



Control Number: 47696



Item Number: 1

Addendum StartPage: 0



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

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

Docket Number **47696**

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

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

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

RECEIVED  
2017 OCT 16 AM 9:55  
PUBLIC UTILITY COMMISSION  
FILING CLERK

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

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

### Purpose of Application

<input type="checkbox"/> Obtain	<input type="checkbox"/> New Water CCN	<input type="checkbox"/> New Sewer CCN
<input checked="" type="checkbox"/> Amend	<input checked="" type="checkbox"/> Water CCN# (s) <u>11355</u>	
<input type="checkbox"/> Amend	<input type="checkbox"/> Sewer CCN#(s) _____	

### 1. Applicant Information

#### Applicant

Utility name: Windthorst Water Supply Corporation

Certificate number: 11355

Street address (City/ST/ZIP/Code): 202 Church Hilltop Dr. Windthorst, TX 76389

Mailing address (City/ST/ZIP/Code): P.O. Box 112 Windthorst, Texas 76389

Utility Phone Number and Fax: 940-423-6685 - 940-423-6683

#### Contact information

Please provide information about the person(s) to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney, accountant manager, or other title related to the applicant.

Name: <u>Teresa Veitenheimer</u>	Title: <u>Gen. Man</u>
Mailing address: <u>P.O. Box 112</u>	
Email: <u>windthorstwsc@aol.com</u>	Phone and Fax: <u>940-423-6685</u>

List all counties in which service is proposed:

archer

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

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

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

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

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

- i. A copy of the Articles of Incorporation and By-Laws. -attached
- ii. The corporation's charter number as recorded with the Office of the Texas Secretary of State. 06158408-01
- iii. Identification of all board members including name, address, title, and telephone number. -attached
- iv. A copy of the corporation's Certificate of Account Status from the Texas Comptroller of Public Accounts.  
attached

## 2. Location Information

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

If YES, are any currently receiving utility service? ☒ Yes      ☐ No

If YES, from WHOM? Windhorst Water Supply Corp

There are 3 areas - 2 areas have current customers  
1 area - is a new area requesting service

ATTACHMENT 1

(ITEM Ci)

ARTICLES OF INCORPORATION AND BYLAWS FOR WWSC

ARTICLES OF INCORPORATION  
OF  
WINDTHORST WATER SUPPLY CORPORATION

THE STATE OF TEXAS  
COUNTY OF ARCHER

KNOW ALL MEN BY THESE PRESENTS:

WE, the undersigned natural persons of the age of Twenty one (21) years or more, at least three of whom are citizens of the State of Texas, acting as incorporators of a corporation, do hereby adopt the following Articles of Incorporation for such Corporation:

ARTICLE I.

The name of the Corporation is Windthorst Water Supply Corporation.

ARTICLE II.

The Corporation is a non-profit Corporation organized under Article 1434a of the Revised Civil Statutes of Texas of 1925, as amended, supplemented by the Texas Non-Profit Corporation Act, Article 1.01 et seq., as amended, and is authorized to exercise all powers, privileges and rights conferred on a Corporation by these Acts, and all powers and rights incidental in carrying out the purposes for which the Corporation is formed, except such as are inconsistent with the express provisions of these Acts.

ARTICLE III.

The period of its duration is perpetual.

ARTICLE IV.

The Corporation is formed for the purpose of furnishing a water supply for general farm use and domestic purposes to individuals residing in the rural community of Windthorst, Texas, and the surrounding rural areas. The places where the business of the Corporation is to be transacted shall be the Windthorst Community in Archer County, Texas, and the surrounding rural areas..

#### ARTICLE V

The street address of the initial registered office of the Corporation is: Windthorst, Texas and the name of its initial registered agent at such address is Andrew B. Roewe.

#### Article VI.

The number of Directors constituting the initial Board of Directors of the Corporation is five (5), and the names and addresses of the persons who are to serve as the initial directors are:

NAME	ADDRESS	CITY
Andrew B. Roewe	Windthorst, Texas	
L. A. Berend	Windthorst, Texas	
Henry J. Osterman	Windthorst, Texas	
Joe A. Poirot	Windthorst, Texas	
Edward A. Veitenheimer	Windthorst, Texas	

#### ARTICLE VII.

The name and street address of each incorporator is:

NAME	ADDRESS	CITY
Andrew B. Roewe	Windthorst, Texas	
L. A. Berend	Windthorst, Texas	
Henry J. Osterman	Windthorst, Texas	
Joe A. Poirot	Windthorst, Texas	
Edward A. Veitenheimer	Windthorst, Texas	

#### ARTICLE VIII.

Each Incorporator shall be a member of the Board of Directors who are to serve as directors until the first annual meeting of the members, or until their successors are elected and qualified. Upon the issuance of the Charter and annually thereafter on the first Tuesday in January the Board of Directors shall elect a President, a Vice-President, and a Secretary-Treasurer. The position of the Secretary-Treasurer shall be placed under a fidelity bond in an amount which shall be set by the Board of Directors. The amount of said bond shall be set from time



to time by the Board of Directors, but shall not be less than \$1,000.00

#### ARTICLE IX.

The Corporation shall conduct its business on a non-profit basis, and no dividends shall ever be paid upon the memberships of such Corporation and all profits arising from the operation of such business shall be annually paid out to the persons who have, during the past year, transacted business with such Corporation, in direct proportion to the amount of business transacted, provided that no such dividends shall ever be paid while any indebtedness of the Corporation remains unpaid, and provided also that the directors of such Corporation may allocate to a reserve fund such amounts of the annual income as they deem necessary for maintenance, upkeep, operation and replacements, emergency repairs and for deficiencies in income necessary to meet debt service costs.

#### ARTICLE X.

The Corporation may make and collect charges for water delivered in such amounts and in such manner as may be provided for in the By-Laws and make additional charges, prospective and retroactive, on the basis of the number of connections or otherwise as may be provided for, in the By-Laws. It may adjust rates from time to time to cover deficiencies in income in the event the amount collected from water and other charges is insufficient in any year to operate and maintain the water system and pay annual obligations and to enforce the collection thereof by the termination of water service or otherwise as provided in the By-Laws and by a personal action at law. In addition, at the end of any fiscal year the Corporation in the manner and for the purposes as may be provided for in the By-Laws and may enforce the collection of same by termination of water service or otherwise as provided for in the By-Laws and by a personal action at law.

#### ARTICLE XI.

The Board of Directors shall select as depository for the funds of said Corporation, a bank within the State of Texas which is insured with the Federal Deposit Insurance Corporation and shall require of said depository such bond as the Board deems necessary for the protection of

said Corporation.

#### ARTICLE XII.

The directors of the Corporation shall establish and maintain, so long as the Corporation is indebted to the Government in a bank within the State of Texas, insured with the Federal Deposit Insurance Corporation, a reserve fund account separate and apart from other fund accounts of the Corporation. There shall be deposited in such fund the sum of \$50.00 per month from the revenues of the Corporation. Such deposits will continue until the total amount deposited equals \$2,500.00, provided, however, that after any withdrawals, such deposits shall be resumed until the amount accumulated in the fund is restored to \$2,500.00

Withdrawals from this fund shall be made only for emergency repairs, obsolescence of equipment, and for making up any deficiencies in revenue for loan payments. One of the objects of this reserve fund is to assure, during the periods of non-water deliveries or water shortages, the availability of funds equal to the difference between collection from the sale of water and collections that would have been made had the members been able to purchase the quantity of water used normally.

The directors shall invest all sums in this fund not required to be expended within the year in which the same are deposited, in bonds or other evidence of indebtedness of the United States of America, or they shall deposit said sums at interest in a savings account, in a bank insured with the Federal Deposit Insurance Corporation. Securities so purchased shall be deemed at all times to be a part of the reserve fund account.

#### ARTICLE XIII.

The Corporation is and shall continue to be a Corporation without capital stock. Membership in the Corporation shall be sold for \$50.00 per member.

ARTICLE XIV.

Membership in the Corporation shall be deemed personal estate and shall be transferable only on the books of the Corporation in such manner as the By-Laws may prescribe.

IN WITNESS WHEREOF, we have hereunto set our hands, this the 21st day of March, A.D. 1962.

Andrew B. Rowe  
L. A. Berend  
Henry J. Osterman  
Joe A. Poirot  
Edward A. Veitenheimer

THE STATE OF TEXAS     )  
COUNTY OF ARCHER     )

I, Jimmy P. Horany, a Notary Public, do hereby certify that on this 21st day of March, 1962, personally appeared before me, Andrew B. Rowe, L. A. Berend, Henry J. Osterman, Joe A. Poirot and Edward A. Veitenheimer, who each being by me first duly sworn, severally declared that they are the persons who signed the foregoing document as incorporators and that the statements therein contained are true.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year above written.

Jimmy P. Horany  
NOTARY PUBLIC IN AND FOR ARCHER COUNTY, TEX.  
MY COMMISSION EXPIRES JUNE 1, 1963.

BY-LAWS  
WINDTHORST WATER SUPPLY CORPORATION

By-laws of the WINDTHORST Water Supply Corporation, have been presented to the Board of Directors of said Corporation and duly adopted as follows:

ARTICLE I.

The President shall preside at all Members and Directors meetings. The President may, and upon demand of one-third (1/3) of the Members, shall call a special meeting of the Members or Directors. Such special meetings shall be held upon giving the notice required in Article XII of the By-laws. The President shall perform all other duties that usually pertain to the office or are delegated to him by the Board of Directors.

ARTICLE II.

The Vice President shall, in case of the absence or disability of the President, perform the duties of the President.

ARTICLE III.

The Secretary-Treasurer shall have the custody of all the monies and securities of the Corporation. The Secretary-Treasurer shall keep regular books and shall keep minutes of all meetings of Members and Directors. All monies of the Corporation shall be deposited by the Secretary-Treasurer in such depository as shall be selected by the Directors. Checks must be signed by the Secretary-Treasurer, President or Vice President, in the absence of the President. The Secretary-Treasurer shall have custody of the seal of the Corporation and affix it as directed hereby or by resolution passed by the Board of Directors or Members. The Board of Directors may appoint an employee as assistant or deputy secretary to assist the Secretary-Treasurer in all official duties pertaining to the office of Secretary.

The position of Secretary-Treasurer and other positions entrusted with receipts and disbursements of funds shall be placed under a fidelity bond in an amount, which shall be set from time, but not less than once each year, by the Board of Directors. The

fidelity bond coverage amount shall approximate the total annual debt service requirements for all FmHA loans and be evidenced by a position fidelity schedule bond as acceptable to the Farmers Home Administration.

#### ARTICLE IV.

Section 1. The Board of Directors shall consist of Seven Directors, a majority of whom shall constitute a quorum. Upon issuance of the Charter and annually thereafter on the Second Tuesday of May. (1) The Board of Directors shall elect a President, Vice President and Secretary-Treasurer. The Directors shall be elected by the Members at the Members regular meeting provided for in Article XI of the By-laws. The Directors shall be divided into three (3) classes, each class to be as near as equal in number as possible. The terms of the Directors of the first class shall expires at the first annual meeting of the shareholders after their election the terms of the Directors of the second class shall expire at the second annual meeting after their election and the terms of the Directors of the third class shall expire at the third annual meeting after their election. At each annual meeting after such classification, the number of Directors equal to the number of the class whose term expires at the time of such meeting shall be the class whose term expires at the time of such meeting shall be elected to hold office until the third succeeding annual meeting. The Directors shall serve without pay, but may be compensated for actual expenses by a majority vote of Directors.

Upon the death or resignation of a Director, a successor shall be elected by a majority of the existing Directors to serve until the next regular or special membership meeting at which time the general membership shall elect a successor for the remaining balance of the previously vacated term.

Section 2. Officers and Directors may be removed from office in the following manner except as otherwise provided in Article V. Any member, officer or director may present charges against a director or officer by filing such charges in writing with the Secretary-Treasurer of the Corporation. If presented by a member, the charges must be accompanied by a petition signed by at lease ten (10) percent of the Members of the Corporation. Such removal shall be voted on the next regular or special meeting of the membership and shall be effective if approved by a vote of 2/3 majority of those voting if

a quorum is present. The directors of officers against whom such charges have been presented shall be informed in writing of such charges at least 20 days prior to the meeting, and shall have the opportunity at such meeting to be heard in person or by counsel and to present witnesses; and the person or persons presenting such charges shall have the same opportunity. If the removal of a Director(s) is approved, such action shall also vacate any other officers held by the removed directors in the Corporation. A vacancy in the board thus created, shall be immediately filled by a qualified other than the removed director upon a vote of a majority of the members present and voting at such meeting. A vacancy in any office thus created shall be filled by the Board of Directors from among their number so constituted after the vacancy in the board has been filled.

Section 3. The President of the board or his designed shall preside at any meeting of the members convened to consider removal of an officer or director as provided under Section 2. Unless the President is the subject of such charges, in which event the Vice-President shall preside. In the event both the President and Vice President are the subject of charges, those directors that are not the subject of any charges shall appoint one of their number to preside over the meeting. Any meeting coveined to consider the removal of an Officer or Director shall be conducted in accord with the procedures prescribed by the Credentials Committee established under the provision of Article XI. The fact that President, Vice President, or any other officer of director has been made the subject of charges does not otherwise prevent such officer from continuing to act in his capacity as officer or director of the Corporation. Any Director that has been removed under the provisions of this article shall not be precluded from subsequent election to a position on the Board of Directors.

Section 4. The Board of Directors shall adopt and maintain a conflict of interest policy designed to promote the businesses of the Corporation and serve the interests of the Membership.

## ARTICLE V.

Section 1. Regular meeting of the Board of Directors shall be held at such time and place as the Board may determine at the next previous regular meeting. No further

notice to the Directors of such regular meetings shall be required, and each Director shall be responsible for attendance of said regular meetings without further notice.

Section 2. Any Director failing to attend two (2) consecutive regular monthly meetings shall be given written notice by the balance of the Board of Directors that failure by said Director to attend a third consecutive monthly meeting without justifiable cause acceptable to the balance of the Board of Directors, shall give rise to removal of said Director from the board. A successor shall be elected by a majority vote of the directors remaining to serve until the next regular or special membership meeting, at which time the general members shall select a successor for the balance of the term. If the removal of a Director pursuant to this Section 2. Occurs at the annual membership meeting, then the successor shall be elected by a majority vote of the membership in attendance at the meeting.

Section 3. The Board of Directors shall provide access to the public, new service applicants, or members to the regular monthly meeting of the Board of Directors by sitting aside a time for hearing of suggestions, proposals, or grievances. The Board of Directors shall establish reasonable rules for access to such needs.

#### ARTICLE VI.

The Corporation shall conduct its business on a Non-Profit basis and no dividends shall ever be paid upon the membership of such Corporation. All profits arising from the operation of such business shall be annually paid out to the person who have during the past year transacted business with the Corporation in direct proportion to the amount of business transacted provided that no such dividends shall ever be paid while any indebtedness of the Corporation remains unpaid.

#### ARTICLE VII.

The Directors of the Corporation shall establish and maintain, so long as the Corporation is indebted to the government, in an institution insured by the State or Federal Government, or invested in readily marketable securities backed by the full faith and credit of the United States of America, a reserve account separate and apart from other fund accounts of the Corporation. There shall be deposited in such fund the sum as

required by the total of all loan resolutions executed by the Corporation. Such deposits shall be made monthly and shall continue until the total amount deposited equals the sum as required by the executed loan resolution provided, however that after any withdrawals, such deposits shall be resumed until the amount accumulated in the fund is restored to the sum as required by executed loan resolutions.

Withdrawals may be made from this fund only upon prior written approval from Farmers Home Administration. Approval shall be made for emergency repairs, obsolescence of equipment, improvements to facilities and for making up any deficiencies in revenues for loan payments.

The Directors shall invest all sums in this fund not required to be expended within the year in which the same are deposited in bonds or other evidences of indebtedness of the United States of America, or in readily marketable securities backed by the full faith and credit of the United States of America. Securities so purchased shall be deemed at all times to be part of the reserve fund account.

## ARTICLE VIII.

Section 1. Every person (which includes any legal entity) owning or having a legal right to the control, possession, or occupancy of property served or which may reasonably be served by the Corporation, shall have the right to become a Member of the Corporation upon payment of the Membership fee hereinafter provided and upon compliance with the Corporation's conditions of water and/or sewer services provided for in its published charges, rates and conditions for service. Memberships shall not be denied because of an applicant's race, color, creed, citizenship, or national origin. It is the intent of the Corporation to provide a service on a nondiscriminatory basis to all persons desiring service to the extent that the capabilities of the system will reasonably permit.

Section 2. The membership fee shall be \$100.00. Payment of the membership of transfer of the membership shall entitle applicant to further qualify for one connection to the system or shall entitle a transferee of membership to continue to qualify for service to an existing connection to the system by meeting the conditions for water and or sewer service as provided in the Corporation's published rates, charges, and condition of service. A person may own more than one membership but each member shall be



entitled to only one vote regardless of the number of memberships owned. Membership certifications shall be in such form as shall be determined by the Board of Directors.

Section 3. Membership fee may be revised by the Board of Directors as the board may determine to be appropriate. In determining the amount of membership fee, however, the board shall ensure that the fee is sufficient to establish potential member as being legitimately interesting in serving water services from the Corporation for such potential member's own needs. Furthermore, the board shall determine and administrate such fees in a manner or in an amount which does not unreasonably deny service to financially deprived potential members. In an event, however, shall the membership fee exceed an amount equal to the sum of the twelve- (12) charges of the Corporations minimum monthly water rate unless previously approved by Farmers Home Administration.

#### ARTICLE IX.

Where necessary for determining those Members entitle to notice of, or those Members entitled to vote at any meeting, or any adjournment thereof, or where necessary to make a determination of Members for any other proper purpose, ownership of Membership shall be deemed to be vested in those persons who are the recorded owner of Membership as evidenced by the Membership transfer book on the 15<sup>th</sup> day of the month preceding the month of the date upon which the action requiring such determination is to be taken. Nothing herein shall preclude the holder of a Membership form mortgaging such membership, or upon notification of the Corporation, preclude the holder of such mortgages from exercising legal rights pursuant to such mortgages upon proper notice to the Corporation.

#### ARTICLE X.

Section 1. In order to ensure that business done by the Corporation shall continue within the capacity of its facilities and to prevent undo financial burden on the Members of the Corporation. Membership in the Corporation shall be transferred in accordance with the following:

- (a) Except as herein provided memberships in the Corporation shall be deemed personal estate and a person or entity that owns any stock of, is a Member of, or has some other right of participation of the Corporation may not sell or transfer that stock. Membership, or other right of participation to another person or entity except: (1) by will to a transferee who is a person related to the testator within the second degree by consanguinity: (2) by transfer without compensation to the transferee who is a person related to the owner of the stock or other interest within the second degree by consanguinity: or (3) by transfer without compensation or by sale to the Corporation.
- (b) Subsection (a) of this section does not apply to a person or entity that transfers a membership or other right of participation to another person or entity as part of the conveyance of real estate from which the Membership or other right of participation arose.
- (c) The transfer of stock, a Membership, or another right of participation under this section does not entitle the transferee to water or sewer service unless each condition for water or sewer service is met as provided in the Corporations published rates, charges, and conditions of service. Water or sewer service provided by the Corporation as a result of stock, membership, or other rights of participation may be conditioned on ownership of real estate designated to receive service and from which the Membership or other right of participation arose.
- (d) The corporation may cancel a persons or other entities stock, membership, or other rights of participation if the person or other entity fails to meet the conditions of water or sewer service prescribed by the corporations published rates, charges, and conditions of service, or fails to comply with any other condition placed on the receipt of water or sewer service under the stock, membership, or other rights of participation authorized under subsection © of this section. The Corporation may, consistent with the limitations prescribed Subsection (a) of this section and as provided in the Corporations tariff, reassign canceled stock, or a canceled Membership, or other right of participation to any person or entity that has legal title to the real estate from

which the canceled Membership or other rights of participation arose and for which water or sewer service is requested, subject to the compliance with the conditions for water or sewer service prescribed by the Corporations, rates, charges, and conditions of service.

Section 2. Notwithstanding anything to the contrary hereinabove provided, the consideration for the transfer of any Membership in the Corporation from the original Members, their transferees, pledges, administrators or executors, or other persons, shall never exceed the amount of the original cost of such membership. No gain or profit shall ever be realized from the sale or transfer of a Membership.

#### ARTICLE XI.

Section 1. There shall be a regular meeting of the Members annually, on the third Monday of April to transact all business that may be properly brought before it. The Secretary-Treasurer shall give at least fifteen (15) days written notice of such annual meeting to the Membership indicating the time, place and purpose of such meeting, and shall address and mail the notice to each Member at the address last known to the Corporation. Failure to hold or call an annual or special meeting in accordance with these bylaws shall give each member rights to compel the Board of Directors to properly hold an annual or special meeting of the membership. Voting by proxy shall be permitted. The presence at a meeting of members entitled to vote in their own right or by proxy ten percent (10%) of the total number of votes shall constitute a quorum for the transaction of business.

Section 2. The Board of Directors shall establish a standing Credentials Committee of three (3) members, of which the Secretary-Treasurer shall be the chairperson. This committee shall adopt proper procedures for conducting an annual or special membership meeting; adapt a specific proxy form to be used in conducting an annual or special membership meeting; procedures for proper notification of membership of such meeting and delivery of the Corporation proxy forms to the membership; determine, qualify, and register the eligible voters for such meeting; validate proxies; determine presence of quorum for conducting the

meeting, design ballots; canvas all votes, and institute proper recording of the results of such elections.

#### ARTICLE XII.

Special meetings of the Directors may be held upon reasonable notice to each Director, either written or oral.

Prior to convening any special meeting of the Members, the President shall request in writing that the Secretary-Treasurer give at least ten (10) days prior notice to the members. Such a notice shall specify the time, place, and purpose of the meeting, and shall be addressed and mailed to each of the members at their address last known to the Corporation.

#### ARTICLE XIII.

The business of the Corporation shall be handled under the direction of the Board of Directors or by a manager to be elected by majority vote of the Board. The manager shall serve with or without compensation. The manager, with approval of the Board of Directors, may employ, with or without compensation, such supervisory, clerical or other employees as may be required to effectively operate the business of the Corporation.

#### ARTICLE XIV.

Notwithstanding the ownership of a Membership certificate, all Members shall be billed, disconnected, or reconnected, and otherwise shall receive service in accordance with the written policies of the Corporation, including the tariff of the Corporation. In the event a Member should surrender his membership certificate properly endorsed to the Secretary-Treasurer of the Corporation, the water service shall be discontinued and the obligation to pay for the water service shall terminate except as for the minimum charge for the current month and the charge for the water used during the current month, and except as for any prior unpaid amounts due the Corporation. In the event membership is terminated, canceled, withdrawn, or surrendered, whether voluntarily or involuntarily, the

former members rights and interest in the assets of the Corporation will not be forfeited.

#### ARTICLE XV.

Upon the discontinuance of the Corporation by dissolution or otherwise, all assets of the Corporation remaining after payment of the indebtedness of the Corporation shall be distributed among the members and former members in direct proportion to the amount of their patronage with the Corporation in so far as practicable. Any indebtedness due the Corporation by a Member for water service or otherwise shall be deducted from such Member's share prior to final distribution. By application for and acceptance of Membership in the Corporation, each Member agrees that, upon the discontinuance of the Corporation by dissolution or otherwise, all assets of the Corporation transferred to that Member shall be in turn immediately transferred by the individual member to a charity organization in the State of Texas, selected by a majority of the members voting, which is organized to acquire, store, transport, sell, or distribute water for public use and further is qualified for an exemption authorized by Chapter 11 of the Property Tax Code of the State of Texas, to the state, or to an educational, religious, charitable, or other similar organization that is qualified as a charitable organization under Section 501 © (3), Internal Revenue Code of 1954, as amended.

#### ARTICLE XVI.

The fiscal year of the Corporation shall be January 1<sup>st</sup> to December 31<sup>st</sup>.

#### ARTICLE XVII.

For so long as the Corporation is indebted for a loan or loans made to it by the United States of America through the Farmers Home Administration, the Corporation shall insure with a reputable insurance company such of its properties and in such amounts as is required by the state director of the Farmers Home Administration for the State of Texas.

#### ARTICLE XVIII.

Section 1. If at the end of the fiscal year, or in the event of emergency repairs, the Board of Directors determines the total amount derived from the collection of water charges to be insufficient for the payment of all cost incident to the operation of the Corporation's system during the year in which such charges are collected, the Board shall make and levy an assessment against each Member of the Corporation as the Board may determine or as may be required by Farmers Home Administration so that the sum of such assessments and the amount collected form water other charges is sufficient to fully pay all costs of the operation, maintenance, replacement and repayment on indebtedness for the year's operations, but this provision shall not operate for the benefit of any third party creditor other than Farmers Home Administration without a favorable vote of the majority of the members. Any assessments levied to make up operational deficits in any year shall be levied against members in proportion to their patronage with the Corporation.

Section 2. In the event a Member should surrender his Membership certificate properly endorsed to the Secretary-Treasurer to the Corporation, the obligation to pay such assessments shall be limited to assessments made and levied prior to the date of surrender of the Membership certificate, provided, however, that this paragraph and the second sentence of Article XIV shall not apply to relieve a member of his obligation under special agreements covering Multiple-membership certificates held by one member which may have been required of approved by the Farmers Home Administration.

#### ARTICLE XIX.

The Corporation shall keep correct and complete books and records or account and shall keep minutes of the proceedings of its members, Board of Directors, and committees, and shall keep a record of the name and address of its members entitled to vote at its registered office or principle office in Texas.

Annually, the Board of Directors shall prepare or cause to be prepared a report of the financial activity of the corporation for the preceding year including a statement of support, revenue, and expenses and changes in fund balances, a

statement of functional expenses, and balance sheets for all funds or such financial reports as required by Farmers Home Administration. Such reports shall be approved by the Board of Directors.

With prior written request, corporate records, books, and annual reports, subject to exceptions provided by law, shall be available for public inspection and copying by the public or their duly authorized representatives during normal business hours subject to a reasonable charge for the preparation of copies.

#### ARTICLE XX.

These by-laws may be altered, amended, or repealed by a vote of a majority of the Members present at any regular meeting of the Corporation, or at any special meeting of the Corporation called for that purpose, except that the Members shall not have the power to change the purpose of the Corporation as to decrease its rights and powers under the laws of the United States, or to waive any requirements or bond or other provisions for the safety and security of the property and funds of the Corporation or its Members, or so to amend the By-laws as to effect a fundamental change in the policies of the Corporation. Notice of any amendment to be made at a special meeting of the Members must be given at least ten (10) days before such meeting and must set forth the amendments to be considered. For so long as the Corporation is indebted for a loan or loans made to it by the United States of America through Farmers Home Administration, these by-laws shall not be altered, amended, or repealed without the prior written consent of the State Director of the Farmers Home Administration for the State of Texas.

#### ARTICLE XXI.

The seal of the corporation shall consist of a circle within which shall be inscribed "WINDTHORST WATER SUPPLY CORPORATION"

#### ARTICLE XXII.

The Corporation pledges its assets for use in performing the organizations charitable functions.

ARTICLE XXIII.

The above By-laws and regulations were unanimously adopted by the Membership of the WINDTHORST WATER SUPPLY CORPORATION, at a meeting in the City Hall on the 8<sup>th</sup> day of December, AD 1992.



*John H. H. H.*

---

Secretary-Treasurer

**ATTACHMENT 1**

**(ITEM Ciii)**

**Board Members WWSC**

**WINDTHORST WATER SUPPLY CORP.**

**P.O. BOX 112**

**WINDTHORST, TX 76389**

**BOARD OF DIRECTORS**

**President-**

TOM HOFF  
12213 W. FM 174  
Windthorst, TX 76389  
940-423-6490  
TERM 2015-2018

**Vice President**

Bill Wolf  
17441 US HWY 281  
Windthorst TX 76389  
940-423-6710  
TERM 2017-2020

**Director**

Craig Berend  
1650 SCHEFFE RD  
WINDTHORST, TX 76389  
940-781-2525  
TERM 2017-2020

**Secretary-Treasurer**

RICKY SCHROEDER  
P O BOX 9  
Windthorst, TX 76389  
940-423-6827  
TERM 2015-2018

**Director**

David Green  
P.O. Box 305  
Windthorst, TX 76389  
940-423-6330  
TERM 2016-2019

**Director**

Ricky Schreiber  
10184 25E  
Windthorst, TX 76389  
940-423-6551  
TERM 2017-2020

**Director**

RAYMOND OSTERMANN  
P.O. Box 53  
Windthorst, TX 76389  
940-423-6399  
TERM 2016-2019

=====

**EMPLOYEES**

**General Manager**

Teresa Veitenheimer - Hired 08-26-96

**Plant Manager**

Charles Teichman - Hired 1-23-93

**Operator**

Lanny Hubbard - Hired 12-01-05

**ATTACHMENT 1**

**(ITEM Civ)**

**Certificate of Account Status**

# Taxable Entity Search Results

1



the search string : 17511782470

i

If you are not satisfied with the search results, send an email to [tax.help@cpa.texas.gov](mailto:tax.help@cpa.texas.gov) or call 1-800-252-1300.

## Franchise Tax Account Status

As of : 09/19/2017 15:46:56

### Results

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

Name WINDTHORST WATER SUPPLY CORPORATION

Taxpayers ID# WINDTHORST WATER SUPPLY CORPORATION

Zip 76389 Texas Taxpayer Number 17511782470

PO BOX 112

Mailing Address WINDTHORST, TX  
76389-0112

Right to Transact Business in Texas ACTIVE

State of Formation TX

Effective SOS Registration Date 12/07/1962

Texas SOS File Number 0018890801

Registered Agent Name RAYMOND  
OSTERMANN

Registered Office Street Address P.O. BOX 112  
WINDTHORST, TX  
76389

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

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

☒ Yes ☐ No

If YES, provide the following:

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

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

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

☐ Yes ☒ No

If YES, within the corporate limits of: \_\_\_\_\_

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

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

☐ Yes ☒ No

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

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

single certification

### 3. Map Requirements

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

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

*Area 1 - customer being served James Veitenheimer Charles Veitenheimer*  
**Note:** Failure to provide adequate mapping information may result in the delay or possible denial of your application. *Area 2 - James Ostermann*

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

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

*Area 1 & 2 has 3 customers being served outside current CCN (we are amending)*  
*Area 3 - is a request for a new customer (Greg Lindley)*

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

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

request to amend  
↓  
\* James Osterman

request to amend  
↓  
\* New customer  
↓  
\* Greg Litalcy

request to amend  
↓

\* existing customer

\* James Vertenheimer  
\* Charles Vertenheimer

LEGEND

1" = 100' SCALE	1" = 100' SCALE	1" = 100' SCALE	1" = 100' SCALE
1" = 100' SCALE	1" = 100' SCALE	1" = 100' SCALE	1" = 100' SCALE
1" = 100' SCALE	1" = 100' SCALE	1" = 100' SCALE	1" = 100' SCALE
1" = 100' SCALE	1" = 100' SCALE	1" = 100' SCALE	1" = 100' SCALE

WATER DISTRIBUTION MAP  
ADDITIONAL CCN AREAS  
WINDHORST WATER SUPPLY CORP.  
WINDHORST, TEXAS

CORLETT, PROBST & BOYD, F.L.L.C.  
ENGINEERS, SURVEYORS & PLANNERS  
4805 OLD JACKSON ROAD  
HOUSTON, TEXAS 77057

DATE: DECEMBER, 2017



**WINDTHORST WATER SUPPLY CORPORATION**

**ADDITIONAL CCN AREAS**

**AREA #1**

Beginning at a point in the South line of the existing CCN Boundary, said point is 500 feet East of the centerline of Wolf Road and 580 feet South of the centerline of Loftin Road for the Northeast corner and Place of Beginning of this description:

THENCE South parallel to and 500 feet East of the centerline of Wolf Road for a distance of 6800 feet to a point for an angle corner of this description;

THENCE Southeast parallel to and 500 feet East of the centerline of Wolf Road a distance of 3900 feet to a point for the most Southerly Southeast corner of this description;

THENCE Southwest perpendicular to the centerline of Wolf Road for a distance of 1200 feet to a point for the most Southerly Southwest corner of this description;

THENCE Northwest parallel to and 700 feet Southwest of the centerline of Wolf Road for a distance of 4200 feet to a point for an angle corner of this description;

THENCE North parallel to and 700 feet West of the centerline of Wolf Road for a distance of 6900 feet to a point for the Northwest corner of this description;

THENCE East perpendicular to the centerline of Wolf Road for a distance of 1200 feet to the PLACE OF BEGINNING of this description.

**AREA #2**

Beginning at a point in the Northwest line of the existing CCN Boundary, said point is 500 feet perpendicular to and Northeast of the center of F. M. 2581 and 600 feet perpendicular and North of the centerline of Bell Road for the Southeast corner and Place of Beginning of this description:

THENCE Northwest parallel to and 500 feet Northeast of the centerline of F. M. 2581 for a distance of 2060 feet to a point for the Northeast corner of this description;

THENCE Southwest perpendicular to the centerline of F. M. 2581 for a distance of 1000 feet to a point for the Northwest corner of this description;

THENCE Southwest parallel to and 500 feet Southwest of the centerline of F. M. 2581 for a distance of 2060 feet to a point for the Southwest corner of this description;

THENCE Northeast perpendicular to the centerline of Wolf Road for a distance of 1000 feet to the PLACE OF BEGINNING of this description.

### AREA #3

Beginning at a point in the West line of the existing CCN Boundary, said point is 500 feet perpendicular to and South of the center of S. H. 25 and 500 feet perpendicular and West of the centerline of Munchrath Road for the Southeast corner and Place of Beginning of this description:

THENCE West parallel to and 500 feet South of the centerline of S. H. 25 for a distance of 3412 feet to a point for the Southwest corner of this description;

THENCE North perpendicular to the centerline of S. H. 25 for a distance of 1000 feet to a point for the Northwest corner of this description;

THENCE East parallel to and 500 feet North of the centerline of S. H. 25 for a distance of 3412 feet to a point for the Northeast corner of this description;

THENCE South perpendicular to the centerline of S. H. 25 for a distance of 1000 feet to the PLACE OF BEGINNING of this description.

- i. If yes, please provide documentation of the denial of service and go to c.
  - ii. If no, please provide a detailed analysis which justifies your reasons for not accepting service. A separate analysis must be prepared and submitted for each utility that granted your request for service.
- C. Please summarize how the proposed utility system will be constructed and describe each projected construction phase, if any:
- D. Date of plat approval, if required: \_\_\_\_\_  
 Approved by: \_\_\_\_\_
- E. Date Plans & Specifications submitted to the TCEQ for approval: \_\_\_\_\_  
 \_\_\_\_\_ Attach copy of approval letter, if available. If the letter is not available by the time your CCN application is submitted, please supplement your application with a copy of the letter once you receive it from the TCEQ.
- F. Date construction is scheduled to commence: \_\_\_\_\_
- G. Date service is scheduled to commence: \_\_\_\_\_

## 5. Existing System Information

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

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

0050013;		

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

ATTACHMENT 1

(ITEM 5-Aiv)

Copy of TCEQ water inspect

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

## TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

*Protecting Texas by Reducing and Preventing Pollution*

April 27, 2017

**CERTIFIED MAIL (7015 0640 0004 8779 4471)**  
**RETURN RECEIPT REQUESTED**

Mr. Tom Hoff, President  
Windthorst WSC  
PO Box 112  
Windthorst, Texas 76389-0112

Re: Notice of Violation for Compliance Evaluation Investigation at:  
Windthorst WSC, 202 Churchill Top Drive, Windthorst (Archer County), Texas  
RN101455749 TCEQ ID No.: 0050013

Dear Mr. Hoff:

On April 18, 2017, Ms. Samantha Harden of the Texas Commission on Environmental Quality (TCEQ) Abilene Region Office conducted an investigation of the above-referenced regulated entity to evaluate compliance with applicable requirements for public water supply. Enclosed is a summary which lists the investigation findings. During the investigation, a certain outstanding alleged violation was identified for which compliance documentation is required. Please submit to this office **by June 27, 2017**, a written description of corrective action taken and the required documentation demonstrating that compliance has been achieved for the outstanding alleged violation.

In the listing of the alleged violation, we have cited applicable requirements, including TCEQ rules. Please note that both the rules themselves and the agency brochure entitled *Obtaining TCEQ Rules* (GI 032) are located on our agency website at <http://www.tceq.texas.gov> for your reference. If you would like a hard copy of this brochure mailed to you, you may call and request one from either the Abilene Region Office at (325) 698-9674 or the Central Office Publications Ordering Team at (512) 239-0028.

The TCEQ appreciates your assistance in this matter. Please note that the Legislature has granted TCEQ enforcement powers which we may exercise to ensure compliance with environmental regulatory requirements. We anticipate that you will resolve the alleged violations as required in order to protect the State's environment. If you have additional information that we are unaware of, you have the opportunity to contest the violation documented in this notice. Should you choose to do so, you must notify the Abilene Region Office within 10 days from the date of this letter. At that time, I will schedule a violation review meeting to be conducted within 21 days from the date of this letter. However, please be advised that if you decide to participate in the violation review process, the TCEQ may still require you to adhere to the compliance schedule included in the enclosed Summary of Investigation Findings until an official decision is made regarding the status of any or all of the contested violations.

Mr. Tom Hoff  
Page 2  
April 27, 2017

If you or members of your staff have any questions, please feel free to contact Ms. Samantha Harden in the Abilene Region Office at (325) 698-9674.

Sincerely,

A handwritten signature in black ink, appearing to read "Cliff Moore". The signature is fluid and cursive, with the first name "Cliff" and last name "Moore" clearly distinguishable.

Cliff Moore  
Water Section Work Leader  
Abilene Region Office

CM/SH/cq

Enclosure:      Summary of Investigation Findings

## Summary of Investigation Findings

<b>WINDTHORST WSC</b> <b>202 CHURCH HILLTOP DR</b> <b>WINDTHORST, ARCHER COUNTY, TX 76389</b>  <b>Additional ID(s): 0050013</b>	<b>Investigation #</b> <b>1408583</b> <b>Investigation Date: 04/18/2017</b>
---	---

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

---

**Track No: 638903      Compliance Due Date: 06/27/2017**

**30 TAC Chapter 290.46(m)(1)**  
**30 TAC Chapter 290.46(m)(1)(B)**

**Alleged Violation:**

Investigation: 1408583

Comment Date: 04/20/2017

Failure to perform annual tank inspections of all of the system's ground storage tanks and pressure tanks.

Each of the system's ground, elevated and pressure tanks shall be inspected annually by water system personnel or a contracted inspection service.

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

During the comprehensive compliance investigation conducted on April 18, 2017 it was noted that Windthorst WSC had not performed annual inspections on the 0.419 MG standpipe, the 0.010 MG and the 0.007 MG pressure tank. The interior of the 0.007 MG pressure tank was last inspected in 2016.

**Recommended Corrective Action:** Please submit documentation noting that the tank inspections for the 0.419 MG standpipe, the 0.010 MG and the 0.007 MG pressure tank have been completed in accordance with 30 TAC Chapter 290, to the Abilene Region Office, by the compliance due date.

ATTACHMENT 1

(ITEM 5-Av)

Copy of TCEQ water inspect deficiency/corrections



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

## TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

*Protecting Texas by Reducing and Preventing Pollution*

June 16, 2017

Mr. Tom Hoff, President  
Windthorst WSC  
PO Box 112  
Windthorst, Texas 76389-0112

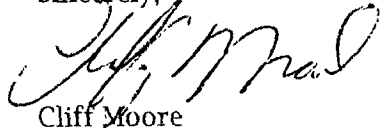
Re: Notice of Compliance with Notice of Violation (NOV) dated April 27, 2017:  
Windthorst WSC, 202 Churchill Top Drive, Windthorst (Archer County), Texas  
RN: 101455749 TCEQ ID No.: 0050013

Dear Mr. Hoff:

This letter is to inform you that the Texas Commission on Environmental Quality (TCEQ) Abilene Regional Office has received adequate compliance documentation on June 1, 2017, to resolve the alleged violation documented during the investigation of the above-referenced regulated entity conducted on April 18, 2017. Based on the information submitted, no further action is required concerning this investigation.

The TCEQ appreciates your assistance in this matter and your compliance efforts to ensure protection of the State's environment. If you or members of your staff have any questions, please feel free to contact Ms. Samantha Harden at the Abilene Regional Office at (325) 698-9674.

Sincerely,



Cliff Moore  
Water Section Work Leader  
Abilene Region Office

CM/SH/cq



TCEQ Water System			TCEQ Sewer System		
Other:			Other:		
Total Water	532	1	Total Sewer		

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

Yes

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

N/A

G. Effect of Granting a Certificate Amendment.

Explain in detail the effect of granting of a certificate or an amendment, including, but not limited to regionalization, compliance and economic effects on the following:

- the applicant,
- any retail public utility of the same kind already serving the proximate area; and
- any landowner(s) in the requested area.

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

i. ☐ No, (skip the rest of this question and go to #6)

ii. ☒ Yes, Water

Purchased on a ☒ Regular ☐ Seasonal ☐ Emergency basis?

Water Source	% of Total Treatment
Lake Arrowhead	0.00%

ATTACHMENT 1

(ITEM 5-Hiv)

Copy of water purchase contract

WATER PURCHASE CONTRACT

THIS CONTRACT for the sale and purchase of water is entered into as of the 16th day of August, 1979, between the City of Wichita Falls, Texas hereinafter referred to as the "City", and Windthorst Water Supply Corporation, hereinafter referred to as "Windthorst".

WITNESSETH:

WHEREAS, Windthorst is a water supply corporation organized and established under provisions of the laws of the State of Texas. Windthorst is organized for the construction and operation of a water supply and distribution system serving water users within the Windthorst area and to accomplish this purpose, Windthorst will require a supply of raw water; and,

WHEREAS, the City owns Lake Kickapoo and Lake Arrowhead, water reservoirs with capacity capable of serving the present customers of the City system and the estimated number of water users to be served by Windthorst; and,

WHEREAS, by Resolution No. 2346, enacted on the 5th day of June, 1979, by City, (Attached hereto as Exhibit "A"), which authorized the City to sell raw water to Windthorst; and,

WHEREAS, Windthorst will operate a water treatment and distribution system, and serve its customers; and,

WHEREAS, by resolution of the Board of Directors of the Windthorst Water Supply Corporation (Attached hereto as Exhibit "B"), enacted on the 16th day of August, 1979, such Board of Directors authorized purchase of raw water by Windthorst from the City in accordance with the terms set forth in the said resolution and further authorized execution of this contract.

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS, THAT for value received, the City and Windthorst mutually agree to the following; to-wit:

Section 1.0: City will allow water (RAW WATER) to be diverted from Lake Arrowhead at the diversion point shown on the plans and approved by the City in sufficient quantities to meet Windthorst's needs for the resale to consumers, subject only to terms and provisions of this contract.

Section 1.1: Diversion point shall be at the water line and at an intake structure at Lake Arrowhead, Texas, at a location mutually acceptable to the City and Windthorst. It is also the intent of Windthorst to construct a transmission line from Lake Arrowhead to Windthorst.

Section 1.2: Maximum amount of water to be diverted by Windthorst from Lake Arrowhead shall not exceed two hundred thousand (200,000) gallons per day unless a greater amount is approved in writing by the City.

Section 1.3: Windthorst shall furnish, install, operate and maintain at its own expense at the diversion point, the necessary metering equipment, including a meter house or pit, and required devices of standard type for properly measuring and recording the quantity of water diverted from Lake Arrowhead. Type and location of meter shall be agreed to by City and Windthorst prior to diversion of water. Windthorst shall calibrate such metering equipment whenever requested by City but not more frequently than once every twelve (12) months. A meter registering not more than two percent (2%) above or below the test result of the rated capacity of the meter shall be deemed accurate. The previous reading of any meter disclosed by test to be inaccurate shall be corrected for the twelve (12) months previous to such test in accordance with the percentage of inaccuracy found by such tests and existing records. If any meter fails to register for any period, the amount of water furnished during such period shall be deemed to be the amount of water diverted in the corresponding period immediately prior to the failure, based on existing records unless City and Windthorst agree on a different amount.

Section 1.4: Thirty (30) days prior to estimated date of completion of construction of Windthorst transmission system, Windthorst will notify City in writing the date of initial diversion of water.

Section 1.5: When requested by Windthorst after metering equipment has been installed, the City will agree to diversion of sufficient water for testing, flushing, and trench filling the system during construction for which Windthorst will pay City at the rate set out of fourteen cents (\$0.14) per one thousand (1,000) gallons. However, minimum rate will not apply to this water used for testing the system.

Section 1.6:    **Location and Easements** - The location of the proposed pump station and intake structure shall be approved by the City, and the pump station site acquired or obtained by long term lease at an agreed upon price from the City before detailed plans and specifications are made. Easements for the pipe lines across City property shall be acquired from the City before any pipe lines are constructed.

Section 1.7:    **Approval** - Pump station and pipe lines must be approved by Texas State Health Department before any construction.

Section 1.8:    **Plans and Specifications Approval** - Plans and Specifications shall be approved by the City before advertising for construction of any facilities.

Section 2.0:    The cost of water purchased by Windthorst shall be based on the following schedule:

\$0.14 per 1,000 gallons

Minimum Monthly Bill \$300.00

This water rate is subject to modification annually based upon a rate making system and formula to be developed by Wichita Falls and submitted to Windthorst by January 1, 1980. Any change in water rates will become effective with water bills rendered after April 30 of each year. The schedule of rates beginning with all water bills rendered after this system is placed into operation could also include a "reservoir capacity charge" designed to cover the cost of reservoir space required to meet Windthorst's future needs but for water not actually being taken in the maximum daily amount as contained in Section 1.2 of this contract.

Section 2.1:    The City will read the Windthorst meter on the first day of each month during the term of this Contract. Windthorst and City shall have free access to read meters daily if they so desire. The City will provide Windthorst no later than the 10th day of each month, with an itemized statement of the amount of water metered to Windthorst during the preceding month. Windthorst shall pay to the City the amount of itemized statement for any month no later than 20th day for the preceeding month's usage.

Section 3.0:    This Contract shall extend for a term of forty (40) years from the date of the initial metering of any water to Windthorst. Unless water is taken within two (2) years from date hereof, this Contract shall be void. At the expiration of the

term of this Contract, same may be renewed or extended for such term or terms, as may be agreed upon by the City and Windthorst. City may cancel this Contract at any time during the life of the Contract in the event Windthorst fails to make any payment due hereunder within sixty (60) days after same becomes due; or, if Windthorst breaches any covenant herein other than payment of the monthly statement, and such breach continues for sixty (60) days after City gives Windthorst and the Farmers Home Administration written notice thereof.

Section 4.0: Windthorst shall not be required to furnish water to any resident of City. If City extends its city limits to include any consumer of water from Windthorst, Windthorst will continue to provide water to such consumer. When City is able to extend its own water distribution system which could provide such consumer with City's water, such consumer shall be allowed the choice of remaining on Windthorst's system or tying into City's system. Provided however, it is understood and agreed the foregoing Section is subject to the restriction of 7U.S.C. Section 1926 (b) as amended.

Section 5.0: Windthorst shall permit the water to be used only for normal residential, commercial, industrial and municipal purposes. Unless written permission is obtained from City, water shall not be used for agricultural irrigation, cattle feed lots, or any processing or manufacturing concern which uses such water for other than normal domestic quantities. Windthorst shall permit water to be used only within its service area as shown on Exhibit "C" Attached. Windthorst shall not sell any water to any private party for resale by such private parties to third parties.

Section 5.1: It is distinctly understood between parties hereto that City owes its primary obligation and duty to the citizens of Wichita Falls; in the event of an extended shortage of water, or the supply of water available to City is otherwise diminished over an extended period of time so that it becomes necessary to ration the water sold to citizens of Wichita Falls, the supply of water to Windthorst consumers shall be reduced or diminished in the same ratio or proportion as the supply to the citizens of Wichita Falls is reduced or diminished.

Section 6.0: This Contract is subject to such rules, regulations, or laws, as may be applicable to similar agreements in the State of Texas; the City and Windthorst will collaborate in obtaining such permits, certificates, or the like, as



Section 7.0: Any amendment to this Contract shall be in writing and executed by both City and Windthorst.

Section 8.0: This contract shall not be assignable without the approval of City, except Windthorst may assign and/or mortgage lease to the United States of America, acting through the Farmers Home Administration. However, in the event of any occurrence rendering Windthorst incapable of performing under this lease, any successor of Windthorst, whether the result of legal process, assignment or otherwise, shall succeed to the rights of Windthorst hereunder.

Section 8.1: The construction of the water supply distribution system by the Purchaser is being financed by a loan made or insured by, and/or a grant from, the United States of America, acting through the Farmers Home Administration of the United States Department of Agriculture, and the provisions hereon pertaining to the undertakings of the Purchaser are conditioned upon the approval, in writing, of the State Director of the Farmers Home Administration.

IN WITNESS WHEREOF, the parties hereto, acting under authority of their respective governing bodies, have caused this Contract to be duly executed in three counterparts, each of which shall constitute an original.

CITY OF WICHITA FALLS, TEXAS

BY: Gerald R. [Signature]  
CITY MANAGER

ATTEST:

Anna L. Thomas  
CITY CLERK

WINDTHORST WATER SUPPLY CORP.

BY: Andrew B. [Signature]  
PRESIDENT

ATTEST:

Don E. [Signature]  
SECRETARY

City of Archer City

Wichita Valley Water Supply Corporation

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

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

City of Olney

Frieburg-Cooper Water Supply Corpora

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

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

City of Electra

Dean Dale Water Supply Corporation

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

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

Town of Pleasant Valley

Arrowhead Ranch Estates

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

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

City of Wichita Falls

By: Gerald [Signature]

## TWENTY-FIFTH AMENDMENT TO WATER PURCHASE CONTRACT

This Twenty-fifth Amendment to Water Purchase Contract made and entered into this 1st day of October, 2017, by and between the City of Wichita Falls, Texas, and the Windthorst Water Supply Corporation.

### WITNESSETH:

WHEREAS, the City of Wichita Falls and the Windthorst Water Supply Corporation entered into a Water Purchase Contract dated August 16, 1979, and the parties desire to make a twenty-fifth amendment to such contract.

NOW, THEREFORE, the parties do hereby agree as follows:

Section 2.0 of said contract dated August 16, 1979, is hereby amended to provide that the Windthorst Water Supply Corporation shall pay for all water delivered after October 1, 2017 under this contract at the rate of \$0.5231 per 1,000 gallons.

Windthorst Water Supply Corporation agrees to implement and enforce the City of Wichita Falls' Water Conservation and Drought Contingency Plan through all subsequent sales of water and shall include such obligation in any subsequent contract for sale that Windthorst Water Supply Corporation may execute with any third party purchaser of water.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed as of the day and year first set out above.

ATTEST:

CITY OF WICHITA FALLS

\_\_\_\_\_  
City Clerk

BY: \_\_\_\_\_  
City Manager

ATTEST

WINDTHORST WATER SUPPLY  
CORPORATION

  
Secretary

BY:   
President

Water Source	% of Total Treatment
	0.00%
	0.00%

iii. ☐ Yes, Sewer treatment capacity

Purchased on a ☐ Regular ☐ Seasonal ☐ Emergency basis?

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

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

I. Ability to Provide Adequate Service.

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

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

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

## 6. Financial Information

A. For new water and/or sewer systems and for applicants with existing CCNs who are constructing a new stand-alone water and/or sewer system:

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

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

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

B. For existing water and/or sewer systems:

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

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

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

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

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

## 7. Notice Requirements

A. All proposed notice forms must be completed and submitted with the application. Do not mail or publish the notices until you receive written approval from the commission to do so.

B. The commission cannot grant a CCN until proper notice of the application has been given. Commission rules do not allow a waiver of notice requirements for CCN applicants.

C. It is the applicant's responsibility to ensure that proper notice is given to all entities that are required to receive notice.

D. Recommended notice forms for publication, neighboring cities and systems, landowners with 25 acres or more, and customers are included with this application for use in preparing proposed notices. (Notice forms are available in Spanish upon request.)

E. After reviewing and, if necessary, modifying the proposed notice, the commission will send the notice to the applicant after the application is accepted for filing along with instructions for publication and/or mailing. Please review the notice carefully before providing the notice.

F. Notice For Publication:

The applicant shall publish the notice in a newspaper with general circulation in the county(ies) where a CCN is being requested. The notice must be published once each week for two consecutive weeks beginning with the week after the notice is received from the commission. Proof of publication in the form of a publisher's affidavit shall be submitted to the commission within 30 days of the last publication date. The affidavit shall state with specificity each county in which the newspaper is of general circulation.

G. Notice To Neighboring Utilities:

- i. List all neighboring retail public utilities and cities providing the same utility service within the following vicinities of the applicant's proposed certificate area.
- ii. For applications for the issuance of a NEW CCN, the applicant must mail the notice with a copy of the proposed CCN map to all cities and neighboring retail public utilities providing the same utility service within five (5) miles of the requested service area.

- iii. For applications for the AMENDMENT of a CCN, the applicant must mail the notice with a copy of the proposed CCN map to all cities and neighboring retail public utilities providing the same utility service within two (2) miles of the requested service area.
- H. Notice to Customers:  
Investor Owned Utilities (IOUs) that are currently providing service without a CCN must provide individual mailed notice to all current customers. The notice must contain the current rates, the date those rates were instituted and any other information required in the application.
- I. The commission may require the applicant to deliver notice to other affected persons or agencies.

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

**LEGAL 5647**  
**NOTICE OF APPLICATION FOR**  
**CERTIFICATE OF CONVENIENCE**  
**AND NECESSITY (CCN) TO PROVIDE**  
**AND WATER/SEWER UTILITY SERVICE IN**  
**ARCHER AND CLAY COUNTIES**

Windthorst Water Supply Corp. has filed an application for a CCN / to amend CCN No. 11355/with the Texas Natural Resource Conservation Commission to provide water utility service in Archer and Clay Counties.

**WINDTHORST WATER SUPPLY CORPORATION**  
**ADDITIONAL CCN AREAS**  
**AREA #1**

Beginning at a point in the South line of the existing CCN Boundary, said point is 500 feet East of the centerline of Wolf Road and 580 feet South of the centerline of Loftin Road for the Northeast corner and Place of Beginning of this description:

THENCE South parallel to and 500 feet East of the centerline of Wolf Road for a distance of 6800 feet to a point for an angle corner of this description;

THENCE Southeast parallel to and 500 feet East of the centerline of Wolf Road a distance of 3900 feet to a point for the most Southerly Southeast corner of this description;

THENCE Southwest perpendicular to the centerline of Wolf Road for a distance of 1200 feet to a point for the most Southerly Southwest corner of this description;

THENCE Northwest parallel to and 700 feet Southwest of the centerline of Wolf Road for a distance of 4200 feet to a point for an angle corner of this description;

THENCE North parallel to and 700 feet West of the centerline of Wolf Road for a distance of 6900 feet to a point for the Northwest corner of this description;

THENCE East perpendicular to the centerline of Wolf Road for a distance of 1200 feet to the PLACE OF BEGINNING of this description.

**AREA #2**

Beginning at a point in the Northwest line of the existing CCN Boundary, said point is 500 feet perpendicular to and Northeast of the center of F. M. 2581 and 600 feet perpendicular and North of the centerline of Bell Road for the Southeast corner and Place of Beginning of this description:

THENCE Northwest parallel to and 500 feet Northeast of the centerline of F. M. 2581 for a distance of 2060 feet to a point for the Northeast corner of this description;

THENCE Southwest perpendicular to the centerline of F. M. 2581 for a distance of 1000 feet to a point for the Northwest corner of this description;

THENCE Southwest parallel to and 500 feet Southwest of the centerline of F. M. 2581 for a distance of 2060 feet to a point for the Southwest corner of this description;

THENCE Northeast perpendicular to the centerline of Wolf Road for a distance of 1000 feet to the PLACE OF BEGINNING of this description.

**AREA #3**

Beginning at a point in the West line of the existing CCN Boundary, said point is 500 feet perpendicular to and South of the center of S. H. 25 and 500 feet perpendicular and West of the centerline of Munchrath Road for the Southeast corner and Place of Beginning of this description:

THENCE West parallel to and 500 feet South of the centerline of S. H. 25 for a distance of 3412 feet to a point for the Southwest corner of this description;

THENCE North perpendicular to the centerline of S. H. 25 for a distance of 1000 feet to a point for the Northwest corner of this description;

THENCE East parallel to and 500 feet North of the centerline of S. H. 25 for a distance of 3412 feet to a point for the Northeast corner of this description;

THENCE South perpendicular to the centerline of S. H. 25 for a distance of 1000 feet to the PLACE OF BEGINNING of this description.

The total area being requested includes approximately 425 acres and \_\_ current customers.

A copy of the proposed service area map is available at Windthorst Water Supply Corp. (940) 423-6685.

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

Persons who wish to intervene or comment should write the:

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

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

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

(Published in The Clay County Lear  
May 19 & 26, 2005)



## Notice for Publication

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

Archer COUNTY(IES), TEXAS

Name of Applicant Windthorst Water Supply Corp. has filed an application for a  
CCN to obtain or amend CCN No. (s) 11355 and to  
decertify a portion(s) of \_\_\_\_\_ with the  
(Name of Decertified Utility)

Public Utility commission of Texas to provide

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

utility service in

Archer County  
(ies).

The proposed utility service area is located approximately \_\_\_\_\_ miles  
[direction] of downtown \_\_\_\_\_, [City or Town] Texas, and is  
generally bounded on the north by \_\_\_\_\_; on the east by  
\_\_\_\_\_ ; on the south by \_\_\_\_\_ ; and on the west by \_\_\_\_\_

The total area being requested includes approximately \_\_\_\_\_ acres and \_\_\_\_\_  
current customers.

A copy of the proposed service area map is available at (Utility Address and Phone  
Number): \_\_\_\_\_

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

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

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

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

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

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

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

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

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

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

VIA

no one  
within  
2 miles

## Notice to Neighboring Systems, Landowners and Cities

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

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

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

\_\_\_\_\_  
(Address)

\_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Name of Applicant \_\_\_\_\_ has filed an application for a  
CCN to obtain or amend CCN No. (s) \_\_\_\_\_ and to  
decertify a portion(s) of \_\_\_\_\_ with the  
(Name of Decertified Utility)

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

The proposed utility service area is located approximately \_\_\_\_\_ miles \_\_\_\_\_  
[direction] of downtown \_\_\_\_\_, [City or Town] Texas, and is  
generally bounded on the north by \_\_\_\_\_; on the east by  
\_\_\_\_\_; on the south by \_\_\_\_\_; and on the west by \_\_\_\_\_

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

The total area being requested includes approximately \_\_\_\_\_ acres and \_\_\_\_\_  
current customers.

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

**Persons who wish to intervene or comment should write the:**

Filing Clerk  
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Austin, Texas 78711-3326

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

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

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

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

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

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

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

7/1/12

## Notice to Customers of IOUs in Proposed Area

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

COUNTY(IES), TEXAS

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

Name of Applicant \_\_\_\_\_ has filed an application for a CCN to obtain or amend CCN No. (s) \_\_\_\_\_ and to decertify a portion(s) of \_\_\_\_\_ with the \_\_\_\_\_  
(Name of Decertified Utility)

Public Utility commission of Texas to provide \_\_\_\_\_

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

utility service in \_\_\_\_\_ County(ies).

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

A copy of the proposed service area map is available at (Utility Address and Phone Number): \_\_\_\_\_

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

Monthly Flat Rate of \$ \_\_\_\_\_ Per connection

-OR-

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

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

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

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

### Miscellaneous Fees

#### Regulatory Assessment

Tap Fee (Average Actual Cost)

#### Reconnecting fee:

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

#### Late fee

#### Returned Check charge

Customer Deposit (\$50.00 max)

#### Meter test fee

(Actual Cost not Exceed \$25.00)

#### Other Fees

1%
\$ _____
\$ _____
\$ _____
\$ _____
\$ _____
\$5.00 or 10%
\$ _____
\$ _____
\$ _____
\$ _____

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

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

**Persons who wish to intervene or comment should write the:**

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

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

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

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

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

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

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

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

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

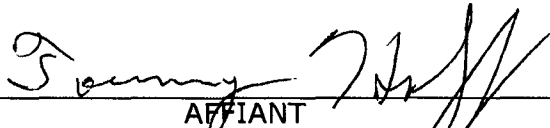
## OATH

STATE OF Wichita Texas  
COUNTY OF Archer

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

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

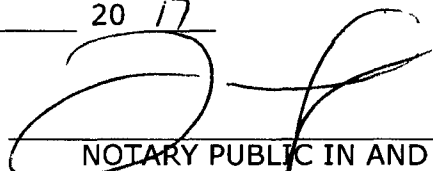
**I further represent that the Applicant will provide continuous and adequate  
service to all customers and qualified applicants for service within its certificated  
service area.**

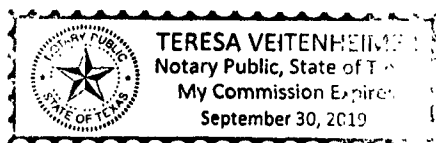
  
AFFIANT  
(Utility's Authorized Representative)

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

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public in and for the State of Texas,  
This day 2nd of Oct 20 17

SEAL

  
NOTARY PUBLIC IN AND FOR THE  
STATE OF TEXAS



Teresa L. Veitenheimer  
PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES 9/30/19

**WINDTHORST WATER SUPPLY CORPORATION**  
**ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED**  
**DECEMBER 31, 2016**



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**WINDTHORST WATER SUPPLY CORPORATION**

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2016**

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## FINANCIAL STATEMENTS

**WINDTHORST WATER SUPPLY CORPORATION**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2016**

<b><u>ASSETS</u></b>	<b><u>2016</u></b>
<b>Current assets:</b>	
Cash and cash equivalents	\$ 518,120
Accounts receivable	55,381
Prepaid expenses	<u>3,306</u>
Total current assets	<u>576,807</u>
<b>Property and equipment:</b>	
Land	18,982
Lake and spillway	61,480
Plant and equipment	2,849,398
Distribution system	2,073,289
Office building	54,157
Furniture and office equipment	11,394
Vehicles	44,021
Construction In Progress	<u>16,000</u>
	5,128,721
Less accumulated depreciation	<u>3,305,446</u>
Net property and equipment	<u>1,823,275</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 2,400,082</u></b>

*See Accountants' Compilation Report*  
*The accompanying Notes are an integral part of these financial statements.*

**WINDTHORST WATER SUPPLY CORPORATION**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2016**

<u>LIABILITIES AND NET ASSETS</u>	<u>2016</u>
<b>Current liabilities:</b>	
Accounts payable	\$ 12,051
Accrued expenses	<u>7,105</u>
Total current liabilities	<u>19,156</u>
 Total liabilities	 <u>19,156</u>
<b>Net assets:</b>	
Unrestricted	
Operating	514,951
Net invested in property and equipment	<u>1,823,275</u>
Total unrestricted	<u>2,338,226</u>
 Temporarily restricted	
Memberships	<u>42,700</u>
Total temporarily restricted	<u>42,700</u>
 Total net assets	 <u>2,380,926</u>
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	 <b><u>\$ 2,400,082</u></b>

*See Accountants' Compilation Report*  
*The accompanying Notes are an integral part of these financial statements.*

**WINDTHORST WATER SUPPLY CORPORATION**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Totals 2016</u>
<b>REVENUES AND PUBLIC SUPPORT:</b>			
Water sales	\$ 556,246	\$ -	\$ 556,246
Late charges	4,386	-	4,386
Water Commission fees	2,782	-	2,782
Installation fees	1,200	-	1,200
Easement /Investigation fees	400	-	400
Front end capital fees	5,600	-	5,600
Line extension fees	6,000	-	6,000
Miscellaneous income	3,494	-	3,494
Donated assets	7,200	-	7,200
Transfer fees	240	-	240
RPZ Income	2,500	-	2,500
Interest income	1,031	-	1,031
Memberships	-	900	900
Net assets release from restrictions			
Memberships forfeited	50	( 50 )	-
<b>TOTAL REVENUES AND PUBLIC SUPPORT</b>	<u>591,129</u>	<u>850</u>	<u>591,979</u>
<b>EXPENSES:</b>			
Operating expenses			
Purchased water	33,797	-	33,797
Salaries	125,596	-	125,596
Utilities	30,678	-	30,678
Chemicals	41,732	-	41,732
Operating supplies	10,428	-	10,428
Maintenance	11,547	-	11,547
Vehicle expense	4,763	-	4,763
Insurance	39,347	-	39,347
Legal and professional	8,300	-	8,300
Dues	830	-	830
Water training/testing	613	-	613
Travel	68	-	68
Payroll taxes	9,856	-	9,856
Depreciation	156,409	-	156,409
TCEQ Water Fee	1,053	-	1,053
Miscellaneous	2,930	-	2,930

*See Accountants' Compilation Report*

*The accompanying Notes are an integral part of these financial statements.*

**WINDTHORST WATER SUPPLY CORPORATION**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Totals 2016</u>
<b>Operating expenses (continued):</b>			
Lab testing fees	3,550	-	3,550
Contract labor	3,575	-	3,575
TCEQ System fees	2,777	-	2,777
Employee Benefit Plan	3,768	-	3,768
<b>Total operating expenses</b>	<u>491,617</u>	<u>-</u>	<u>491,617</u>
<b>General and Administrative expenses:</b>			
Telephone	5,657	-	5,657
Office supplies	3,933	-	3,933
Annual meeting	2,041	-	2,041
Publications and updates	622	-	622
Interest	2,679	-	2,679
<b>Total general and administrative expenses</b>	<u>14,932</u>	<u>-</u>	<u>14,932</u>
<b>TOTAL EXPENSES</b>	<u>506,549</u>	<u>-</u>	<u>506,549</u>
<b>CHANGE IN NET ASSETS</b>	84,580	850	85,430
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>2,253,646</u>	<u>41,850</u>	<u>2,295,496</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$2,338,226</u>	<u>\$ 42,700</u>	<u>\$ 2,380,926</u>

*See Accountant's Compilation Report*

*The accompanying Notes are an integral part of these financial statements.*



**WINDTHORST WATER SUPPLY CORPORATION**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>2016</u>
<b>Cash flows from operating activities:</b>	
Change in net assets	\$ 85,430
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	156,409
(Increase) decrease in:	
Accounts receivable	49,953
Prepaid expenses	37
Increase (decrease) in:	
Accounts payable	( 60,884)
Accrued expenses	148
Net cash provided by operating activities	<u>231,093</u>
<b>Cash flows provided (used) by investing activities:</b>	
Purchases of property and equipment	( 22,818)
Net cash used by investing activities	<u>( 22,818)</u>
<b>Cash flows from financing activities:</b>	
Proceeds from loan	-
Principal payments on long-term debt	( 113,617)
Net cash provided (used) by financing activities	<u>( 113,617)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>94,658</b>
<b>Cash and cash equivalents at beginning of year</b>	<b><u>423,462</u></b>
<b>Cash and cash equivalents at end of year</b>	<b><u>\$ 518,120</u></b>
<b>Supplemental disclosures of cash flow information:</b>	
Cash paid during the year for:	
Interest paid net of capitalized amounts	<u>\$ 2,940</u>

*See Accountants' Compilation Report*  
*The accompanying Notes are an integral part of these financial statements*

**NOTES TO FINANCIAL STATEMENTS**

**WINDTHORST WATER SUPPLY CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2016**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

Windthorst Water Supply Corporation is a member-owned nonprofit corporation organized to provide water and related services to its members in Windthorst, Texas and the immediate surrounding area.

**Reporting Entity**

The Corporation is a not-for-profit organization incorporated in the State of Texas in 1962 and exempt from federal income taxes pursuant to Section 501(c)(12) of the Internal Revenue Code. The Corporation is governed by a Board of Directors comprised of seven members. The Board of Directors is selected pursuant to the bylaws of the corporation and has the authority to make decisions, appoint the chief executive officer of the corporation, and significantly influence operations. The Board of Directors has the primary accountability for the fiscal affairs of the corporation.

**Basis of Presentation**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States. The Corporation's annual budget is prepared on the same basis.

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Corporation and changes therein are classified and reported as follows:

**Unrestricted net assets:** Net assets that are not subject to donor-imposed stipulations.

**Temporarily restricted net assets:** Net assets that are the membership certificates sold with transfer and redemption options available only upon the Board of Directors approval.

Membership certificates at December 31, 2015	\$41,850
(205 at \$50 and 316 at \$100)	
Memberships sold (9 at \$100)	900
Membership forfeited (1 at \$50)	( 50)
Membership certificates at December 31, 2016	<u>\$42,700</u>
(204 at \$50 and 325 at \$100)	

**Permanently restricted net assets:** Net assets subject to donor-imposed stipulations that the Corporation maintain them permanently. Windthorst Water Supply Corporation has not received any contributions with donor-imposed restrictions that would result in permanently restricted net assets.

**WINDTHORST WATER SUPPLY CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2016**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Estimates**

Preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Corporation considers all highly liquid investments (including restricted assets) with maturity of three months or less when purchased to be cash equivalents.

**Concentration of Credit Risk**

The Corporation is a provider of water and related services with its plant located in Windthorst, Texas. The Corporation extends credit to its members, substantially all of whom are local businesses and residents.

**Allowance for Uncollectible Accounts**

The Corporation does not have a provision for uncollectible accounts due to their historical success in collecting accounts receivable and the deemed immateriality of any doubtful accounts. The policies of the Corporation require all members prior to installation of a meter to make a deposit along with other membership fees. If a member's account becomes delinquent, the Corporation has the right to pull the meter and the deposit is applied to the outstanding receivable balance.

**Federal Income Taxes**

The Corporation is a tax-exempt organization under Internal Revenue Code Section 501(c)(12) and, therefore, no provision for federal income taxes is included in the accompanying financial statements.

The Corporation applies the provisions of Financial Accounting Standards Board (FASB) Interpretation No. 48, *Accounting for Uncertainty in Income Taxes – an Interpretation of FASB Statement No. 109* (FIN 48), which prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FIN 48 also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. The Corporation does not believe its financial statements include or reflect any uncertain tax positions.

**WINDTHORST WATER SUPPLY CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2016**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Property and Equipment**

Purchased assets are recorded at cost. Donated assets are recorded at fair value at the date of donation. Maintenance and repairs are charged to expense as incurred, and major betterments are capitalized. Depreciation is recorded on each class of depreciable property utilizing the straight-line method. Estimated useful lives are as follows:

Lake and spillway	40 years
Plant and equipment	5-40 years
Distribution system	20-40 years
Office building	30 years
Furniture and office equipment	7-15 years
Vehicles	5 years

Depreciation for the year ended December 31, 2016 was \$156,409.

The Corporation is continuously expanding its water lines. As these line expansions are completed and placed in operation, they are reclassified to distribution systems and depreciated over their estimated useful lives.

**Vacation and Sick Leave**

All full-time employees accumulate vacation benefits based on length of service up to 18 days per year. The maximum allowable carryover is 5 days. Upon leaving the employment of the Corporation and with the approval by the Board, employees will be paid for unused vacation days, which they have accrued.

Sick leave is earned at the rate of 4 hours per month up to a maximum of thirty days.

**NOTE 2 - CASH DEPOSITS**

At December 31, 2016, the carrying amount of the District's deposits (cash, certificate of deposit, and interest-bearing savings accounts) was \$518,120 and the bank balance was \$539,602. The District's cash deposits at December 31, 2016 and during the year then ended were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name except for the months of August 2016 and September 2016. The Corporation resolved this in October 2016 by having additional securities pledged at the Bank to cover deposits in excess of FDIC coverage.

**NOTE 3 – PREPAID EXPENSES**

As of December 31, 2016, prepaid expenses were composed of \$3,306 for prepaid insurance, dues and fees.

**WINDTHORST WATER SUPPLY CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2016**

**NOTE 4 – CAPITAL ASSETS**

Activity in the general fixed asset accounts for the corporation for the year ended December 31, 2016, was as follows:

	Balance 12/31/2015	Additions	Deletions	Adjustments	Balance 12/31/2016
Land	\$ 18,982	\$ -	\$ -	\$ -	\$ 18,982
Lake and spillway	61,480	-	-	-	61,480
Plant and equipment	2,791,350	15,618	-	42,430	2,849,398
Distribution system	2,066,089	7,200	-	-	2,073,289
Office building	54,157	-	-	-	54,157
Furniture and office equip.	11,394	-	-	-	11,394
Vehicles	44,021	-	-	-	44,021
Construction In Progress	58,430	-	-	( 42,430)	16,000
Accumulated Depreciation	<u>(3,149,037)</u>	<u>( 156,409)</u>	<u>-</u>	<u>-</u>	<u>(3,305,446)</u>
Property and Equipment	<u>\$ 1,956,866</u>	<u>(\$133,591)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,823,275</u>

**NOTE 5 – NOTES PAYABLE**

On June 13, 2012, Windthorst Water Supply refinanced their revolving line of credit of up to a maximum amount of \$300,000 bearing a fixed interest rate of 5.75% from the Windthorst Federal Credit Union to finance the standpipe and water line extension to FM 2581 booster station project. A permanent note was issued with monthly payments of \$5,000, an interest rate of 5.25% and maturity on December 13, 2017. This note was paid off during the current year.

The Corporation currently has a line of credit with Windthorst Federal Credit Union with a \$200,000 limit and 4.75% interest rate but no advances have been issued as of December 31, 2016.

Description	Interest Rate	Date Issued	Beginning Balance	Addition	Retired	Ending Balance	Interest Expense
WFCU Note Payable	5.25%	6/13/12	\$ 113,617	-	\$113,617	\$ -	\$ 2,679
\$ 200,000 Line of Credit	5.75%	6/13/13	-	-	-	-	-
			<u>\$ 113,617</u>	<u>\$ -</u>	<u>\$ 113,617</u>	<u>\$ -</u>	<u>\$ 2,679</u>

**WINDTHORST WATER SUPPLY CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2016**

**NOTE 6 – EMPLOYEE BENEFIT PLAN**

The Corporation has a defined contribution salary deferral plan covering substantially all employees. Under the plan, the Corporation matches dollar for dollar up to three percent of each eligible employee's salary. Plan expenses incurred by the Corporation during 2016 was \$3,768.

**NOTE 7 – SUBSEQUENT EVENTS**

The Corporation had the following subsequent event disclosures at year end.

Dam Safety Report- The total engineering cost of the Dam Safety Report is estimated to be \$20,000. At year end, this project was 80% complete and \$16,000 had been paid by the Corporation.

Management has evaluated the impact of all subsequent events on the Corporation through the financial statement issuance and has determined that there were no other subsequent events requiring recognition or disclosure in the financial statements.

**NOTE 8 – CONTINGENCIES**

The North Texas area serviced by the Corporation had all water restriction lifted July 1, 2015 from the previous years in which they had been impacted by the sustained drought. In July of 2012, the plant water usage reached 80% which required the Corporation to implement Stage 2 to achieve a 15% reduction in total water usage. In February 2013, lake levels had dropped to 39% and the Corporation implemented Stage 3 restricting water usage and continued to raise public awareness by sending out reminders to members to continue to conserve water. Stage 4 was implemented June 1, 2013, at which point lake levels were at 37.6% and members were asked to maintain a 35%-50% reductions of water usage throughout the summer months and no outside watering would be allowed. During 2015 Lake Arrowhead received substantial rainfall and by May 2015 the lake levels reached 100% capacity. Throughout the current 2016 year, the Corporation continued to operate with no water restrictions on its members.

The four stages and goals to conserve water are as follows:

<b>STAGE 1 -</b>	<b>Mild Water Shortage Condition</b>
<b><u>Goal</u></b>	<b>Raise public awareness</b>
<b>STAGE 2 -</b>	<b>Moderate Water Shortage Conditions</b>
<b><u>Goal</u></b>	<b>Achieve a 15% reduction in total water use</b>
<b>STAGE 3 -</b>	<b>Severe Water Shortage Condition</b>
<b><u>Goal</u></b>	<b>Achieve a 40% reduction in total water use</b>
<b>STAGE 4 -</b>	<b>Emergency Water Shortage Conditions</b>
<b><u>Goal</u></b>	<b>Achieve a 50% reduction in total water use</b>

**WINDTHORST WATER SUPPLY CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2016**

An increase in water sales but a decrease in water usage is the result of increased water rates and the efforts of the members to meet drought contingency goals. In the prior years, the drought had forced the Corporation to modify water rates to meet the expenses of the water supply corporation. In March 2014, the minimum rates were kept the same but the minimum gallon usage was reduced 50% for each meter size and all water used in excess of the minimum rate changed to \$4.00 per 1000 gallons. In June 2014, the Corporation implemented a \$10 rate increase on all minimum usage and \$5 per 1000 gallons for water used in excess of the minimum meter allowance. There have been no changes to water rates since 2014.



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**SUPPLEMENTARY INFORMATION**

**WINDTHORST WATER SUPPLY CORPORATION**  
**STATEMENT OF ACTIVITIES – BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
<b>REVENUES AND PUBLIC SUPPORT:</b>			
Water sales	\$ 550,000	\$ 556,246	\$ 6,246
Late charges	4,000	4,386	386
Water Commission fees	2,800	2,782	( 18)
Installation fees	1,200	1,200	-
Service Investigation/Easement fees	400	400	-
Front end capital fees	5,600	5,600	-
Line extension fees	6,000	6,000	-
Miscellaneous income	1,500	3,494	1,994
Donated assets	7,200	7,200	-
Transfer fees	200	240	40
RPZ Test	2,000	2,500	500
Interest income	1,000	1,031	31
Memberships	<u>800</u>	<u>900</u>	<u>100</u>
<b>TOTAL REVENUES AND PUBLIC SUPPORT</b>	<u><b>582,700</b></u>	<u><b>591,979</b></u>	<u><b>9,279</b></u>
<b>EXPENSES:</b>			
Operating expenses			
Purchased water	35,000	33,797	1,203
Salaries	125,600	125,596	4
Utilities	35,000	30,678	4,322
Chemicals	42,000	41,732	268
Operating supplies	10,500	10,428	72
Maintenance	12,000	11,547	453
Vehicle expense	6,000	4,763	1,237
Insurance	40,000	39,347	653
Legal and professional	10,000	8,300	1,700
Dues	830	830	-
Water training school/testing	1,500	613	887
Travel	1,000	68	932
Payroll taxes	9,900	9,856	44
Depreciation	160,000	156,409	3,591
TCEQ Water fee	1,600	1,053	547
Miscellaneous	3,000	2,930	70
Lab testing fees	3,700	3,550	150
Contract labor	3,600	3,575	25

**WINDTHORST WATER SUPPLY CORPORATION**  
**STATEMENT OF ACTIVITIES – BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Budget</u>	<u>Actual</u>	Favorable (Unfavorable) <u>Variance</u>
<b>Operating expenses (continued):</b>			
TCEQ System fees	\$ 2,800	\$ 2,777	\$ 23
Uniforms	500	-	500
Employee Benefit Plan	<u>3,700</u>	<u>3,768</u>	<u>( 68)</u>
Total operating expenses	<u>508,230</u>	<u>491,617</u>	<u>16,613</u>
<b>General and Administration expenses:</b>			
Telephone	6,000	5,657	343
Office supplies	6,000	3,933	2,067
Annual meeting	2,000	2,041	( 41)
Publications and updates	1,000	622	378
Interest	<u>4,000</u>	<u>2,679</u>	<u>1,321</u>
Total general and administrative expenses	<u>19,000</u>	<u>14,932</u>	<u>4,068</u>
<b>TOTAL EXPENSES</b>	<u>527,230</u>	<u>506,549</u>	<u>20,681</u>
<b>CHANGE IN NET ASSETS</b>	<u>\$ 55,470</u>	<u>\$ 85,430</u>	<u>\$ 29,960</u>

**WINDTHORST WATER SUPPLY CORPORATION  
BOARD MEMBERS AND KEY ADMINISTRATIVE PERSONNEL  
DECEMBER 31, 2016**

<u>Name and Address</u>	<u>Term of Office- Date Elected &amp; Expiration</u>	<u>Title</u>	<u>Member</u>	<u>Relationship With Major Land Owners, Engineers &amp; Attorney</u>
Raymond Ostermann P. O. Box 53 Windthorst, Texas	4/2016 4/2019	President	Yes	None
Bill Wolf 17441 US Hwy. 281 Windthorst, Texas	4/2014 4/2017	Vice President	Yes	None
Thomas Hoff 12213 W FM 174 Windthorst, Texas	4/2015 4/2018	Secretary- Treasurer	Yes	None
Ricky Schroeder P. O. Box 9 Windthorst, Texas	4/2015 4/2018	Director	Yes	None
Rick Schreiber 10184 State Hwy 25 E Windthorst, Texas	4/2014 4/2017	Director	Yes	None
David Green P. O. Box 305 Windthorst, Texas	4/2016 4/2019	Director	Yes	None
Craig Berend 1650 Scheffe Road Windthorst, Texas	4/2014 4/2017	Director	Yes	None
	<u>Date Hired</u>	<u>Managers and Other Key Administrative Personnel</u>		
Teresa Veitenheimer 1828 Veitenheimer Rd. Windthorst, Texas	9/1996	General Manager	Yes	None
Charles Teichman 12872 W Fm 174 Windthorst, Texas	12/1992	Plant Manager	Yes	None
Lanny Hubbard P. O. Box 289 Archer City, Texas	12/2005	Plant Operator	No	None

Included 2016 financial

## PROJECTED BALANCE SHEETS

	START UP	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
<b>CURRENT ASSETS</b>						
Cash						
Accounts Receivable						
Inventories						
Income Tax Receivable						
Other						
Total						
<b>FIXED ASSETS</b>						
Land						
Collection/Distribution System						
Buildings						
Equipment						
Other						
Less: Accum. Depreciation or Reserves						
Total						
<b>TOTAL ASSETS</b>						
<b>CURRENT LIABILITIES</b>						
Accounts Payable						
Notes Payable, Current						
Accrued Expenses						
Other						
Total						
<b>LONGTERM LIABILITIES</b>						
Notes Payable, Long-term						
Other						
<b>TOTAL LIABILITIES</b>						
<b>OWNER'S EQUITY</b>						
Paid in Capital						
Retained Equity						
Other						
Current Period Profit or Loss						
<b>TOTAL OWNER'S EQUITY</b>						
<b>TOTAL LIABILITIES AND EQUITY</b>						
<b>WORKING CAPITAL</b>						
<b>CURRENT RATIO</b>						
<b>DEBT TO EQUITY RATIO</b>						
<b>EQUITY TO TOTAL ASSETS</b>						

## PROJECTED INCOME STATEMENT

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
METER NUMBER						
Existing Number of Taps						
New Taps per Year						
Total Meters at Year End						
METER REVENUE						
Fees Per Meter						
Cost Per Meter						
Operating Revenue Per Meter						
GROSS WATER REVENUE						
Fees						
Other						
Gross Income						
OPERATING EXPENSES						
General & Administrative						
Interest						
Other						
NET INCOME						

## HISTORICAL BALANCE SHEETS

	CURRENT YEAR (A)	A-1 YEAR	A-2 YEAR	A-3 YEAR	A-4 YEAR	A-5 YEAR
<b>CURRENT ASSETS</b>						
Cash						
Accounts Receivable						
Inventories						
Income Tax Receivable						
Other						
Total						
<b>FIXED ASSETS</b>						
Land						
Collection/Distribution System						
Buildings						
Equipment						
Other						
Less: Accum. Depreciation or Reserves						
Total						
<b>TOTAL ASSETS</b>						
<b>CURRENT LIABILITIES</b>						
Accounts Payable						
Notes Payable, Current						
Accrued Expenses						
Other						
Total						
<b>LONGTERM LIABILITIES</b>						
Notes Payable, Long-term						
Other						
<b>TOTAL LIABILITIES</b>						
<b>OWNER'S EQUITY</b>						
Paid in Capital						
Retained Equity						
Other						
Current Period Profit or Loss						
<b>TOTAL OWNER'S EQUITY</b>						
<b>TOTAL LIABILITIES AND EQUITY</b>						
<b>WORKING CAPITAL</b>						
<b>CURRENT RATIO</b>						
<b>DEBT TO EQUITY RATIO</b>						
<b>EQUITY TO TOTAL ASSETS</b>						



## HISTORICAL INCOME STATEMENT

	CURRENT YEAR (A)	A-1 YEAR	A-2 YEAR	A-3 YEAR	A-4 YEAR	A-5 YEAR
METER NUMBER						
Existing Number of Taps						
New Taps per Year						
Total Meters at Year End						
METER REVENUE						
Fees Per Meter						
Cost Per Meter						
Operating Revenue Per Meter						
GROSS WATER REVENUE						
Fees						
Other						
Gross Income						
OPERATING EXPENSES						
General & Administrative						
Interest						
Other						
NET INCOME						

## HISTORICAL EXPENSES STATEMENT

	CURRENT YEAR (A)	A-1 YEAR	A-2 YEAR	A-3 YEAR	A-4 YEAR	A-5 YEAR
<b>GENERAL/ADMINISTRATIVE EXPENSES</b>						
Salaries						
Office Expense						
Computer Expense						
Auto Expense						
Insurance Expense						
Telephone Expense						
Utilities Expense						
Depreciation Expense						
Property Taxes						
Professional Fees						
Other						
Total						
% Increase Per Year	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>OPERATIONAL EXPENSES</b>						
Salaries						
Auto Expense						
Utilities Expense						
Depreciation Expense						
Repair & Maintenance						
Supplies						
Other						
Total						
% Increase Per Year	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>ASSUMPTIONS</b>						
Interest Rate/Terms						
Utility Cost/gal.						
Depreciation Schedule						
Other						

## PROJECTED EXPENSES STATEMENT

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
<b>GENERAL/ADMINISTRATIVE EXPENSES</b>						
Salaries						
Office Expense						
Computer Expense						
Auto Expense						
Insurance Expense						
Telephone Expense						
Utilities Expense						
Depreciation Expense						
Property Taxes						
Professional Fees						
Other						
Total						
% Increase Per Year						
<b>OPERATIONAL EXPENSES</b>						
Salaries						
Auto Expense						
Utilities Expense						
Depreciation Expense						
Repair & Maintenance						
Supplies						
Other						
Total						
% Increase Per Year						
<b>ASSUMPTIONS</b>						
Interest Rate/Terms						
Utility Cost/gal.						
Depreciation Schedule						
Other						

## PROJECTED SOURCES AND USES OF CASH STATEMENTS

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
<b>SOURCES OF CASH</b>						
Net Income						
Depreciation (if Funded)						
Loan Proceeds						
Other						
Total Sources						
<b>USES OF CASH</b>						
Net Loss						
Principle Portion of Pmts.						
Fixed Asset Purchase						
Reserve						
Other						
TOTAL USES						
<b>NET CASH FLOW</b>						
<b>DEBT SERVICE COVERAGE</b>						
Cash Available for Debt						
Service (CADS)						
Net Income (Loss)						
Depreciation , or Reserve Interest						
TOTAL						
<b>REQUIRED DEBT SERVICE (RDS)</b>						
Principle Plus Interest						
<b>DEBT SERVICE COVERAGE RATIO</b>						
CADS Divided by RDS						