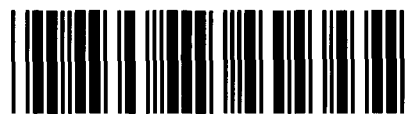




Control Number: 47899



Item Number: 1

Addendum StartPage: 0



## **Application for Sale, Transfer, or Merger of a Retail Public Utility**

Pursuant to Chapter 13.251 of the Texas Water Code

**Docket Number: 47899**

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

7 copies of the application, including the original, along with one copy of the portable electronic storage medium (such as CD or DVD) containing the GIS data shall be filed with

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

No later than seven days after filing the application for the boundary change, provide a copy of each paper map and a portable electronic storage medium (such as CD, flash drive or DVD) containing complete and identical data to the portable electronic storage medium submitted above to

Texas Natural Resources Information System  
1700 N. Congress Ave. Room B40  
Austin, Texas 78701

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### Part A – General Information

\*RN# 102672433 \*CN# 601356991 \* (PRIOR TCEQ ID numbers)

1. Proposed action of application (check all the boxes that apply):

☒ Sale of ☒ All ☐ Portion of the ☒ Water system(s) under CCN No.: 11414  
☐ Acquisition ☐ Sewer system(s) under CCN No.:  
☐ Lease/Rental

☒ Transfer of ☒ All ☐ Portion of the ☒ Certificated water service area – CCN No.: 11414  
☐ Certificated sewer service area – CCN No.:

If only a portion of a system or certificated service area is affected by this transaction, please specify the areas or subdivision involved:

and to:

☒ Obtain a CCN for the transferee (purchaser) – indicate if purchaser will take the seller's CCN  
☐ Amend the transferee's CCN No.:  
☐ Merge or consolidate public utilities  
☐ Cancel CCN of the transferor (seller)

2. Proposed effective date of this transaction: 3/15/2018  
(Must be at least 120 days after proper notice is provided)

### Part B – Current Service Provider or Seller Information

Questions 3 through 5 apply to the transferor (current service provider or seller)

3. For the current CCN holder or service provider please indicate:

A. Name: JOSEPH C. DESMIT

(Individual, Corporation or Other Legal Entity)

who is a(n):of ☒ Individual ☐ Corporation ☐ WSC ☐ HOA or POA ☐ Other

B. Utility Name (if different than above): KNOB HILL WATER SYSTEM

Address: 2861 HIGH MEADOW DRIVE Telephone: (AC) (972) 294-2553

C. Contact person. Please provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney or accountant.

Name: KAREN LONG DESMIT

Title: CO-OWNER/OPERATOR

Address: 2861 HIGH MEADOW, LITTLE ELM, TX 75065 Telephone: (AC) (214) 536-7942

PUCT Sale Merger Transfer (Previous TCEQ Form 10516)

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Fax:

Email:

4. About the last rate increase for the system or facilities being transferred:

A. What was the effective date of the last rate increase?

2/27/2012

B. Was notice of this increase provided to the Public Utility Commission of Texas (commission or PUC) or a predecessor regulatory authority?

☐ No

☒ Yes

Application/Docket Number: 37152-R

Date 12/21/2011

5. Please provide a list of all customers affected by this transaction who have deposits held by the transferor or seller utility, if any, and include the following information (attach additional sheets if necessary):

Name and Address of Utility Customer	Date of Deposit	Amount of Deposit	Amount of Unpaid Interest on Deposit
SEE ATTACHED LIST			

### Part C – Purchaser or Transferee Information

Questions 6 through 16 refer to the transferee or purchaser.

6. For the person or entity acquiring the facilities and/or CCN:

Applicant: KNOB HILL WATER UTILITY CORP.

(Individual, Corporation, or Other Legal Entity)

Utility Name: KNOB HILL WATER SYSTEM

(If different than above)

Utility Address: 1555 ABBOTTS LANE, ARGYLE, TX 76226

Fax: (877) 597-8040

Email: dee@jobnetamerica.com

Telephone (AC): (469) 735-9462

CCN Numbers held prior to the filing of this application: NONE

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

☐ Individual

☐ Home or Property Owners Association

☐ Partnership; attach copy of partnership agreement

☒ Corporation; provide charter number as recorded with the Office of the Secretary of State for Texas: 802847986

☐ Non-profit, member owned, member-controlled Cooperative Corporation (Article 1434(a) Water Sewer Service Corporation); provide charter number:

<input type="checkbox"/>	Municipally-owned utility
<input type="checkbox"/>	District (MUD, SUD, WCID, etc.)
<input type="checkbox"/>	County
<input type="checkbox"/>	Other (please explain): <input type="text"/>

8. If the applicant is an *Individual* or sole proprietorship, provide the following information. If not, skip to the next question.

Name:	<input type="text"/>	Email:	<input type="text"/>
Address:	<input type="text"/>		
Telephone (AC):	<input type="text"/>	Fax (AC):	<input type="text"/>

9. If the applicant is other than an *Individual*, provide the following information regarding the officers or partners of the legal entity applying for the transfer. You must complete either question 8 or question 9, whichever applies to the transferee applicant.

•Name:	MS. SUKHDEEP KAUR	Telephone (AC):	(469) 735-9462
Address:	1555 ABBOTTS LANE, ARGYLE, TX 76226		
Position:	PRESIDENT	Ownership % (if applicable):	100.00%

•Name:	<input type="text"/>	Telephone (AC):	<input type="text"/>
Address:	<input type="text"/>		
Position:	<input type="text"/>	Ownership % (if applicable):	0.00%

•Name:	<input type="text"/>	Telephone (AC):	<input type="text"/>
Address:	<input type="text"/>		
Position:	<input type="text"/>	Ownership % (if applicable):	0.00%

•Name:	<input type="text"/>	Telephone (AC):	<input type="text"/>
Address:	<input type="text"/>		
Position:	<input type="text"/>	Ownership % (if applicable):	0.00%

•Name:	<input type="text"/>	Telephone (AC):	<input type="text"/>
Address:	<input type="text"/>		
Position:	<input type="text"/>	Ownership % (if applicable):	0.00%

•Name:	<input type="text"/>	Telephone (AC):	<input type="text"/>
Address:	<input type="text"/>		
Position:	<input type="text"/>	Ownership % (if applicable):	0.00%

- Attach additional sheet(s) if necessary -

- Important:** • If the applicant is a for-profit corporation, please provide a copy of the corporation's "Certification of Account Status" from the State Comptroller Office. This "Certification of Account Status" can be obtained from:

Texas Comptroller of Public Accounts  
P. O. Box 13528, Capitol Station  
Austin, Texas 78711  
1-800-252-5555

- If the applicant is an Article 1434a water supply or sewer service corporation or other non-profit corporation, please provide a copy of the Articles of Incorporation and By-Laws.

10. Contact person. Please provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney or accountant.

Name:	MARK MCPHERSON	Title:	ATTORNEY
Address:	15950 DALLAS PARKWAY, SUITE 400, DALLAS TX 75248	Telephone (AC):	(214) 722-7096
Fax #	(214) 540-9866	Email	mark@texasenvironmentallaw.com
Relationship to the applicant:	ATTORNEY		

IF THERE ARE MORE THAN TWO PARTIES INVOLVED IN THIS TRANSACTION, PLEASE ATTACH SHEETS PROVIDING THE INFORMATION REQUIRED IN QUESTION 6 THROUGH QUESTION 10 FOR EACH PARTY

11. Please respond to each of the following questions. Attach additional sheets if necessary.

A. Describe the experience and qualifications of the applicant to provide adequate utility service to the requested area

See attached.

- B. Has the applicant acquiring the CCN or facilities or an affiliated interest of the applicant been under enforcement action by the PUC, TCEQ, Texas Department of Health (TDH), the Office of the Attorney General (OAG) or the Environmental Protection Agency (EPA) in the past for noncompliance with rules, orders or State Statutes? ☐ Yes ☒ No

If yes, please attach copies of any correspondence with these regulatory agencies concerning these enforcement actions and describe any actions and efforts to comply with those requirements. Attach additional sheets if needed.

- C. Describe the source and availability of funds required to make the planned or required improvements, if any, to meet minimum requirements of the TCEQ and PUC and ensure continuous and adequate service.

No improvements are planned or required to meet minimum requirements of PUC or TCEQ.

D. Describe the anticipated impact of this transaction on the quality of utility service and explain any anticipated changes in the quality of service.

See attached.

E. How will the transaction serve the public interest?

See attached.

12. Please describe the nature of the proposed transaction:

See attached.

13. If the transferee applicant is an Investor Owned Utility (IOU) and will be under the rate jurisdiction of the PUC, please provide the following information. Water supply or sewer service corporations and political subdivisions of the state should mark this section N/A:

A.

• Total Purchase Price: \$ 51,000.00

• Total Original Cost (as recorded on books of seller or merging entity): \$ 40,000.00

• Accumulated Depreciation as of the proposed effective date of the transaction: \$ 0.00

• Contributions in Aid of Construction:

- Specific surcharges approved by TCEQ or PUC: \$ 0.00

- Revenues from explicit customer agreements: \$ 0.00

- Developer Contributions (please explain):

- Other Contributions (please explain):

Total Contributions in Aid of Construction \$ 0.00

• Net Book Value: \$ 40,000.00

- ☒ If the Original Cost or any of the above items has been established in a rate case proceeding by the PUC, the TWC or the TCEQ, please provide the Application/Docket Number and date:

Application/Docket Number:  Date:

- ☒ If the applicant is not under the rate jurisdiction of the TCEQ, only the purchase price and information related to Contributions in Aid of Construction is required.

Please provide any other information concerning the nature of the transaction you believe should be given consideration if not explained elsewhere in the application.

[attach additional sheet(s) if necessary]:

None needed. This is a straightforward transaction, transferring an IOU with a water CCN from an individual to a newly formed entity owned by a different individual, to account for the retirement of the current system owner.

- C. Complete the following proposed entries listed below as shown in books of purchasing (or surviving) company. Additional entries may be made; the following are suggested only, and not intended to pose descriptive limitations.

Utility Plant in Service:	<input type="text"/>
Plant Acquisition Adjustment:	<input type="text"/>
Extraordinary Loss on Purchase:	<input type="text"/>
Accumulated Depreciation of Plant:	\$ 0.00
Cash:	<input type="text"/>
Notes Payable:	<input type="text"/>
Mortgage Payable:	<input type="text"/>
Others (please list):	<input type="text"/>

As the purchaser, I understand that it is **my responsibility** in any future rate proceeding to provide written evidence and support for the original cost and installation date of all facilities used and useful for providing utility service.

Purchaser's Initials:  Date:

14. Please indicate the proposed effect of this transaction on the rates to be charged to the affected customers:

☒ All the customers will be charged the same rates as they were charged before the transaction  
☐ Some ☐ All customers will be charged different rates than they were charged before the transaction.



If rates are changing, please explain:

☐ Applicant is an IOU and intends to file with the commission or municipal regulatory authority an application to change rates of some/all of its customers as a result of this transaction. If so, please explain:

☐ Other. Please explain:

15. List all neighboring water and /or sewer utilities, cities, and political subdivisions providing the same service within two (2) miles of area affected by this proposed transaction. This information should be available from the water utility database (WUD) or Applicant's licensed water operator.

MUSTANG SPECIAL UTILITY DISTRICT, AUBREY, TX  
TERRA SOUTHWEST WATER UTILITIES, ALVORD, TX  
TOWN OF LITTLE ELM, TEXAS

16. Financial, Managerial and Technical information for the acquiring entity.

### Part D – Historical Financial Information

<b>HISTORICAL BALANCE SHEETS</b>	<b>CURRENT YEAR (A)</b>	<b>A-1 YEAR</b>	<b>A-2 YEAR</b>	<b>A-3 YEAR</b>	<b>A-4 YEAR</b>	<b>A-5 YEAR</b>
<b>CURRENT ASSETS</b>						
Cash	3,150.00	2,818.00	3,675.00	3,150.00	3,126.00	3,809.00
Accounts Receivable	3,512.00	2,492.00	2,811.00	3,122.00	4,105.00	2,819.00
Inventories	912.00	752.00	948.00	1,045.00	1,129.00	885.00
Income Tax Receivable	0.00	0.00	0.00	0.00	0.00	0.00
Other	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>7,574.00</b>	<b>6,062.00</b>	<b>7,434.00</b>	<b>7,317.00</b>	<b>8,360.00</b>	<b>7,513.00</b>
<b>FIXED ASSETS</b>						
Land	63,000.00	60,000.00	60,000.00	58,000.00	55,000.00	54,000.00
Collection/Distribution System	5,000.00	6,000.00	65,000.00	7,000.00	7,000.00	75,000.00
Buildings	10,000.00	11,500.00	12,500.00	13,500.00	14,000.00	16,000.00
Equipment	8,000.00	9,000.00	10,000.00	11,000.00	12,000.00	14,500.00
Other	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00
Less: Accum. Depreciation or Reserves	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>106,000.00</b>	<b>106,500.00</b>	<b>109,000.00</b>	<b>109,500.00</b>	<b>108,000.00</b>	<b>112,000.00</b>
<b>TOTAL ASSETS</b>	<b>113,574.00</b>	<b>112,562.00</b>	<b>116,434.00</b>	<b>116,817.00</b>	<b>116,360.00</b>	<b>119,513.00</b>
<b>CURRENT LIABILITIES</b>						
Accounts Payable	1,600.00	1,230.00	1,918.00	2,124.00	1,789.00	2,109.00
Notes Payable, Current	0.00	0.00	0.00	0.00	0.00	0.00
Accrued Expenses	5,500.00	4,721.00	5,107.00	4,679.00	3,823.00	4,416.00
Other	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL</b>	<b>7,100.00</b>	<b>5,952.00</b>	<b>7,025.00</b>	<b>6,803.00</b>	<b>5,612.00</b>	<b>6,525.00</b>
<b>LONGTERM LIABILITIES</b>						
Notes Payable, Long-term	0.00	0.00	0.00	0.00	0.00	0.00
Other	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL LIABILITIES</b>	<b>7,100.00</b>	<b>5,952.00</b>	<b>7,025.00</b>	<b>6,803.00</b>	<b>5,612.00</b>	<b>6,525.00</b>
<b>OWNER'S EQUITY</b>						
Paid in Capital	64,500.00	64,500.00	64,500.00	64,500.00	64,500.00	64,500.00
Retained Equity	0.00	0.00	0.00	0.00	0.00	0.00
Other	33,669.00	31,936.00	34,168.00	34,959.00	37,438.00	47,712.00
Current Period Profit or Loss	8,305.00	10,174.00	10,741.00	10,555.00	8,810.00	776.00
<b>TOTAL OWNER'S EQUITY</b>	<b>106,474.00</b>	<b>106,610.00</b>	<b>109,409.00</b>	<b>110,014.00</b>	<b>110,748.00</b>	<b>112,988.00</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>113,574.00</b>	<b>112,562.00</b>	<b>116,434.00</b>	<b>116,817.00</b>	<b>116,360.00</b>	<b>119,513.00</b>
<b>WORKING CAPITAL</b>	<b>474.00</b>	<b>110.00</b>	<b>409.00</b>	<b>514.00</b>	<b>2,748.00</b>	<b>988.00</b>
<b>CURRENT RATIO</b>	<b>1.06</b>	<b>1.01</b>	<b>1.05</b>	<b>1.07</b>	<b>1.40</b>	<b>1.15</b>
<b>DEBT TO EQUITY RATIO EQUITY TO TOTAL ASSETS</b>	<b>0.93</b>	<b>0.94</b>	<b>0.93</b>	<b>0.94</b>	<b>0.95</b>	<b>0.94</b>

<b>HISTORICAL INCOME STATEMENT</b>	<b>CURRENT YEAR (A)</b>	<b>A-1 YEAR</b>	<b>A-2 YEAR</b>	<b>A-3 YEAR</b>	<b>A-4 YEAR</b>	<b>A-5 YEAR</b>
<b>METER NUMBER</b>						
Existing Number of Taps	76.00	76.00	76.00	76.00	76.00	76.00
New Taps Per Year	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Meters at Year End</b>	<b>76.00</b>	<b>76.00</b>	<b>76.00</b>	<b>76.00</b>	<b>76.00</b>	<b>76.00</b>
<b>METER REVENUE</b>						
Fees Per Meter	271.84	499.25	501.03	519.73	532.27	540.52
Cost Per Meter	162.56	365.38	359.71	380.85	416.35	530.31
<b>Operating Revenue Per Meter</b>	<b>109.28</b>	<b>133.87</b>	<b>141.32</b>	<b>138.88</b>	<b>115.92</b>	<b>10.21</b>
<b>GROSS WATER REVENUE</b>						
Fees	19,930.00	35,858.00	37,124.00	38,380.00	39,928.00	39,850.00
Other	730.00	2,085.00	955.00	1,120.00	525.00	1,230.00
<b>Gross Income</b>	<b>20660</b>	<b>37,943.00</b>	<b>38,079.00</b>	<b>39,500.00</b>	<b>40,453.00</b>	<b>41,080.00</b>
<b>OPERATING EXPENSES</b>						
General & Administrative	12,355.00	27,769.00	27,338.00	28,945.00	31,643.00	40,304.00
Interest	0.00	0.00	0.00	0.00	0.00	0.00
Other	0.00	0.00	0.00	0.00	0.00	0.00
<b>NET INCOME</b>	<b>8,305.00</b>	<b>10,174.00</b>	<b>10,741.00</b>	<b>10,555.00</b>	<b>8,810.00</b>	<b>776.00</b>

<b>HISTORICAL EXPENSE DETAIL</b>	<b>CURRENT YEAR (A)</b>	<b>A-1 YEAR</b>	<b>A-2 YEAR</b>	<b>A-3 YEAR</b>	<b>A-4 YEAR</b>	<b>A-5 YEAR</b>
<b>GENERAL/ADMINISTRATIVE EXPENSES</b>						
Salaries	0.00	0.00	0.00	0.00	0.00	0.00
Office Expense	1,306.00	3,108.00	3,306.00	2,800.00	2,912.00	2,348.00
Computer Expense	0.00	0.00	0.00	0.00	0.00	0.00
Auto Expense	1,040.00	2,289.00	2,223.00	2,100.00	2,114.00	2,058.00
Insurance Expense	0.00	734.00	782.00	782.00	782.00	768.00
Telephone Expense	1,868.00	3,631.00	3,554.00	3,400.00	3,855.00	3,326.00
Utilities Expense	1,141.00	2,331.00	3,096.00	3,000.00	2,863.00	2,665.00
Depreciation Expense	0.00	0.00	0.00	0.00	0.00	0.00
Property Taxes	0.00	1,786.00	1,300.00	1,900.00	1,900.00	1,700.00
Professional Fees	160.00	362.00	140.00	362.00	140.00	362.00
Other	575.00	575.00	550.00	550.00	500.00	500.00
<b>Total</b>	<b>6,080.00</b>	<b>14,816.00</b>	<b>14,951.00</b>	<b>14,891.00</b>	<b>15,066.00</b>	<b>13,727.00</b>
<b>% Increase Per Year</b>						
<b>OPERATIONAL EXPENSES</b>						
Salaries	0.00	0.00	0.00	0.00	0.00	0.00
Auto Expense	0.00	0.00	0.00	0.00	0.00	0.00
Utilities Expense	0.00	0.00	0.00	0.00	0.00	0.00
Depreciation Expense	0.00	0.00	0.00	0.00	0.00	0.00
Repair & Maintenance	4,320.00	6,744.00	8,000.00	10,000.00	9,751.00	23,000.00
Supplies	1,600.00	3,828.00	3,395.00	3,654.00	4,477.00	2,199.00
Other	355.00	2,381.00	992.00	400.00	2,349.00	1,378.00
<b>Total</b>	<b>6,275.00</b>	<b>12,953.00</b>	<b>12,387.00</b>	<b>14,054.00</b>	<b>16,577.00</b>	<b>26,577.00</b>
<b>% Increase Per Year</b>						
<b>ASSUMPTIONS</b>						
Interest Rate/Terms	0.00	0.00	0.00	0.00	0.00	0.00
Utility Cost/gal.	0.00	0.00	0.00	0.00	0.00	0.00
Depreciation Schedule	0.00	0.00	0.00	0.00	0.00	0.00
Other	0.00	0.00	0.00	0.00	0.00	0.00

# Part E – Projected Information

## PROJECTED BALANCE SHEETS

	START UP	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
<b>CURRENT ASSETS</b>						
Cash	8,500.00	10,193.00	9,250.00	8,700.00	8,500.00	8,700.00
Accounts Receivable	0.00	418.00	550.00	412.00	317.00	421.00
Inventories	912.00	1,023.00	750.00	950.00	1,050.00	950.00
Income Tax Receivable	0.00	0.00	0.00	0.00	0.00	0.00
Other	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>9,412.00</b>	<b>11,634.00</b>	<b>10,550.00</b>	<b>10,062.00</b>	<b>9,867.00</b>	<b>10,071.00</b>
<b>FIXED ASSETS</b>						
Land	63,000.00	63,000.00	64,000.00	65,000.00	66,500.00	67,500.00
Collection/Distribution System	5,000.00	4,800.00	4,500.00	4,400.00	4,200.00	4,100.00
Buildings	10,000.00	9,800.00	9,500.00	9,200.00	9,000.00	9,000.00
Equipment	8,000.00	7,600.00	7,550.00	7,300.00	7,150.00	7,000.00
Other	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00
Less: Accum. Depreciation or Reserves	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>106,000.00</b>	<b>105,200.00</b>	<b>105,550.00</b>	<b>105,900.00</b>	<b>100,415.00</b>	<b>107,600.00</b>
<b>TOTAL ASSETS</b>	<b>115,412.00</b>	<b>116,834.00</b>	<b>116,100.00</b>	<b>115,962.00</b>	<b>110,282.00</b>	<b>117,671.00</b>
<b>CURRENT LIABILITIES</b>						
Accounts Payable	1,600.00	2,050.00	3,100.00	2,850.00	2,150.00	2,300.00
Notes Payable, Current	0.00	0.00	0.00	0.00	0.00	0.00
Accrued Expenses	5,500.00	5,350.00	4,950.00	3,812.00	3,912.00	3,500.00
Other	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>7,100.00</b>	<b>7,400.00</b>	<b>8,050.00</b>	<b>6,662.00</b>	<b>6,062.00</b>	<b>5,800.00</b>
<b>LONGTERM LIABILITIES</b>						
Notes Payable, Long-term	0.00	0.00	0.00	0.00	0.00	0.00
Other	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL LIABILITIES</b>	<b>7,100.00</b>	<b>7,400.00</b>	<b>8,050.00</b>	<b>6,662.00</b>	<b>6,062.00</b>	<b>5,800.00</b>
<b>OWNER'S EQUITY</b>						
Paid in Capital	59,500.00	59,500.00	59,500.00	59,500.00	59,500.00	59,500.00
Retained Equity	0.00	0.00	0.00	0.00	0.00	0.00
Other	38,654.00	41,911.00	46,432.00	42,405.00	38,070.00	45,721.00
Current Period Profit or Loss	10,158.00	8,023.00	2,118.00	7,395.00	6,650.00	6,650.00
<b>TOTAL OWNER'S EQUITY</b>	<b>108,312.00</b>	<b>109,434.00</b>	<b>108,050.00</b>	<b>109,300.00</b>	<b>104,220.00</b>	<b>111,871.00</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>115,412.00</b>	<b>116,834.00</b>	<b>116,100.00</b>	<b>115,962.00</b>	<b>110,282.00</b>	<b>117,671.00</b>
<b>WORKING CAPITAL</b>	<b>2,312.00</b>	<b>4,234.00</b>	<b>2,500.00</b>	<b>3,400.00</b>	<b>3,805.00</b>	<b>4,271.00</b>
<b>CURRENT RATIO</b>	<b>1.30</b>	<b>1.50</b>	<b>1.30</b>	<b>1.50</b>	<b>1.60</b>	<b>1.70</b>
<b>DEBT TO EQUITY RATIO</b>	<b>0.06</b>	<b>0.06</b>	<b>0.07</b>	<b>0.06</b>	<b>0.05</b>	<b>0.05</b>
<b>EQUITY TO TOTAL ASSETS</b>	<b>0.93</b>	<b>0.93</b>	<b>0.93</b>	<b>0.94</b>	<b>0.94</b>	<b>0.95</b>

**PROJECTED INCOME STATEMENT**

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
<b>METER NUMBER</b>						
Existing Number of Taps	76	76	77	77	77	
New Taps Per Year	0	1	0	0	0	
<b>Total Meters at Year End</b>	76	77	77	77	77	
<b>METER REVENUE</b>						
Fees Per Meter	466.44	468.83	468.18	468.18	468.18	
Cost Per Meter	332.78	364.63	440.67	372.14	381.81	
<b>Operating Revenue Per Meter</b>	133.66	104.20	27.51	96.04	86.37	
<b>GROSS WATER REVENUE</b>						
Fees	35,000.00	35,500.00	35,500.00	25,500.00	35,500.00	177,000.00
Other	450.00	600.00	550.00	500.00	500.00	2,600.00
<b>Gross Income</b>	35,450.00	36,100.00	36,050.00	36,050.00	36,050.00	179,700.00
<b>OPERATING EXPENSES</b>						
General & Administrative	25,292.00	28,077.00	33,932.00	28,655.00	29,400.00	145,356.00
Interest	0.00	0.00	0.00	0.00	0.00	0.00
Other	0.00	0.00	0.00	0.00	0.00	0.00
<b>NET INCOME</b>	10,158.00	8,023.00	2,118.00	7,395.00	6,650.00	34,344.00

**PROJECTED EXPENSE DETAIL**

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
<b>GENERAL/ADMINISTRATIVE EXPENSES</b>						
Salaries	0.00	0.00	0.00	0.00	0.00	0.00
Office Expense	3,110.00	3,225.00	3,275.00	3,310.00	3,360.00	16,280.00
Computer Expense	0.00	0.00	0.00	0.00	0.00	0.00
Auto Expense	2,250.00	2,290.00	2,325.00	2,360.00	2,380.00	11,605.00
Insurance Expense	782.00	782.00	782.00	810.00	810.00	3,966.00
Telephone Expense	1,550.00	1,580.00	1,600.00	1,625.00	1,700.00	8,055.00
Utilities Expense	2,450.00	2,450.00	2,550.00	2,650.00	2,750.00	12,850.00
Depreciation Expense	0.00	0.00	0.00	0.00	0.00	0.00
Property Taxes	1,900.00	1,900.00	2,000.00	2,000.00	2,000.00	9,800.00
Professional Fees	350.00	350.00	400.00	400.00	400.00	1,900.00
Other	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>12,392.00</b>	<b>12,577.00</b>	<b>12,932.00</b>	<b>13,155.00</b>	<b>13,400.00</b>	<b>64,456.00</b>
<b>% Increase Per Year</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>OPERATIONAL EXPENSES</b>						
Salaries	0.00	0.00	0.00	0.00	0.00	0.00
Auto Expense	0.00	0.00	0.00	0.00	0.00	0.00
Utilities Expense	0.00	0.00	0.00	0.00	0.00	0.00
Depreciation Expense	0.00	0.00	0.00	0.00	0.00	0.00
Repair & Maintenance	8,000.00	10,000.00	15,000.00	10,000.00	10,000.00	53,000.00
Supplies	3,400.00	4,000.00	4,000.00	4,000.00	4,000.00	19,400.00
Other	1,500.00	1,500.00	2,000.00	1,500.00	2,000.00	8,500.00
<b>Total</b>	<b>12,900.00</b>	<b>15,500.00</b>	<b>21,000.00</b>	<b>15,500.00</b>	<b>16,000.00</b>	<b>80,900.00</b>
<b>% Increase Per Year</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>ASSUMPTIONS</b>						
Interest Rate/Terms	0.00	0.00	0.00	0.00	0.00	0.00
Utility Cost/gal.	0.00	0.00	0.00	0.00	0.00	0.00
Depreciation Schedule	0.00	0.00	0.00	0.00	0.00	0.00
Other	0.00	0.00	0.00	0.00	0.00	0.00

**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	10,158.00	8,023.00	2,118.00	7,395.00	6,650.00	34,344.00
Depreciation (If Funded)	0.00	0.00	0.00	0.00	0.00	0.00
Loan Proceeds	0.00	0.00	0.00	0.00	0.00	0.00
Other	8,500.00	0.00	0.00	0.00	0.00	8,500.00
<b>Total Sources</b>	<b>18,658.00</b>	<b>8,023.00</b>	<b>2,118.00</b>	<b>7,395.00</b>	<b>6,650.00</b>	<b>42,844.00</b>
<b>USES OF CASH</b>						
Net Loss	0.00	0.00	0.00	0.00	0.00	0.00
Principle Portion of Pmts.	0.00	0.00	0.00	0.00	0.00	0.00
Fixed Asset Purchase	1,500.00	0.00	0.00	0.00	1,000.00	2,500.00
Reserve	1,000.00	1,000.00	500.00	1,500.00	1,000.00	5,000.00
Other	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Uses</b>	<b>2,500.00</b>	<b>1,000.00</b>	<b>500.00</b>	<b>1,500.00</b>	<b>2,000.00</b>	<b>7,500.00</b>
<b>NET CASH FLOW</b>	<b>16,158.00</b>	<b>7,023.00</b>	<b>1,618.00</b>	<b>5,895.00</b>	<b>4,650.00</b>	<b>35,344.00</b>
<b>DEBT SERVICE COVERAGE</b>						
Cash Available for Debt	16,158.00	7,023.00	1,618.00	5,895.00	4,650.00	35,344.00
<b>SERVICE (CADS)</b>						
Net Income (Loss)	10,158.00	8,023.00	2,118.00	7,395.00	6,650.00	34,344.00
Depreciation, or Reserve Interest	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>10,158.00</b>	<b>8,023.00</b>	<b>2,118.00</b>	<b>7,395.00</b>	<b>6,650.00</b>	<b>34,344.00</b>
<b>REQUIRED DEBT SERVICE (RDS)</b>						
Principle Plus Interest	0.00	0.00	0.00	0.00	0.00	0.00
<b>DEBT SERVICE COVERAGE RATIO</b>						
CADS Divided by RDS	0.00	0.00	0.00	0.00	0.00	0.00



## Part F – TCEQ Public Water or Sewer System Information

☛ Please answer questions 17 through 22 on a different sheet for each physically Distinct system being transferred or acquired.

17. A. For Water Systems. TCEQ Public Water System Identification Number:

2	6	1	0	0	6	8
---	---	---	---	---	---	---

Date of last inspection: 05/16/2017

B. For Wastewater Systems:

-TCEQ Discharge Permit Number:

W Q

--	--	--	--	--	--

--	--	--	--

-Name of Permittee:

--

-Date of application to transfer Discharge Permit submitted:

--

-Date of application to transfer Discharge Permit approved by TCEQ:

--

18. A. Are any improvements required to meet TCEQ or PUC standards?

☐

Yes

☒

No.

If yes, please explain:

--

B. Is there a moratorium on new connections?

☐

Yes

☒

No.

If yes, please explain:

--

C. Provide details of each required major capital improvement to correct the deficiencies and meet the TCEQ or PUC standards (attach additional sheets if necessary):

Description of the Required Improvement	Schedule to Complete	Estimated Cost
NONE REQUIRED		

19. Does the system being transferred operate within the city limits of a municipality or within district boundaries? ☐ Yes ☒ No

If yes, indicate the number of customers within the city limits or district boundaries:

Water

Sewer

☛ Attach copy of franchise agreement or consent letter from the city or district.

20. Do you currently purchase water or sewer treatment capacity from another source? ☐ Yes ☒ No  
☐ Water ☐ Sewer Purchased on a ☐ Regular ☐ Seasonal ☐ Emergency Basis

• Source: \_\_\_\_\_ % of total supply: 0.00%

21. List the number of existing connections to be effected by this transaction.

Water			Sewer		
	-Non Metered		-2" meter	-Residential Connection	
76	-5/8" or 3/4" meter		-3" meter	-Commercial Connection	
	-1" meter		-4" meter	-Industrial Connection	
	-1 1/2" meter		-Other	-Other	
Total Water Connections:			Total Sewer Connections		

20. Has the system reached 85% of its capacity based on TCEQ's minimum requirements? ☐ Yes ☒ No  
 If yes, please explain what steps are being taken to address the capacity issues:

23. List the name, class, and license number of the operator(s) that will be responsible for the system:

Name	Class	License#
JOSEPH C. DESMIT	D	WO0000596
KAREN J LONG DESMIT	D	WO0028220
MS. SUKHDEEP KAUR	D	WO0040856

24. Attach the following maps with each copy of the application:

- One small scale map clearly showing affected service area with enough detail to accurately locate the area if the application is for the transfer of all or a portion of a CCN.
- One large scale map showing the proposed service area boundaries being sold, transferred, or merged and, if available, the existing and proposed facilities. Color coding should be used to differentiate existing from proposed facilities. Facilities and service area boundaries should be shown with such exactness that they can be located on the ground. If transferring area not currently in a CCN or a portion of an existing CCN area please attach the following hard copy maps with each copy of the application:
  - A general location map delineating the proposed service area with enough detail to accurately locate the proposed area within the county.
  - A map showing only the proposed area by:
    - metes and bounds survey certified by a licensed state or registered professional land surveyor; or
    - projectable digital data with metadata (proposed areas should be in a single record and clearly labeled, data disk should be included); or
    - following verifiable natural and man-made landmarks, or
    - a copy of recorded plat map with metes and bounds.
  - A written description of the proposed service area.

**Part G – Oaths and Notices**

**OATH FOR SELLER OR FORMER SERVICE PROVIDER**

STATE OF TEXAS

COUNTY OF DENTON

I, JOSEPH C. DESMIT, being duly sworn, file this application for sale, lease, rental or merger or consolidation as SOLE PROPRIETOR-OWNER (*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 documents filed with this application, and have complied with all the requirements contained in the application; and, that all such statements made and matters set forth therein with respect to applicant are true and correct. Statements about other parties are made on information and belief. I further state that the application is made in good faith and that this application does not duplicate any filing presently before the Commission.

I further state that I have provided to the purchaser or transferee a written disclosure statement about any contributed property as required under Section 13.301(j) and copies of any outstanding Orders of the Texas Commission on Environmental Quality, the Public Utility Commission of Texas, or Attorney General and have also complied with the notice requirements in Section 13.301(k) of the Texas Water Code.

Joseph C. Desmit

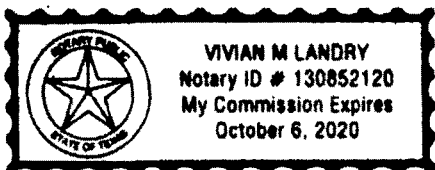
AFFIANT

(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 19th of OCTOBER, 20 17.

SEAL



Vivian M Landry

NOTARY PUBLIC IN AND FOR THE  
STATE OF TEXAS

Vivian M Landry

PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES

10/06/2020

One copy of this page must be submitted for each utility involved in this transaction.

**OATH FOR PURCHASER OR ACQUIRING ENTITY**

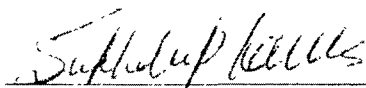
STATE OF TEXAS

COUNTY OF COLLIN

I, SUKHDEEP KAUR, being duly sworn, file this application for

sale, lease, rental or merger or consolidation 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 documents filed with this application, and have complied with all the requirements contained in the application; and, that all such statements made and matters set forth therein with respect to applicant are true and correct. Statements about other parties are made on information and belief. I further state that the application is made in good faith and that this application does not duplicate any filing presently before the Commission.

I am also authorized and do agree to be bound by and comply with any outstanding orders of the Texas Commission on Environmental Quality, the Public Utility Commission of Texas or the Attorney General which have been issued to the system or facilities being acquired and recognize that I will be subject to administrative penalties or other enforcement actions if I do not comply.



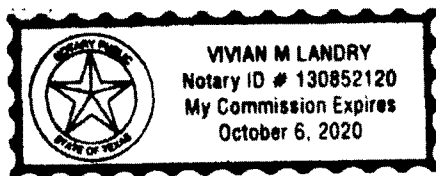
AFFIANT  
(Utility's Authorized Representative)


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.

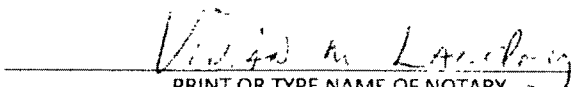
Applicant represents that all other parties to this transaction have been furnished copies of this completed application.

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public in and for the State of Texas, this  
day 19<sup>th</sup> of OCTOBER, 20 17.

SEAL



  
NOTARY PUBLIC IN AND FOR THE  
STATE OF TEXAS

  
PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES

10/06/2020

One copy of this page must be submitted for each utility involved in this transaction.

**Notice to Current Customers, Neighboring Systems and Cities**

JOE DESMIT D/B/A KNOB HILL WATER SYSTEM 'S  
(Seller's or Transferor's Name)

**NOTICE OF INTENT TO SELL FACILITIES AND TRANSFER CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) NO**

11414

TO

KNOB HILL WATER UTILITY CORP.

(Purchaser's or Transferee's Name)

IN DENTON

COUNTY, TEXAS

To: \_\_\_\_\_ Date Notice Mailed \_\_\_\_\_, 20 17  
(Name of Customer, Neighboring System or City)

(Address)

City State Zip

JOE C. DESMIT, 2861 HIGH MEADOW DR., LITTLE ELM, TX 76068

Sellers or Transferors' Name

Address

City/State/Zip Code

has submitted an application with the Public Utility Commission of Texas to sell facilities and transfer water or sewer (please select) CCN No. 11414 (WATER) in DENTON [County Name]

County to:

KNOB HILL WATER UTILITY CORP., 1555 ABBOTTS LANE, ARGYLE, TX 76226

Purchasers or Transferee's Name

Address

City/State/Zip Code

The sale is scheduled to take place as approved by the Commission (V.T.C.A., Water Code §13.301). The transaction and the transfer of the CCN include the following subdivision(s):

KNOB HILL LAKE ESTATES

The area subject to this transaction is located approximately 2 miles EAST [direction] of downtown TOWN OF LITTLE ELM, [City or Town] Texas, and is **generally** bounded on the north by

KNOB HILL/ROLLING HILLS DRIVE ; on the east by LAKE LEWISVILLE

; on the south by QUAIL RUN DRIVE ; and on the west by WILD VALLEY DRIVE

The total area being requested includes approximately 40 acres and serves 76 current customers.  
This transaction will have the following effect on the current customer's rates and services:

NONE

Affected persons may file written protests and/or request a public hearing within 30 days of this notice.

To request a hearing, you must:

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

Only those persons who submit a written request to be notified of a hearing will receive notice if a hearing is scheduled. The Commission will issue the CCN requested in the referenced application unless a hearing is scheduled to consider the transaction. If no protests or requests for hearing are filed during the comment period, the Commission may issue the CCN 30 days after publication of this notice.

Persons who wish to protest or request a hearing on this application should write the

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

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

**MS. SUKHDEEP KAUR**

Utility Representative

**KNOB HILL WATER UTILITY CORP.**

Utility Name

## Notice to Current Customers, Neighboring Systems, Landowner and Cities

\_\_\_\_\_'S NOTICE OF INTENT TO SELL FACILITIES TO  
(Seller's or Transferor's Name)

\_\_\_\_\_  
(Purchaser's or Transferee's Name) AND FOR \_\_\_\_\_  
Purchaser's or Transferee's Name)

TO OBTAIN OR AMEND A CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) IN  
\_\_\_\_\_  
COUNTY, TEXAS

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

\_\_\_\_\_  
(Address)  
\_\_\_\_\_  
City State Zip

Sellers or Transferors' Name	Address	City/State/Zip Code
------------------------------	---------	---------------------

has submitted an application with the Public Utility Commission of Texas to sell water or sewer (please select) Facilities in \_\_\_\_\_ [County Name] County to:

Purchasers or Transferee's Name	Address	City/State/Zip Code
---------------------------------	---------	---------------------

The transferee has also requested to obtain/amend a CCN in this application. The sale is scheduled to take place as approved by the Commission (Texas Water Code §13.301). The transaction and the proposed service area include the following subdivision(s):

The area subject to this transaction 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 serves \_\_\_\_\_ current customers. This transaction will have the following effect on the current customer's rates and services \_\_\_\_\_

Affected persons may file written protests and/or request a public hearing within 30 days of this notice.

To request a hearing, you must:

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

Only those persons who submit a written request to be notified of a hearing will receive notice if a hearing is scheduled. The Commission will issue the CCN requested in the referenced application unless a hearing is scheduled to consider the transaction. If no

protests or requests for hearing are filed during the comment period, the Commission may issue the CCN 30 days after publication of this notice.

Persons who wish to protest or request a hearing on this application should write the

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

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

---

Utility Representative

---

Utility Name



**ATTACHMENT TO APPLICATION FOR THE SALE, TRANSFER,  
OR MERGER OF A RETAIL PUBLIC UTILITY**

Transferor: Joe C. Desmit d/b/a Knob Hill Water System

RN 102672433 CN 601356991

Transferree: Knob Hill Water Utility Corp.

System: Water CCN No. 11414

TCEQ Public Water System ID No. 0610068

**ITEM B.5.: LIST OF CUSTOMERS**

Account #	Name and address
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01-0010-00	Rachel and Jacob Akins, 2910 High Meadow, Little Elm,Tx 75068 940-442-3700
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01-00890-00	Mary Alexander,10853 Rolling Hills. Little Elm, Tx 75068 214-968-1353
-------------	--

10-00010-00	Sharon Allen, 916 Carter, Little Elm, Tx 75068 214-762-2698
-------------	--

02-00010-00	Cassidy Baker, 2870 Knob Hill, Little Elm,Tx 75068 940-594-2366
-------------	--

03-00010-00	Carl and Diana Barker, 10690 Woodcrest, Little Elm, Tx 75068 214-354-3708
-------------	--

05-00010-00	Robert and Oksana Buss, 10641 Rolling Hills, Little Elm, Tx 75068 972-740-6959
-------------	---

01-00610-00	Rakesh Chanana, 10928 Rolling Hills, Little Elm, Tx 75068 214-745-1575
-------------	---

07-00010-00	Mark and Melody Carter, 914 Carter, Little Elm, Tx 75068
-------------	--

	972-317-6319
01-00730-00	Gary Cleaver, 10650 Woodcrest, Little Elm, Tx 75068
	775-217-9612
12-00010-00	Charles Elders, 2923 High Meadow, Little Elm, Tx 75068
	972-249-5055
01-00210-00	Charles and Phyllis Elmore, 10846 Rolling Hills, Little Elm, Tx 75068
	940-632-8552
25-00010-00	Art and Becky Evans, 10684 Briarwood, Little Elm,Tx 75068
	469-571-7272
01-00760-00	Jason Faigle, 2860 High Meadow, Little Elm, Tx 75068
	214-608-2468
14-00010-00	Jimmy Fougrousse, 10585 Rolling Hills, Little Elm, Tx 75068
	817-247-5039
01-00770-00	Elizabeth and Raymond Garcia, 10596 Rolling Hills, Little Elm, Tx 75068
	972-900-4979
15-00010-00	Lavell and Virginia Garner, 2805 Lakecrest, Little Elm, Tx 75068
	214-695-7304
16-00010-00	Ronnie Gatten, 2965 High Meadow, Little Elm, Tx 75068
	469-323-1147
17-00010-00	Tim and Sherre George, 10638 Briarwood, Little Elm, Tx 75068
	214-697-0229
01-00830-00	Leslie Giddens, 2960 High Meadow, Little Elm, Tx 75068
	972-217-6786
01-00690-00	Destin and Ashley Gilmer, 10631 Rolling Hills, Little Elm, Tx 75068

	469-922-3947
01-00700-00	Christopher and Titiana Graves, 10615 Rolling Hills, Little Elm, Tx 75068 972-510-4088
01-00710-00	James Greenlee, 10661 Woodcrest, Little Elm, Tx 75068 972-922-8090
01-00480-00	Matt and Stacy Hale, 10708 Rolling Hills, Little Elm, Tx 75068 972-822-6801
23-00010-00	Daniel and Sharla Hamil, 3913 S. Shore Circle, Little Elm, Tx 75068 972-292-1174
01-00880-00	Sean and Lisa Hyman, 10667 Rolling Hills, Little Elm, Tx 75068 817-528-0125
01-00020-00	Bobby Jackson, 10530 Quail Run, Little Elm, Tx 75068 214-543-2778
01-00470-00	Amber and Blake Jameson, 2810 Wild Valley, Little Elm, Tx 75068 214-404-6209
01-00030-00	Linda Janssen, 10657 Briarwood, Little Elm, Tx 75068 469-233-4894
01-00040-00	Herman and Judy Janzen, 2722 Knob Hill, Little Elm, Tx 75068 972-345-2107
01-00050-00	Brandon Jarrett, 10676 Rolling Hills, Little Elm, Tx 75068 469-438-9172
01-00720-00	Alex and Vivian Landry, 10525 Rolling Hills, Little Elm, Tx 75068 801-710-3927
01-00860-00	James ND Allie Lawler, 3222 Knob Hill, Little Elm, Tx 75068

	281-543-4613
01-00070-00	Steve and Marilyn Leary, 2770 High Meadow, Little Elm, Tx 75068 972-467-6846
01-00090-00	Rockford McCurdy, 2928 High Meadow, Little Elm, Tx 75068 972-800-8429
01-00120-00	Timothy Moeykens, 10970 Rolling Hills, Little Elm, Tx 75068 972-294-1173
01-00140-00	Sam and Jan Morgan, 3082 Turtle Pond, Little Elm, Tx 75068 214-695-3606
01-00150-00	Barbara Mueller, 2048 Turtle Pond, Little Elm, Tx 75068 214-649-4078
01-00800-00	Jose Nevarez, 902 Carter, Little Elm, Tx 75068 214-995-3129
01-00160-00	Richard and Lola Nicholson, 2828 High Meadow, Little Elm, Tx 75068 972-294-0080
01-00170-00	John and Kim O’Glee, 10579 Briarwood, Little Elm, Tx 75068 972-904-9301
01-00100-00	Mike and Dana O’Glee, 2718 High Meadow, Little Elm, Tx 75068 972-203-7802
01-00180-00	Greg Overstreet, 10969 Rolling Hills, Little Elm, Tx 75068 972-252-2469
01-00190-00	Patrick and Carrie Parmer, 2868 Knob Hill, Little Elm, Tx 75068 214-385-3824
01-00780-00	Morgan and Amanda Paul, 2969 Wild Valley, Little Elm, Tx 75068

	214-693-1664
01-00200-00	Gregory and Joyce Peck, 2890 High Meadow, Little Elm, Tx 75068 972-877-9438
01-00230-00	Kim and Jeff Peters, 11076 Rolling Hills, Little Elm, Tx 75068 972-679-6234
01-00240-00	Glenn and Sherry Pfullman, 2758 Knob Hill, Little Elm, Tx 75068 214-673-1288
01-00260-00	Goldie Redmon, 2747 Knob Hill, Little Elm, Tx 75068 972-294-2626
01-00270-00	Dennis and Kay Reed, 912 Cove Trail, Little Elm, Tx 75068 972-342-3893
01-00280-00	Dennis and Kay Reed, 915 Cove Trail, Little Elm, Tx 75068 972-342-3893
0-1-00290-00	Kimberly Reil-Money and Joel Money, 10580 Briarwood, Little Elm, Tx 972-748-4728
01-00310-00	William and Deborah Rice, 10775 Rolling Hills, Little Elm, Tx 75068 817-881-6526
01-00330-00	Vickie Rodgers, 2989 Knob Hill, Little Elm, Tx 75068 214-407-6443
01-00740-00	Ricky Rubio, 2988 Knob Hill, Little Elm, Tx 75068 214-854-8405
01-00340-00	Mickey and Janet Rutledge, 2859 Knob Hill, Little Elm, Tx 75068 972-294-3606
01-00750-00	Angela Sanchez, 10570 Rolling Hills, Little Elm, Tx 75068

469-951-4576

01-00350-00 Don and Julia Scharnweber, 2903 High Meadow, Little Elm, Tx 75068  
972-294-1417

01-00600-00 Joseph and Jennifer Seifert, 10651 Rolling Hills, Little Elm, Tx 75068  
214-208-8379

01-00360-00 Greg Shaw, 3086 Knob Hill, Little Elm, Tx 75068  
214-546-2598

01-00370-00 Tori Shields, 10633 Briarwood, Little Elm, Tx 750687  
817-905-8674

01-00380-00 Justin and Dana Skorupski, 2824 Knob Hill, Little Elm, Tx 75068  
972-795-3475

01-00390-00 Monty Slough, 10438 Quail Run, Little Elm, Tx 75068  
940-735-5365

01-0400-00 Don and Glenda Smith, 2951 High Meadow, Little Elm, Tx 75068  
214-684-9024

01-00820-00 Zach and Shaleena Stone, 2825 High Meadow, Little Elm, Tx 75068  
214-516-5411

01-00530-00 Bruce and Lynn Tackett, 2893 Lakecrest, Little Elm, Tx 75068  
214-293-7002

01-00870-00 James and Lisa Thompson, 10612 Briarwood, Little Elm, Tx 75068  
972-978-4036

01-00520-00 Alden and Bethany Underhill, 2792 High Meadow, Little Elm, Tx 75068  
707-363-9175

01-00420-00 Kim and Charles Venable, 2793 Knob Hill, Little Elm, Tx 75068

972-292-1075

01-00420-00

Greg Vencevich, 920 Carter, Little Elm, Tx 75068

972-464-9230

01-00460-00

Chris and Rachel Wehrwein, 2746 High Meadow, Little Elm, Tx 75068

972-294-9559

01-00840-00

Mitch Wolfe, 3063 Knob Hill, Little Elm, Tx 75068

972-989-8131

ATTACHMENTS TO APPLICATION FOR SALE, TRANSFER,  
OR MERGER OF A RETAIL PUBLIC UTILITY

Transferor: Joseph C. Desmit d/b/a Knob Hill Water System  
RN 102672433 CN 601356991

Transferee: Knob Hill Water Utility Corp.

System: Water CCN No. 11414  
TCEQ Public Water System Identification No. 0610068

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Part C.11.A. Experience and qualifications of the applicant to provide adequate utility service to the requested area

Applicant has entered into a Consulting Agreement with the current individuals who operate the system, and have operated the system continuously since 1994, to run the day-to-day operation of the system. The applicant therefore will have the exact same experience and qualifications as the transferor/current owner to provide adequate utility service to the requested area. Additionally, the President of Applicant has obtained her Class D Water Operator License and will be trained by the Transferor pursuant to the Consulting Agreement to operate this particular water system in the same manner as the current owner.



Part C.11.D. Describe the anticipated impact of this transaction on the quality of utility service and explain any anticipated changes in the quality of service.  
There will be no impact of this transaction on the quality of utility service. The Buyer/Transferee has entered into a consulting agreement with the Seller/current owner to manage the system for four months after Buyer purchases the system, during which time the Buyer will also train Buyer how to operate the system. The impact to the quality of service would occur if this transaction did not occur. Seller is an individual in need of retiring from active work, including managing the system on a daily basis. This transaction is practically necessary in order to continue proper operation of the system.

Part C.11.E. How will the transaction serve the public interest?  
It is in the public's interest that the Knob Hill Estates subdivision be provided with continuous and adequate water service. This system's certificated area only includes the Knob Hill Estates subdivision, an 80 lot single family residential development on the shoreline of Lewisville Lake where it is still not economical to extend another area retail public utility's lines. This system is a groundwater-based system and therefore has all the normal and ordinary costs and operational requirements of such a system. The seller is an individual who has reached retirement age and therefore needs to transfer this obligation to serve the public interest. The Buyer is technically and financially qualified to continue this system's public service to its certificated area, such that this transaction will have no effect in quality or continuity of service.

Part C.12. Please describe the nature of the proposed transaction:  
This system was originally designed to serve only the Knob Hill Estates subdivision, an 80 lot single family residential subdivision. The individual seller has reached retirement age and so it is time to pass along the obligations to operate this retail water utility. The seller holds a Class D water operator license. Purchaser's President has obtained her Class D water operator licenses, and Purchaser has contracted with Seller to provide consulting services for four months after the transfer of the system, during which time Seller will train Purchaser how to operate the system. The transaction preserves the status quo for the certificated area, which is all that is necessary to ensure continued and adequate service to the certificated area.

Part F.24.b.3. A written description of the proposed service area.  
The proposed service area will not change. CCN 11414 covers, and the water utility will serve, the Knob Hill Estates single family residential subdivision, bounded on the West by Wild Valley Road, the North by Knob Hill Drive, the West by Lake Lewisville, the South by Quail Run Drive and Turtle Pond Circle, and also including the residences on High Meadow Drive, Rolling Hills Drive, Briarwood Lane, Woodcrest Lane and Lakecrest Drive, Denton County, Texas 75068.



## Office of the Secretary of State

### CERTIFICATE OF FILING OF

KNOB HILL LAKE ESTATES WATER UTILITY CORP.

File Number: 802847986

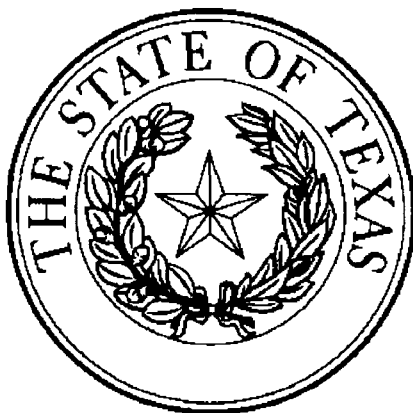
The undersigned, as Secretary of State of Texas, hereby certifies that a Certificate of Formation for the above named Domestic For-Profit Corporation has been received in this office and has been found to conform to the applicable provisions of law.

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

The issuance of this certificate does not authorize the use of a name in this state in violation of the rights of another under the federal Trademark Act of 1946, the Texas trademark law, the Assumed Business or Professional Name Act, or the common law.

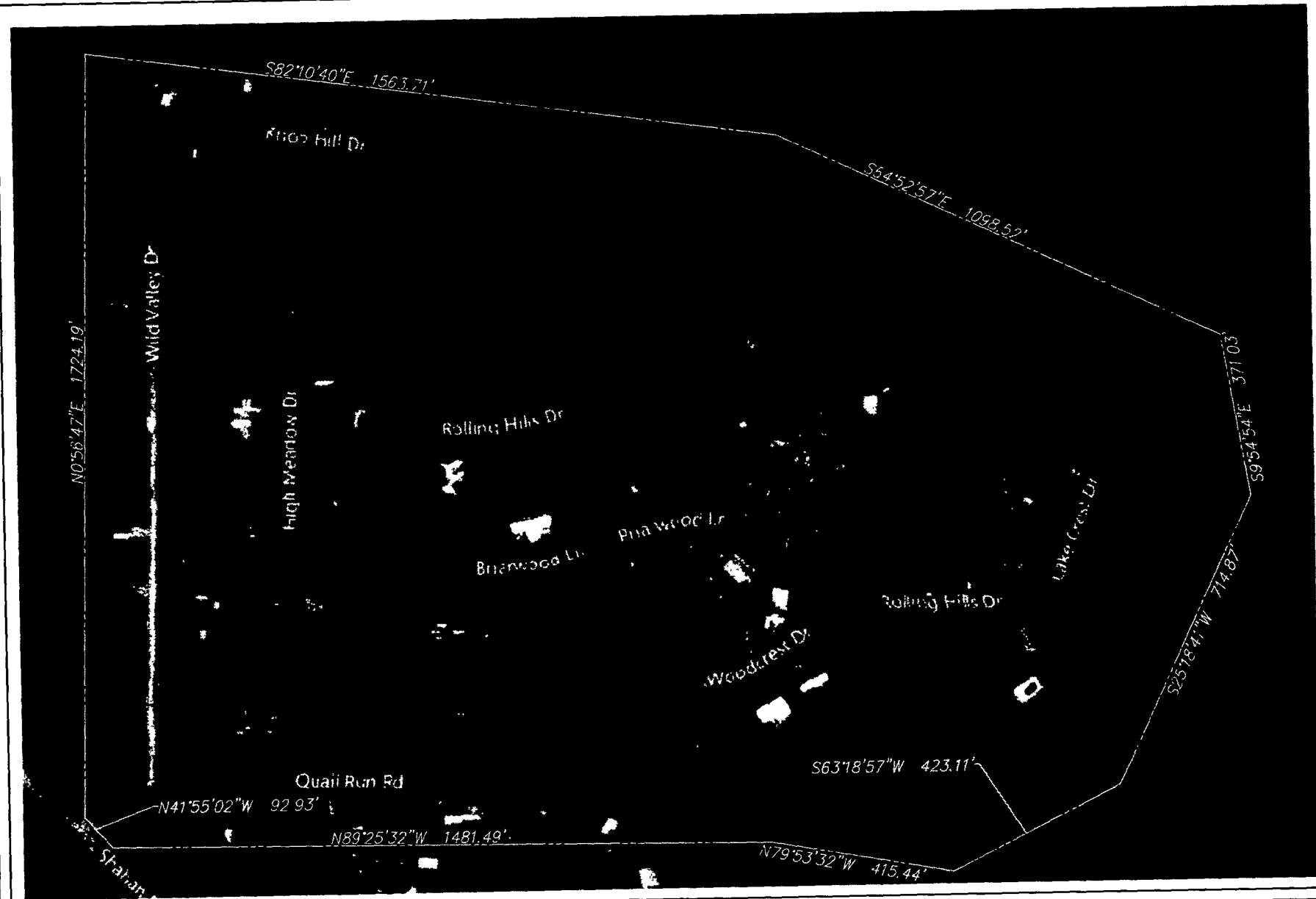
Dated: 10/29/2017

Effective: 10/29/2017

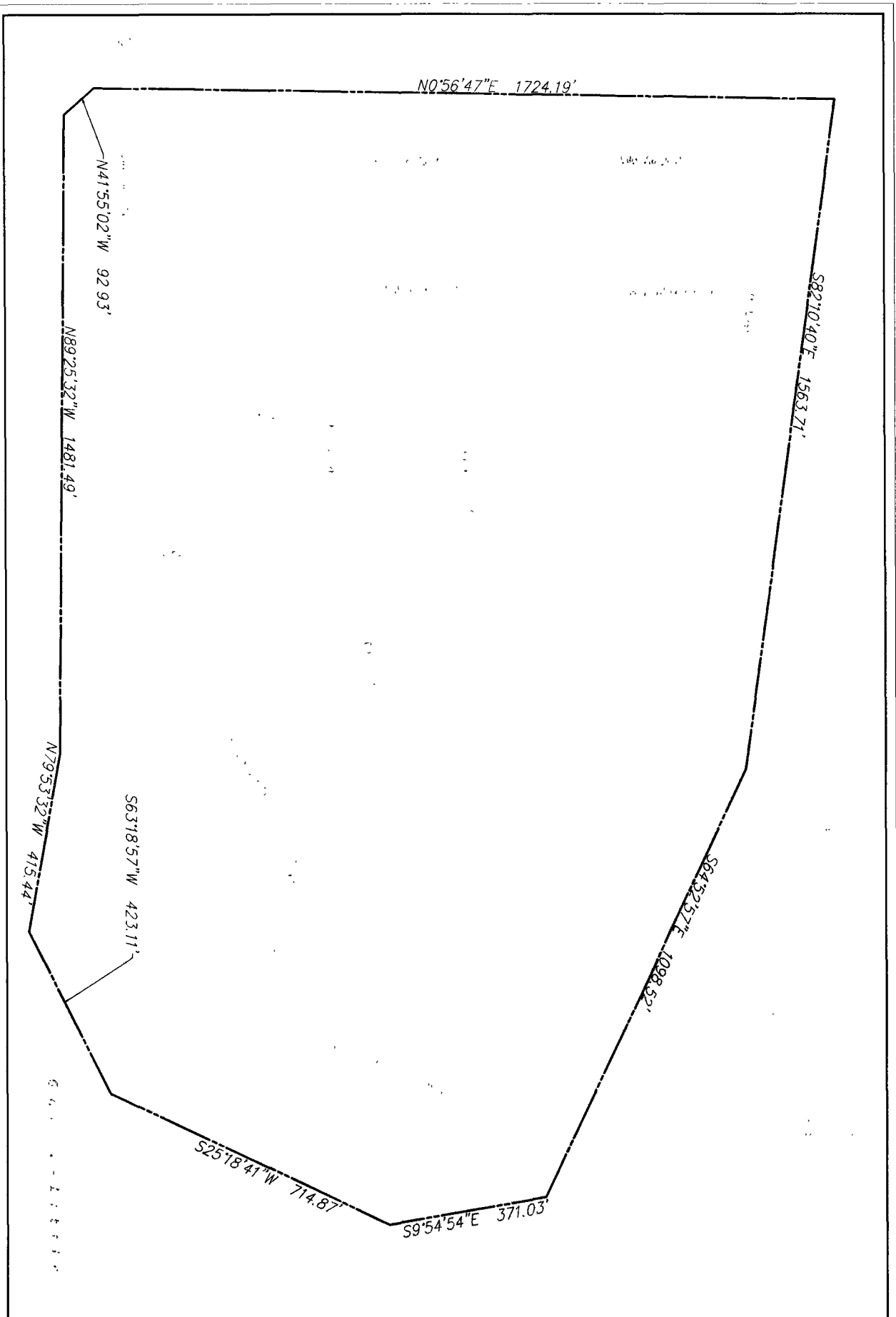




A handwritten signature in black ink, appearing to read "R. Pablos".

Rolando B. Pablos  
Secretary of State



<b>CCN DELINEATION</b> 11414 KNOB HILL LITTLE ELM, TEXAS			Winkelman & Associates, Inc. CIVIL ENGINEERS & SURVEYORS 11414 Knob Hill Little Elm, Texas 75040 (972) 261-1111 www.winkelman.com	DATE: 10/09/2017 BY: [Signature] CHECKED BY: [Signature]	REASON: DATE ISSUED BY: [Signature]	APPROVED BY: [Signature]
	034					



035	<b>CCN DELINEATION</b> 11414 KNOB HILL LITTLE ELM, TEXAS	 10/09/2017	 <b>Winkelman &amp; Associates, Inc.</b> <small>CONSULTING CIVIL ENGINEERS &amp; SURVEYORS          11414 KNOB HILL, SUITE 100          LITTLE ELM, TEXAS 79409          Phone: 409-766-1100          Fax: 409-766-1101          Email: info@winkelman.com          Copyright © 2016, Winkelman &amp; Associates, Inc.</small>	No.	DATE	REVISION	APPROV.

**Mark McPherson**

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**From:** noreply@puc.texas.gov  
**Sent:** Thursday, November 02, 2017 4:38 PM  
**To:** mark@texasenvironmentallaw.com  
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### Tracking Number: TSJLFSIZ

**Filing Submitted on** 11/2/2017 4:38:21 PM

**Control Number** *A new control number was requested.*

**Filing Party** Knob Hill Lake Estates Water Utility Corp.

**Filing Type** MISCELLANEOUS

**Description** Application for Sale, Transfer, or Merger of a Retail Public Utility

**Documents** 2017-10-09 24940-CCN Delineation Exhibit (Aerial).pdf  
2017-10-09 24940-CCN Delineation Exhibit.pdf  
24940-CCN Delineation Exhibit.dwg  
STM Application Binder.pdf

**Addendum Included** No

**Submitted By** Mark McPherson  
15950 Dallas Parkway  
Suite 400  
Dallas, TX 75248  
2147227096  
[mark@texasenvironmentallaw.com](mailto:mark@texasenvironmentallaw.com)