

fact that 10,000 people a day will turn 65 until 2030 here in the US and the fact that we aren't building enough," **Manny Gonzalez**, managing principal of **KTGY Architecture + Planning's** Los Angeles office and head of the firm's 55-plus studio, tells **GlobeSt.com**. "According to **John Burns Real Estate Advisors**, the top two things to motivate the 55-plus market to buy a new home are location and home design, and Kissing Tree excels in both, which is certainly helping to fuel the demand."

Home design plans targeting the needs of active adults were recently unveiled at Kissing Tree, located at 201 Kissing Tree Lane.

"We designed the Colby, Emerson and Clarkson plans to appeal to a wide variety of 55-plus consumer preferences," says Gonzalez. "Homebuyers have lots of options at Kissing Tree—not only on the inside of the home, but also what they want their home to look like on the outside. Buyers can personalize their new home to fit their needs and lifestyle, like adding an expanded cover patio, a den or study or a Casita for entertaining, as guest quarters, home office or hobby room."

KTGY designed five very distinct architectural styles with exterior options: Modern Farmhouse, Texas Hill Country, Contemporary, Santa Barbara and Traditional.

"Over the last couple of decades, production housing tried to provide a varied street scene by including three or four traditional architectural styles like French Chateau, Italianate and English Cottage, but those really weren't indigenous styles of architecture," Gonzalez tells **GlobeSt.com**. "Kissing Tree, on the other hand, features styles like Texas Hill Country, modern farmhouse and contemporary, all of which you will find throughout the region, in addition to the traditional elevation. But, it's not some form of Euro-traditional architecture, it's good ole' Texas traditional!"

Gonzalez also points out that the laundry room has been moved from its traditional location of the garage to a more useful location adjacent to the master suite closet or dressing area. This accomplishes two things: it creates an "owner's entry" that can also feature a drop zone to lay down keys, mail and cell phone, often with a recharging station. Because the home is generally occupied by only the 55-plus owners, having the laundry room adjacent to the master suite allows for the opportunity to provide a horizontal laundry chute so owners don't have to lug the laundry through the house to the old laundry room location.

The Colby, Emerson and Clarkson homes offer spacious floor plans from 1,850 square feet to 2,957 square feet. Home prices will range from approximately \$275,000 to \$500,000.

"Kissing Tree offers what today's active adults want in both a home and a community: homes that incorporate universal design and indoor-outdoor living, and have so many choices that the homes feel nearly like a custom home; plus being located in a resort-style, walkable community with trails and activities so it is a 'staycation' every day," Gonzalez says.

Kissing Tree's community amenities include a fitness center, tennis courts, pickleball courts, bocce ball, indoor and outdoor pool, and a barbecue pit. Residents of Kissing Tree will be close to entertainment, shopping, freeways, transportation, jobs and education.

Texas State University is located in San Marcos along with the **Tanger Outlets** shopping center. Residents and tourists will also enjoy the San Marcos River, the art scene, live music and nightlife, athletic and community events, and festivals.

"We have enjoyed working with KTGY Architecture + Planning on Brookfield Residential's first baby boomer-centric new home community," says **Scott Turner**, general manager of Kissing Tree. "Together, we collaborated to deliver thoughtful designs specifically geared to the 55-plus community, and we think our residents will genuinely feel at home. Our visitor numbers have been tremendous at Kissing Tree. Since the community opening, more than 300 prospects have signed up for the reservation program to select their lot and home site."

The name Kissing Tree recalls Sam Houston's gubernatorial speech in 1857 in front of a mighty oak tree in San Marcos, where he famously kissed several of the female attendees, creating a bit of a local legend.



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Lisa Brown ›

Lisa Brown is an editor for the south and west regions of GlobeSt.com. She has 25-plus years of real estate experience, with a regional PR role at Grubb & Ellis and a national communications position at Marcus & Millichap. Brown also spent 10 years as executive director at NAIOP San Francisco Bay Area chapter, where she led the organization to achieving its first national award honors and recognition on Capitol Hill. She has written extensively on commercial real estate topics and edited numerous pieces on the subject.

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Administrative Assistant (WNC & Associates, Inc.) Irvine, CA 92614

FM 110 (East San Marcos Loop) Precinct 1 Project 2 of 2	
Location	South Section: SH 123 to FM 621 Middle Section FM 621 to SH 80 North Section SH 80 to Yarrington Road/IH-35
Description Partnership Program South Section Map Middle Section Map North Section Map	This project continues the loop east of San Marcos and involves initially constructing two travel lanes (one in each direction) with 10-foot shoulders where no road currently exists for the approximately 11.3-mile corridor and includes an interchange at SH 21 and a railroad overpass at the Union Pacific Railroad tracks. As traffic increases over time, two additional travel lanes and additional interchanges would be constructed. Initial construction costs will be funded through Transportation Reinvestment Zones (TRZs) created by Hays County and the City of San Marcos to capture a portion of the increased value of development occurring along the alignment. Caldwell County will also contribute to the project cost. The County is funding and conducting project development simultaneously for the initial stage of all three sections. TxDOT will let and manage construction of the project. Water line relocations will be in construction contracts.
Status	
Environmental	Completed
ROW Acquisition	North-18%, Middle-75%, South 50%
Utility Relocation	North-28%, Middle-67%, South-50% Waterline relocations will be completed as part of construction
Construction Design	90% complete all segments
Estimated Construction Start	South Section SH 123 to FM 621--Spring 2018 Middle Section: FM 621 to SH 80--Summer 2018 North Section: SH 80 to Yarrington Road--Late Winter 2018

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

July 13th 2017

Via CM/RRR# 70143490000201373097¹

Canyon Regional Water Authority
850 Lakeside Pass
New Braunfels, Texas 78130

Re: Service Availability Request

Dear Canyon Regional Water Authority:

I am contacting you on behalf of K Marcos, LLC (“Developer”). Developer is in the process of working with Aqua Utilities, Inc. and Aqua Texas, Inc. d/b/a Aqua Texas (“Aqua”) to obtain approval from the Public Utility Commission of Texas (“PUC”) for an amended Aqua sewer certificate of convenience and necessity in Hays County, Texas, that will require a new standalone wastewater treatment plant/collection system. These facilities and the CCN are planned for use to provide service to property that comprises the approximately 531.5 acres shown in **Attachment A** (the “Property”). (The current land owners are Kyle Three Properties LP and Cedar Stump, LP.)

You were identified as a retail public utility potentially within a one-half mile radius from the outer boundary of the Property where Developer plans to establish a sewer system with Aqua. PUC rules require that we contact neighboring retail public utilities as described to determine if an existing retail public utility is willing to provide retail sewer utility service to the Property in a manner that is economically feasible and competitive with what can be provided by the proposed new system. Your service would need to be sufficient to meet the TCEQ/PUC minimum service standards plus local demands to the Property as described by this letter, thereby providing continuous and adequate service to the consuming public.

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.

In accordance with PUC/TCEQ requirements, Developer hereby requests retail public sewer utility service from you for development of the Property as described. If you are ready, willing, and able to provide sewer utility service sufficient to serve the Property in the manner

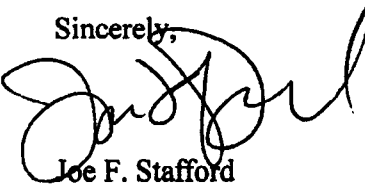
¹ First mailing had DRAFT left on first page. Please Disregard.

described for this development, please return a copy of this letter with the included questionnaire completed and indicating your proposal.

You may fax your response to K Marcos, LLC c/o Joe Stafford at 512-532-6655 or email it to him at Joe@staffordcompany.com.

Your timely response to this inquiry is greatly appreciated. Please feel free to attach additional sheets or supporting documents as necessary to answer each question in the sewer service questionnaires. Please be advised that your response will be filed with the PUC, and, potentially, the TCEQ as required. If you do not respond within thirty days of the date of this letter, it will be presumed that you do not desire to or cannot provide retail sewer utility service to the Property in the manner needed. Your lack of response will also be reported to the PUC or TCEQ as required.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe Stafford", written over the word "Sincerely,".

Joe F. Stafford
Manager
K Marcos, LLC

Enclosures.

Attachment A

SERVICE QUESTIONNAIRE - SEWER

1. Are you willing to provide sewer utility service to the property identified in **Attachment A** (the "Property")?

yes no (*mark appropriate statement with an X*)

Please complete Question Nos. 2-11 only if your response to Question No. 1 was yes.

2. Do you currently have the service capabilities to provide continuous and adequate sewer utility service to the Property except for the mains necessary to interconnect the Property with your existing sewer utility system? yes no

3. Will you have to build additional sewer service capacities to serve the Property? yes no

4. What are the additional sewer service capacities that will be required for you to serve the Property?

5. What is the estimated cost for you to provide sewer service to the Property? For this item, please provide an analysis of the following:

1. All necessary estimated costs for constructing, operating, and maintaining the new facilities for at least the first five years of operations, including such items as taxes and insurance.

2. All necessary estimated costs for acquiring and continuing to receive service from you for at least the first five years of operations.

3. Total Estimated Cost Amount.

6. Of the amounts identified in response to Question No. 5, what amount will be paid by the Developer and what amount will be paid by your retail public utility?

\$ _____ to be paid by Developer \$ _____ to be paid by your retail public utility

7. When will sewer service be made available by you to the Property?
8. Are there any other requirements for obtaining sewer service to the Property from you?
9. Has your wastewater system been compliant with all TCEQ and PUC regulations for at least the past five consecutive years? yes no
10. Has your wastewater system been compliant with all applicable non-TCEQ/PUC Federal, state, and local health, safety, and environmental statutes and regulations for at least the past five consecutive years? yes no
11. What are your retail sewer utility service rates? _____

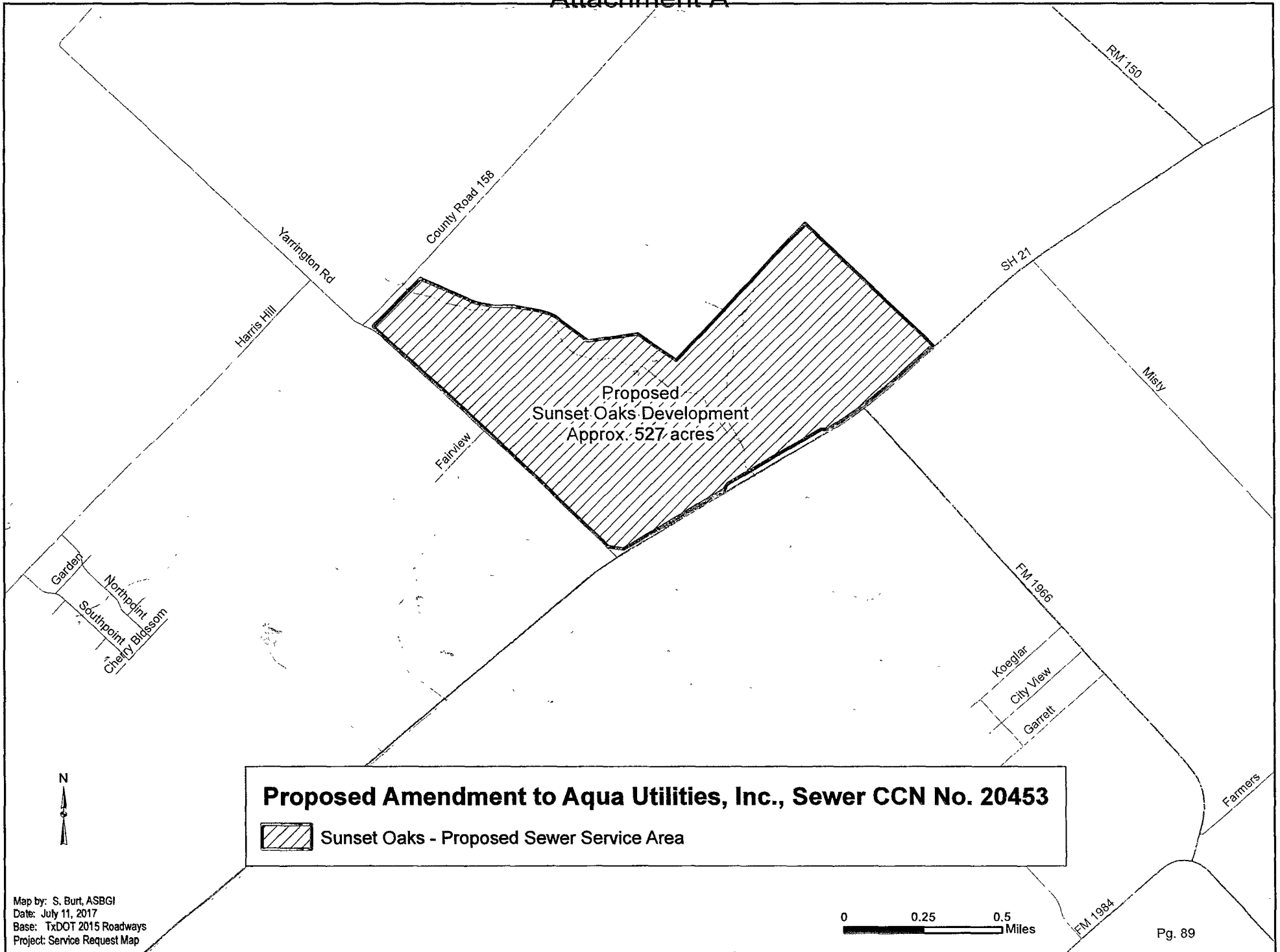
(signature)

(print name)


(title)

(Retail Public Utility/Entity)

Attachment A



Proposed Amendment to Aqua Utilities, Inc., Sewer CCN No. 20453

 Sunset Oaks - Proposed Sewer Service Area

Map by: S. Burt, ASBGI
Date: July 11, 2017
Base: TxDOT 2015 Roadways
Project: Service Request Map

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Miles

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1. Article Addressed to:

CANYON REGIONAL WATER
Authority
850 Lakeside Drive
New Braunfels, TX
78130

2. Article Number
(Transfer from service label)

7014 3490 0002 0137 3097 Pg. 90

PS Form 3811, July 2013

Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Signature

[Handwritten Signature]

Agent

Addressee

B. Received by (Printed Name)

Ritzie Watkins

C. Date of Delivery

D. Is delivery address different from item 1? Yes

If YES, enter delivery address below: No



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K-MARCOS, LLC

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Pg. 91



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

July 13th, 2017

*Via CM/RRR# 70143490000201373080*¹

City of Kyle
PO Box 40
Kyle, TX 78640

Re: Service Availability Request

Dear City of Kyle:

I am contacting you on behalf of K Marcos, LLC (“Developer”). Developer is in the process of working with Aqua Utilities, Inc. and Aqua Texas, Inc. d/b/a Aqua Texas (“Aqua”) to obtain approval from the Public Utility Commission of Texas (“PUC”) for an amended Aqua sewer certificate of convenience and necessity in Hays County, Texas, that will require a new standalone wastewater treatment plant/collection system. These facilities and the CCN are planned for use to provide service to property that comprises the approximately 531.5 acres shown in **Attachment A** (the “Property”). (The current land owners are Kyle Three Properties LP and Cedar Stump, LP.)

You were identified as a retail public utility potentially within a one-half mile radius from the outer boundary of the Property where Developer plans to establish a sewer system with Aqua. PUC rules require that we contact neighboring retail public utilities as described to determine if an existing retail public utility is willing to provide retail sewer utility service to the Property in a manner that is economically feasible and competitive with what can be provided by the proposed new system. Your service would need to be sufficient to meet the TCEQ/PUC minimum service standards plus local demands to the Property as described by this letter, thereby providing continuous and adequate service to the consuming public.

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.

In accordance with PUC/TCEQ requirements, Developer hereby requests retail public sewer utility service from you for development of the Property as described. If you are ready, willing, and able to provide sewer utility service sufficient to serve the Property in the manner

¹ First mailing had DRAFT left on first page. Please Disregard.

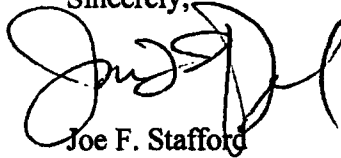
City of Kyle
July 13th, 2017
Page 2

described for this development, please return a copy of this letter with the included questionnaire completed and indicating your proposal.

You may fax your response to K Marcos, LLC c/o Joe Stafford at 512-532-6655 or email it to him at Joe@staffordcompany.com.

Your timely response to this inquiry is greatly appreciated. Please feel free to attach additional sheets or supporting documents as necessary to answer each question in the sewer service questionnaires. Please be advised that your response will be filed with the PUC, and, potentially, the TCEQ as required. If you do not respond within thirty days of the date of this letter, it will be presumed that you do not desire to or cannot provide retail sewer utility service to the Property in the manner needed. Your lack of response will also be reported to the PUC or TCEQ as required.

Sincerely,

A handwritten signature in black ink, appearing to read 'Joe Stafford', written over a circular stamp or seal.

Joe F. Stafford
Manager
K Marcos, LLC

Enclosures.

Attachment A

SERVICE QUESTIONNAIRE - SEWER

1. Are you willing to provide sewer utility service to the property identified in **Attachment A** (the "Property")?

yes no (*mark appropriate statement with an X*)

Please complete Question Nos. 2-11 only if your response to Question No. 1 was yes.

2. Do you currently have the service capabilities to provide continuous and adequate sewer utility service to the Property except for the mains necessary to interconnect the Property with your existing sewer utility system? yes no

3. Will you have to build additional sewer service capacities to serve the Property? yes no

4. What are the additional sewer service capacities that will be required for you to serve the Property?

5. What is the estimated cost for you to provide sewer service to the Property? For this item, please provide an analysis of the following:

1. All necessary estimated costs for constructing, operating, and maintaining the new facilities for at least the first five years of operations, including such items as taxes and insurance.

2. All necessary estimated costs for acquiring and continuing to receive service from you for at least the first five years of operations.

3. Total Estimated Cost Amount.

6. Of the amounts identified in response to Question No. 5, what amount will be paid by the Developer and what amount will be paid by your retail public utility?

\$ _____ to be paid by Developer \$ _____ to be paid by your retail public utility

7. When will sewer service be made available by you to the Property?
8. Are there any other requirements for obtaining sewer service to the Property from you?
9. Has your wastewater system been compliant with all TCEQ and PUC regulations for at least the past five consecutive years? ___yes ___no
10. Has your wastewater system been compliant with all applicable non-TCEQ/PUC Federal, state, and local health, safety, and environmental statutes and regulations for at least the past five consecutive years? ___yes ___no
11. What are your retail sewer utility service rates? _____

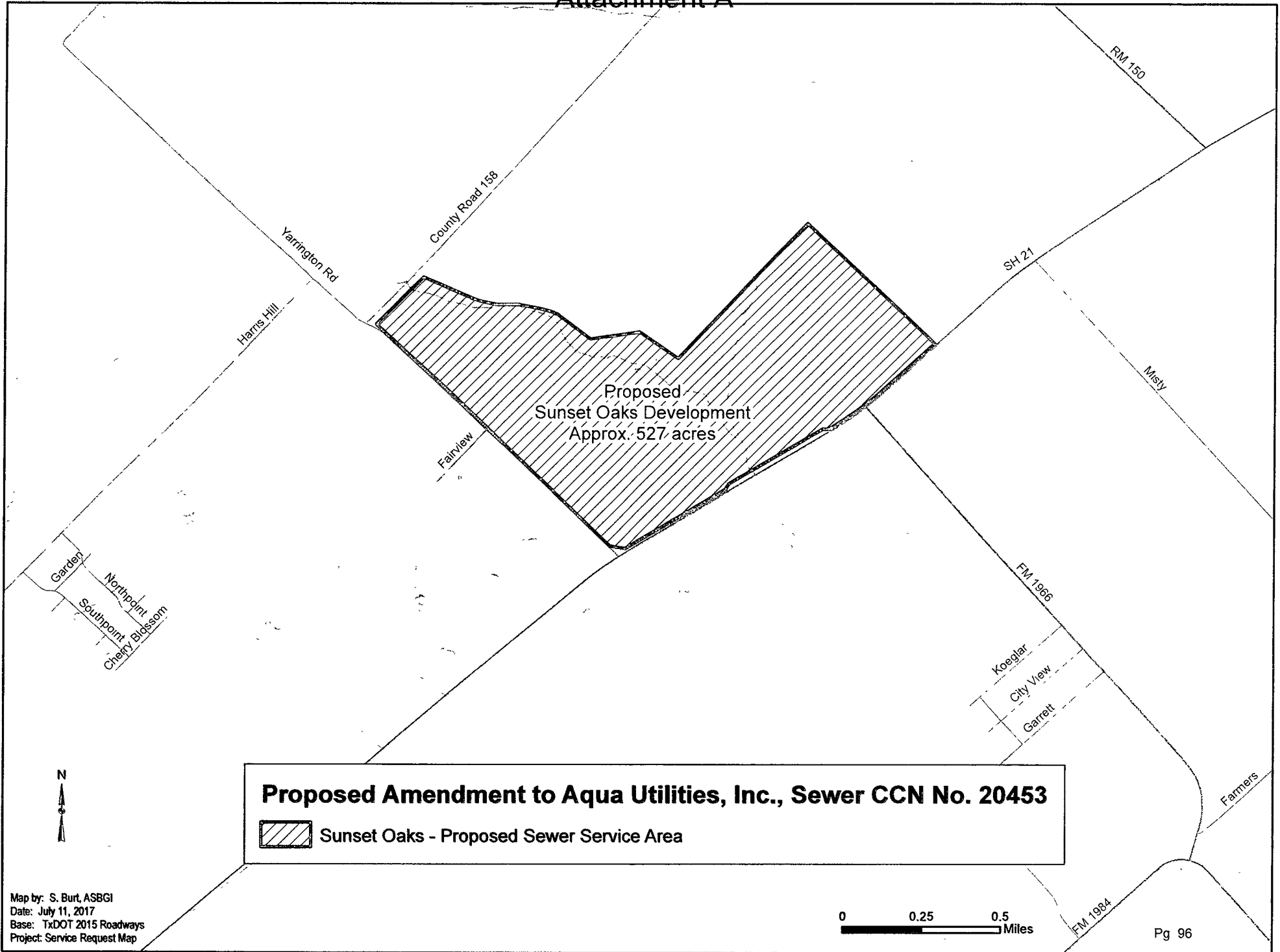
(signature)

(print name)

(title)

(Retail Public Utility/Entity)

Attachment A



Proposed Amendment to Aqua Utilities, Inc., Sewer CCN No. 20453

 Sunset Oaks - Proposed Sewer Service Area

Map by: S. Burt, ASBGI
Date: July 11, 2017
Base: TxDOT 2015 Roadways
Project: Service Request Map

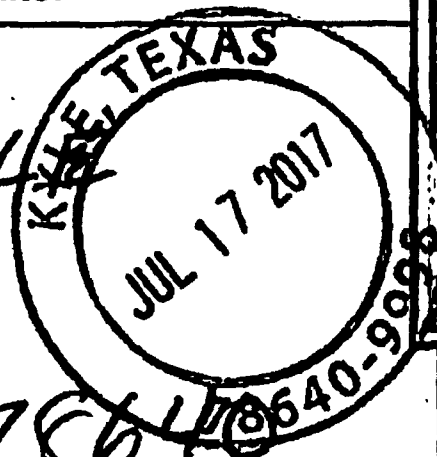
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Miles

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1. Article Addressed to:

CITY OF KY. 4
PO Box 40
KYLE TX 75640



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A. Signature

x *[Handwritten Signature]*

Agent

Addressee

B. Received by (Printed Name)

BOB R. LAUTZ

C. Date of Delivery

D. Is delivery address different from item 1? Yes
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3. Service Type

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- Insured Mail
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- Collect on Delivery

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number

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K-Marcos, LLC

3736 Bee Cave Road

Suite 1-122

West Lake Hills

Texas, 78746 - 5393



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

July 13th, 2017

Via CM/RRR#70143490000201373103¹

Guadalupe-Blanco River Authority
933 East Court Street
Seguin, TX 78155

Re: Service Availability Request

Dear Guadalupe-Blanco River Authority:

I am contacting you on behalf of K Marcos, LLC (“Developer”). Developer is in the process of working with Aqua Utilities, Inc. and Aqua Texas, Inc. d/b/a Aqua Texas (“Aqua”) to obtain approval from the Public Utility Commission of Texas (“PUC”) for an amended Aqua sewer certificate of convenience and necessity in Hays County, Texas, that will require a new standalone wastewater treatment plant/collection system. These facilities and the CCN are planned for use to provide service to property that comprises the approximately 531.5 acres shown in **Attachment A** (the “Property”). (The current land owners are Kyle Three Properties LP and Cedar Stump, LP.)

You were identified as a retail public utility potentially within a one-half mile radius from the outer boundary of the Property where Developer plans to establish a sewer system with Aqua. PUC rules require that we contact neighboring retail public utilities as described to determine if an existing retail public utility is willing to provide retail sewer utility service to the Property in a manner that is economically feasible and competitive with what can be provided by the proposed new system. Your service would need to be sufficient to meet the TCEQ/PUC minimum service standards plus local demands to the Property as described by this letter, thereby providing continuous and adequate service to the consuming public.

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.

In accordance with PUC/TCEQ requirements, Developer hereby requests retail public sewer utility service from you for development of the Property as described. If you are ready, willing, and able to provide sewer utility service sufficient to serve the Property in the manner

¹ First mailing had DRAFT left on first page. Please Disregard.

Guadalupe-Blanco River Authority

July 13th, 2017

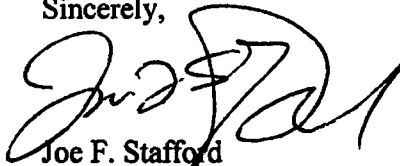
Page 2

described for this development, please return a copy of this letter with the included questionnaire completed and indicating your proposal.

You may fax your response to K Marcos, LLC c/o Joe Stafford at 512-532-6655 or email it to him at Joe@staffordcompany.com.

Your timely response to this inquiry is greatly appreciated. Please feel free to attach additional sheets or supporting documents as necessary to answer each question in the sewer service questionnaires. Please be advised that your response will be filed with the PUC, and, potentially, the TCEQ as required. If you do not respond within thirty days of the date of this letter, it will be presumed that you do not desire to or cannot provide retail sewer utility service to the Property in the manner needed. Your lack of response will also be reported to the PUC or TCEQ as required.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe F. Stafford", is written over a printed name and title.

Joe F. Stafford
Manager
K Marcos, LLC

Enclosures.

Attachment A

SERVICE QUESTIONNAIRE - SEWER

1. Are you willing to provide sewer utility service to the property identified in Attachment A (the "Property")?

yes no (mark appropriate statement with an X)

Please complete Question Nos. 2-11 only if your response to Question No. 1 was yes.

2. Do you currently have the service capabilities to provide continuous and adequate sewer utility service to the Property except for the mains necessary to interconnect the Property with your existing sewer utility system? yes no

3. Will you have to build additional sewer service capacities to serve the Property? yes
 no

4. What are the additional sewer service capacities that will be required for you to serve the Property?

5. What is the estimated cost for you to provide sewer service to the Property? For this item, please provide an analysis of the following:

1. All necessary estimated costs for constructing, operating, and maintaining the new facilities for at least the first five years of operations, including such items as taxes and insurance.

2. All necessary estimated costs for acquiring and continuing to receive service from you for at least the first five years of operations.

3. Total Estimated Cost Amount.

6. Of the amounts identified in response to Question No. 5, what amount will be paid by the Developer and what amount will be paid by your retail public utility?

\$ _____ to be paid by Developer \$ _____ to be paid by your retail public utility

7. When will sewer service be made available by you to the Property?
8. Are there any other requirements for obtaining sewer service to the Property from you?
9. Has your wastewater system been compliant with all TCEQ and PUC regulations for at least the past five consecutive years? ___yes ___no
10. Has your wastewater system been compliant with all applicable non-TCEQ/PUC Federal, state, and local health, safety, and environmental statutes and regulations for at least the past five consecutive years? ___yes ___no
11. What are your retail sewer utility service rates? _____

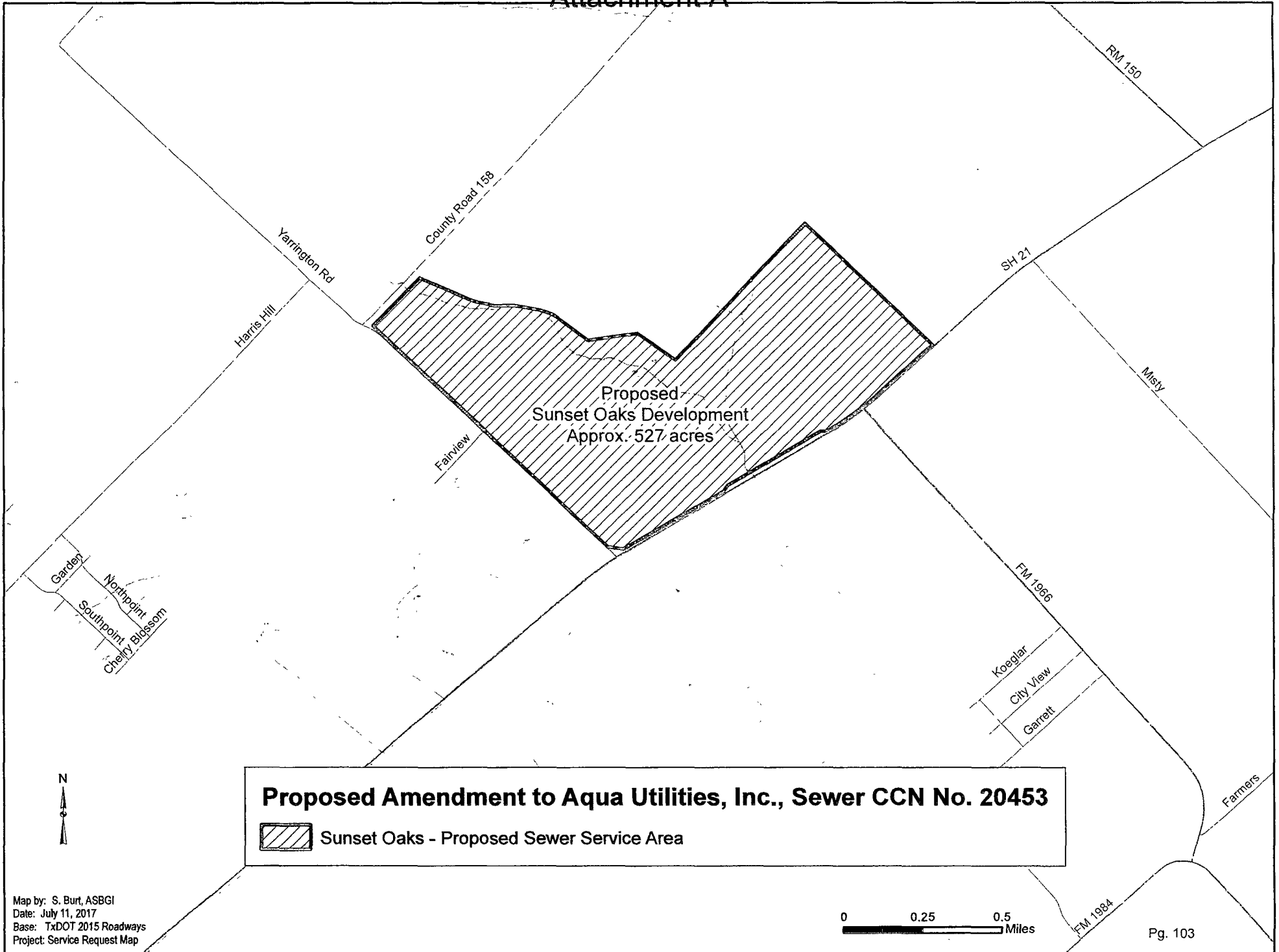
(signature)

(print name)

(title)

(Retail Public Utility/Entity)

Attachment A



Proposed Amendment to Aqua Utilities, Inc., Sewer CCN No. 20453

 Sunset Oaks - Proposed Sewer Service Area

Map by: S. Burt, ASBGI
Date: July 11, 2017
Base: TxDOT 2015 Roadways
Project: Service Request Map

0 0.25 0.5 Miles

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
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1. Article Addressed to:

GBRA
933 East Court Street
Sequin TX 78155

2. Article Number

(Transfer from service label)

7014 3490 0002 0137 3109 Pg. 104

PS Form 3811, July 2013

COMPLETE THIS SECTION ON DELIVERY

A. Signature

x *Annice Drazkoski* Agent
 Addressee

B. Received by (Printed Name)

Annice Drazkoski

C. Date of Delivery

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No



3. Service Type

- Certified Mail® Priority Mail Express™
- Registered Return Receipt for Merchandise
- Insured Mail Collect on Delivery

4. Restricted Delivery? (Extra Fee) Yes

Domestic Return Receipt

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TX 780

18 JUL '17



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Permit No. G-10

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K-MARCOS, LLC

3736 Bee Cave Road
Suite 1-122
West Lake Hills
Texas, 78746 - 5393



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

July 13th, 2017

Via CM/RRR# 70143490000201373110 ¹

LaSalle MUD 3, 4 & 5
c/o Michael Schroeder
110 San Antonio Street,
Apt 3419
Austin, TX 78701

Re: Service Availability Request

Dear LaSalle MUD 3, 4 & 5:

I am contacting you on behalf of K Marcos, LLC (“Developer”). Developer is in the process of working with Aqua Utilities, Inc. and Aqua Texas, Inc. d/b/a Aqua Texas (“Aqua”) to obtain approval from the Public Utility Commission of Texas (“PUC”) for an amended Aqua sewer certificate of convenience and necessity in Hays County, Texas, that will require a new standalone wastewater treatment plant/collection system. These facilities and the CCN are planned for use to provide service to property that comprises the approximately 531.5 acres shown in **Attachment A** (the “Property”). (The current land owners are Kyle Three Properties LP and Cedar Stump, LP.)

You were identified as a retail public utility potentially within a one-half mile radius from the outer boundary of the Property where Developer plans to establish a sewer system with Aqua. PUC rules require that we contact neighboring retail public utilities as described to determine if an existing retail public utility is willing to provide retail sewer utility service to the Property in a manner that is economically feasible and competitive with what can be provided by the proposed new system. Your service would need to be sufficient to meet the TCEQ/PUC minimum service standards plus local demands to the Property as described by this letter, thereby providing continuous and adequate service to the consuming public.

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.

In accordance with PUC/TCEQ requirements, Developer hereby requests retail public sewer utility service from you for development of the Property as described. If you are ready,

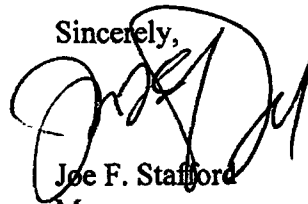
¹ First mailing had DRAFT left on first page. Please Disregard.

LaSalle MUD'S
July 13th, 2017
Page 2

willing, and able to provide sewer utility service sufficient to serve the Property in the manner described for this development, please return a copy of this letter with the included questionnaire completed and indicating your proposal. *You may fax your response to K Marcos, LLC c/o Joe Stafford at 512-532-6655 or email it to him at Joe@staffordcompany.com.*

Your timely response to this inquiry is greatly appreciated. Please feel free to attach additional sheets or supporting documents as necessary to answer each question in the sewer service questionnaires. Please be advised that your response will be filed with the PUC, and, potentially, the TCEQ as required. If you do not respond within thirty days of the date of this letter, it will be presumed that you do not desire to or cannot provide retail sewer utility service to the Property in the manner needed. Your lack of response will also be reported to the PUC or TCEQ as required.

Sincerely,

A handwritten signature in black ink, appearing to read 'Joe F. Stafford', is written over the typed name.

Joe F. Stafford
Manager
K Marcos, LLC

Enclosures.

Attachment A

SERVICE QUESTIONNAIRE - SEWER

1. Are you willing to provide sewer utility service to the property identified in Attachment A (the "Property")?

yes no (mark appropriate statement with an X)

Please complete Question Nos. 2-11 only if your response to Question No. 1 was yes.

2. Do you currently have the service capabilities to provide continuous and adequate sewer utility service to the Property except for the mains necessary to interconnect the Property with your existing sewer utility system? yes no

3. Will you have to build additional sewer service capacities to serve the Property? yes no

4. What are the additional sewer service capacities that will be required for you to serve the Property?

5. What is the estimated cost for you to provide sewer service to the Property? For this item, please provide an analysis of the following:

1. All necessary estimated costs for constructing, operating, and maintaining the new facilities for at least the first five years of operations, including such items as taxes and insurance.
2. All necessary estimated costs for acquiring and continuing to receive service from you for at least the first five years of operations.
3. Total Estimated Cost Amount.

6. Of the amounts identified in response to Question No. 5, what amount will be paid by the Developer and what amount will be paid by your retail public utility?

\$_____ to be paid by Developer \$_____ to be paid by your retail public utility

7. When will sewer service be made available by you to the Property?

8. Are there any other requirements for obtaining sewer service to the Property from you?

9. Has your wastewater system been compliant with all TCEQ and PUC regulations for at least the past five consecutive years? yes no

10. Has your wastewater system been compliant with all applicable non-TCEQ/PUC Federal, state, and local health, safety, and environmental statutes and regulations for at least the past five consecutive years? yes no

11. What are your retail sewer utility service rates? _____

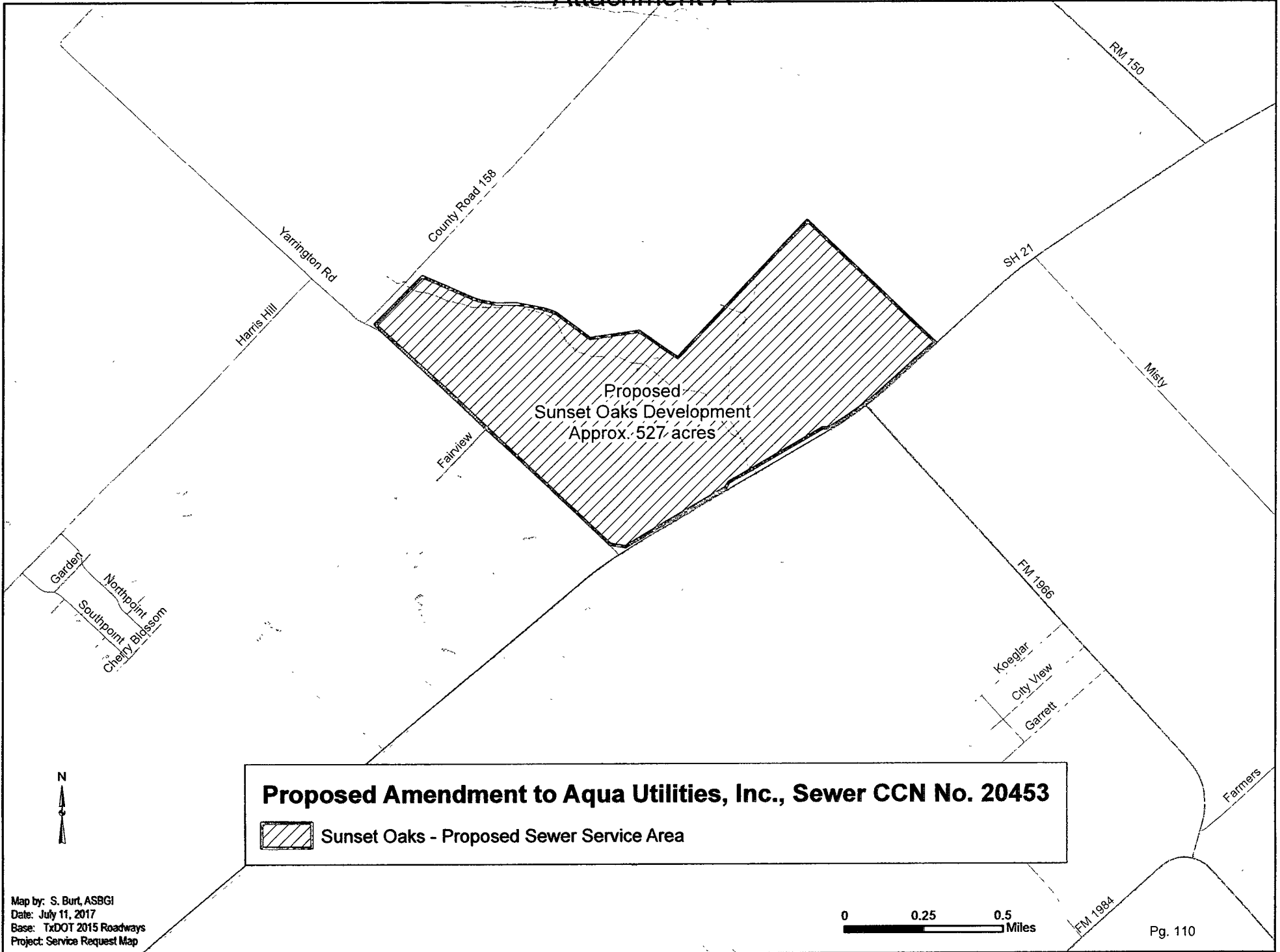
(signature)

(print name)

(title)

(Retail Public Utility/Entity)

Attachment A



Proposed Amendment to Aqua Utilities, Inc., Sewer CCN No. 20453

 Sunset Oaks - Proposed Sewer Service Area

Map by: S. Burt, ASBGI
Date: July 11, 2017
Base: TxDOT 2015 Roadways
Project: Service Request Map

0 0.25 0.5
Miles

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

LASALLE Muds
% MIKE Schroeder
110 SAN ANTONIO St
Apt 3419
AUSTIN TX 78701

2. Article Number

(Transfer from service label)

7014 3490 0002 0137 3110^{g. 111}

2011. July 2013

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X



Agent

Addressee

B. Received by (Printed Name)

C. Date of Delivery

7-15-17

D. Is delivery address different from item 1? Yes

If YES, enter delivery address below: No



3. Service Type

Certified Mail[®]

Priority Mail Express[™]

Registered

Return Receipt for Merchandise

Insured Mail

Collect on Delivery

4. Restricted Delivery? (Extra Fee)

Yes

Domestic Return Receipt

UNITED STATES POSTAL SERVICE



**First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10**

• **Sender: Please print your name, address, and ZIP+4® in this box•**

**3736 BEE CAVE ROAD
STE 1-122
AUSTIN, TX 78746**

Pg. 112



Aqua Utilities, Inc. Sewer CCN Amendment to Include Sunset Oaks Development

Counties within: Hays

GCDs within: Plum Creek Conservation District
Barton Springs / Edwards Aquifer Conservation District
Edwards Aquifer Authority

City limits within: None

ETJs within: City of San Marcos

Districts overlaps: Canyon Regional Water Authority
Guadalupe-Blanco River Authority
LaSalle MUD 4 – slivers of overlap w/ TCEQ boundary
LaSalle MUD 5 – slivers of overlap w/ TCEQ boundary

CCN overlaps: none

Entities within 2 miles/Notice list:

City of San Marcos (CCN 20116)
City of Kyle (CCN 20410)
Canyon Regional Water Authority
Guadalupe Blanco River Authority
LaSalle MUD 1 (Inactive)
LaSalle MUD 2 (Inactive)
LaSalle MUD 3 (Inactive)
LaSalle MUD 4 (Inactive)
LaSalle MUD 5 (inactive)
Ranch at Clear Fork Creek MUD 1 (Inactive)
Ranch at Clear Fork Creek MUD 2 (Inactive)
Whisper PID
Plum Creek Conservation District
Barton Springs/Edwards Aquifer Conservation District
Edwards Aquifer Authority
Hays County

Addresses for Notice List

City of San Marcos
630 E. Hopkins
San Marcos, TX 78666

City of Kyle
PO Box 40
Kyle, TX 78640

Canyon Regional Water Authority
850 Lakeside Pass
New Braunfels, TX 78130

Guadalupe-Blanco River Authority
933 E. Court St
Seguin, TX 78155

LaSalle MUD 1
Sprouse Shrader Smith PC
3006 Bee Caves Rd Ste D310
Austin, TX 78746

LaSalle MUD 2
Sprouse Shrader Smith PC
3006 Bee Caves Rd Ste D310
Austin, TX 78746

LaSalle MUD 3
Sprouse Shrader Smith PC
3006 Bee Caves Rd Ste D310
Austin, TX 78746

LaSalle MUD 4
Sprouse Shrader Smith PC
3006 Bee Caves Rd Ste D310
Austin, TX 78746

LaSalle MUD 5
Sprouse Shrader Smith PC
3006 Bee Caves Rd Ste D310
Austin, TX 78746

Ranch at Clear Fork Creek MUD 1
Armbrust & Brown
1108 Lavaca St Ste 510
Austin, TX 78701

Ranch at Clear Fork Creek MUD 2
Armbrust & Brown
1108 Lavaca St Ste 510
Austin, TX 78701

Whisper PID
c/o McDonald Development Group
9811 S. IH 35, Bldg 3 Suite 100
Austin, TX 78744

Plum Creek Conservation District
1101 W. San Antonio St
Lockhart, TX 78644

Barton Springs/Edwards Aquifer Conservation District
1124 Regal Row
Austin, TX 78748

Edwards Aquifer Authority
900 E. Quincy St
San Antonio, TX 78215

Hays County Judge
Judge Bert Cobb
Hays County Courthouse
111 E. San Antonio St., Suite 300
San Marcos, TX 78666

Written Description

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.

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



THE STATE OF TEXAS
 COUNTY OF TRAVIS
 I HEREBY CERTIFY THAT THIS IS A TRUE AND CORRECT COPY
 OF A TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
 DOCUMENT, WHICH IS FILED IN THE PERMANENT RECORDS

MAR 01 2017

OF THE COMMISSION GIVEN UNDER MY HAND AND THE
 SEAL OF OFFICE ON

Bridget C. Bohac
 BRIDGET C. BOHAC, CHIEF CLERK
 TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

**AN ORDER GRANTING THE APPLICATION BY DMS REAL TREE, LLC FOR
 TPDES PERMIT NO. WQ0015293001; TCEQ DOCKET NO. 2015-1264-MWD;
 SOAH DOCKET NO. 582-16-1442**

On February 15, 2017, the Texas Commission on Environmental Quality (Commission or TCEQ) considered an application by DMS Real Tree, LLC for a new Texas Pollutant Discharge Elimination System Permit No. WQ0015293001. A proposal for decision (PFD) was presented by Michael J. O'Malley, Administrative Law Judge (ALJ) with the State Office of Administrative Hearings, who conducted an evidentiary hearing concerning the application on May 3 and 4, 2016, in Austin, Texas.

After considering the ALJ's PFD, the Commission adopts the following Findings of Fact and Conclusions of Law:

I. FINDINGS OF FACT

Background

1. DMS Real Tree, LLC (DMS) filed its application (Application) for a new Texas Pollutant Discharge Elimination System (TPDES) permit with the Texas Commission on Environmental Quality (TCEQ or Commission) on August 25, 2014.
2. The Executive Director (ED) of the TCEQ declared the Application administratively complete on September 4, 2014.
3. The Application requests authorization to treat and discharge wastes from the proposed DMS Wastewater Treatment Facility (DMS WWTP), to be located 2,500 feet north of the intersection of Highway 21 and Yarrington Road, in Hays County, Texas, to Hemphill Creek; thence to Morrison Creek; thence to Lower San Marcos River in Segment No. 1808 of the Guadalupe River Basin.

4. The Application requests authorization to treat and discharge treated domestic wastewater from the DMS WWTP at a daily average flow not to exceed 0.06 million gallons per day (MGD) in the Interim I Phase, a daily average flow not to exceed 0.24 MGD in the Interim II Phase, and a daily average flow not to exceed 0.54 MGD in the Final Phase.

5. On October 9, 2014, DMS published Notice of Receipt and Intent to Obtain a Water Quality Permit in the *Austin-American Statesman* and *Ahora Si!*

6. On February 26, 2015, the ED issued the draft permit (Draft Permit) for the Application, with the proposed Permit No. WQ0015293001.

7. The Draft Permit contains three phases, authorizing the treatment and discharge of treated domestic wastewater from the DMS WWTP at a daily average flow not to exceed 0.06 MGD in the Interim I Phase, a daily average flow not to exceed 0.24 MGD in the Interim II Phase, and a daily average flow not to exceed 0.54 MGD in the Final Phase.

8. The Draft Permit also provides the following effluent limitations for the wastewater treated at and discharged from the DMS WWTP, for all three phases:

Carbonaceous Biochemical Oxygen Demand (5-day)	5 milligrams per liter (mg/L)
Total Suspended Solids	5 mg/L
Ammonia Nitrogen	2 mg/L
<i>E. Coli</i> , Colony Forming Units (CFU) or Most Probable Number(MPN)/100 milliliters	126

9. On April 27, 2015, DMS published Notice of Application and Preliminary Decision (NAPD) in the *Austin-American Statesman*.

10. On April 30, 2015, DMS published the NAPD in *Ahora Si!*

11. On June 1, 2015, the public comment period ended. The only entity that provided public comments on the Application during the public comment period was the City of San Marcos (San Marcos or the City).

12. On July 10, 2015, the ED issued his Response to Public Comment in this matter.

13. On August 10, 2015, the City filed a Request for a Contested Case Hearing in this matter. The City was the only entity that filed a request for a contested case hearing in this matter.

14. On November 2, 2015, DMS filed Sur-reply to Request for Contested Case Hearing and Application Supplement.

15. After considering the Application and the City's request for a contested case hearing at a public meeting on November 4, 2015, the Commissioners of the TCEQ issued an Interim Order, dated November 17, 2015, naming the City as the sole protestant and referring the

Application to the State Office of Administrative Hearings (SOAH) for a contested case hearing on the following issue:

Whether the proposed facility is needed and is consistent with the Commission's regionalization policy pursuant to Texas Water Code § 26.0282, including consideration of whether the Applicant has adequately demonstrated that it is infeasible to connect to the City of San Marcos' Wastewater Utility.

16. On January 25, 2016, a prehearing conference was held, and the discovery period began.

17. SOAH Order No. 1 named the following as parties in this matter:

<u>Party</u>	<u>Representative</u>
DMS	David Klein and Christie Dickenson
San Marcos	Art Rodriguez
ED of the TCEQ	Alicia Ramirez
Public Interest Counsel	Eli Martinez

18. The hearing on the merits convened in Austin, Texas, on May 3, 2016, and concluded on May 4, 2016. The record closed on July 22, 2016, after the parties filed post-hearing briefs.

The Need for the DMS WWTP

19. The Application depicts at least three areas that could be served by the DMS WWTP (Area Served, also known as the Stafford Development). The Area Served totals 624 acres of land.

20. The Area Served is located in the extra-territorial jurisdiction of the City and is made up of the following three tracts:

Land owned by Kyle Three Partners-199 acres (Kyle Three Tract)

Land owned by Cedar Stump-331.5 acres (Cedar Stump Tract)

Land owned by LaSalle Partners approximately-93.5 acres (LaSalle Tract).

21. The Area Served would generate wastewater flows that could fully utilize the quantity of wastewater flows that could be treated at the DMS WWTP in the final phase of the Draft Permit.

22. A level of build out for a residential subdivision would be 4 lots per acre, and that with 624 acres of land, the full development would be 2,496 lots.

23. Each wastewater connection should be estimated to generate 260 gallons per day of raw wastewater.

24. At 260 gallons per day per connection, the DMS WWTP could serve up to 2,076 connections in its final phase.
25. At a build-out factor of 4 lots per acre, the Kyle Three Tract should generate at least 796 living unit equivalents (or LUEs), and, at a factor of 260 gallons of raw wastewater generated per LUE per day, 796 LUEs would generate 206,960 gallons per day of raw wastewater.
26. At a build-out factor of 4 lots per acre, the Cedar Stump Tract should generate at least 1,240 LUEs, and, at a factor of 260 gallons of raw wastewater generated per LUE per day, 1,240 LUEs would generate 322,400 gallons per day of raw wastewater.
27. At a build-out factor of 4 lots per acre, the LaSalle Tract alone should generate at least 374 LUEs, and, at a factor of 260 gallons of raw wastewater generated per LUE per day, 374 LUEs would generate 97,240 gallons per day of raw wastewater.
28. San Marcos and LaSalle Holdings, Ltd., FM 158 Land, Ltd., Kyle Three Partners, LLC, and Cedar Stump Limited entered into a Development Agreement (the Development Agreement), effective on October 6, 2014, in part providing that the City of Kyle will treat wastewater generated from the Kyle Three Tract, Cedar Stump Tract, and LaSalle Tract.
29. The Development Agreement provides that any of the ownership entities can-opt out of the Development Agreement, and those entities and their property shall be excluded.
30. Kyle Three Partners, LLC opted-out of the Development Agreement by letter dated December 23, 2014.
31. Cedar Stump, LTD and LaSalle Holdings, LTD have not opted-out of the Development Agreement.

Regionalization

32. The DMS WWTP is not located within the corporate limits of a municipality.
33. The DMS WWTP is not located within the sewer certificate of convenience and necessity of another entity.
34. The DMS WWTP is not within three miles of another wastewater treatment plant.
35. The DMS WWTP is within three miles of the City's wastewater system.

Feasibility of Tying Into City's Wastewater System

- 36. DMS prepared cost estimates for three potential tie-in locations to the City's wastewater system known as the Untimely Tie-in Location, the Remote Tie-in Location, and the PID Tie-in Location, and compared each of those cost estimates to the cost for DMS to construct the DMS WWTP.
- 37. The cost to build the DMS WWTP at each phase is as follows:

Draft Permit Phase	Cost
Interim Phase I	\$2,465,313
Interim Phase II	\$3,931,563
Final Phase	\$6,540,625
TOTAL COSTS	\$12,937,501

- 38. The Untimely Tie-in Location calls for DMS to construct wastewater infrastructure to connect to the City's wastewater system at an 18-inch force main on the west side of U.S. Interstate 35. The Untimely Tie-In Location is within a three-mile radius of the DMS WWTP.
- 39. The Untimely Tie-In Location cost for DMS to connect to the City's wastewater system at the Untimely Tie-In Location was a total cost of \$18,038,490 as compared to the \$12,937,501 cost for DMS to build the proposed DMS WWTP, as described below:

UNTIMELY TIE-IN LOCATION COST ANALYSIS	
Cost to connect to Untimely Tie-in Location	\$18,038,490
Cost to build the DMS WWTP	\$12,937,501
DIFFERENCE	\$5,100,989 more expensive for DMS to connect to Untimely Tie-in Location than to build DMS WWTP

- 40. It is technically infeasible for DMS to connect to the City's wastewater system at the Untimely Tie-In Location because:
 - a. Additional force mains would have to be constructed at different times to accommodate both the lower flows from early development and then higher flows at build out;
 - b. The route for the force main from the DMS property to the Untimely Tie-In Location crosses private land, which would require DMS, a private entity, to acquire numerous private easements, which may or may not be possible; one unwilling landowner could prevent the line from being constructed as designed, driving up the total costs of constructing the line; and

- c. The proposed alignment of the Untimely Tie-In Location would require DMS to bore under U.S. Interstate 35, which would also require an easement and approval from the Texas Department of Transportation. It is not clear that this approval would be attainable.
41. The Remote Tie-In Location calls for DMS to connect to a 24-inch wastewater line of the City, over four miles away from the proposed DMS WWTP. This location does not meet the initial criteria for TCEQ's regionalization inquiry of whether permitted wastewater treatment facilities exist within a three-mile radius of the proposed facility.
 42. The Remote Tie-in Location cost for DMS to connect to the City's wastewater system at the Remote Tie-in Location was at least a total cost of \$18,038,490 as compared to the \$12,937,501 cost for DMS to build the proposed DMS WWTP, as this location was farther away than the Untimely Tie-in Location, as described below:

REMOTE TIE-IN LOCATION COST ANALYSIS	
Cost to connect to Remote Tie-in Location	\$18,038,490 or more
Cost to build the DMS WWTP	\$12,937,501
DIFFERENCE	\$5,100,989 more expensive for DMS to connect to Remote Tie-in Location than to build DMS WWTP

43. It is also technically infeasible for DMS to connect to the City's wastewater system at the Remote Tie-In Location because:
 - a. DMS would need to bore underneath the San Marcos River;
 - b. DMS does not have condemnation authority; it would need to ascertain whether it can even get the right to install wastewater lines in public right of ways; and if unsuccessful, there will be additional land costs, which may be exorbitant given DMS's lack of condemnation authority; and
 - c. Additional force mains would have to be constructed at different times to accommodate, first, the lower flows from early development and, then, the higher flows at build out. A wastewater treatment plant, on the other hand, can more naturally be phased to accommodate the different phases of development.
44. A public improvement district (PID) known as the "Whisper PID" has been approved by the City and, if developed, will be in close proximity to the Area Served, proposing this a new tie-in location for DMS.
45. The PID Tie-in Location calls for DMS to construct wastewater infrastructure to connect to the City's wastewater system on the east side of U.S. Interstate Highway 35. The PID Tie-In Location is within a three-mile radius of the DMS WWTP.

46. The City proposed that DMS can connect to the PID through one of two options:
- Option 1: DMS can connect to the wastewater line that the Whisper PID has not yet constructed, which will ultimately tie in at the PID Tie-In Location, and pay only the incremental costs associated with oversizing that PID line.
- Option 2: If the Whisper PID is not developed as planned, then DMS could still utilize that wastewater pipeline route contemplated by the Whisper PID for connection to the City's system by building its own line straight through the property owned by the PID developer.
47. The City provided a cost estimate for DMS to connect to the PID Tie-in Location under these two options, but such cost estimate was only for 700 LUEs.
48. The City's cost estimate miscalculated the impact fee amount due for 700 LUEs and omitted the costs to construct portions of the wastewater infrastructure necessary to connect to the City's wastewater system.
49. DMS's cost analysis for the PID Tie-in Location determined that the cost to construct a WWTP capable of serving 700 LUEs, which is a 182,000 gallon per day WWTP, is \$4,233,438.
50. The cost estimate for DMS to connect 700 LUEs to the Whisper PID's transmission line at the edge of the Whisper PID property is \$5,350,899.62. Such cost estimate uses (i) the same numbers for infrastructure costs that City used in its cost analysis for connection to the Whisper PID line (\$2,896,699.62), plus (ii) a corrected amount for impact fees for 700 LUEs (\$2,454,200). This amount does not include any amount for cost sharing in the part of the line going through the Whisper PID property, which would be expected if this connection were made. The cost estimate for this option can be summarized as follows:

PID TIE-IN LOCATION COSTS – OPTION 1	
Cost of Infrastructure to Connect to City	\$2,896,699.62
Impact Fees for 700 Units	\$2,454,200.00
Total Cost (not including cost sharing element)	\$5,350,899.62

51. Given that the cost for DMS to construct a facility to serve 700 LUEs is \$4,233,438, the cost comparison of connecting to the City's wastewater system via Option 1 versus the costs to construct the DMS WWTP sized to only serve 700 LUEs demonstrates that it is less expensive for DMS to construct the DMS WWTP than to connect to the City's wastewater system:

COMPARISON OF COSTS TO TIE INTO PID TIE-IN LOCATION – OPTION 1 VERSUS BUILDING 182,000 GALLON DMS WWTP	
Cost to connect to PID Tie-in Location – DMS Constructs Entire Line	\$5,350,899.62
Cost to build DMS WWTP (700 LUEs)	\$4,233,438.00
DIFFERENCE	At least \$1,117,461.62 more expensive for DMS to connect to PID Tie-in Location than to build 182,000 gallons per day WWTP

52. The cost estimate for DMS to connect to the City’s wastewater system via the PID Tie-In Location, assuming that DMS is granted an easement across the PID Developer’s property is \$6,737,261.51. This amount represents (i) the estimate of infrastructure costs used by the City (\$4,283,061.51) plus (ii) the impact fee amount (\$2,454,200.00):

PID TIE-IN LOCATION COSTS – OPTION 2	
Cost of Infrastructure to Connect to City	\$4,283,061.51
Impact Fees for 700 Units	\$2,454,200.00
Total Cost	\$6,737,261.51

53. The cost for DMS to construct a facility to serve 700 LUEs is \$4,233,438. The cost comparison of connecting to the City’s wastewater system under Option 2 (with DMS constructing entire line) versus constructing a 700 LUE WWTP demonstrates that it is more expensive for DMS to connect to the City’s wastewater system than to construct the 182,000 gallon per day WWTP:

COMPARISON OF COSTS TO TIE INTO PID TIE-IN LOCATION – OPTION 2 VERSUS BUILDING 182,000 GALLON DMS WWTP	
Cost to connect to PID Tie-in Location – DMS Constructs Entire Line	\$6,737,261.51
Cost to build DMS WWTP (700 LUEs)	\$4,233,438.00
TOTAL	\$2,503,823.21 more expensive for DMS to connect to PID Tie-in Location than to build 182,000 DMS WWTP

54. Under Option 1, DMS may not be able connect to the PID line at the edge of the PID property and pay only the incremental costs of oversizing the line through the PID property.

Under Option 2, DMS may not be able to build its own line through the property owned by the PID if the PID is not developed.

55. The City's Option 1 and Option 2 for DMS to connect to the PID are technically infeasible for the following reasons:
- a. The Whisper PID developer is a competitor of DMS WWTP.
 - b. The Whisper PID developer has not agreed to oversize its wastewater lines for any third party.
 - c. The Whisper PID Agreement does not require the PID to construct a wastewater line for the City, DMS, or any other property.
 - d. Neither the City nor DMS can force the Whisper PID developer to allow DMS to connect into its wastewater system.
 - e. The Whisper PID Agreement does not require the PID to grant easements across its property for third parties.
 - f. It is uncertain whether the Whisper PID project will materialize, given the many delays that have already occurred.
56. An impact fee is a fee designed and charged by the utility provider to new development to help reimburse the utility provider for the facilities that have been built to serve the development.
57. Impact fees are often prepaid by developers in order to secure the right to capacity to service those lots.
58. It is infeasible for DMS to connect to the City's wastewater system at any location due to excessive costs and prohibitive technical issues.

II. CONCLUSIONS OF LAW

- 1. The Commission may issue permits for the discharge of waste or pollutants into or adjacent to water in the state. Tex. Water Code §§ 5.013(a)(3), 26.003, 26.011, 26.027.
- 2. SOAH has jurisdiction to conduct a hearing and prepare a proposal for decision in contested cases referred to it by the TCEQ. Tex. Gov't Code ch. 2003; Tex. Water Code §§ 5.311, 26.021.
- 3. DMS has the burden of proof by preponderance of the evidence. 30 Tex. Admin. Code § 80.17.

4. DMS's Application is administratively complete, and notice of it was given as required. Tex. Water Code § 26.028; 30 Tex. Admin. Code §§ 281.3, 281.5.
5. Proper and timely notice of the hearing was provided to all parties. Tex. Gov't Code §§ 2001.051-052.
6. Texas Water Code § 26.0282 provides that the TCEQ, in considering the issuance, amendment, or renewal of a permit to discharge waste, may deny or alter the terms and conditions of the proposed permit, amendment, or renewal based on consideration of need, including the expected volume and quality of the influent and the availability of existing or proposed area wide or regional waste collection, treatment, and disposal systems not designated as such by commission order.
7. The City is not one of the listed authorized regional entities under 30 Texas Administrative Code Chapter 351.
8. The expected volume and quality of the influent can be treated and discharged by the DMS WWTP under Texas Water Code § 26.0282.
9. The issuance of the permit authorizing DMS WWTP is consistent with the Commission's regionalization policy pursuant to Texas Water Code § 26.0282.
10. The proposed DMS WWTP is needed pursuant to Texas Water Code § 26.0282.

III. EXPLANATION OF CHANGES

At its February 15, 2017 agenda, the Commission adopted the ALJ's proposed order with the following changes:

1. Modified Finding of Fact No. 50 to include the phrase "700 LUEs," and added Conclusion of Law No. 10, as recommended by the ALJ in his October 12, 2016, Response to Exceptions and Replies; and
2. Modified Finding of Fact No. 39 to replace the word "Remote" with the word "Untimely" in the chart.

NOW, THEREFORE, BE IT ORDERED BY THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY THAT:

1. The Application of DMS for a new TPDES permit No. WQ0015293001 is hereby granted and the attached Draft Permit is issued to DMS with the daily average effluent concentration discharge limits as set forth in the Draft Permit.

2. In accordance with 30 Texas Administrative Code § 50.117, the Commission issues this Order and the attached permit as its single decision on the permit Application. Information in the agency record of this matter, which includes evidence admitted at the hearing and part of the evidentiary record, documents the ED reviews as part of the permit Application, including that part not subject to a contested case hearing, establishes that the terms of the attached permit are appropriate and satisfy all applicable federal and state requirements.
3. The ED's Response to Comments is hereby adopted in accordance with 30 Texas Administrative Code § 50.117.
4. All other motions, requests for entry of specific findings of fact or conclusions of law, and any other requests for general or specific relief, if not expressly granted herein, are hereby denied.
5. The effective date of this Order is the date the Order is final.
6. If any provision, sentence, clause, or phrase of this Order is for any reason held to be invalid, the invalidity of any provision shall not affect the validity of the remaining portions of this Order.
7. The Commission's Chief Clerk shall forward a copy of this Order to all parties.

ISSUED: 2-27-17

TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY



Bryan W. Shaw, Ph.D., P.E., Chairman
For the Commission

SEWER UTILITY TARIFF FOR Southwest Region



Aqua Utilities, Inc. dba Aqua Texas, Inc.
Aquasource Development, Inc. dba Aqua Texas, Inc.
(Utility Name)

1106 Clayton Lane, Suite 400W
(Business Address)

Austin, Texas 78723
(City, State, Zip Code)

(512) 990-4400
(Area Code/Telephone)

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

20453 and 20867

This tariff is effective in the following counties:

Please See Table – Southwest Region

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

City of Granite Shoals, Village of Wimberley & City of Woodcreek

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

This tariff is effective in the following subdivisions and public wastewater systems:

Please See Table – Southwest Region

TEXAS
COMMISSION
ON ENVIRONMENTAL
QUALITY
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CHIEF CLERKS OFFICE

TABLE OF CONTENTS

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

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 APPROVED TARIFF BY JKA

Table – Southwest Region		
System/Subdivision Name	Permit No.	County
B & W Gathering	WQ11332	Burnet
Barton Creek Lakeside		Travis
Boggy Creek		Williamson
Brentwood Manor Subdivision	WQ10742	Victoria
Briarcreek Manor	WQ14061	Travis
Flying M Ranch		
Goforth Village PUD	WQ13293	Hays/Travis
Hidden Lake		Travis
Lake Cliff on Lake Travis	WQ13477	Travis
Leander Hills (Sandy Creek)	WQ13337	Travis
McDaniels Tract		Burnet
Meadow Woods		Hays
Mooreland		Travis
Rebecca Lake		
Red Bluff Estates		Burnet
Sandy Creek Ranches		Travis
Shady Creek		Burnet
Travis Lakeside		Travis
Woodcreek Phase I		Hays
Woodcreek Phase II		Hays
Woodcreek	WQ13989	Hays

*****Note:** Briarcreek Manor has different rates as per settlement agreement.

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Flat Rate</u>
5/8" or 3/4"	<u>\$87.97</u>
1"	<u>\$219.92</u>
1½ "	<u>\$439.84</u>
2"	<u>\$703.75</u>
3"	<u>\$1,407.50</u>
4"	<u>\$2,199.22</u>
6"	<u>\$4,398.43</u>
8"	<u>\$7,037.49</u>

Rate Case Expense Surcharge: \$2.50 per month per connection for each water and sewer customers for 24 months or until the total amount of \$2,751,170.50 is collected, whichever comes first, starting January 1, 2009.

Deferred Expense Surcharge: \$9.94 per month per connection for each water and sewer customers for 24 months or until the total amount of \$10,946,000.00 is collected, whichever comes first, starting January 1, 2009.

Non-residential customers who purchase sewer service only and who have no reliable water consumption data available will be charged the applicable monthly fee for their meter size multiplied by 1.69. If a water meter is not available, a meter size will be imputed by the utility based upon the size of the water service pipe.

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

Cash X (If in Person), Check X, Money Order X, Credit Card _____, Other (specify) _____
THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH PAYMENTS.

REGULATORY ASSESSMENT 1.0%
TCEQ RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL.

RATES LISTED ARE EFFECTIVE ONLY
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APPROVED TARIFF BY [Signature]

SECTION 1.0 -- RATE SCHEDULE (Continued)

Section 1.02 - Miscellaneous Fees

TAP FEE.....\$650.00
TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL 5/8" or 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

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

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

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

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

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

- a) Non payment of bill (Maximum \$25.00).....\$25.00
- b) Customer's request that service be disconnected.....\$45.00

SEASONAL RECONNECTION FEE
BASE RATE FOR METER SIZE TIMES NUMBER OF MONTHS OFF SYSTEM NOT TO EXCEED SIX MONTHS WHEN LEAVE AND RETURN WITHIN A TWELVE MONTH PERIOD.

TRANSFER FEE.....\$45.00
THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED.

RATES LISTED ARE EFFECTIVE ONLY
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SECTION 1.0 -- RATE SCHEDULE (Continued)

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

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

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

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

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

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

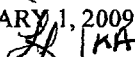
PURCHASED WATER AND/OR DISTRICT FEE PASS THROUGH CLAUSE:
Changes in fees imposed by any non-affiliated third party water supplier or underground water district having jurisdiction over the Utility shall be passed through to only the water system(s) affected by the increase or fee as an adjustment to the water gallonage charge according to the following formula:

- AG = $G + B/(1-L)$, where
- AG = adjusted gallonage charge, rounded to the nearest one cent;
- G = approved gallonage charge (per 1,000 gallons);
- B = change in purchased water/district gallonage charge (per 1,000 gallons);
- L = system average line loss for preceding 12 months not to exceed 0.15

Charges shall be passed on to flat rate customers by imputing 5,000 gallons monthly wastewater generation and increasing the monthly flat rate according to the following formula:

- AMR = $MR + (B \times 5)$, where
- AMR = adjusted monthly flat rate, rounded to the nearest one cent;
- MR = approved monthly flat rate;
- B = change in purchased wastewater treatment charge (per 1,000 gallons)

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SECTION 2.0--SERVICE RULES AND REGULATIONS

Section 2.01--Texas Commission On Environmental Quality Rules

The utility will have the most current Texas Commission On Environmental Quality (TCEQ) Rules, Chapter 291, Water and Sewer Rates, available at its office for reference purposes. The Rules and this tariff shall be available for public inspection and reproduction at a reasonable cost. The latest Rules or Commission approved changes to the Rules supersede any rules or requirements in this tariff.

Section 2.02--Application for and Provision of Sewer Service

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

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

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

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

Section 2.03--Refusal of Service

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

Section 2.04--Customer Deposits

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

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

SECTION 2.0--SERVICE RULES AND REGULATIONS (CONT.)

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

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

Section 2.05--Meter Requirements, Readings, and Testing

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

Section 2.06--Billing

Bills from the utility will be mailed monthly unless otherwise authorized by the Commission. The due date of the bills for utility service will be at least twenty-one (21) days from the date of issuance. The postmark on the bill or, if there is no postmark on the bill, the recorded date of mailing by the utility will constitute proof of the date of issuance. If the due date falls on a holiday or weekend, the due date for payment purposes will be the next work day after the due date.

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

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

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

Section 2.07--Service Disconnection

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

The utility is encouraged to offer a deferred payment plan to a customer who cannot pay an outstanding bill in full and is willing to pay the balance in reasonable installments. However, a customer's utility service may be disconnected if a bill has not been paid or a deferred payment agreement entered into within 31 days from the date of issuance of a bill and if proper notice of termination has been given.

SECTION 2.0--SERVICE RULES AND REGULATIONS (CONT.)

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

Utility service may also be disconnected without notice for reasons as described in the TCEQ Rules.

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

Section 2.08--Reconnection of Service

Service will be reconnected within 36 hours after the past due bill and any other outstanding charges are paid or correction of the conditions which caused service to be disconnected.

Section 2.09--Service Interruptions

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

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

Section 2.10--Quality of Service

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

Section 2.11--Customer Complaints and Disputes

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

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

SECTION 2.20 SPECIFIC UTILITY SERVICE RULES AND REGULATIONS

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

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

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

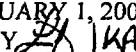
Payment of an account by any means that has been dishonored and returned by the payor or payee's bank, shall be deemed to be delinquent. All returned payments must be redeemed with cash or valid money order. If a customer has two returned payments within a twelve month period, the customer shall be required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

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

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

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

If an applicant requires service other than the standard service provided by the utility, such applicant will be required to pay all expenses incurred by the utility in excess of the expenses that would be incurred in providing the standard service and connection.

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SECTION 2.20 SPECIFIC UTILITY SERVICE RULES AND REGULATIONS (CONT.)

Any applicant who places unique or non-standard service demands on the system may be required to provide contributions in aid of construction (as may be allowed by TCEQ rule) for the actual costs of any additional facilities required to maintain compliance with the TCEQ minimum design criteria for sewer collection, treatment, pumping and discharge.

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

Tap fees may be increased by unique costs not normally incurred as may be permitted by 30 TAC 291.86(b)(1)(C).

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

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

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

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

SECTION 2.20 SPECIFIC UTILITY SERVICE RULES AND REGULATIONS (CONT.)

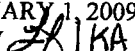
No application, agreement or contract for service may be assigned or transferred without the written consent of the utility.

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

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

The disposal into the utility's sewer collection system of bulk quantities of food or food scraps not previously processed by a grinder or similar garbage disposal unit and grease and oils, except as incidental waste in process or wash water, used in or resulting from food preparation by sewer utility customers engaged in the preparation and/or processing of food for other than domestic consumption for sale to the public shall be prohibited. Specifically included in this prohibition are grease and oils from grease traps to other grease and/or oil storage containers. These substances are defined as "garbage" under Section 361.003 (12) of the Solid Waste Disposal Act, Texas Health and Safety Code, and are not "sewage" as defined by Section 26.001 (7) of the Texas Water Code. The utility only provides "sewage" collection and disposal service to the public. This service is limited to the collection, treatment and disposal of waterborne human waste and waste from domestic activities such as washing, bathing, and food preparation. This service does not include the collection, treatment or disposal of waste of such high BOD or TSS characteristics that it cannot reasonably be processed by the utility's state-approved waste water treatment plant within the parameters of the utility's state and federal waste water discharge permits. **THIS SERVICE DOES NOT INCLUDE THE COLLECTION AND DISPOSAL OF STORM WATERS OR RUN OFF WATERS, WHICH MAY NOT BE DIVERTED INTO OR DRAINED INTO THE UTILITY'S COLLECTION SYSTEM.**

Pursuant to TCEQ Rule 291.87(n), the utility may charge for all labor, material, equipment, and other costs necessary to repair to replace all equipment damaged due to service diversion or the discharge of wastes which the system cannot properly treat. This shall include all repair and clean up costs associated with discharges of grease and oils, except as incidental waste in process or wash water, used in or resulting from food preparation by sewer utility customers engaged in the preparation and/or processing of food for other than domestic consumption or for sale to the public discharged from grease traps or other grease and/or oil storage containers. The utility may charge for all costs necessary to correct service diversion or unauthorized taps where there is no equipment damage, including incidents where service is reconnected without authority.

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APPROVED TARIFF BY 

SECTION 2.20 SPECIFIC UTILITY SERVICE RULES AND REGULATIONS (CONT.)

The utility may not charge any additional penalty or charge other than actual costs unless such penalty has been expressly approved by the regulatory authority having rate/tariff jurisdiction and filed in the utility's tariff.

Pursuant to TCEQ Rule 291.86(b)(3)(A) and (B), the customer's service line and appurtenances shall be construed in accordance with the laws and regulations of the State of Texas, local plumbing codes, or, in the absence of such local codes, the Uniform Plumbing Code. It shall be the customer's responsibility to maintain the service line and appurtenances in good operating condition, i.e., clear of obstruction, defects, or blockage.

If the utility can provide evidence of excessive infiltration or inflow or failure to provide proper pretreatment, the utility may, with the written approval of the TCEQ's executive director, require the customer to repair the line or eliminate the infiltration or inflow or take such actions necessary to correct the problem. If the customer fails to correct the problem within a reasonable time, the utility may disconnect service after proper notice.

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

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

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

RESIDENTIAL SINGLE FAMILY GRINDER / SEWAGE STATIONS

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

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

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

The customer will retain ownership of receiving tanks or lift stations on the customer's property, and all maintenance, repairs and replacement are the customer's responsibility. The customer shall own and maintain the grinder pump and appurtenances.

SECTION 2.20 SPECIFIC UTILITY SERVICE RULES AND REGULATIONS (CONT.)

The repairs may be performed by anyone selected by the customer, who is competent to perform such repairs. The utility requires that parts and equipment meet the minimum standards approved by the TCEQ, to insure proper and efficient operation of the sewer system.

MULTI-FAMILY AND COMMERCIAL RECEIVING TANK / LIFT STATIONS

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

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

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

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

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

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

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

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

SECTION 3.0--EXTENSION POLICY

Section 3.01--Standard Extension Requirements

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

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

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

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

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

SECTION 3.20--SPECIFIC UTILITY EXTENSION POLICY

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

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

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

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

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

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

SECTION 3.20--SPECIFIC UTILITY EXTENSION POLICY (CONT.)

Any service extension to a subdivision (recorded or unrecorded) may be subject to the provisions and restrictions of 30 TAC 291.86(d) and this tariff. When a developer wishes to extend the system to prepare to service multiple new connections, the charge shall be the cost of such extension, plus a pro-rata charge based upon the capacities of collection, transmission, storage, treatment and discharge facilities, compliant with the TCEQ minimum design criteria, which must be committed to such extension. As provided by 30 T.A.C. 291.86(d)(4), for purposes of this section, commercial, industrial, and wholesale customers shall be treated as developers.

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

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

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

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

SECTION 3.20--SPECIFIC UTILITY EXTENSION POLICY (CONT.)

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

Where a new tap or service connection is required, the service applicant shall be required to submit a written service application and request that a tap be made. The tap request must be accompanied with a plat, map, diagram or written metes and bounds description of precisely where the applicant desires each tap or service connection is to be made and, if necessary, where the connection is to be installed, along the applicant's property line. The actual point of connection must be readily accessible to Utility personnel for inspection, servicing and testing while being reasonably secure from damage by vehicles and mowers. If the Utility has more than one main adjacent to the service applicant's property, the tap or service connection will be made to the Utility's near service main with adequate capacity to service the applicant's full potential service demand.

If the tap or service connection cannot be made at the applicant's desired location, it will be made at another location mutually acceptable to the applicant and the Utility. If no agreement on location can be made, applicant may refer the matter to the TCEQ for resolution. Unless otherwise ordered by the TCEQ, the tap or service connection will not be made until the location dispute is resolved.

The Utility shall require a developer (as defined by TCEQ rule) to provide permanent recorded public utility easements as a condition of service to any location within the developer's property. The Developer shall be required to obtain all necessary easements and rights-of-way required to extend the Utility's existing service facilities from their nearest point with adequate service capacity (as prescribed by TCEQ rules and local service conditions) to and throughout the Developer's property. The easements shall be sufficient to allow the construction, installation, repair, maintenance, testing, and replacement of any and all utility plant necessary to provide continuous and adequate service to each and every potential service location within the property at full occupancy. Unless otherwise restricted by law, sewage treatment, holding tank sites, lift station sites shall convey with all permanent easements and buffers required by TCEQ rules. Unless otherwise agreed to by the Utility, pipe line right-of-way easements must be at least 15 feet wide to allow adequate room to facilitate backhoe and other heavy equipment operation and meters.

Easements must be provided for all storage, treatment, pressurization and disposal sites which are sufficient to construct and maintain all weather roads as prescribed by TCEQ rules. All easements shall be evidenced, at Developer's expense, by recorded county-approved subdivision plat or by specific assignment supported by metes and bounds survey from a surveyor licensed by the State of Texas.

SECTION 3.20--SPECIFIC UTILITY EXTENSION POLICY (CONT.)

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

(a) The Developer shall make a written request for service to property that is to be subdivided and developed. The Developer shall submit to the Utility a proposed plat on a scale of one inch (1 ") to two hundred feet (200') for review and determination of required easements, utility plant, and plant location. If sewer service is requested, the plat must contain elevation data. A reconcilable deposit in an amount set by the Utility may be required to cover preliminary engineering, legal and copy cost to be incurred by the Utility in reviewing and planning to meet this service request. The plat and/or accompanying information shall identify the type, location and number of houses and other planned structures that will be requiring utility service. If other than residential structures are to be located on the property, all other types of anticipated businesses and their service demands shall be identified with specificity. All areas requiring special irrigation and/or other unique water demands must be identified.

To the extent reasonably possible, this information must be precise so that adequate facilities can be designed and constructed to meet all future service demands without hazard to the public, other utility customers and/or the environment.

(b) After the requirements of easements and rights-of-way have been determined, a red line copy will be returned by the Utility to the Developer for final plat preparation.

(c) Copies of all proposed plats and plans must be submitted to the Utility prior to their submission to the county for approval to insure that they are compatible with the adequate long-term utility needs of potential service customers. Copies will be returned after review by the Utility so that necessary changes may be incorporated into the Developer's final submitted plat(s) and plans.

(d) The Utility shall be provided with three (3) certified copies of the final plat(s) approved by the County Commissioners Court. At this time, the Utility will begin engineering the facilities necessary to serve the property. Plans and specifications will be prepared and submitted to the TCEQ by the Utility if required by law. If further plat or plans changes are necessary to accommodate the specific service needs of the property and the anticipated customer demands, the Developer will be so notified. Plat amendments must be obtained by the Developer.

The Developer shall be notified when all required TCEQ or other governmental approvals or permits have been received. No construction of utility plant which requires prior TCEQ plans approval shall be commenced until that approval has been received by the Utility and any conditions imposed by the TCEQ in association with its approvals have been satisfied.

SECTION 3.20--SPECIFIC UTILITY EXTENSION POLICY (CONT.)

(e) The Developer shall be required to post bond or escrow the funds necessary to construct all required utility plant, except individual sewer connections, required to serve the property. Construction shall not commence until funds are available. If the construction is to be done in coordination with the phased development of the property, funds must be provided in advance which are sufficient to complete each phase. No phase or facilities for any phase shall be constructed prior to the bonding or escrowing of all funds associated with that phase.

(f) At the sole option of the Utility, the Developer may be required to execute a Developer Extension Contract setting forth all terms and conditions of extending service to their property including all contributions-in-aid of construction and developer reimbursements, if any.

(g) The Utility may require the Developer to commence construction of subdivision improvements within three (3) months of utility plans approval or the Utility may abate its construction activities until full development construction begins. If the Developer stops construction of subdivision improvements for any purpose, the Utility may abate its construction for a similar period.

(h) As soon as the roads are rough cut and prior to paving, extension lines will need to be constructed at each road crossing. The Developer must notify the Utility sufficiently in advance of this development stage to allow for the necessary utility construction without disruption to other service operations of the Utility. Failure to provide adequate advance notice and cooperation in the construction of necessary utility plant may result in additional delays in obtaining service to the property. The Developer shall be required to pay for all additional costs of road boring or other remedial construction necessary to install adequate utility plant throughout the affected property.

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

(a) that the developer of the subdivision refused to provide facilities compatible with the utility's facilities in accordance with the Utility's approved extension policy after receiving a written request from the Utility; or,

(b) that the Developer defaulted on the terms and conditions of a written agreement or contract existing between the utility and the developer or the terms of this tariff regarding payment for services, extensions, or other requirements; or in the event the Developer declared bankruptcy and was therefore unable to meet obligations; and,

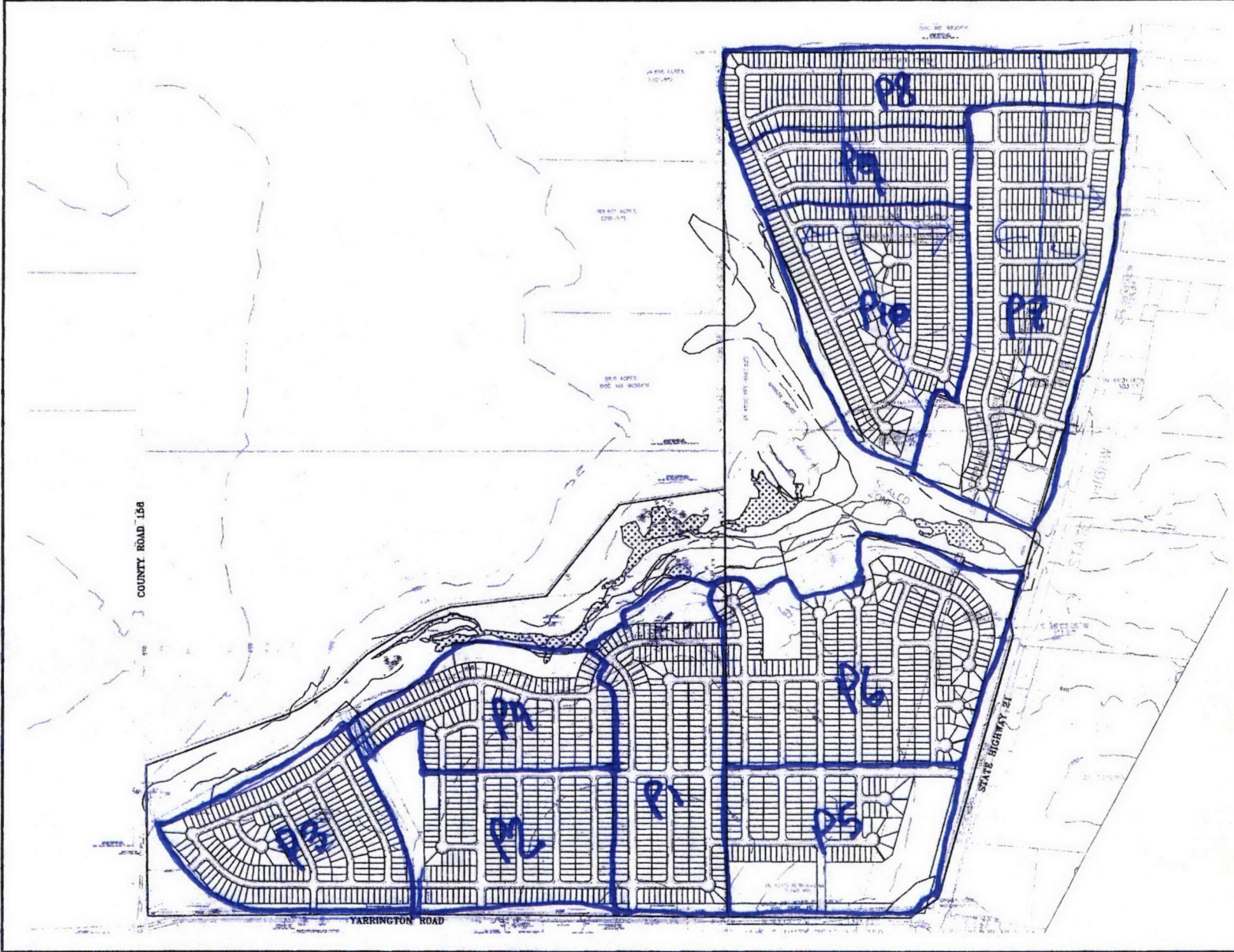
SECTION 3.20--SPECIFIC UTILITY EXTENSION POLICY (CONT.)

(c) that the residential service applicant purchased the property from the Developer after the Developer was notified of the need to provide facilities to the utility. A residential service applicant may be charged the remaining costs of extending service to his property; provided, however, that the residential service applicant may only be required to pay the cost equivalent to the cost of extending the nearest water main or wastewater collection line, whether or not that line has adequate capacity to serve that residential service applicant.

The following criteria shall be considered to determine the residential service applicant's cost for extending service:

- (a) The residential service applicant shall not be required to pay for costs of main extensions greater than 2" in diameter for pressure wastewater collection lines and 6" in diameter for gravity wastewater lines.
- (b) Exceptions may be granted by the TCEQ Executive Director if:
- (1) adequate service cannot be provided to the applicant using the maximum line sizes listed due to distance or elevation, in which case, it shall be the utility's burden to justify that a larger diameter pipe is required for adequate service;
 - (2) larger minimum line sizes are required under subdivision platting requirements or applicable building codes.
- (c) If an exception is granted, the Utility shall establish a proportional cost plan for the specific extension or a rebate plan which may be limited to seven years to return the portion of the applicant's costs for oversizing as new customers are added to ensure that future applicants for service on the line pay at least as much as the initial service applicant.

For purposes of determining the costs that service applicants shall pay, commercial customers with service demands greater than residential customer demands in the certificated area, industrial, and wholesale customers shall be treated as developers.



ATTACHMENT

13

TOTAL 850.8 AC
 ST LOTS: 2909
 COMMERCIAL: 2
 OPEN SPACE: 48.8 AC

NO.	BY	DATE	REVISION DESCRIPTION

Binkley & Barfield, Inc.
 consulting engineers
 Texas Registration Number F-257
 5005 S. Lamar Blvd., Suite 400, Austin, Texas 78745 www.binkleybarfield.com

SUNSET OAKS
 EXHIBIT

CAL 59-2018-XXXXX DATE: _____ DRAWN BY: BJ CHECKED BY: BJ APPROVED BY: BJ	EXHIBIT 1 Pg. 147
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THIS PLAN SET FOR REVIEW ONLY. NOT FOR CONSTRUCTION.

D:\Projects\2018\59-2018-XXXXX\Drawings\05-2018-XXXXX-01.dwg, Date: 05/20/2018, Time: 10:00:00 AM, User: binkley, Plot Scale: 1"=200', Plot Date: 05/20/2018, Plot Time: 10:00:00 AM, Plot User: binkley

A CONCEPTUAL SUBDIVISION PLAN



STAFFORD DEVELOPMENT, LLC.



DATE: 11/11/11
 PREPARED BY: STAFFORD DEVELOPMENT, LLC
 FOR: STAFFORD DEVELOPMENT, LLC
 PROJECT: CONCEPTUAL SUBDIVISION PLAN
 SHEET: 1 OF 1
 DRAWN BY: STAFFORD DEVELOPMENT, LLC
 CHECKED BY: STAFFORD DEVELOPMENT, LLC

THIS PLAN IS THE PROPERTY OF STAFFORD DEVELOPMENT, LLC. IT IS TO BE USED ONLY FOR THE PROJECT AND SITE SPECIFICALLY IDENTIFIED HEREON. IT IS NOT TO BE REPRODUCED, COPIED, OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, INCLUDING PHOTOCOPYING, RECORDING, OR BY ANY INFORMATION STORAGE AND RETRIEVAL SYSTEM, WITHOUT THE WRITTEN PERMISSION OF STAFFORD DEVELOPMENT, LLC.

CSP-1
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 OR: 512.975.1219 E-Mail: 512.952.4704

SUNSET OAKS
 CONCEPTUAL SUBDIVISION PLAN
 CR 155 AND YARRINGTON ROAD
 HAYS COUNTY, TEXAS

REVISIONS		
NO.	DATE	DESCRIPTION