and 0 current customers.

A copy of the proposed service area map is available at (Utility Address and Phone Number): Aqua Utilities, Inc., 1106 Clayton Lane, Suite 400W, Austin, TX 78723

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 SEWER UTILITY SERVICE IN

Hays COUNTY(IES), TEXAS

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

(Address)

City State Zip

Name of Applicant Aqua Utilities, Inc. has filed an application for a
CCN to amend CCN No. 20453 with the

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

The proposed utility service area is located approximately 6 miles northeast of downtown San Marcos, TX, and is generally bounded on the north by CR 158 & 1.6 miles south of Grassland Ln; on the east by 1 mile southwest of CR 150 & SH 21 intersection; on the south by Yarrington Rd & SH 21; and on the west by CR 158.

The total area being requested includes approximately 524.401 acres and 0 current customers.

See enclosed map of the proposed service area.

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

Persons who wish to intervene or comment should write the:

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

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

If a public hearing is requested, the 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

ATTACHMENTS:

Attachment 1 – Aqua Utilities, Inc.’s Account Status

Attachment 2 – List of Officers of Aqua Utilities, Inc.

Attachment 3 – 2016 Aqua America, Inc. Annual Report Excerpts

Attachment 4 – K Marcos Request for Service and CCN Agreement

Attachment 5 – Application to Transfer Wastewater Permit

Attachment 6 – Metes and Bounds

Attachment 7 – Maps

Attachment 8 – Articles on anticipated growth in area

Attachment 9 – Service Request Letters

Attachment 10 – List of Neighboring Entities and Districts

Attachment 11 – TCEQ Order Approving TPDES Permit

Attachment 12 – Aqua Utilities’ SW Region Sewer Tariff

Attachment 13 – Project Phases and Plant Site



Franchise Tax Account Status

As of : 08/09/2017 10:58:15

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

AQUA UTILITIES, INC.

Texas Taxpayer Number 17605563919

Mailing Address 762 W LANCASTER AVE BRYN MAWR, PA 19010-3402

Right to Transact Business in Texas ACTIVE

State of Formation TX

Effective SOS Registration Date 12/08/1997

Texas SOS File Number 0147005600

Registered Agent Name CORPORATION SERVICE COMPANY D/B/A CSC-LAWYERS INCO

Registered Office Street Address 211 E. 7TH STREET SUITE 620 AUSTIN, TX 78701

Officers of Aqua Utilities, Inc.
8/10/17

Christopher H. Franklin	Chief Executive Officer
David P. Smeltzer	EVP, Chief Financial Officer
Richard S. Fox	EVP, Chief Operating Officer, Regulated Operations
Daniel J. Schuller	EVP, Strategy and Corporate Development
Christopher P. Luning	SVP, General Counsel and Secretary
William C. Ross	SVP, Engineering and Environmental Affairs
Robert A. Rubin	SVP, Chief Accounting Officer, Controller and Assistant Treasurer
Robert L. Laughman	President
Daniel Rimann	VP, Operations
Robert A. Kopas	Regional Controller
Crandal McDougall	Controller
Stan F. Szczygiel	VP, Planning & Treasurer
Elizabeth Taylor	Assistant Secretary
Lisa Piotrowski	Assistant Secretary
Linda Leatherwood	Assistant Secretary



2016

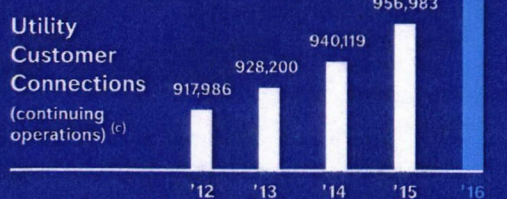
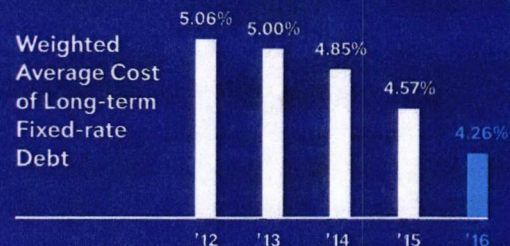
Annual Report

Aqua America, Inc.

Financial Highlights

In thousands of dollars, except per-share amounts

	2016	2015	% Change
Operating revenues	\$819,875	\$814,204	0.7%
Regulated segment			
Operating revenues	\$800,107	\$779,613	2.6%
Operating and maintenance expense	\$285,347	\$282,866	0.9%
Net Income	\$234,182	\$201,790	16.1%
Diluted net income per common share	\$1.32	\$1.14	15.8%
Exclude:			
Joint venture impairment charge	-	\$32,975	
Tax effect	-	(\$11,542)	
Adjusted income^(a)	\$234,182	\$223,223	4.9%
(Non-GAAP financial measure)			
Adjusted income per common share^(a)	\$1.32	\$1.26	4.8%
(Non-GAAP financial measure)			
Annualized dividend rate	\$0.77	\$0.71	7.8%
per common share (12/31)			
Total assets	\$6,158,991	\$5,717,873	7.7%
Number of utility customers served^(c)	972,265	956,983	1.6%



(a) The GAAP financial measures are net income and net income per share. Please see our investor relations page of AquaAmerica.com for a reconciliation of the GAAP to non-GAAP financial measures.

(b) 2015 Income from Continuing Operations adjusted for Joint Venture Impairment Charge (a Non-GAAP Financial Measure). 2015 Income from Continuing Operations per Share was \$1.14.

(c) 2015 excludes 883 customers associated with utility systems disposed of during 2016.

	2016	2015
Assets		
Property, plant and equipment, at cost	\$ 6,509,117	\$ 6,088,011
Less: accumulated depreciation	1,507,502	1,399,086
Net property, plant and equipment	<u>5,001,615</u>	<u>4,688,925</u>
Current assets:		
Cash and cash equivalents	3,763	3,229
Accounts receivable and unbilled revenues, net	97,394	99,146
Inventory, materials and supplies	12,961	12,414
Prepayments and other current assets	12,804	11,802
Assets held for sale	1,728	1,779
Total current assets	<u>128,650</u>	<u>128,370</u>
Regulatory assets	948,647	830,118
Deferred charges and other assets, net	30,845	28,878
Investment in joint venture	7,026	7,716
Goodwill	42,208	33,866
Total assets	<u>\$ 6,158,991</u>	<u>\$ 5,717,873</u>
Liabilities and Equity		
Aqua America stockholders' equity:		
Common stock at \$.50 par value, authorized 300,000,000 shares, issued 180,311,345 and 179,363,660 in 2016 and 2015	\$ 90,155	\$ 89,682
Capital in excess of par value	797,513	773,585
Retained earnings	1,032,844	930,061
Treasury stock, at cost, 2,916,969 and 2,819,569 shares in 2016 and 2015	(71,113)	(68,085)
Accumulated other comprehensive income	669	687
Total stockholders' equity	<u>1,850,068</u>	<u>1,725,930</u>
Long-term debt, excluding current portion	1,759,962	1,743,612
Less: debt issuance costs	22,357	23,165
Long-term debt, excluding current portion, net of debt issuance costs	<u>1,737,605</u>	<u>1,720,447</u>
Commitments and contingencies (See Note 9)	-	-
Current liabilities:		
Current portion of long-term debt	150,671	35,593
Loans payable	6,535	16,721
Accounts payable	59,872	56,452
Accrued interest	18,367	12,651
Accrued taxes	25,607	21,887
Other accrued liabilities	40,484	49,895
Total current liabilities	<u>301,536</u>	<u>193,199</u>
Deferred credits and other liabilities:		
Deferred income taxes and investment tax credits	1,269,253	1,118,923
Customers' advances for construction	91,843	86,934
Regulatory liabilities	250,635	259,507
Other	115,583	100,498
Total deferred credits and other liabilities	<u>1,727,314</u>	<u>1,565,862</u>
Contributions in aid of construction	542,468	512,435
Total liabilities and equity	<u>\$ 6,158,991</u>	<u>\$ 5,717,873</u>

See accompanying notes to consolidated financial statements.

	2016	2015	2014
Operating revenues	\$ 819,875	\$ 814,204	\$ 779,903
Operating costs and expenses:			
Operations and maintenance	304,897	309,310	288,556
Depreciation	130,987	125,290	123,054
Amortization	2,021	3,447	3,481
Taxes other than income taxes	56,385	55,057	50,453
Total operating expenses	494,290	493,104	465,544
Operating income	325,585	321,100	314,359
Other expense (income):			
Interest expense, net	80,594	76,536	76,397
Allowance for funds used during construction	(8,815)	(6,219)	(5,134)
(Gain) loss on sale of other assets	(378)	(468)	4
Gain on extinguishment of debt	-	(678)	-
Equity (earnings) loss in joint venture	(976)	35,177	3,989
Income from continuing operations before income taxes	255,160	216,752	239,103
Provision for income taxes	20,978	14,962	25,219
Income from continuing operations	234,182	201,790	213,884
Discontinued operations:			
Income from discontinued operations before income taxes	-	-	32,155
Provision for income taxes	-	-	12,800
Income from discontinued operations	-	-	19,355
Net income	<u>\$ 234,182</u>	<u>\$ 201,790</u>	<u>\$ 233,239</u>
Income from continuing operations per share:			
Basic	<u>\$ 1.32</u>	<u>\$ 1.14</u>	<u>\$ 1.21</u>
Diluted	<u>\$ 1.32</u>	<u>\$ 1.14</u>	<u>\$ 1.20</u>
Income from discontinued operations per share:			
Basic	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 0.11</u>
Diluted	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 0.11</u>
Net income per common share:			
Basic	<u>\$ 1.32</u>	<u>\$ 1.14</u>	<u>\$ 1.32</u>
Diluted	<u>\$ 1.32</u>	<u>\$ 1.14</u>	<u>\$ 1.31</u>
Average common shares outstanding during the period:			
Basic	177,273	176,788	176,864
Diluted	<u>177,846</u>	<u>177,517</u>	<u>177,763</u>
Cash dividends declared per common share	<u>\$ 0.7386</u>	<u>\$ 0.686</u>	<u>\$ 0.634</u>

See accompanying notes to consolidated financial statements.

	2016	2015	2014
Net income	\$ 234,182	\$ 201,790	\$ 233,239
Other comprehensive income, net of tax:			
Unrealized holding (loss) gain on investments, net of tax (benefit) expense of \$21, \$(53), and \$104 for the years ended December 31, 2016, 2015, and 2014, respectively	39	(101)	193
Reclassification adjustment for loss (gain) reported in net income, net of tax (benefit) expense of \$30 and \$(134) for the twelve months ended December 31, 2016 and 2014, respectively (1)	(57)	-	249
Comprehensive income	<u>\$ 234,164</u>	<u>\$ 201,689</u>	<u>\$ 233,681</u>

See accompanying notes to consolidated financial statements.

(1) Amount of pre-tax loss (gain) of \$(87) and \$383 reclassified from accumulated other comprehensive income to loss (gain) on sale of other assets on the consolidated statements of net income for the years ended December 31, 2016 and 2014, respectively.

	2016	2015
Aqua America stockholders' equity:		
Common stock, \$.50 par value	\$ 90,155	\$ 89,682
Capital in excess of par value	797,513	773,585
Retained earnings	1,032,844	930,061
Treasury stock, at cost	(71,113)	(68,085)
Accumulated other comprehensive income	669	687
Total stockholders' equity	1,850,068	1,725,930
Long-term debt of subsidiaries (substantially secured by utility plant):		
<u>Interest Rate Range</u>		
0.00% to 0.99%	2023 to 2033	4,661
1.00% to 1.99%	2019 to 2035	15,539
2.00% to 2.99%	2024 to 2031	19,668
3.00% to 3.99%	2019 to 2056	381,944
4.00% to 4.99%	2020 to 2054	487,318
5.00% to 5.99%	2017 to 2043	213,078
6.00% to 6.99%	2017 to 2036	52,985
7.00% to 7.99%	2022 to 2027	33,066
8.00% to 8.99%	2021 to 2025	6,565
9.00% to 9.99%	2018 to 2026	26,400
10.00% to 10.99%	2018	6,000
	1,247,224	1,185,257
Notes payable to bank under revolving credit agreement, variable rate, due 2021	25,000	60,000
Unsecured notes payable:		
Bank notes at 1.921% and 1.975% due 2017 and 2018	100,000	100,000
Notes at 3.57% and 3.59% due 2027 and 2041	245,000	120,000
Notes ranging from 4.62% to 4.87%, due 2017 through 2024	133,600	144,400
Notes ranging from 5.20% to 5.95%, due 2017 through 2037	159,809	169,548
Total long-term debt	1,910,633	1,779,205
Current portion of long-term debt	150,671	35,593
Long-term debt, excluding current portion	1,759,962	1,743,612
Less: debt issuance costs	22,357	23,165
Long-term debt, excluding current portion,	1,737,605	1,720,447
Total capitalization	\$ 3,587,673	\$ 3,446,377

See accompanying notes to consolidated financial statements.

	Common stock	Capital in excess of par value	Retained earnings	Treasury stock	Accumulated Other Comprehensive Income	Noncontrolling Interest	Total
Balance at December 31, 2013	\$ 88,964	\$ 743,335	\$ 729,272	\$ (27,082)	\$ 346	\$ 208	\$ 1,535,043
Net income	-	-	233,239	-	-	40	233,279
Purchase of subsidiary shares from noncontrolling interest	-	-	-	-	-	(208)	(208)
Other comprehensive income, net of income tax of \$238	-	-	-	-	442	-	442
Dividends	-	-	(112,106)	-	-	-	(112,106)
Repurchase of stock (659,666 shares)	-	-	-	(15,756)	-	-	(15,756)
Equity compensation plan (212,920 shares)	107	(107)	-	-	-	-	-
Exercise of stock options (449,412 shares)	225	7,071	-	-	-	-	7,296
Stock-based compensation	-	6,811	(453)	-	-	-	6,358
Employee stock plan tax benefits	-	1,828	-	-	-	-	1,828
Other	-	(793)	-	-	-	-	(793)
Balance at December 31, 2014	89,296	758,145	849,952	(42,838)	788	40	1,655,383
Net income	-	-	201,790	-	-	-	201,790
Other comprehensive loss, net of income tax benefit of \$53	-	-	-	-	(101)	-	(101)
Dividends	-	-	(121,248)	-	-	-	(121,248)
Sale of stock (26,295 shares)	13	664	-	-	-	-	677
Repurchase of stock (981,585 shares)	-	-	-	(25,247)	-	-	(25,247)
Equity compensation plan (321,402 shares)	161	(161)	-	-	-	-	-
Exercise of stock options (424,709 shares)	212	7,328	-	-	-	-	7,540
Stock-based compensation	-	5,860	(433)	-	-	-	5,427
Employee stock plan tax benefits	-	2,602	-	-	-	-	2,602
Other	-	(853)	-	-	-	(40)	(893)
Balance at December 31, 2015	89,682	773,585	930,061	(68,085)	687	-	1,725,930
Net income	-	-	234,182	-	-	-	234,182
Other comprehensive loss, net of income tax benefit of \$9	-	-	-	-	(18)	-	(18)
Dividends	-	-	(130,923)	-	-	-	(130,923)
Stock issued for acquisition (439,943 shares)	220	12,625	-	-	-	-	12,845
Sale of stock (47,478 shares)	24	1,364	-	-	-	-	1,388
Repurchase of stock (97,400 shares)	-	-	-	(3,028)	-	-	(3,028)
Equity compensation plan (231,502 shares)	115	(115)	-	-	-	-	-
Exercise of stock options (228,762 shares)	114	4,146	-	-	-	-	4,260
Stock-based compensation	-	5,390	(476)	-	-	-	4,914
Employee stock plan tax benefits	-	1,329	-	-	-	-	1,329
Other	-	(811)	-	-	-	-	(811)
Balance at December 31, 2016	\$ 90,155	\$ 797,513	\$ 1,032,844	\$ (71,113)	\$ 669	\$ -	\$ 1,850,068

See accompanying notes to consolidated financial statements.

	2016	2015	2014
Cash flows from operating activities			
Net income	\$ 234,182	\$ 201,790	\$ 233,239
Income from discontinued operations	-	-	19,355
Income from continuing operations	234,182	201,790	213,884
Adjustments to reconcile income from continuing operations to net cash flows from operating activities			
Depreciation and amortization	133,008	128,737	126,535
Deferred income taxes	17,250	16,506	31,477
Provision for doubtful accounts	5,505	5,765	5,838
Share-based compensation	5,390	5,860	6,819
Gain on sale of utility system and market-based business unit	(744)	-	-
(Gain) loss on sale of other assets	(378)	(468)	4
Gain on extinguishment of debt	-	(678)	-
Equity (earnings) loss in joint venture	(970)	35,177	3,989
Net change in receivables, inventory and prepayments	(3,974)	(6,520)	(20,299)
Net change in payables, accrued interest, accrued taxes and other accrued liabilities	4,756	(3,469)	470
Change in income tax receivable	-	-	7,873
Other	1,769	(11,906)	(11,702)
Operating cash flows from continuing operations	395,788	370,794	364,888
Operating cash flows used in discontinued operations, net	-	-	(1,100)
Net cash flows from operating activities	395,788	370,794	363,788
Cash flows from investing activities			
Property, plant and equipment additions, including the debt component of allowance for funds used during construction of \$2,220, \$1,598, and \$1,494	(382,996)	(364,689)	(328,605)
Acquisitions of utility systems and other, net	(9,423)	(28,989)	(14,616)
Release of funds previously restricted for construction activity	-	47	-
Net proceeds from the sale of utility systems and other assets	7,746	648	558
Other	1,464	(1,079)	279
Investing cash flows used in continuing operations	(383,209)	(394,062)	(342,384)
Investing cash flows from discontinued operations, net	-	-	49,883
Net cash flows used in investing activities	(383,209)	(394,062)	(292,501)
Cash flows from financing activities			
Customers' advances and contributions in aid of construction	7,263	5,904	6,064
Repayments of customers' advances	(3,763)	(3,977)	(4,028)
Net repayments of short-term debt	(10,186)	(1,677)	(18,342)
Proceeds from long-term debt	503,586	560,544	317,699
Repayments of long-term debt	(373,087)	(400,407)	(253,192)
Change in cash overdraft position	(8,076)	(739)	(322)
Proceeds from issuing common stock	1,388	677	-
Proceeds from exercised stock options	4,260	7,540	7,296
Share-based compensation windfall tax benefits	1,332	1,842	1,422
Repurchase of common stock	(3,028)	(25,247)	(15,756)
Dividends paid on common stock	(130,923)	(121,248)	(112,106)
Other	(811)	(853)	(793)
Financing cash flows (used in) from continuing operations	(12,045)	22,359	(72,058)
Financing cash flows used in discontinued operations, net	-	-	(149)
Net cash flows (used in) from financing activities	(12,045)	22,359	(72,207)
Net increase (decrease) in cash and cash equivalents	534	(909)	(920)
Cash and cash equivalents at beginning of year	3,229	4,138	5,058
Cash and cash equivalents at end of year	\$ 3,763	\$ 3,229	\$ 4,138
Cash paid during the year for			
Interest, net of amounts capitalized	\$ 66,067	\$ 70,103	\$ 72,441
Income taxes	2,739	6,902	4,348
Non-cash investing activities			
Property, plant and equipment additions purchased at the period end, but not yet paid	\$ 35,145	\$ 25,612	\$ 31,050
Non-cash customer advances for construction	26,234	27,992	43,642

See accompanying notes to consolidated financial statements

See Note 2 – *Acquisitions*, Note 10 – *Long-term Debt and Loans Payable*, and Note 14 – *Employee Stock and Incentive Plan* for a description of non-cash activities.

K MARCOS, LLC
3736 BEE CAVE ROAD, SUITE 1-122
WEST LAKE HILLS, TEXAS 78746-5393

August 9, 2017

Glen Lewis
Director of Corporate Development
Aqua Texas, Inc.
1106 Clayton Lane, Suite 400W
Austin, TX 78723

Re: Request for Retail Sewer Utility Service

Dear Mr. Lewis:

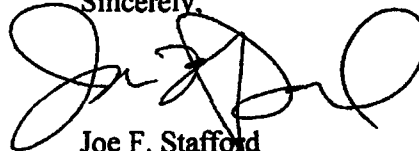
I am contacting you on behalf of K Marcos, LLC ("Developer"). Developer is in the process of developing approximately 524 acres shown in Attachment A, to be called Sunset Oaks Subdivision (the "Property"). (The current land owners are Kyle Three Properties LP and Cedar Stump, LP.). Developer respectfully requests that Aqua Utilities, Inc. d/b/a Aqua Texas ("Aqua") (CCN No. 20453) (and, at the appropriate time, Aqua Texas, Inc. d/b/a Aqua Texas) become the retail sewer utility service provider for development within the Property.

Within the next twelve months (Year 1), Developer anticipates a need for sewer service to the Property sufficient to supply 150 living unit equivalents ("LUEs") (one LUE should be considered approximately 250 gallons per day) with another 250 LUEs to follow in the next 12-month period (Year 2). Within the next five years, at full build-out Developer anticipates a need for sewer service to the Property sufficient to supply 2000 LUEs. Development within the Property is anticipated to be residential.

It is my anticipation that Aqua will complete and file a sewer CCN amendment application with the PUC to add the Property to Aqua's sewer CCN based on this request. Please feel free to contact me for further discussion at (512) 532-6655 or by email at Joe@staffordcompany.com.

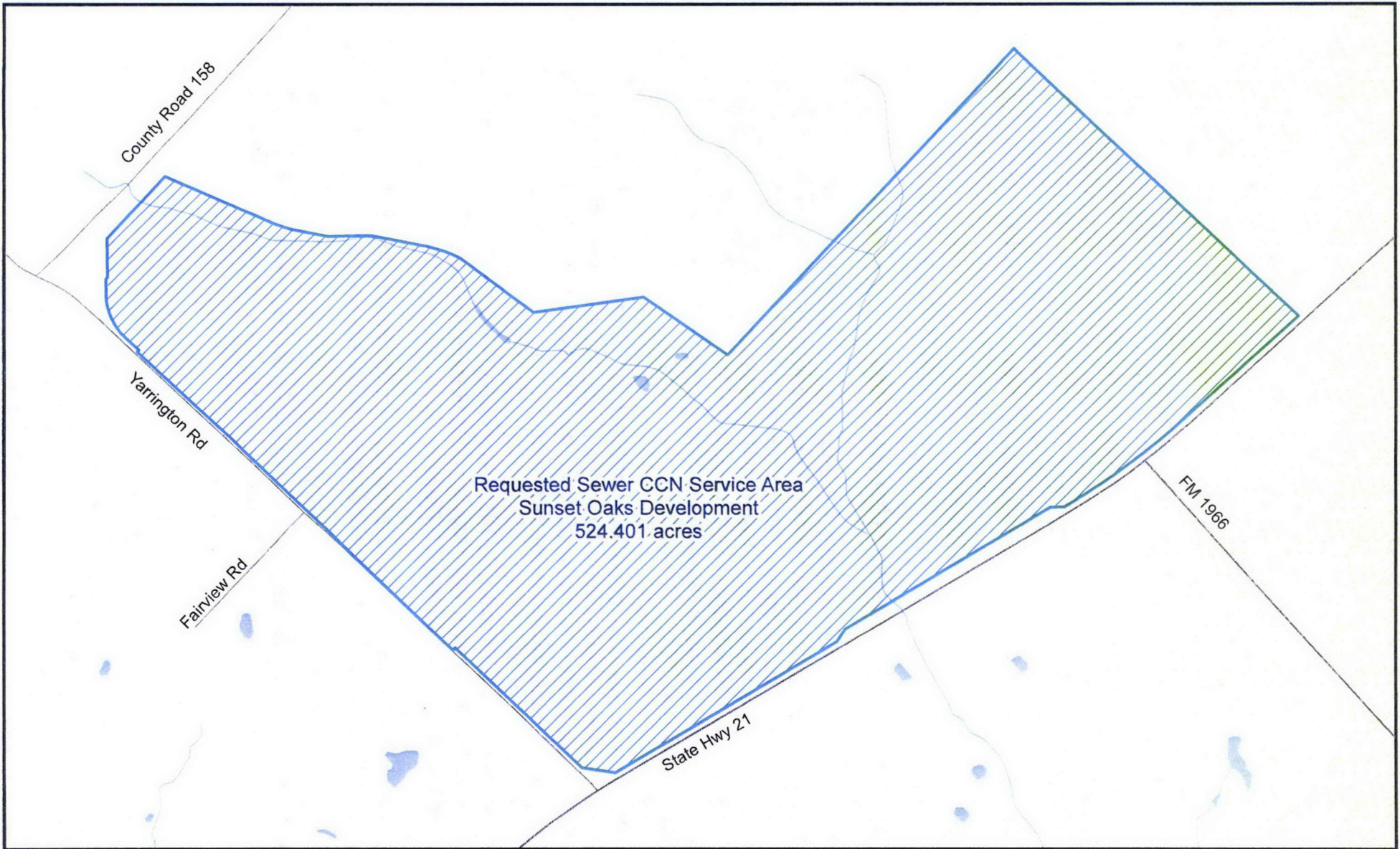
Thank you.

Sincerely,



Joe F. Stafford
Manager, K Marcos, LLC

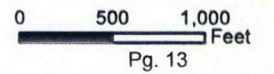
Enclosures – Attachment A



Large Scale Map

Aqua Utilities, Inc.
Proposed Amendment to Sewer CCN No. 20453
524.401 Acres of Land in Hays County

 Requested Sewer CCN Service Area



Map by: S. Burt, ASBGI
Date: August 9, 2017
Base: TxDOT 2015 Roadways
Project: Sunset Oaks Large Scale

CCN AGREEMENT

This CCN Agreement ("CCN Agreement") is made and is effective as of 8/10/17 by and among Aqua Utilities, Inc., a Texas corporation, whose corporate headquarters and principal place of business is at 1106 Clayton Lane, Suite 400W, Austin, Texas 78723 ("Aqua"); Kyle Three Partners, LP, a Texas limited partnership whose office is located at 3736 Bee Cave Road, Suite 1-122, West Lake Hills, Texas 78746 ("Kyle Three"); and K Marcos, LLC, a Texas limited liability company whose office is located at 3736 Bee Cave Road, Suite 1-122, West Lake Hills, Texas 78746 (the "K Marcos"). Kyle Three and K Marcos are sometimes referred to herein as the "Developers." Kyle Three, K Marcos and Aqua are sometimes referred to herein singularly as a "Party", and collectively as the "Parties".

BACKGROUND AND RECITALS

1. Kyle Three is the owner of approximately 193 acres of land located in Hays County, Texas (the "Kyle Three Property"). K Marcos controls approximately 331 acres of land located in Hays County, Texas (the "K Marcos Property") pursuant to a validly existing purchase money contract between K Marcos and the owner of the K Marcos Property. The Kyle Three Property and the K Marcos Property together constitute the "CCN Property" in this CCN Agreement, such CCN Property being more particularly described by metes and bounds on the attached Exhibit A.
2. Aqua Utilities is the owner and operator of private water and wastewater utilities throughout the state of Texas and the holder of Sewer Certificate of Convenience and Necessity ("CCN") Number 20453. The Parties desire for the CCN Property to be added to Aqua Utilities' sewer CCN as provided in this Agreement.
3. The Developers desire to utilize Aqua as the sole and exclusive provider of retail wastewater service for the CCN Property, and Aqua is willing to be the sole and exclusive retail wastewater service provider for the CCN Property.
4. Aqua is willing to incur certain expenses to add the CCN Property to its Sewer CCN enabling the CCN Property to become part of Aqua's wastewater systems.

In consideration of the mutual covenants and consideration exchanged and contained in this CCN Agreement, and intending to be legally bound, Aqua, Kyle Three, and K Marcos agree as follows:

CCN AGREEMENT

- A. On or before August 14, 2017, Aqua will prepare and file with the Public Utility Commission of Texas (“PUC”) an application to add the CCN Property to Aqua’s Sewer CCN (the “CCN Application”). A draft copy of the anticipated CCN Application (without supporting exhibits) is attached hereto as Exhibit B. Aqua will proceed with and pursue the CCN Application until its completion, which is when the PUC approves the CCN Application and issues a final and non-appealable order adding all of the CCN Property to Aqua’s Sewer CCN service area. Aqua shall bear the costs associated with preparing, filing, and pursuing the CCN Application.

- B. On or before August 14, 2017, Aqua will prepare and file with the Texas Commission on Environmental Quality (“TCEQ”) an application to transfer Texas Pollutant Discharge Elimination System (“TD PES”) Permit No. WQ0015293001 (the “STP Permit”) to Aqua (the “Permit Transfer Application”). A draft copy of the anticipated Permit Transfer Application (with supporting exhibits) is attached hereto as Exhibit C. Aqua will proceed with and pursue the Permit Transfer Application until its completion, which is when the TCEQ issues a final, non-appealable order granting the Permit Transfer Application. Aqua shall bear the costs associated with preparing, filing, and pursuing the Permit Transfer Application.

- C. Developers will provide any and all documentation needed or desired to prepare and submit the CCN Application and Permit Transfer Application, including but not limited to: maps, plats, consents, approvals, surveys, reports, studies, and preliminary engineering summaries (excluding engineering documents for the full design of wastewater system to serve the CCN Property). Developers shall bear the costs associated with preparing and/or providing the documentation needed for the CCN Application and the Permit Transfer Application.

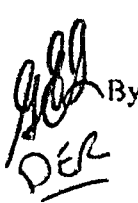
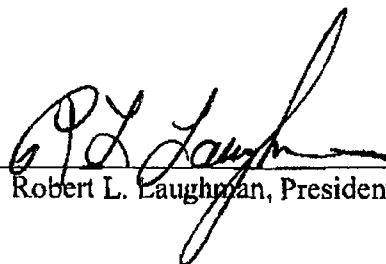
- D. No later than thirty days after the date that both the CCN Application and the Permit Transfer Application have been finally approved and granted by the PUC and the TCEQ, respectively, Aqua shall pay Developers the out of pocket costs incurred by Developers to acquire the STP Permit.

- E. No later than thirty days after the date that both the CCN Application and the Permit Transfer Application have been finally approved and granted by the PUC and the TCEQ, respectively, Developers shall convey to Aqua fee simple interest in a mutually agreeable wastewater treatment plant site consistent with the STP Permit requirements and mutually agreeable easements for access, lines, and effluent discharge locations, at no cost to Aqua.

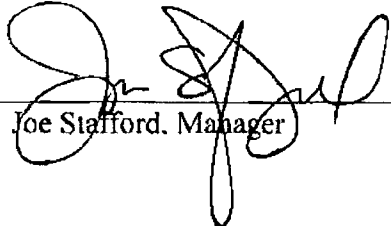
- F. This CCN Agreement, and all documents and instruments to be furnished or delivered hereto, shall be governed by the laws of the State of Texas without giving effect to conflicts of laws principles.
- G. No Party shall assign its rights and obligations under this CCN Agreement, directly or indirectly, voluntarily or involuntarily, without the prior written approval of all other Parties, which consent shall not be unreasonably withheld or delayed. It is anticipated that the Developers may desire to assign all rights and obligations under this CCN Agreement to any party which purchases all or substantially all of the CCN Property. Notwithstanding the foregoing, Aqua shall be entitled to assign its interest in this CCN Agreement if such assignment is performed to consolidate ownership of Aqua's utility assets to an affiliated entity with commonality of ownership with Aqua.
- H. This CCN Agreement may be modified or amended only by a writing signed by all Parties.
- I. Nothing contained in this CCN Agreement shall be deemed to confer upon any third party any right against any of the Parties hereto
- J. This CCN Agreement may be executed in multiple originals, each of equal dignity.
- K. Each Party represents and warrants to the other Party that the following are true, accurate, and complete as of the Effective Date (defined herein):
 - a. The Party has full right and authority to enter into this CCN Agreement and to consummate the transactions described in this CCN Agreement; and
 - b. This CCN Agreement constitutes the valid and legally binding obligations of the Party and is enforceable against the Party in accordance with its terms.

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the day and year first above written above:

AQUA UTILITIES, INC.


 By:  _____
 Robert L. Laughman, President

**KYLE THREE PARTNERS, LP
BY ITS GENERAL PARTNER,
KYLE THREE PARTNERS GP, LLC**

By: 
Joe Stafford, Manager

K MARCOS, LLC

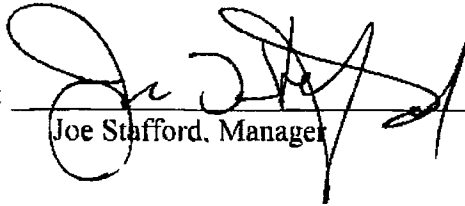
By: 
Joe Stafford, Manager

Exhibit A



**Professional Land Surveying, Inc.
Surveying and Mapping**

Office: 512-443-1724
Fax: 512-389-0943

3500 McCall Lane
Austin, Texas 78744

**192.865 ACRES
HAYS COUNTY, TEXAS**

A DESCRIPTION OF 192.865 ACRES IN THE WILLIAM HEMPHILL SURVEY, ABSTRACT NO. 221, HAYS COUNTY, TEXAS, BEING A PORTION OF A 199.17 ACRE TRACT CONVEYED TO KYLE THREE PARTNERS IN A GENERAL WARRANTY DEED DATED JUNE 6, 2006 AND RECORDED IN VOLUME 2940, PAGE 201 OF THE OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS; SAID 192.865 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a calculated point in the northeast right-of-way line of Yarrington Road (County Road 159) (right-of-way width varies) and the southwest line of the said 199.17 acre tract, from which a 1/2" rebar found at the intersection of the northeast right-of-way line of Yarrington Road (County Road 159) and the southeast right-of-way line of County Road 158 (right-of-way width varies), being the westernmost corner of the said 199.17 acre tract, bears North 46°49'54" West, a distance of 891.90 feet;

THENCE crossing the said 199.17 acre tract, the following seven (7) courses and distances:

1. North 43°41'50" East, a distance of 20.46 feet to a 1/2" rebar found;
2. North 46°25'50" West, a distance of 147.84 feet to a 1/2" rebar found;
3. With a curve to the right, having a radius of 445.00 feet, a delta angle of 46°11'30", an arc length of 358.76 feet, and a chord which bears North 23°20'36" West, a distance of 349.12 feet to a 1/2" rebar found;
4. North 00°16'18" West, a distance of 116.18 feet to a 1/2" rebar found;
5. North 44°22'31" East, a distance of 21.34 feet to a 1/2" rebar found;
6. North 00°14'32" West, a distance of 292.20 feet to a 1/2" rebar with "McGray" cap found;
7. North 42°59'42" East, a distance of 647.18 feet to a calculated point the northeast line of the said 199.17 acre tract, being in the southwest line of an 811.38 acre tract described in Volume 2909, Page 684 of the Deed Records of Hays County, Texas, from which a 1/2" rebar found in the southeast right-of-way line of County Road 158, being the northernmost corner of the said 199.17 acre

tract, being also the westernmost corner of the said 811.38 acre tract, bears North 65°54'46" West, a distance of 153.56 feet;

THENCE with the northeast line of the said 199.17 acre tract and the southwest line of the said 811.38 acre tract, the following thirteen (13) courses and distances:

1. South 65°54'46" East, a distance of 906.03 feet to a 1/2" rebar found;
2. South 70°23'28" East, a distance of 133.12 feet to a 1/2" rebar found;
3. South 78°19'48" East, a distance of 289.16 feet to a 1/2" rebar found;
4. North 89°17'30" East, a distance of 252.70 feet to a 1/2" rebar with "Byrn" cap found;
5. South 88°36'56" East, a distance of 82.83 feet to a 1/2" rebar with "Byrn" cap found;
6. South 78°51'09" East, a distance of 427.46 feet to a 1/2" rebar found;
7. South 73°25'42" East, a distance of 53.91 feet to a 1/2" rebar with "Byrn" cap found;
8. South 72°57'37" East, a distance of 88.19 feet to a 1/2" rebar found;
9. South 68°34'15" East, a distance of 56.47 feet to a 1/2" rebar found;
10. South 62°36'23" East, a distance of 68.97 feet to a 1/2" rebar found;
11. South 52°52'10" East, a distance of 691.05 feet to a 1/2" rebar found;
12. North 82°34'01" East, a distance of 840.95 feet to a 1/2" rebar found;
13. South 54°50'00" East, a distance of 771.50 feet to a 1/2" rebar found for the easternmost corner of the said 199.17 acre tract, being the southernmost corner of the said 811.38 acre tract, being also in the northwest line of a 305 acre tract described in Volume 51, Page 402 of the Deed Records of Hays County, Texas;

THENCE South 43°23'47" West with the southeast line of the said 199.17 acre tract and the northwest line of the said 305 acre tract, a distance of 3058.00 feet to a calculated point in the northeast right-of-way line of Yarrington Road (County Road 159), being the southernmost corner of the said 199.17 acre tract, from which a 60d nail found referenced in a description of a 199.187 acre tract recorded in Volume 1028, Page 712 of the Deed Records of Hays County, Texas, bears North 49°25'23" East, a distance of 20.90 feet;

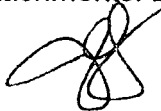
THENCE with the northeast right-of-way line of Yarrington Road (County Road 159) and the southwest line of the said 199.17 acre tract, the following three (3) courses and distances:

1. North 45°49'46" West, a distance of 2151.11 feet to a calculated point;
2. North 44°56'03" West, a distance of 137.04 feet to a 1/2" rebar with "Byrn" cap found;
3. North 46°49'54" West, a distance of 1012.39 feet to the **POINT OF BEGINNING**, containing 192.865 acres of land, more or less.

Surveyed on the ground March 27, 2017.

Bearing Basis: The Texas Coordinate System of 1983 (NAD83), South Central Zone, based on GPS solutions from the National Geodetic Survey (NGS) On-line Positioning User Service (OPUS) for Chaparral control point "P941".

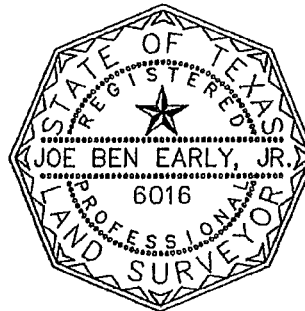
Attachments: Drawing 1286-001-BASE.



Joe Ben Early, Jr.
Registered Professional Land Surveyor
State of Texas No. 6016
TBPLS Firm No. 10124500

8/4/17

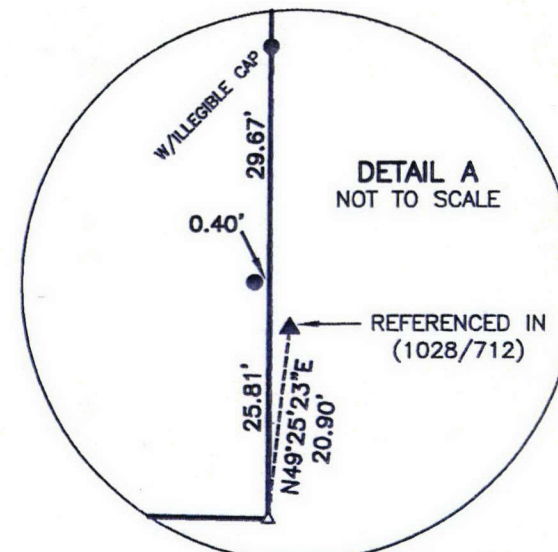
Date



SKETCH TO ACCOMPANY A DESCRIPTION OF 192.865 ACRES IN THE WILLIAM HEMPHILL SURVEY, ABSTRACT NO. 221, HAYS COUNTY, TEXAS, BEING A PORTION OF A 199.17 ACRE TRACT CONVEYED TO KYLE THREE PARTNERS IN A GENERAL WARRANTY DEED DATED JUNE 6, 2006 AND RECORDED IN VOLUME 2940, PAGE 201 OF THE OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS.

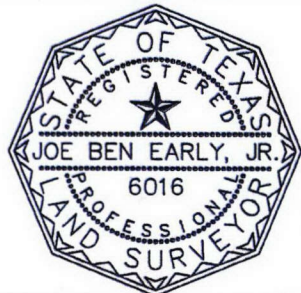
LINE TABLE			
LINE	BEARING	DISTANCE	(RECORD)
L1	N43°41'50"E	20.46'	
L2	N46°25'50"W	147.84'	
L3	N00°16'18"W	116.18'	
L4	N44°22'31"E	21.34'	
L5	N00°14'32"W	292.20'	
L6	N42°59'42"E	647.18'	
L7	S65°54'46"E	906.03'	
L8	S70°23'28"E	133.12'	(S69°08'23"E 133.17')
L9	S78°19'48"E	289.16'	(S77°06'06"E 289.03')
L10	N89°17'30"E	252.70'	(S89°32'28"E 252.84')
L11	S88°36'56"E	82.83'	(S87°39'24"E 82.92')
L12	S78°51'09"E	427.46'	(S77°40'42"E 427.31')
L13	S73°25'42"E	53.91'	(S72°23'38"E 53.89')
L14	S72°57'37"E	88.19'	(S71°44'00"E 88.29')
L15	S68°34'15"E	56.47'	(S67°32'52"E 56.18')
L16	S62°36'23"E	68.97'	(S61°23'13"E 69.27')
L17	S52°52'10"E	691.05'	(S51°41'06"E 690.89')
L18	N82°34'01"E	840.95'	(N83°45'07"E 840.88')
L19	S54°50'00"E	771.50'	(S53°40'21"E 771.66')
L20	S43°23'47"W	3058.00'	(S44°34'56"W 3058.44')
L21	N45°49'46"W	2151.11'	(N44°38'59"W 2150.60')
L22	N44°56'03"W	137.04'	(N43°45'13"W 137.04')
L23	N46°49'54"W	1012.39'	

LEGEND	
●	1/2" REBAR FOUND (OR AS NOTED)
●	1/2" REBAR WITH "BYRN" CAP FOUND
●	1/2" REBAR WITH "MCGRAY" CAP FOUND
△	CALCULATED POINT
▲	60D NAIL FOUND
()	RECORD INFORMATION



Pg. 22

DATE OF SURVEY: 3/27/17
 PLOT DATE: 8/4/17
 DRAWING NO.: 1286-001-CCN
 T.B.P.L.S. FIRM NO. 10124500
 DRAWN BY: JBE
 SHEET 1 OF 2

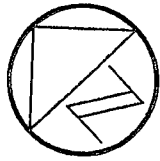


8/4/17
Chaparral

BEARING BASIS: THE TEXAS COORDINATE SYSTEM OF 1983 (NAD83), SOUTH CENTRAL ZONE, BASED ON GPS SOLUTIONS FROM THE NATIONAL GEODETIC SURVEY (NGS) ON-LINE POSITIONING USER SERVICE (OPUS).

ATTACHMENTS: METES AND BOUNDS DESCRIPTION 1286-001-CCN

CURVE TABLE					
CURVE	RADIUS	DELTA	ARC	BEARING	CHORD
C1	445.00'	46°11'30"	358.76'	N23°20'36"W	349.12'

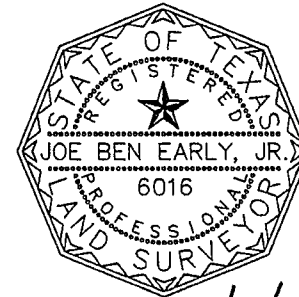


1" = 500'

LASALLE HOLDINGS, LTD.
811.38 ACRES
(2909/684)

192.865 ACRES

KYLE THREE PARTNERS LP
199.17 ACRES
(2940/201)



8/4/17

COUNTY ROAD 158
(RIGHT-OF-WAY WIDTH VARIES)

N65°54'46"W
153.56'

4.748
ACRE
FUTURE
R.O.W.

N46°49'54"W 891.90'

P.O.B.

YARRINGTON ROAD (COUNTY ROAD 159)
(RIGHT-OF-WAY WIDTH VARIES)

L20
CEDAR STUMP LIMITED PARTNERSHIP
305 ACRES (TRACT 2)
(1489/800)

SEE DETAIL A

EXHIBIT "A"

Being all that tract of land out of the Willam Hemphill Survey, Abstract No. 221 in Hays County, Texas, and being that tract called 305 acres in Volume 51, Pages 402-403, save and except a 5.9 acre tract conveyed to the State of Texas in Volume 125, Page 215, all of the Deed Records of Hays County, Texas, all as now found upon the ground and found to contain 331.536 acres under monumentation, and all bearings referred to in description and referenced to a bearing of S 62 deg. 36 min. 00 sec. W between monumentation found along the Northwest right-of-way line of State Highway 21, said 331.536 acre tract of land surveyed under the supervision of Richard A. Goodwin, RPLS #4069, S. Craig Hollmig, Inc., and being more particularly described as follows:

BEGINNING at a 1/2 inch iron pin found in the Northeast right-of-way line of what is called Hays County Road No. 159 (Yarrington Road), for the West corner of the above referenced 305 acre tract, the monumented South corner of a 199.187 acre tract described in Volume 1028, Page 712 of the Official Public Records of Hays County, Texas, for the West corner of this tract;

THENCE along the Northwest line of the above referenced 305 acre tract, the Southeast line of said 199.187 acre tract, the Southeast line of a 119.365 acre tract described in Volume 1028, Page 729 of the Official Public Records of Hays County, Texas, the Southeast line of a tract of 99.0 acres described in Doc. #9930406 of the Official Public Records of Hays County, Texas, the Southeast line of a tract of 105.601 acres described in Volume 2396, Page 615 of the Official Public Records of Hays County, Texas, and partly along the Southeast line of a 24.856 acre tract described in Volume 2201, Page 812 of the Official Public Records of Hays County, Texas, N 46 deg. 07 min. 26 sec. E 3,032.88 feet, a 1/2 inch iron pin found at the South corner of said 119.365 acre tract, N 46 deg. 15 min. 32 sec. E 1,286.26 feet to a 1/2 inch iron pin found at the South corner of said 105.601 acre tract, N 46 deg. 00 min. 05 sec. E 1,082.38 feet to a 1/2 inch iron pin found at the South corner of said 24.856 acre tract, and N 46 deg. 19 min. 31 sec. E 794.83 feet to a 5/8 inch iron pin found at the West corner of a tract called Tract 3A, called 23.154 acres, described in Doc. #99030406 of the Official Public Records of Hays County, Texas, for the North corner of this above referenced 305 acre tract, for the North corner of this tract;

THENCE along the Southwest line of said Tract 3A, 23.154 acres, S 43 deg. 22 min. 10 sec. E 2,950.55 feet to a 1/2 inch iron pin found at the South corner of said 23.154 acre tract, lying in the Northwest right-of-way line of State Highway 21, for the East corner of this tract;

THENCE along the Northwest right-of-way line of State Highway 21, S 50 deg. 55 min. 04 sec. W 1,128.23 feet to a broken concrete monument found in same, at the beginning of a curve to the right, for a corner of this tract;

THENCE continuing along the Northwest right-of-way line of State Highway 21, and said curve to the right, having a radius of 5679.60 feet, an arc length of 1,158.86 feet, and a chord bearing and distance of S 56 deg. 45 min. 42 sec. W 1,156.84 feet to a bent 1/2 inch iron pin found at the end of said curve, for a corner of this tract;

THENCE continuing along the Northwest right-of-way line of State Highway 21, N 88 deg. 31 min. 16 sec. W 103.53 feet to a broken concrete monument found, S 62 deg. 36 min. 00 sec. W 1,798.50 feet to a broken concrete monument found, S 36 deg. 02 min. 06 sec. W 111.80 feet, a 1/2 inch iron pin set, and S 62 deg. 36 min. 00 sec. W 1,950.69 feet to a broken concrete monument found at a flare corner from State Highway 21 to Hays County Road No. 159, for a corner of this tract;

THENCE along said flare line, N 78 deg. 36 min. 23 sec. W 252.27 feet to a 1 inch iron pin found in concrete in the Northeast right-of-way line of what is called Hays County Road No. 159 (Yarrington Road), for the Southwest corner of this tract;

THENCE along the Northeast right-of-way line of Hays County Road No. 159, N 43 deg. 19 min. 17 sec. W 1,321.43 feet to the Point of Beginning and containing 331.536 acres of land, more or less.

Exhibit B



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

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

Docket Number: _____

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

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

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

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

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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>20453</u>	

1. Applicant Information

Applicant

Utility name: Aqua Utilities, Inc. dba Aqua Texas

Certificate number: 20453

Street address (City/ST/ZIP/Code): 1106 Clayton Lane, Suite 400W, Austin, Texas 78723

Mailing address(City/ST/ZIP/Code): 1106 Clayton Lane, Suite 400W, Austin, Texas 78723

Utility Phone Number and Fax: (512) 990-4400; (512) 989-9891

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: Geoffrey P. Kirshbaum

Title: Attorney

Mailing address: Terrill & Waldrop, 810 West 10th Street, Austin, Texas 78701

Email: gkirshbaum@terrillwaldrop.com

Phone and Fax: (512) 474-9100; (512) 474-9800

List all counties in which service is proposed:

Hays County, Texas

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

Investor Owned Utility

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

- i. A copy of the corporation's "Certification of Account Status" from the Texas State Comptroller of Public Accounts. See Attachment 1.
- ii. The corporation's charter number as recorded with the Office of the Texas Secretary of State: 17605563919
- iii. A listing of all stockholders and their respective percentages of ownership. Aqua America, Inc. is the sole shareholder and owns 100%.
- iv. A copy of the company's organizational chart, if available.
- v. A list of all directors and disclose the title of each individual. See Attachment 2 - List of Aqua Utilities' Officers.
- vi. A list of all affiliated organizations (if any) and explain the affiliate's business relationship with the applicant.

a. Aqua America, Inc. – Aqua Utilities, Inc. is a wholly-owned subsidiary of Aqua America, Inc.

b. Aqua Texas, Inc. – Aqua Texas, Inc. is a wholly-owned subsidiary of Aqua America, Inc. Aqua Texas, Inc. and Aqua Utilities, Inc. are under common control and operate together, along with Aqua Development, Inc., as the Texas utility known as Aqua Texas.

c. Aqua Development, Inc. – Aqua Development, Inc. is a wholly-owned subsidiary of Aqua America, Inc. Aqua Texas, Inc. and Aqua Development, Inc. are under common control and operate together, along with Aqua Utilities, Inc., as the Texas utility known as Aqua Texas.

d. Kerrville South Water Company, Inc. – Kerrville South Water Company, Inc. is a wholly-owned subsidiary of Aqua Utilities, Inc. and operates as the Texas utility known as Aqua Texas.

e. Harper Water Company, Inc. – Harper Water Company, Inc. is a wholly-owned subsidiary of Aqua Utilities, Inc. and also operates as the Texas utility known as Aqua Texas.

f. Other Aqua America, Inc. subsidiaries under common control with Aqua Utilities, Inc. operate within jurisdictions outside of Texas (where the proposed CCN area is located), or are not regulated utilities. Please see Aqua America, Inc.'s 2016 Annual Report excerpts for complete information. Attachment 3.

2. Location Information

A. Are there people already living in the proposed area? Yes No

If YES, are any currently receiving utility service? Not Applicable.

If YES, from WHOM? _____

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

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

Yes No

If YES, provide the following:

- i. Describe the service area and circumstances driving the need for service in the requested area. Indicate the name(s) and address(es) of landowner(s), prospective landowner(s), tenant(s), or resident(s) that have requested service; and/or

The proposed amended certificate of convenience and necessity ("CCN") sewer service area is comprised of two tracts. The first tract is comprised of 192.865 acres and is owned by Kyle Three Partners, LP. ("Kyle Three"). The second tract is comprised of 331.536 acres and is owned by Cedar Stump Limited Partnership. However, as indicated in Attachment 4 (CCN Agreement), K Marcos, LLC ("K Marcos") currently has a contract to purchase this tract. Combined, the two tracts comprise the proposed sewer CCN property of approximately 524 acres ("CCN Property") as more particularly shown in Attachments 6 and 7. The CCN Property is located in Hays County, Texas, approximately 6 miles northeast of downtown San Marcos, TX, and is generally bounded on the north by CR 158 & 1.6 miles south of Grassland Ln; on the east by 1 mile southwest of CR 150 & SH 21 intersection; on the south by Yarrington Rd & SH 21; and on the west by CR 158. The CCN Property is not within a sewer CCN. Kyle Three and K Marcos ("Developers") would like Aqua to be the retail sewer utility service provider for the CCN Property and have executed a request for service letter and CCN Agreement as the means of requesting this service from Aqua for the development project that Developers have decided to call "Sunset Oaks Subdivision". Attachment 4.

- 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

Kyle Three and K Marcos ("Developers") would like Aqua to be the retail sewer utility service provider for the CCN Property. Aqua and the Developers have executed a request for service letter and CCN Agreement as the means of requesting this sewer service from Aqua for the development project that Developers have decided to call "Sunset Oaks Subdivision". Attachment 4. The Developers' anticipated need for the CCN Property within the next twelve months (Year 1) is sewer service sufficient to supply approximately 150 living unit equivalents ("LUEs") (with one LUE equating to approximately 250 gallons per day) with another 250 LUEs to follow in the next 12-month period (Year 2). Within the next five years, at full build-out, Developer anticipates a need for sewer service to the CCN Property sufficient to supply 2000 LUEs. Development within the CCN Property is anticipated to be residential. Granting the sewer CCN amendment Aqua requests in this application will enable Aqua to fulfill its commitment to serve the CCN Property and facilitate Developers' plans for same.

The interested parties hope that the Commission will use best efforts to process this application quickly. Timing is important for project success. Inclusion of the CCN Property within Aqua's CCN will benefit the land by facilitating the CCN Property improvements contemplated by Developers.

- 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

Centralized retail sewer utility service from an experienced provider within the CCN Property will eliminate the need for individual on-site sewage facilities (septic systems) within the CCN Property. This will represent an environmental benefit to the land in comparison to an alternative development plan that might use individual septic systems to meet wastewater collection and treatment needs.

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

- iv. Provide copies of any written application(s) or request(s) for service in the requested area; and/or
Please see Attachment 4.
- v. Provide copies of any reports and/or market studies demonstrating existing or anticipated growth in the requested area.

Please see information on anticipated growth in the requested area discussed or reflected within the following:

Request for Service Letter and CCN Agreement. Attachment 4

Various articles and public information related to improvement and development projects in the vicinity of the CCN Property, demonstrating that the CCN Property, which is located in close proximity to the heavily traveled Interstate 35 and several state highways, is in a high growth corridor. Attachment 8.

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

X Yes

If YES, within the corporate limits of: Canyon Regional Water Authority (CRWA), and Guadalupe-Blanco River Authority's (GBRA) jurisdictional boundaries. Not within a municipality.

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

Please see correspondence to CRWA and GBRA included within Attachment 9. Neither entity provides retail public sewer utility service near the Property.

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? Not applicable.

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

Aqua Utilities, Inc. is seeking single certification of the 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. See Attachment 7.
- 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 Attachment 5.
 - 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 See Attachments 7 and 13.
 - ii. any facilities, customers or area currently being served outside the applicant's certificated area(s).

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

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

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

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

- A. Please provide the following information:
 - i. a list of public drinking water supply system(s) or sewer system(s) within a 2 mile radius of the proposed system; See Attachment 10 .
 - 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; See Attachment 9. (Note: 16 TAC § 24.102(b)(2) now requires requests within one half mile only.)
 - iii. copies of written responses from each system or evidence that they did not reply; and

At the time of filing, Developer reports Aqua that no responses to request letters have been received.

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

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:

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.

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

See next page.

12. Financial Information

In lieu of all the financial info described above, there is an option to “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.”

Please see: Attachment 3 -- Aqua America, Inc. 2016 Annual Report Excerpt. Audits for Aqua are conducted annually. That information is reflected collectively with other Aqua America, Inc. subsidiaries within the Aqua America, Inc. annual reports.

Additionally, please see Aqua’s 2016 Annual Report filed in Docket No. 46928 for CCN No. 20453.

The rates Aqua would charge to the Sunset Oaks subdivision are included within its “Sewer Utility Tariff for Southwest Region”. Sunset Oaks Subdivision will need to be added to the subdivision/area served list. Please see Aqua's current sewer tariff for its Southwest Region included as Attachment 12.

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.

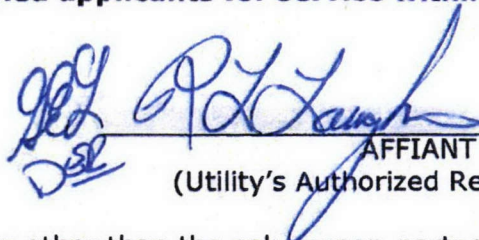
OATH

STATE OF Texas
COUNTY OF Travis

I, Robert L. Laughman, being duly sworn, file this application as President, Aqua Utilities, Inc. (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 28 of July 2017


NOTARY PUBLIC IN AND FOR THE STATE OF TEXAS

SEAL



Glen E. Lewis
PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES Dec. 17, 2020

Notice for Publication

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

Hays COUNTY(IES), TEXAS

Name of Applicant Aqua Utilities, Inc. has filed an application for a
CCN to obtain or amend CCN No. (s) 20453

Public Utility commission of Texas to provide

sewer

(specify 1) water or 2) sewer or 3) water & sewer)

utility service in

Hays

County
(ies).

The proposed utility service area is located approximately 6 miles northeast of downtown San Marcos, TX, and is generally bounded on the north by CR 158 & 1.6 miles south of Grassland Ln; on the east by 1 mile southwest of CR 150 & SH 21 intersection; on the south by Yarrington Rd & SH 21; and on the west by CR 158.

The total area being requested includes approximately 524.401 acres and 0 current customers.

A copy of the proposed service area map is available at (Utility Address and Phone Number): Aqua Utilities, Inc., 1106 Clayton Lane, Suite 400W, Austin, TX 78723

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 SEWER UTILITY SERVICE IN

Hays COUNTY(IES), TEXAS

To: _____ Date Notice Mailed _____ 20 ____
(Neighboring System, Landowner or City)

(Address)

City State Zip

Name of Applicant Aqua Utilities, Inc. has filed an application for a
CCN to amend CCN No. 20453 with the

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

The proposed utility service area is located approximately 6 miles northeast of downtown San Marcos, TX, and is generally bounded on the north by CR 158 & 1.6 miles south of Grassland Ln; on the east by 1 mile southwest of CR 150 & SH 21 intersection; on the south by Yarrington Rd & SH 21; and on the west by CR 158.

The total area being requested includes approximately 524.401 acres and 0 current customers.

See enclosed map of the proposed service area.

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

Persons who wish to intervene or comment should write the:

Filing Clerk
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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
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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

Exhibit C



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
APPLICATION TO TRANSFER A WASTEWATER PERMIT
OR CAFO PERMIT

If you have questions about completing this form please contact the Applications Review and Processing Team at 512-239-4671.

SECTION 1. CURRENT PERMIT INFORMATION

What is the Permit Number? WQ0015293001

What is the EPA I.D. Number? TX 0135712

What is the Current Name on the Permit?

DMS Real Tree, LLC

What is the Customer Number (CN) for the current permittee? CN 604663484

What is the Regulated Entity Reference Number (RN): RN 107695504

For Publicly Owned Treatment Works (POTWs) Only:

- a) Does this permit require implementation of an approved pretreatment program by the POTW? Yes No
- b) Does this permit have a domestic reclaimed water authorization associated with it?
NOTE: **The domestic reclaimed water authorization associated with this permit will be cancelled on the same date the transfer took place. See instructions for more information.**
Yes No

SECTION 2. FACILITY OWNER (APPLICANT) INFORMATION

A. What is the Legal Name of the facility owner?

Aqua Utilities, Inc.

B. What is the Customer Number (CN) issued to this entity? CN 602787509

C. Complete and attach a Core Data Form (TCEQ-10400) for this customer.

SECTION 3. CO-APPLICANT INFORMATION

Complete this section only if another person or entity is required to apply as a co-permittee.

A. What is the Legal Name of the co-applicant applying for this permit?

- B. What is the Customer Number (CN) issued to this entity? CN
- C. Complete and attach a Core Data Form (TCEQ-10400) for this customer.

SECTION 4. APPLICATION CONTACT INFORMATION

This is the person TCEQ will contact if additional information is needed about this application.

Application Contact First and Last Name: Scot Foltz

Title: Environmental Compliance Manager

Credentials: :

Company Name: Aqua Texas, Inc.

Mailing Address: 1106 Clayton Ln., Suite 400W

City, State, and Zip Code: Austin, TX 78723

Phone Number: 512-990-4400 x56101 Fax Number: Click here to enter text

E-mail Address: SWFoltz@AquaAmerica.com

SECTION 5. PERMIT CONTACT INFORMATION

This is the person TCEQ will contact if additional information is needed during the term of the permit.

Permit Contact First and Last Name: Abel Bautista

Title: Wastewater Compliance Coordinator

Credentials: Click here to enter text

Click here to enter text

Company Name: Aqua Texas, Inc.

Mailing Address: 2211 Louetta Rd

City, State, and Zip Code: Spring, TX 77388

Phone Number: 281-651-0174 x54119 Fax Number: Click here to enter text

E-mail Address: ABautista@AquaAmerica.com

SECTION 6. SITE INFORMATION

Site Name: Sunset Oaks WWTP

SECTION 7. LEASE AND EASEMENT REQUIREMENTS

A. Landowner where the facility is or will be located:

Landowner Name: Aqua Utilities, Inc.

If this individual is not the same person as the facility owner or co-applicant, attach one of the following documents:

- A lease agreement or deed recorded easement, if the facility is NOT a fixture of the land, or
- A deed recorded easement if the facility IS a fixture of the land.

B. Landowner of the effluent disposal site:

Landowner Name: _____

If this individual is not the same person as the facility owner or co-applicant, attach a lease agreement.

C. For CAFOs: Attach the following records:

- Warranty Deed or Property Tax Records
- Lease Agreement (for land management units that are not owned by the facility owner or co-applicant)

Facility Size on the proof of ownership, in acres: [Click here to enter text.](#)

SECTION 8. TRANSFER DATE

What is the date that the transfer of operator or ownership will occur? 7/27/2017

SECTION 9. REPORTING AND BILLING INFORMATION

A. Please identify the individual for receiving the reporting forms.

First and Last Name: Abel Bautista

Title: Wastewater Compliance Coordinator

Credentials: [Click here to enter text.](#)

Company Name: Aqua Utilities, Inc.

Mailing Address: 2211 Louetta Rd.

City, State, and Zip Code: Spring, TX 7388

Phone Number: 281-651-0174 x54119 Fax Number: [Click here to enter text.](#)

E-mail Address: ABautista@AquaAmerica.com

B. Please identify the individual for receiving the annual fee invoices.

First and Last Name: Laura Kelleher

Title: Accounts Payable Credentials: [Click here to enter text.](#)

Company Name: Aqua Utilities, Inc.

Mailing Address: 1106 Clayton Ln, Suite 400W

City, State, and Zip Code: Austin, TX 78723

Phone Number: 512-990-4400 x56112 Fax Number: [Click here to enter text.](#)

E-mail Address: LBKelleher@AquaAmerica.com

SECTION 10. DELINQUENT FEES OR PENALTIES

Do you owe fees to the TCEQ? Yes No

Do you owe any penalties to the TCEQ? Yes No

If you answered yes to either of the above questions, provide the amount owed, the type of fee or penalty, and an identifying number.

[Click here to enter text.](#)

TRANSFEROR SIGNATURE (Current Facility Owner)

I consent to the transfer of the permit and I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations. I further certify that I am authorized under 30 Texas Administrative Code Section 305.44 to sign this document and can provide documentation in proof of such authorization upon request.

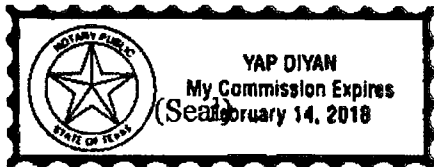
Facility Owner Name: Joe Stafford (DMS Real Tree, LLC)

Title: Managing Partner

Signature: [Handwritten Signature] Date: 7/27/2017

SUBSCRIBED AND SWORN to before me by the said Joe F. Stafford on this 9 day of August, 2017

My commission expires on the 14 day of February, 2018



[Handwritten Signature]
Notary Public

Travis
County, Texas

TRANSFeree SIGNATURE (New Facility Owner)

I certify that a change of ownership of the facility for the subject permit has been issued will occur as indicated in the application. As a condition of the transfer, I do hereby declare that:

The transferee will be the owner of the existing treatment facility from which wastewater is discharged, deposited or disposed or the facilities required to comply with the permit will be constructed as described in the application considered by the TCEQ prior to the issuance of the permit.

The transferee possesses a copy of the permit, understands the terms and conditions therein, and does accept and assume all obligations of the permit.

The transferee assumes financial responsibility for the proper maintenance and operation of all waste treatment and disposal facilities required by the permit or which may be required to comply with the permit terms and conditions. The transferee certifies that the transfer is not made for the purpose of avoiding liability for improper actions carried out prior to the date of transfer. Neither is the transfer made for the purpose of transferring responsibility for improper operations to an insolvent entity.

The transferee certifies under penalty of law that this document is, to the best of my knowledge and belief, true, accurate, and complete. I am aware there are significant penalties for submitting false information, including the possibility of fine and imprisonment for known violations and revocation of this permit.

New Facility Owner: Robert L. Laughman

Title: President, Aqua Utilities Inc.

Signature: _____

RL Laughman

Date: _____

8/10/17

SUBSCRIBED AND SWORN to before me by the said Robert L. Laughman

this 10th day of August, 2017

My commission expires on the 24th day of June, 2018

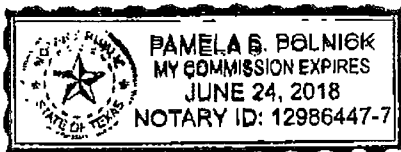
Pamela S. Polnick

Notary Public

Travis

County, Texas

(Seal)



[Questions or Comments >>](#)

[Shopping Cart](#) [Select Fee](#) [Search Transactions](#) [Sign Out](#)

Print this voucher for your records. If you are sending the TCEQ hardcopy documents related to this payment, include a copy of this voucher.

Transaction Information	
Voucher Number:	331093
Trace Number:	582EA000266852
Date:	08/10/2017 11:38 AM
Payment Method:	CC - Authorization 0000054347
Amount:	\$100.00
Fee Type:	WATER QUALITY PERMIT APPLICATION FEE
ePay Actor:	Scot Foltz
Actor Email:	swfoltz@aquaaamerica.com
IP:	72.164.18.252

Payment Contact Information	
Name:	Scot Foltz
Company:	Aqua Utilities
Address:	1106 Clayton Ln, Austin, TX 78723
Phone:	512-990-4400

Site Information	
Site Name:	SUNSET OAKS WWTP
Site Location:	2500 N INTERSECTION OF HWY 21 AND YARRINGTON RD SAN MARCOS HAYS CO

Customer Information	
Customer Name:	AQUA UTILITIES
Customer Address:	1106 CLAYTON LN SUITE 400W, AUSTIN, TX 78723

Other Information	
Program Area ID:	0015293001
Comments:	For the transfer of a WW permit. From DS Real Tree to Aqua Utilities.

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TCEQ Core Data Form

TCEQ Use Only

For detailed instructions regarding completion of this form, please read the Core Data Form Instructions or call 512-239-5175.

SECTION I: General Information

1. Reason for Submission (If other is checked please describe in space provided.)		
<input type="checkbox"/> New Permit, Registration or Authorization (Core Data Form should be submitted with the program application.)		
<input type="checkbox"/> Renewal (Core Data Form should be submitted with the renewal form)	<input checked="" type="checkbox"/> Other Change/Facility Information	
2. Customer Reference Number (if issued)	Follow this link to search for CN or RN numbers in Central Registry**	3. Regulated Entity Reference Number (if issued)
CN 602787509		RN 107695504

SECTION II: Customer Information

4. General Customer Information	5. Effective Date for Customer Information Updates (mm/dd/yyyy)	08/01/2017	
<input type="checkbox"/> New Customer <input checked="" type="checkbox"/> Update to Customer Information <input checked="" type="checkbox"/> Change in Regulated Entity Ownership <input type="checkbox"/> Change in Legal Name (Verifiable with the Texas Secretary of State or Texas Comptroller of Public Accounts)			
The Customer Name submitted here may be updated automatically based on what is current and active with the Texas Secretary of State (SOS) or Texas Comptroller of Public Accounts (CPA).			
6. Customer Legal Name (If an individual, print last name first: e.g.: Doe, John)		If new Customer, enter previous Customer below:	
AQUA Utilities, Inc.		DMS Real Tree LLC	
7. TX SOS/CPA Filing Number	8. TX State Tax ID (11 digits)	9. Federal Tax ID (9 digits)	10. DUNS Number (if applicable)
	431979151	147005600	
11. Type of Customer:	<input checked="" type="checkbox"/> Corporation	<input type="checkbox"/> Individual	Partnership: <input type="checkbox"/> General <input type="checkbox"/> Limited
Government: <input type="checkbox"/> City <input type="checkbox"/> County <input type="checkbox"/> Federal <input type="checkbox"/> State <input type="checkbox"/> Other	<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Other:	
12. Number of Employees		13. Independently Owned and Operated?	
<input type="checkbox"/> 0-20 <input type="checkbox"/> 21-100 <input checked="" type="checkbox"/> 101-250 <input type="checkbox"/> 251-500 <input type="checkbox"/> 501 and higher		<input type="checkbox"/> Yes <input type="checkbox"/> No	
14. Customer Role (Proposed or Actual) - as it relates to the Regulated Entity listed on this form. Please check one of the following:			
<input type="checkbox"/> Owner <input type="checkbox"/> Operator <input checked="" type="checkbox"/> Owner & Operator <input type="checkbox"/> Occupational Licensee <input type="checkbox"/> Responsible Party <input type="checkbox"/> Voluntary Cleanup Applicant <input type="checkbox"/> Other:			
15. Mailing Address:	1106 Clayton Lane, Suite 400W		
	City	Austin	State TX ZIP 78723 ZIP + 4
16. Country Mailing Information (if outside USA)		17. E-Mail Address (if applicable)	
		swfoltz@aquaamerica.com	
18. Telephone Number	19. Extension or Code	20. Fax Number (if applicable)	
(512) 990 - 4400	56101	() -	

SECTION III: Regulated Entity Information

21. General Regulated Entity Information (If "New Regulated Entity" is selected below this form should be accompanied by a permit application)		
<input type="checkbox"/> New Regulated Entity <input checked="" type="checkbox"/> Update to Regulated Entity Name <input checked="" type="checkbox"/> Update to Regulated Entity Information		
The Regulated Entity Name submitted may be updated in order to meet TCEQ Agency Data Standards (removal of organizational endings such as Inc, LP, or LLC).		
22. Regulated Entity Name (Enter name of the site where the regulated action is taking place.)		
Sunset Oaks		

23. Street Address of the Regulated Entity: (No PO Boxes)						
	City		State		ZIP	ZIP + 4
24. County						

Enter Physical Location Description if no street address is provided.

25. Description to Physical Location:	2,500 feet north of the intersection of Highway 21 and Yarrington Road in Hays County, Texas					
26. Nearest City	Kyle		State	TX	Nearest ZIP Code	78640
27. Latitude (N) In Decimal:			28. Longitude (W) In Decimal:			
Degrees	Minutes	Seconds	Degrees	Minutes	Seconds	
29	55	26	-94	51	03	
29. Primary SIC Code (4 digits)	30. Secondary SIC Code (4 digits)	31. Primary NAICS Code (5 or 6 digits)	32. Secondary NAICS Code (5 or 6 digits)			
4952		22132				
33. What is the Primary Business of this entity? (Do not repeat the SIC or NAICS description)						
Provide water and wastewater services						
34. Mailing Address:	1106 Clayton Lane, Suite 400W					
	City	Austin	State	TX	ZIP	78723
35. E-Mail Address:		swfoltz@aquaaamerica.com				
36. Telephone Number		37. Extension or Code		38. Fax Number (if applicable)		
(512) 990 - 4400		56101		() -		

39. TCEQ Programs and ID Numbers: Check all Programs and write in the permits/registration numbers that will be affected by the updates submitted on this form. See the Core Data Form instructions for additional guidance.

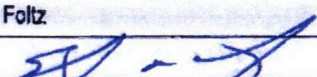
<input type="checkbox"/> Dam Safety	<input type="checkbox"/> Districts	<input type="checkbox"/> Edwards Aquifer	<input type="checkbox"/> Emissions Inventory Air	<input type="checkbox"/> Industrial Hazardous Waste
<input type="checkbox"/> Municipal Solid Waste	<input type="checkbox"/> New Source Review Air	<input type="checkbox"/> OSSF	<input type="checkbox"/> Petroleum Storage Tank	<input type="checkbox"/> PWS
<input type="checkbox"/> Sludge	<input type="checkbox"/> Storm Water	<input type="checkbox"/> Title V Air	<input type="checkbox"/> Tires	<input type="checkbox"/> Used Oil
<input type="checkbox"/> Voluntary Cleanup	<input checked="" type="checkbox"/> Waste Water	<input type="checkbox"/> Wastewater Agriculture	<input type="checkbox"/> Water Rights	<input type="checkbox"/> Other:

SECTION IV: Preparer Information

40. Name:	Abel Bautista		41. Title:	Wastewater Compliance Coordinator
42. Telephone Number	43. Ext./Code	44. Fax Number	45. E-Mail Address	
(281) 651 - 0174	54119	() -	abautista@aquaaamerica.com	

SECTION V: Authorized Signature

46. By my signature below, I certify, to the best of my knowledge, that the information provided in this form is true and complete, and that I have signature authority to submit this form on behalf of the entity specified in Section II, Field 6 and/or as required for the updates to the ID numbers identified in field 39.

Company:	AQUA Texas, Inc.	Job Title:	Environmental Compliance Manager
Name (In Print):	Scott Foltz	Phone:	(512) 990 - 4400
Signature:		Date:	8/10/17



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
APPLICATION TO TRANSFER A WASTEWATER PERMIT
OR CAFO PERMIT

If you have questions about completing this form please contact the Applications Review and Processing Team at 512-239-4671.

SECTION 1. CURRENT PERMIT INFORMATION



What is the Permit Number? WQ0015293001

What is the EPA I.D. Number? TX 0135712

What is the Current Name on the Permit?

DMS Real Tree, LLC

What is the Customer Number (CN) for the current permittee? CN 604663484

What is the Regulated Entity Reference Number (RN): RN 107695504

For Publicly Owned Treatment Works (POTWs) Only:

- a) Does this permit require implementation of an approved pretreatment program by the POTW? Yes No
- b) Does this permit have a domestic reclaimed water authorization associated with it?
NOTE: **The domestic reclaimed water authorization associated with this permit will be cancelled on the same date the transfer took place.** See instructions for more information.
Yes No

SECTION 2. FACILITY OWNER (APPLICANT) INFORMATION

A. What is the Legal Name of the facility owner?

Aqua Utilities, Inc.

B. What is the Customer Number (CN) issued to this entity? CN 602787509

C. Complete and attach a Core Data Form (TCEQ-10400) for this customer.

SECTION 3. CO-APPLICANT INFORMATION

Complete this section only if another person or entity is required to apply as a co-permittee.

A. What is the Legal Name of the co-applicant applying for this permit?

- B. What is the Customer Number (CN) issued to this entity? CN
- C. Complete and attach a Core Data Form (TCEQ-10400) for this customer.

SECTION 4. APPLICATION CONTACT INFORMATION

This is the person TCEQ will contact if additional information is needed about this application.

Application Contact First and Last Name: Scot Foltz

Title: Environmental Compliance Manager

Credentials:

Company Name: Aqua Texas, Inc.

Mailing Address: 1106 Clayton Ln., Suite 400W

City, State, and Zip Code: Austin, TX 78723

Phone Number: 512-990-4400 x56101 Fax Number:

E-mail Address: SWFoltz@AquaAmerica.com

SECTION 5. PERMIT CONTACT INFORMATION

This is the person TCEQ will contact if additional information is needed during the term of the permit.

Permit Contact First and Last Name: Abel Bautista

Title: Wastewater Compliance Coordinator

Credentials:

Company Name: Aqua Texas, Inc.

Mailing Address: 2211 Louetta Rd

City, State, and Zip Code: Spring, TX 77388

Phone Number: 281-651-0174 x54119 Fax Number: Click here to enter text

E-mail Address: ABautista@AquaAmerica.com

SECTION 6. SITE INFORMATION

Site Name: Sunset Oaks WWTP

SECTION 7. LEASE AND EASEMENT REQUIREMENTS

A. Landowner where the facility is or will be located:

Landowner Name: Aqua Utilities, Inc.

If this individual is not the same person as the facility owner or co-applicant, attach one of the following documents:

- A lease agreement or deed recorded easement, if the facility is NOT a fixture of the land, or
- A deed recorded easement if the facility IS a fixture of the land.

B. Landowner of the effluent disposal site:

Landowner Name: _____

If this individual is not the same person as the facility owner or co-applicant, attach a lease agreement.

C. For CAFOs: Attach the following records:

- Warranty Deed or Property Tax Records
- Lease Agreement (for land management units that are not owned by the facility owner or co-applicant)

Facility Size on the proof of ownership, in acres: [Click here to enter text.](#)

SECTION 8. TRANSFER DATE

What is the date that the transfer of operator or ownership will occur? 7/27/2017

SECTION 9. REPORTING AND BILLING INFORMATION

A. Please identify the individual for receiving the reporting forms.

First and Last Name: Abel Bautista

Title: Wastewater Compliance Coordinator

Credentials: [Click here to enter text.](#)

Company Name: Aqua Utilities, Inc.

Mailing Address: 2211 Louetta Rd.

City, State, and Zip Code: Spring, TX 7388

Phone Number: 281-651-0174 x54119 Fax Number: [Click here to enter text.](#)

E-mail Address: ABautista@AquaAmerica.com

B. Please identify the individual for receiving the annual fee invoices.

First and Last Name: Laura Kelleher

Title: Accounts Payable Credentials: [Click here to enter text.](#)

Company Name: Aqua Utilities, Inc.

Mailing Address: 1106 Clayton Ln, Suite 400W

City, State, and Zip Code: Austin, TX 78723

Phone Number: 512-990-4400 x56112 Fax Number: [Click here to enter text.](#)

E-mail Address: LBKelleher@AquaAmerica.com

SECTION 10. DELINQUENT FEES OR PENALTIES

Do you owe fees to the TCEQ? Yes No

Do you owe any penalties to the TCEQ? Yes No

If you answered yes to either of the above questions, provide the amount owed, the type of fee or penalty, and an identifying number.

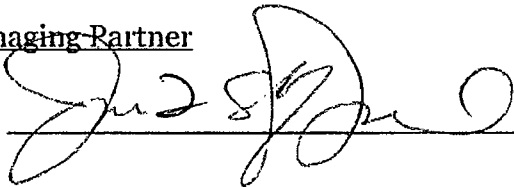
[Click here to enter text.](#)

TRANSFEROR SIGNATURE (Current Facility Owner)

I consent to the transfer of the permit and I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations. I further certify that I am authorized under 30 Texas Administrative Code Section 305.44 to sign this document and can provide documentation in proof of such authorization upon request.

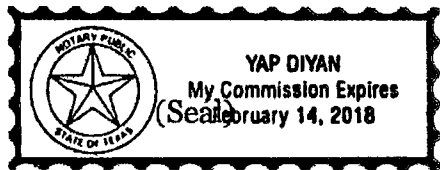
Facility Owner Name: Joe Stafford (DMS Real Tree, LLC)

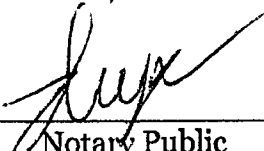
Title: Managing Partner

Signature:  Date: 7/27/2017

SUBSCRIBED AND SWORN to before me by the said Joe F. Stafford on this 9 day of August, 2017

My commission expires on the 14 day of February, 2018




Notary Public

Travis
County, Texas

TRANSFeree SIGNATURE (New Facility Owner)

I certify that a change of ownership of the facility for the subject permit has been issued will occur as indicated in the application. As a condition of the transfer, I do hereby declare that:

The transferee will be the owner of the existing treatment facility from which wastewater is discharged, deposited or disposed or the facilities required to comply with the permit will be constructed as described in the application considered by the TCEQ prior to the issuance of the permit.

The transferee possesses a copy of the permit, understands the terms and conditions therein, and does accept and assume all obligations of the permit.

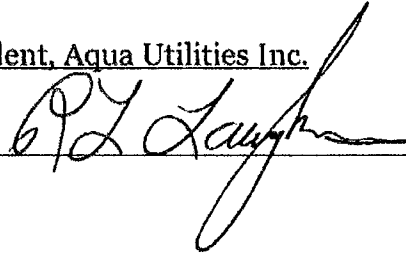
The transferee assumes financial responsibility for the proper maintenance and operation of all waste treatment and disposal facilities required by the permit or which may be required to comply with the permit terms and conditions. The transferee certifies that the transfer is not made for the purpose of avoiding liability for improper actions carried out prior to the date of transfer. Neither is the transfer made for the purpose of transferring responsibility for improper operations to an insolvent entity.

The transferee certifies under penalty of law that this document is, to the best of my knowledge and belief, true, accurate, and complete. I am aware there are significant penalties for submitting false information, including the possibility of fine and imprisonment for known violations and revocation of this permit.

New Facility Owner: Robert L. Laughman

Title: President, Aqua Utilities Inc.

Signature: _____



Date: _____

8/10/17

SUBSCRIBED AND SWORN to before me by the said Robert L. Laughman

this 10th day of August, 2017

My commission expires on the 29th day of June, 2018

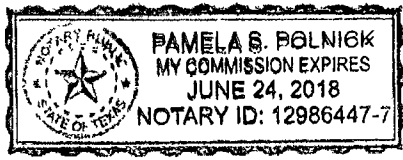


Notary Public

Travis

County, Texas

(Seal)



[Questions or Comments >>](#)

[Shopping Cart](#) [Select Fee](#) [Search Transactions](#) [Sign Out](#)

Print this voucher for your records. If you are sending the TCEQ hardcopy documents related to this payment, include a copy of this voucher.

Transaction Information

Voucher Number: 331093
Trace Number: 582EA000266852
Date: 08/10/2017 11:38 AM
Payment Method: CC - Authorization 0000054347
Amount: \$100.00
Fee Type: WATER QUALITY PERMIT APPLICATION FEE
ePay Actor: Scot Foltz
Actor Email: swfoltz@aquaaamerica.com
IP: 72.164.18.252

Payment Contact Information

Name: Scot Foltz
Company: Aqua Utilities
Address: 1106 Clayton Ln, Austin, TX 78723
Phone: 512-990-4400

Site Information

Site Name: SUNSET OAKS WWTP
Site Location: 2500 N INTERSECTION OF HWY 21 AND YARRINGTON RD SAN MARCOS HAYS CO

Customer Information

Customer Name: AQUA UTILITIES
Customer Address: 1106 CLAYTON LN SUITE 400W, AUSTIN, TX 78723

Other Information

Program Area ID: 0015293001
Comments: For the transfer of a WW permit. From DS Real Tree to Aqua Utilities.

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23. Street Address of the Regulated Entity: (No PO Boxes)						
	City		State		ZIP	ZIP + 4
24. County						

Enter Physical Location Description if no street address is provided.

25. Description to Physical Location:	2,500 feet north of the intersection of Highway 21 and Yarrington Road in Hays County, Texas				
26. Nearest City	Kyle			State	Nearest ZIP Code
				TX	78640
27. Latitude (N) In Decimal:			28. Longitude (W) In Decimal:		
Degrees	Minutes	Seconds	Degrees	Minutes	Seconds
29	55	26	-94	51	03
29. Primary SIC Code (4 digits)	30. Secondary SIC Code (4 digits)	31. Primary NAICS Code (5 or 6 digits)	32. Secondary NAICS Code (5 or 6 digits)		
4952		22132			
33. What is the Primary Business of this entity? (Do not repeat the SIC or NAICS description.)					
Provide water and wastewater services					
34. Mailing Address:	1106 Clayton Lane, Suite 400W				
	City	Austin	State	TX	ZIP 78723
35. E-Mail Address:	swfoltz@aquaaamerica.com				
36. Telephone Number		37. Extension or Code		38. Fax Number (if applicable)	
(512) 990 - 4400		56101		() -	

39. TCEQ Programs and ID Numbers Check all Programs and write in the permits/registration numbers that will be affected by the updates submitted on this form. See the Core Data Form instructions for additional guidance.

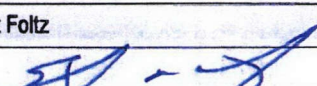
<input type="checkbox"/> Dam Safety	<input type="checkbox"/> Districts	<input type="checkbox"/> Edwards Aquifer	<input type="checkbox"/> Emissions Inventory Air	<input type="checkbox"/> Industrial Hazardous Waste
<input type="checkbox"/> Municipal Solid Waste	<input type="checkbox"/> New Source Review Air	<input type="checkbox"/> OSSF	<input type="checkbox"/> Petroleum Storage Tank	<input type="checkbox"/> PWS
<input type="checkbox"/> Sludge	<input type="checkbox"/> Storm Water	<input type="checkbox"/> Title V Air	<input type="checkbox"/> Tires	<input type="checkbox"/> Used Oil
<input type="checkbox"/> Voluntary Cleanup	<input checked="" type="checkbox"/> Waste Water	<input type="checkbox"/> Wastewater Agriculture	<input type="checkbox"/> Water Rights	<input type="checkbox"/> Other:

SECTION IV: Preparer Information

40. Name:	Abel Bautista	41. Title:	Wastewater Compliance Coordinator
42. Telephone Number	43. Ext./Code	44. Fax Number	45. E-Mail Address
(281) 651 - 0174	54119	() -	abautista@aquaaamerica.com

SECTION V: Authorized Signature

46. By my signature below, I certify, to the best of my knowledge, that the information provided in this form is true and complete, and that I have signature authority to submit this form on behalf of the entity specified in Section II, Field 6 and/or as required for the updates to the ID numbers identified in field 39.

Company:	AQUA Texas, Inc.	Job Title:	Environmental Compliance Manager
Name (In Print):	Scot Foltz	Phone:	(512) 990 - 4400
Signature:		Date:	8/10/17



**Professional Land Surveying, Inc.
Surveying and Mapping**

Office: 512-443-1724
Fax: 512-389-0943

3500 McCall Lane
Austin, Texas 78744

**192.865 ACRES
HAYS COUNTY, TEXAS**

A DESCRIPTION OF 192.865 ACRES IN THE WILLIAM HEMPHILL SURVEY, ABSTRACT NO. 221, HAYS COUNTY, TEXAS, BEING A PORTION OF A 199.17 ACRE TRACT CONVEYED TO KYLE THREE PARTNERS IN A GENERAL WARRANTY DEED DATED JUNE 6, 2006 AND RECORDED IN VOLUME 2940, PAGE 201 OF THE OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS; SAID 192.865 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a calculated point in the northeast right-of-way line of Yarrington Road (County Road 159) (right-of-way width varies) and the southwest line of the said 199.17 acre tract, from which a 1/2" rebar found at the intersection of the northeast right-of-way line of Yarrington Road (County Road 159) and the southeast right-of-way line of County Road 158 (right-of-way width varies), being the westernmost corner of the said 199.17 acre tract, bears North 46°49'54" West, a distance of 891.90 feet;

THENCE crossing the said 199.17 acre tract, the following seven (7) courses and distances:

1. North 43°41'50" East, a distance of 20.46 feet to a 1/2" rebar found;
2. North 46°25'50" West, a distance of 147.84 feet to a 1/2" rebar found;
3. With a curve to the right, having a radius of 445.00 feet, a delta angle of 46°11'30", an arc length of 358.76 feet, and a chord which bears North 23°20'36" West, a distance of 349.12 feet to a 1/2" rebar found;
4. North 00°16'18" West, a distance of 116.18 feet to a 1/2" rebar found;
5. North 44°22'31" East, a distance of 21.34 feet to a 1/2" rebar found;
6. North 00°14'32" West, a distance of 292.20 feet to a 1/2" rebar with "McGray" cap found;
7. North 42°59'42" East, a distance of 647.18 feet to a calculated point the northeast line of the said 199.17 acre tract, being in the southwest line of an 811.38 acre tract described in Volume 2909, Page 684 of the Deed Records of Hays County, Texas, from which a 1/2" rebar found in the southeast right-of-way line of County Road 158, being the northernmost corner of the said 199.17 acre

ATTACHMENT

6

tract, being also the westernmost corner of the said 811.38 acre tract, bears North 65°54'46" West, a distance of 153.56 feet;

THENCE with the northeast line of the said 199.17 acre tract and the southwest line of the said 811.38 acre tract, the following thirteen (13) courses and distances:

1. South 65°54'46" East, a distance of 906.03 feet to a 1/2" rebar found;
2. South 70°23'28" East, a distance of 133.12 feet to a 1/2" rebar found;
3. South 78°19'48" East, a distance of 289.16 feet to a 1/2" rebar found;
4. North 89°17'30" East, a distance of 252.70 feet to a 1/2" rebar with "Byrn" cap found;
5. South 88°36'56" East, a distance of 82.83 feet to a 1/2" rebar with "Byrn" cap found;
6. South 78°51'09" East, a distance of 427.46 feet to a 1/2" rebar found;
7. South 73°25'42" East, a distance of 53.91 feet to a 1/2" rebar with "Byrn" cap found;
8. South 72°57'37" East, a distance of 88.19 feet to a 1/2" rebar found;
9. South 68°34'15" East, a distance of 56.47 feet to a 1/2" rebar found;
10. South 62°36'23" East, a distance of 68.97 feet to a 1/2" rebar found;
11. South 52°52'10" East, a distance of 691.05 feet to a 1/2" rebar found;
12. North 82°34'01" East, a distance of 840.95 feet to a 1/2" rebar found;
13. South 54°50'00" East, a distance of 771.50 feet to a 1/2" rebar found for the easternmost corner of the said 199.17 acre tract, being the southernmost corner of the said 811.38 acre tract, being also in the northwest line of a 305 acre tract described in Volume 51, Page 402 of the Deed Records of Hays County, Texas;

THENCE South 43°23'47" West with the southeast line of the said 199.17 acre tract and the northwest line of the said 305 acre tract, a distance of 3058.00 feet to a calculated point in the northeast right-of-way line of Yarrington Road (County Road 159), being the southernmost corner of the said 199.17 acre tract, from which a 60d nail found referenced in a description of a 199.187 acre tract recorded in Volume 1028, Page 712 of the Deed Records of Hays County, Texas, bears North 49°25'23" East, a distance of 20.90 feet;

THENCE with the northeast right-of-way line of Yarrington Road (County Road 159) and the southwest line of the said 199.17 acre tract, the following three (3) courses and distances:

1. North 45°49'46" West, a distance of 2151.11 feet to a calculated point;
2. North 44°56'03" West, a distance of 137.04 feet to a 1/2" rebar with "Byrn" cap found;
3. North 46°49'54" West, a distance of 1012.39 feet to the **POINT OF BEGINNING**, containing 192.865 acres of land, more or less.

Surveyed on the ground March 27, 2017.

Bearing Basis: The Texas Coordinate System of 1983 (NAD83), South Central Zone, based on GPS solutions from the National Geodetic Survey (NGS) On-line Positioning User Service (OPUS) for Chaparral control point "P941".

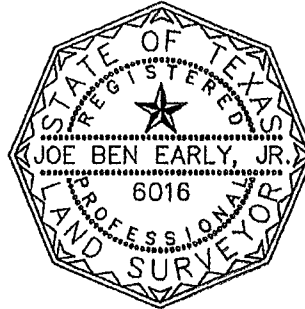
Attachments: Drawing 1286-001-BASE.



Joe Ben Early, Jr.
Registered Professional Land Surveyor
State of Texas No. 6016
TBPLS Firm No. 10124500

8/4/17

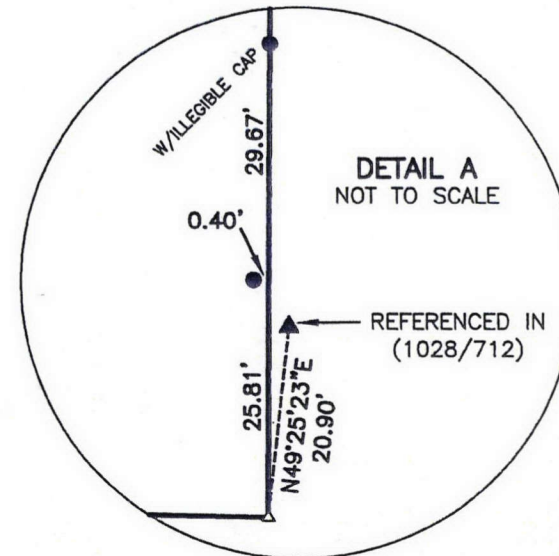
Date



SKETCH TO ACCOMPANY A DESCRIPTION OF 192.865 ACRES IN THE WILLIAM HEMPHILL SURVEY, ABSTRACT NO. 221, HAYS COUNTY, TEXAS, BEING A PORTION OF A 199.17 ACRE TRACT CONVEYED TO KYLE THREE PARTNERS IN A GENERAL WARRANTY DEED DATED JUNE 6, 2006 AND RECORDED IN VOLUME 2940, PAGE 201 OF THE OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS.

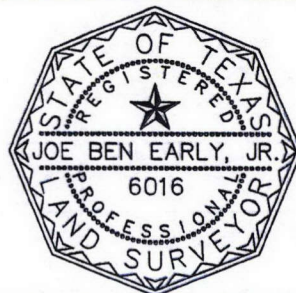
LINE TABLE			
LINE	BEARING	DISTANCE	(RECORD)
L1	N43°41'50"E	20.46'	
L2	N46°25'50"W	147.84'	
L3	N00°16'18"W	116.18'	
L4	N44°22'31"E	21.34'	
L5	N00°14'32"W	292.20'	
L6	N42°59'42"E	647.18'	
L7	S65°54'46"E	906.03'	
L8	S70°23'28"E	133.12'	(S69°08'23"E 133.17')
L9	S78°19'48"E	289.16'	(S77°06'06"E 289.03')
L10	N89°17'30"E	252.70'	(S89°32'28"E 252.84')
L11	S88°36'56"E	82.83'	(S87°39'24"E 82.92')
L12	S78°51'09"E	427.46'	(S77°40'42"E 427.31')
L13	S73°25'42"E	53.91'	(S72°23'38"E 53.89')
L14	S72°57'37"E	88.19'	(S71°44'00"E 88.29')
L15	S68°34'15"E	56.47'	(S67°32'52"E 56.18')
L16	S62°36'23"E	68.97'	(S61°23'13"E 69.27')
L17	S52°52'10"E	691.05'	(S51°41'06"E 690.89')
L18	N82°34'01"E	840.95'	(N83°45'07"E 840.88')
L19	S54°50'00"E	771.50'	(S53°40'21"E 771.66')
L20	S43°23'47"W	3058.00'	(S44°34'56"W 3058.44')
L21	N45°49'46"W	2151.11'	(N44°38'59"W 2150.60')
L22	N44°56'03"W	137.04'	(N43°45'13"W 137.04')
L23	N46°49'54"W	1012.39'	

LEGEND	
●	1/2" REBAR FOUND (OR AS NOTED)
●	1/2" REBAR WITH "BYRN" CAP FOUND
●	1/2" REBAR WITH "MCGRAY" CAP FOUND
△	CALCULATED POINT
▲	60D NAIL FOUND
()	RECORD INFORMATION



BEARING BASIS: THE TEXAS COORDINATE SYSTEM OF 1983 (NAD83), SOUTH CENTRAL ZONE, BASED ON GPS SOLUTIONS FROM THE NATIONAL GEODETIC SURVEY (NGS) ON-LINE POSITIONING USER SERVICE (OPUS).

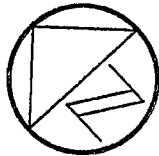
ATTACHMENTS: METES AND BOUNDS DESCRIPTION 1286-001-CCN



8/4/17
Chaparral

DATE OF SURVEY: 3/27/17
 PLOT DATE: 8/4/17
 DRAWING NO.: 1286-001-CCN
 T.B.P.L.S. FIRM NO. 10124500
 DRAWN BY: JBE
 SHEET 1 OF 2

CURVE TABLE					
CURVE	RADIUS	DELTA	ARC	BEARING	CHORD
C1	445.00'	46°11'30"	358.76'	N23°20'36"W	349.12'

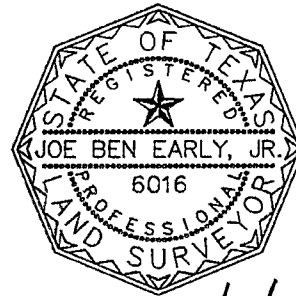


1" = 500'

LASALLE HOLDINGS, LTD.
811.38 ACRES
(2909/684)

192.865 ACRES

KYLE THREE PARTNERS LP
199.17 ACRES
(2940/201)

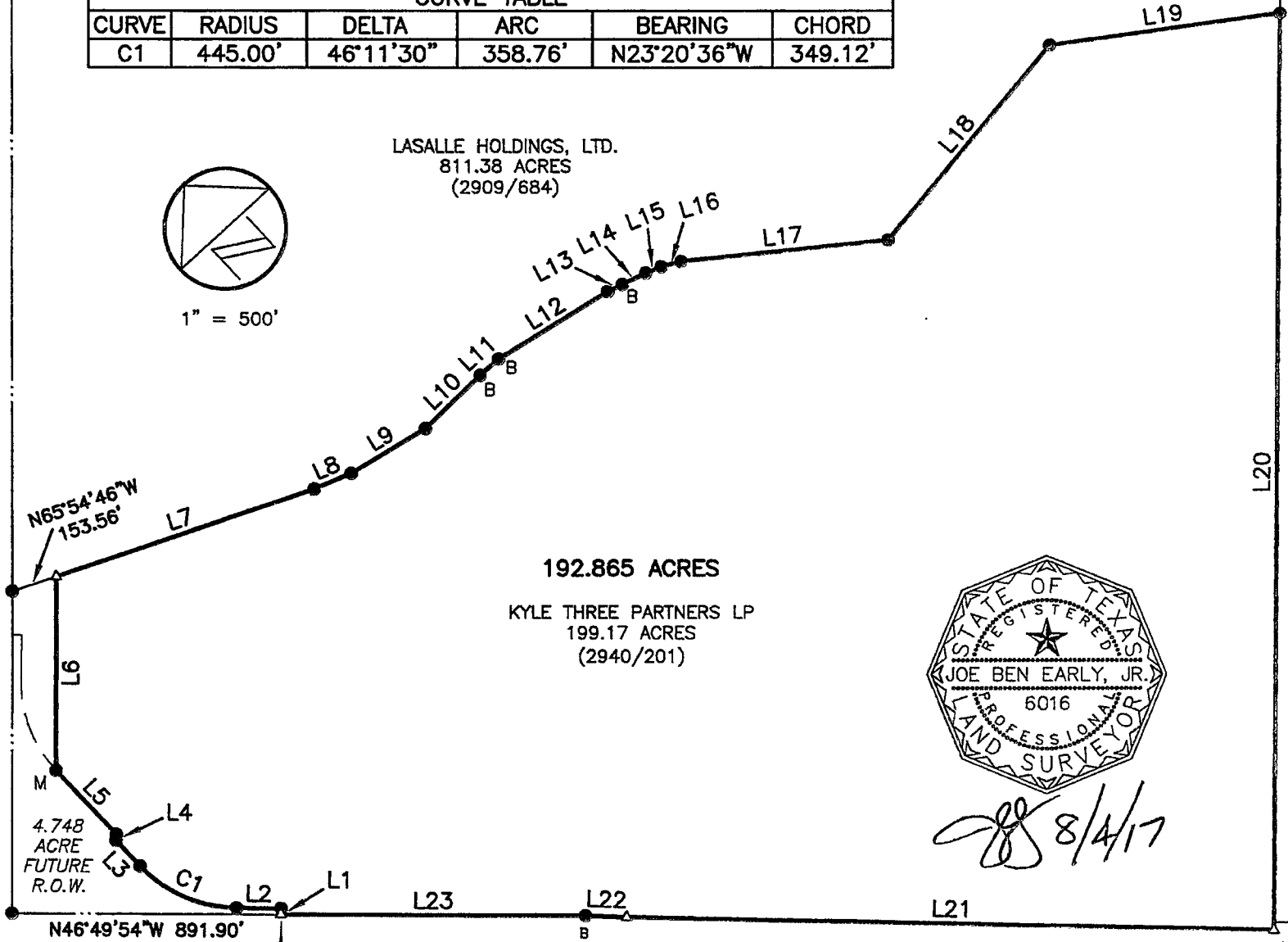


JB 8/4/17

CEDAR STUMP LIMITED PARTNERSHIP
305 ACRES (TRACT 2)
(1489/800)

SEE DETAIL A

COUNTY ROAD 158
(RIGHT-OF-WAY WIDTH VARIES)



4.748
ACRE
FUTURE
R.O.W.

N46°49'54"W 891.90'

P.O.B.

YARRINGTON ROAD (COUNTY ROAD 159)
(RIGHT-OF-WAY WIDTH VARIES)

Pg. 68

DRAWING NO.: 1286-001-CCN
SHEET 2 OF 2

Chaparral

EXHIBIT "A"

Being all that tract of land out of the William Hemphill Survey, Abstract No. 221 in Hays County, Texas, and being that tract called 305 acres in Volume 51, Pages 402-403, save and except a 5.9 acre tract conveyed to the State of Texas in Volume 125, Page 215, all of the Deed Records of Hays County, Texas, all as now found upon the ground and found to contain 331.536 acres under monumentation, and all bearings referred to in description and referenced to a bearing of S 62 deg. 36 min. 00 sec. W between monumentation found along the Northwest right-of-way line of State Highway 21, said 331.536 acre tract of land surveyed under the supervision of Richard A. Goodwin, RPLS #4069, S. Craig Hollmig, Inc., and being more particularly described as follows:

BEGINNING at a 1/2 inch iron pin found in the Northeast right-of-way line of what is called Hays County Road No. 159 (Yarrington Road), for the West corner of the above referenced 305 acre tract, the monumented South corner of a 199.187 acre tract described in Volume 1028, Page 712 of the Official Public Records of Hays County, Texas, for the West corner of this tract;

THENCE along the Northwest line of the above referenced 305 acre tract, the Southeast line of said 199.187 acre tract, the Southeast line of a 119.365 acre tract described in Volume 1028, Page 729 of the Official Public Records of Hays County, Texas, the Southeast line of a tract of 99.0 acres described in Doc. #9930406 of the Official Public Records of Hays County, Texas, the Southeast line of a tract of 105.601 acres described in Volume 2396, Page 615 of the Official Public Records of Hays County, Texas, and partly along the Southeast line of a 24.856 acre tract described in Volume 2201, Page 812 of the Official Public Records of Hays County, Texas, N 46 deg. 07 min. 26 sec. E 3,032.88 feet, a 1/2 inch iron pin found at the South corner of said 119.365 acre tract, N 46 deg. 15 min. 32 sec. E 1,286.26 feet to a 1/2 inch iron pin found at the South corner of said 105.601 acre tract, N 46 deg. 00 min. 05 sec. E 1,082.38 feet to a 1/2 inch iron pin found at the South corner of said 24.856 acre tract, and N 46 deg. 19 min. 31 sec. E 794.83 feet to a 5/8 inch iron pin found at the West corner of a tract called Tract 3A, called 23.154 acres, described in Doc. #99030406 of the Official Public Records of Hays County, Texas, for the North corner of this above referenced 305 acre tract, for the North corner of this tract;

THENCE along the Southwest line of said Tract 3A, 23.154 acres, S 43 deg. 22 min. 10 sec. E 2,950.55 feet to a 1/2 inch iron pin found at the South corner of said 23.154 acre tract, lying in the Northwest right-of-way line of State Highway 21, for the East corner of this tract;

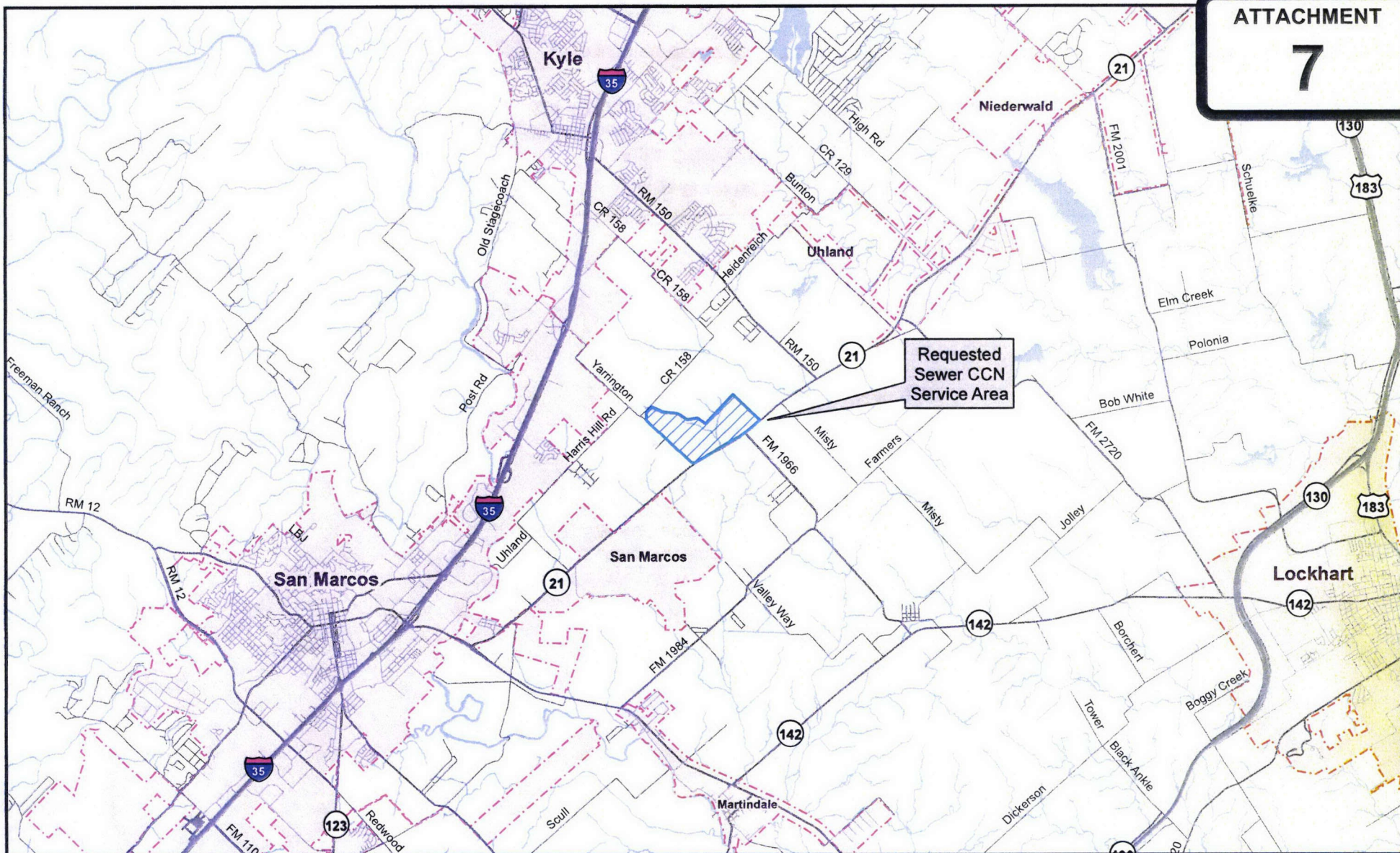
THENCE along the Northwest right-of-way line of State Highway 21, S 50 deg. 55 min. 04 sec. W 1,128.23 feet to a broken concrete monument found in same, at the beginning of a curve to the right, for a corner of this tract;

THENCE continuing along the Northwest right-of-way line of State Highway 21, and said curve to the right, having a radius of 5679.60 feet, an arc length of 1,158.86 feet, and a chord bearing and distance of S 56 deg. 45 min. 42 sec. W 1,156.84 feet to a bent 1/2 inch iron pin found at the end of said curve, for a corner of this tract;

THENCE continuing along the Northwest right-of-way line of State Highway 21, N 88 deg. 31 min. 16 sec. W 103.53 feet to a broken concrete monument found, S 62 deg. 36 min. 00 sec. W 1,798.50 feet to a broken concrete monument found, S 36 deg. 02 min. 06 sec. W 111.80 feet, a 1/2 inch iron pin set, and S 62 deg. 36 min. 00 sec. W 1,950.69 feet to a broken concrete monument found at a flare corner from State Highway 21 to Hays County Road No. 159, for a corner of this tract;

THENCE along said flare line, N 78 deg. 36 min. 23 sec. W 252.27 feet to a 1 inch iron pin found in concrete in the Northeast right-of-way line of what is called Hays County Road No. 159 (Yarrington Road), for the Southwest corner of this tract;

THENCE along the Northeast right-of-way line of Hays County Road No. 159, N 43 deg. 19 min. 17 sec. W 1,321.43 feet to the Point of Beginning and containing 331.536 acres of land, more or less.

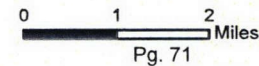


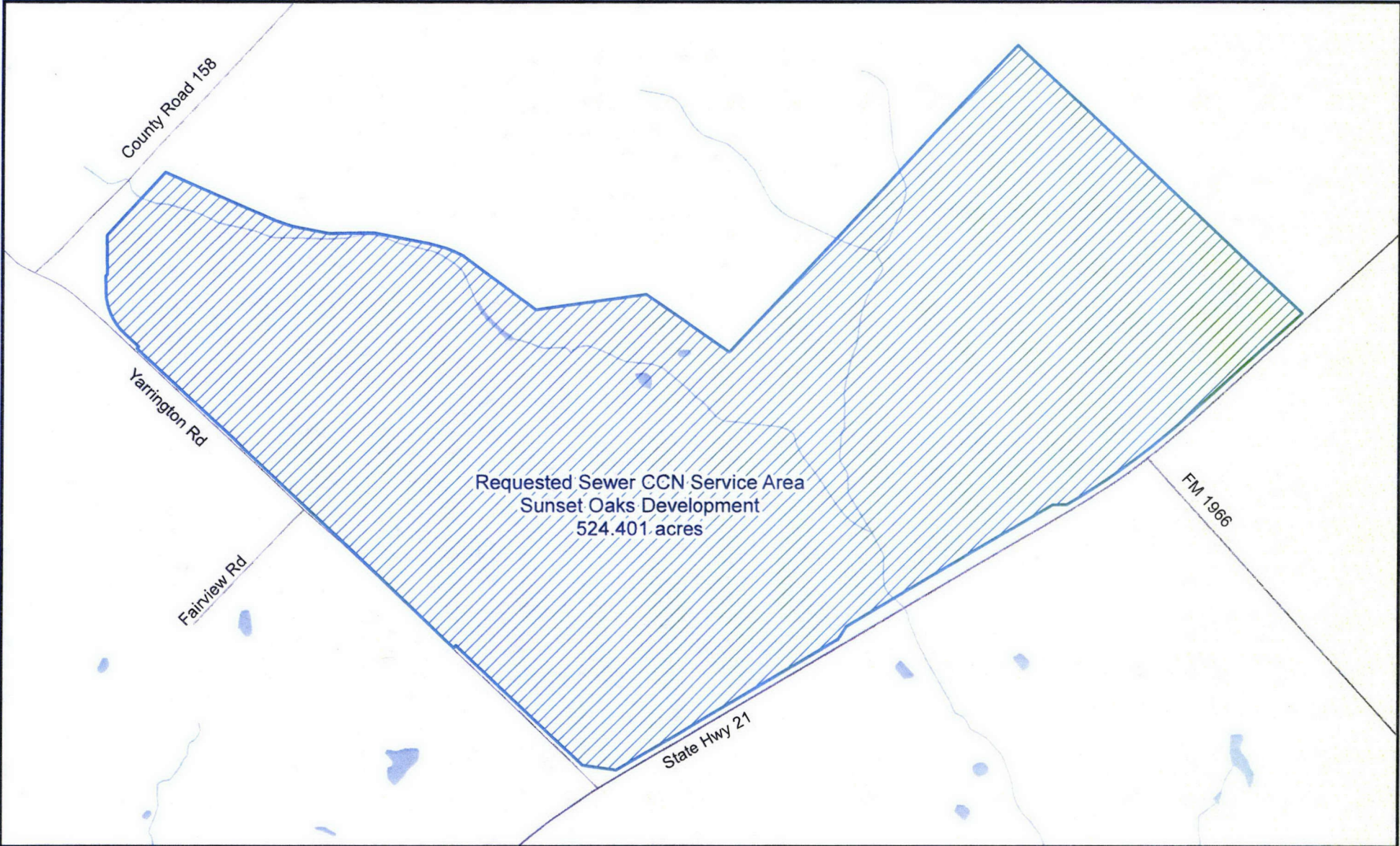
General Location

Aqua Utilities, Inc.
Proposed Amendment to Sewer CCN No. 20453
524.401 Acres of Land in Hays County

 Cities

 Requested Sewer CCN Service Area

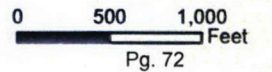




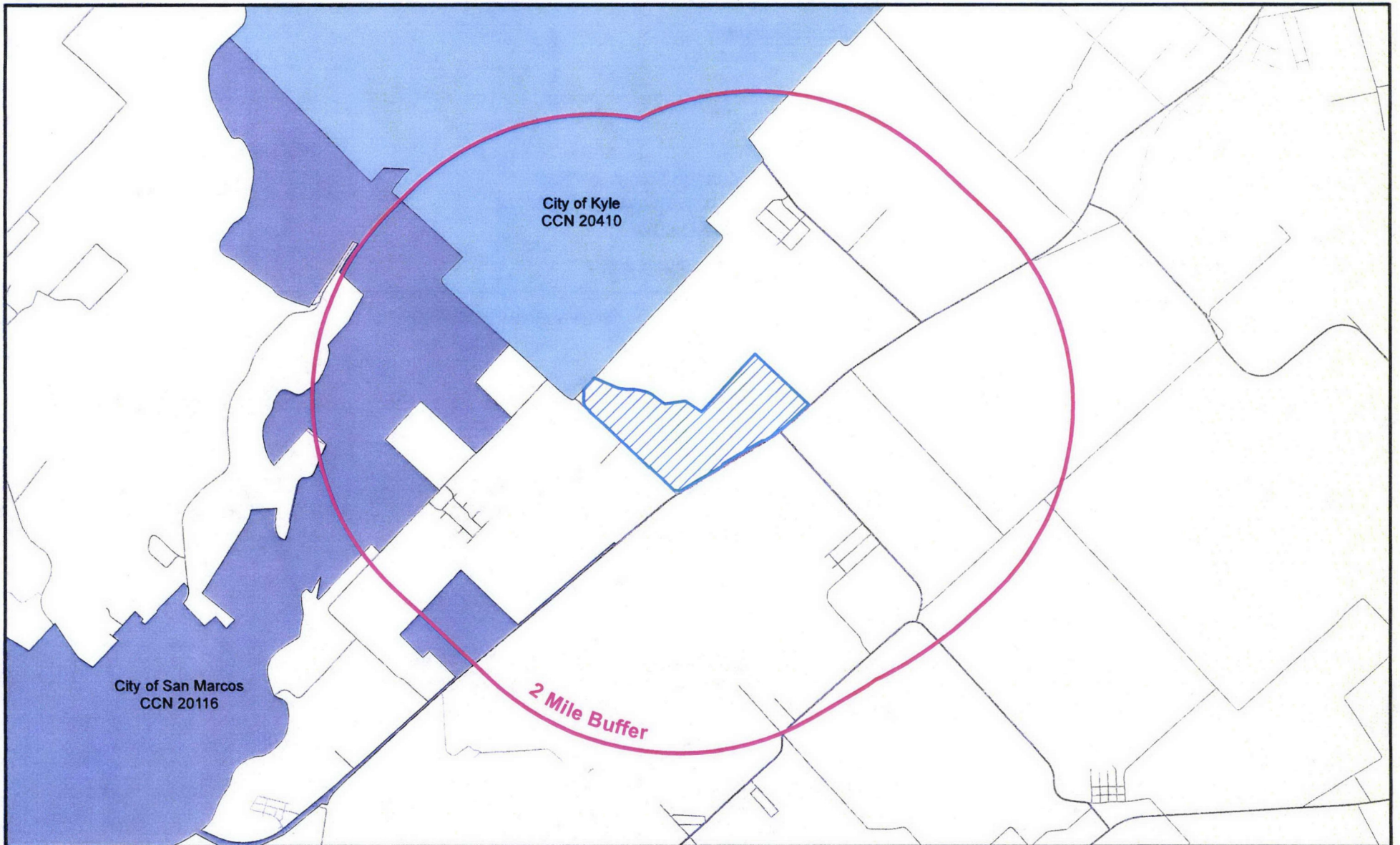
Large Scale Map

Aqua Utilities, Inc.
Proposed Amendment to Sewer CCN No. 20453
524.401 Acres of Land in Hays County



 **Requested Sewer CCN Service Area**



Map by: S. Burt, ASBGI
Date: August 9, 2017
Base: TxDOT 2015 Roadways
Project: Sunset Oaks Large Scale





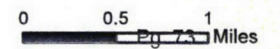
2 Mile Buffer Map - Sewer CCNs

-  2 Mile Buffer
-  Requested Sewer CCN

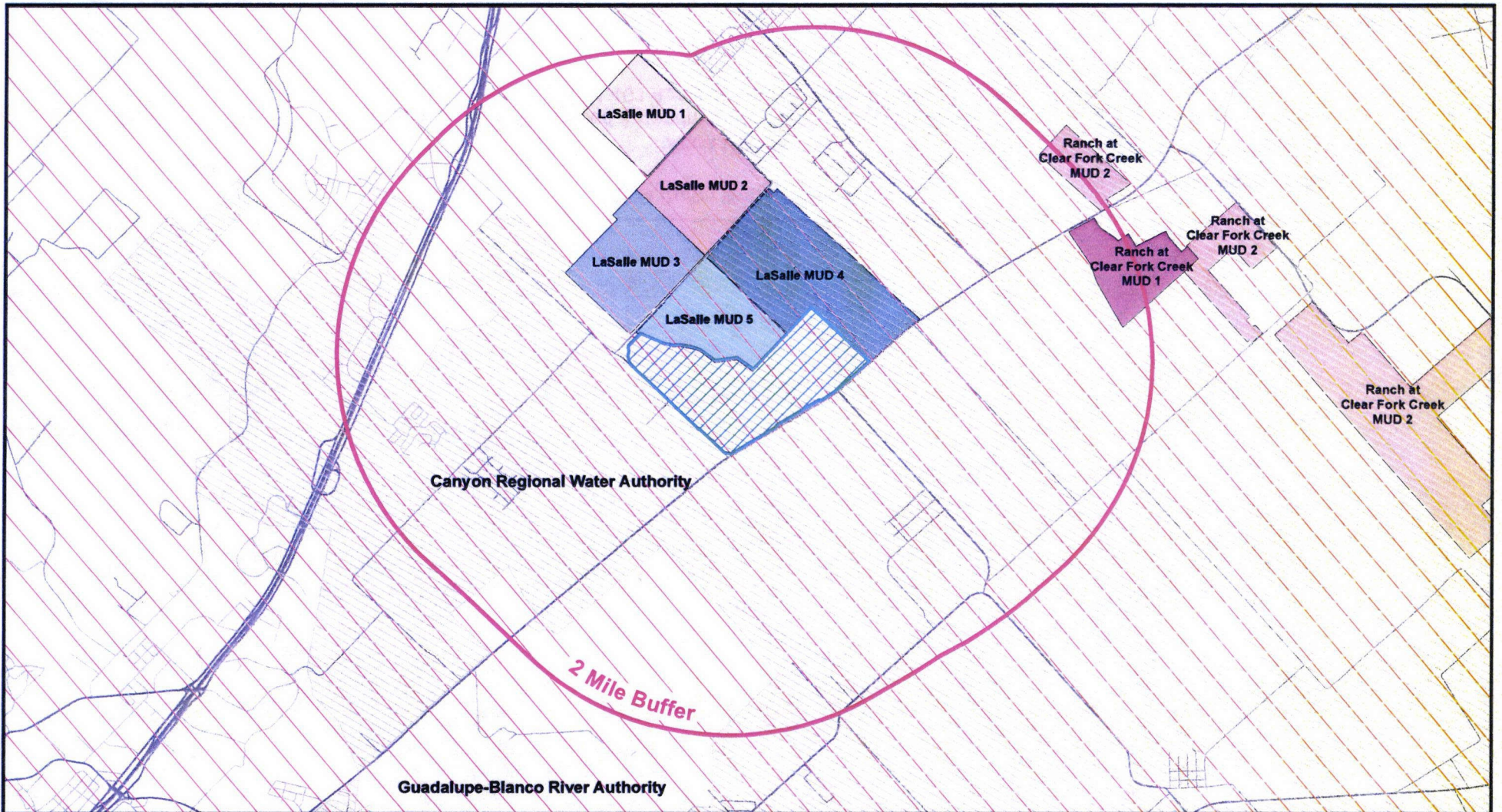
Aqua Utilities, Inc.
 Proposed Amendment to Sewer CCN No. 20453
 524.401 Acres of Land in Hays County

Sewer CCNs within 2 Miles

-  20116 - City of San Marcos
-  20410 - City of Kyle



Map by: S. Burt, ASBGI
 Date: August 9, 2017
 Base: TxDOT 2015 Roadways
 Project: Sunset Oaks 2 Mile Buffer - CCNs












2 Mile Buffer Map - Districts

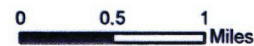
Aqua Utilities, Inc.
Proposed Amendment to Sewer CCN No. 20453
524.401 Acres of Land in Hays County

-  2 Mile Buffer
-  Requested Sewer CCN

Districts within 2 Miles

-  Canyon Regional Water Authority
-  Guadalupe-Blanco River Authority
-  LaSalle MUD 1
-  LaSalle MUD 2
-  LaSalle MUD 3
-  LaSalle MUD 4
-  LaSalle MUD 5
-  Ranch at Clear Fork Creek MUD 1
-  Ranch at Clear Fork Creek MUD 2

Map by: S. Burt, ASBGI
 Date: August 9, 2017
 Base: TxDOT 2015 Roadways
 Project: Sunset Oaks 2 Mile Buffer - Districts



CITY & COUNTY | DEVELOPMENT | HOUSING & REAL ESTATE | NEIGHBORHOODS | NEWS | TOP STORY

San Marcos' east side primed for single-family housing boom



By **Brett Thorne** | Posted Dec. 9, 2016 at 7:58 am



San Marcos' most recent comprehensive plan, a city document that guides city growth, calls for increased development on the city's east side.



During the plan's formation, "the public indicated a preference for some redevelopment in the urban core and for new development along east-side corridors and I-35," the plan states.



Four projects on the city's eastside could bring as many as 4,000 new single-family homes as well as multifamily housing and retail properties.



"That's the direction we want to grow," San Marcos Permit Manager Abby Gillfillan said. "It's not over the [Edwards Aquifer] recharge zone. It's not environmentally sensitive land."

The Trace Community

In January, California-based real estate development firm HighPointe Communities will break ground on Trace, a community that, when fully built out, will include 1,000 single-family homes, parks and a site for a new San Marcos CISD elementary school as well as commercial, office and retail space.

City officials have said they are hopeful the development will spur more homeownership in San Marcos.

Council Member John Thomaides said he was concerned about the potential for investors to buy up a large number of houses and rent them out, thus threatening the owner-occupied character of the development.

Steve Metcalfe, an attorney for the developer, said it would be very difficult to enforce a restriction on investors buying properties in the neighborhood. An investor could come into the neighborhood and buy 10 different properties using 10 different names, he said.

Instead the development will rely on the single-family occupancy limits within the city's zoning ordinance to help ensure the single-family residences are truly single-family. The multifamily portion of the development will have the same restrictions. The ordinance limits the number of unrelated people who can share a residence within certain zoning districts in the city.

HighPointe also plans to provide \$2.5 million in cash and in-kind assistance to the city to build a fire station within the development. City Manager Jared Miller said the station's proximity to homes within the neighborhood should lower some residents' home insurance rates.

Steve Vliss, president and CEO of HighPointe Communities, said the developer is aiming to attract first-time homebuyers. The Austin-area real estate market has grown at a fast pace, Vliss said, but some potential buyers have been left behind in that growth.

"We felt that was an underserved need, and it was only going to get more so over the next several years," Vliss said.



Home prices in Trace will likely start below \$200,000, Vliss said.

Other east side developments

In addition to Trace, developments have been planned on more than 3,000 acres east of I-35 in the city limits and extraterritorial jurisdiction—an area just outside the city limits where the city has limited control.

Cotton Center, a 2,358-acre development planned to be built east of the San Marcos Regional Airport, is planned to include single-family homes as well as parks and commercial space.

The project is being developed by Walton TX LP, a Canada-based real estate firm that is also planning the mixed-use Gas Lamp District in southeast San Marcos near the outlet malls.

Gillfillan said Walton is working with the city on the Gas Lamp District project, although there are currently no plans for construction to begin in the near future.

Whisper, a development located just south of Yarrington Road off the I-35 access road, is planned to include 600 single-family homes in its first phase. The development will also include 241 acres of commercial and retail space.

Assistant Planning Director Kristy Stark said the city is working with Robert McDonald, the project developer, on plans for the 706-acre property.

“Hopefully within the next couple of months you’ll see that moving forward through [the planning and zoning commission] and through City Council,” Stark said.

McDonald estimated work on the development’s infrastructure would begin in early 2017.

Once roads are built within the development construction will begin on a 50,000-square-foot commercial building.

In early December, The LaSalle Municipal Utility District, another community planned to be built northeast of San Marcos, requested an extension of its development timeline. Under the extension request, work on the community would likely not begin for a few years.

Housing availability

The city of San Marcos has historically issued fewer single-family home construction permits per year than neighboring communities.

In 2014 and 2015 the city issued 278 and 238 single-family home permits, respectively. From Jan. 1–Nov. 30, the city issued 330 single-family home permits.

The city of Kyle issued 507 single-family home permits from Jan. 1–Nov. 30. The city of Buda issued 291 during the same period. Buda's total does not include homes built in the Sunfield or Meadows of Shadow Creek neighborhoods, which are outside the city limits.

San Marcos officials said they are hopeful the new developments will help the city's housing inventory keep pace with the explosive growth the region is experiencing.

"It's going to hopefully change the balance of single-family and multifamily in San Marcos to owner-occupied versus rental and provide more opportunities for people to own a home," Miller said. "That's a difficult thing right now because the market is so sparse; there is a lot of competition out there."

Tags

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[San Marcos | Buda | Kyle - December 2016](#)
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MORE NEWS



Leander ISD seeks Districtwide Educational Improvement Council members

Applications accepted through Aug. 28



7 things to know in the Lake Travis/Westlake area this week, Aug. 7-10

I-35 from RM 150 to Blanco River

FACT SHEET

Why Improvements are Needed

I-35 in central Texas is one of the most congested highways in Texas. It serves as the backbone of the local, regional, and national transportation network. Lack of mobility on I-35 threatens the economic livelihood of our city and our state. Improvements to this area are needed to ensure the continued safety and mobility of the corridor.

Project Overview

Some portions of I-35 in Hays County carry as many as 133,000 vehicles per day. In an effort to improve safety and mobility in this rapidly-growing area, the project will:

- reconfigure two entrance and exit ramps between RM 150 and the Blanco River
- relocate the northbound Yarrington Road exit ramp
- construct a new northbound entrance ramp at the location of the existing Yarrington Road exit ramp

The project's construction cost is \$9 million and was funded by TxDOT through Proposition 1.

Timeline

Construction began on the project in April 2016 and is expected to be complete in summer 2017, weather permitting.

Contact Information

For additional project information, please contact:
Victor Vargas
Area Engineer
TxDOT Austin District
512-282-2113
Victor.Vargas@txdot.gov

For media inquiries, please contact:
Diann Hodges
Public Information Officer
TxDOT Austin District
512-832-7027
Diann.Hodges@txdot.gov

For additional information visit: www.My35Construction.org.

I-35 at Yarrington Road FACT SHEET



Why Improvements are Needed

I-35 is one of the most congested highways in Texas. It serves as the backbone of the local, regional, and national transportation network. Lack of mobility on I-35 threatens the economic livelihood of our city and our state. Improvements are needed due to population and employment growth, which have caused increased congestion in the project area.

Project Overview

We are taking a smart approach to transportation planning in the I-35 corridor. The purpose of the Yarrington Road project is to improve safety and mobility, including addressing the existing bridge that is narrow and frequently damaged by vehicles too large to properly make the U-turn movements, and does not meet bridge height clearance standards over the I-35 mainlanes.

The project includes:

- Constructing a new widened bridge structure at Yarrington Road over I-35 to accommodate six travel lanes with sidewalks
- Constructing new U-turn bridges in both directions
- Converting two-way frontage roads to one-way frontage roads
- Realigning and widening segments of the I-35 frontage roads

The contractor for the \$12.2 million project is OHL USA, Inc.

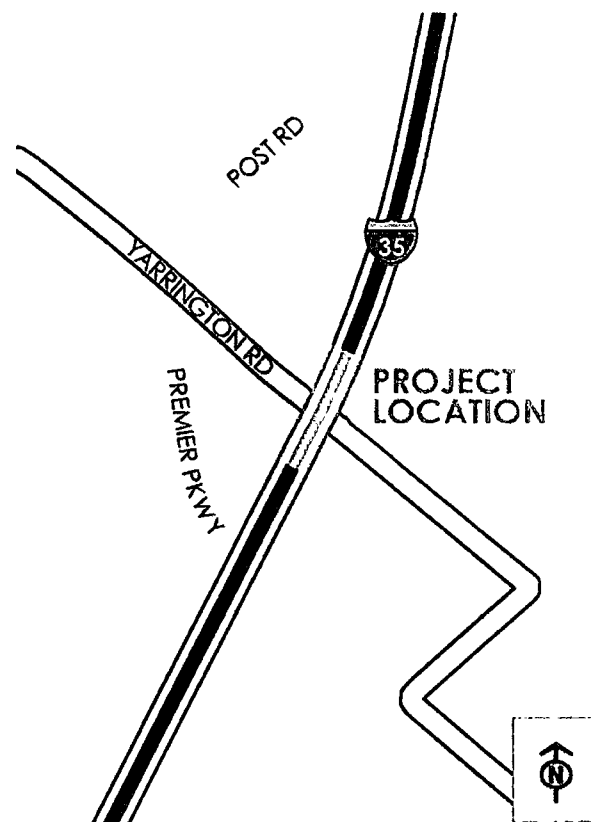
Timeline

The project began in June 2014, with construction completing in fall 2016.

Contact Information

Diann Hodges
Public Information Officer
TxDOT Austin District
512-832-7027
Diann.Hodges@txdot.gov

For additional information visit: www.My35.org/Capital



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AUSTIN HOUSTON SAN ANTONIO RESIDENTIAL

First Boomer Master-Planned Community Targets 55-Plus

APRIL 4, 2017 | BY LISA BROWN

SAN MARCOS, TX—There is pent-up demand for age-qualified homes, driven by the fact that there is inadequate supply for the 10,000 people who will turn 65 every day until 2030.

REPRINTS



The Colby is one of the plans designed to appeal to a wide variety of 55-plus consumers.

SAN MARCOS, TX—**Brookfield Residential Properties' Kissing Tree** is the first **baby boomer** master-planned community for those aged 55 and beyond, and the first of its kind in San Marcos. The 3,200-home community is located on 1,332 acres in Central Texas, halfway between San Antonio and Austin in the heart of the Texas Hill Country.

Kissing Tree was designed to change the way baby boomers envision the next phase of their lives, including retirement. The community will feature not only a collection of indoor and outdoor amenities at the community's social focal point, called The Mix, but it will also include an 18-hole golf course, an 18-hole putting course and a clubhouse, opening later this year. Hundreds of acres will be reserved for parks, trails and green space. Upon completion, there will 15 scenic miles of trails for hiking and biking.

"Right now, there is a pent-up demand for age-qualified homes almost everywhere driven by the

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