



Control Number: 48083



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 **48083**

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

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

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

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

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

### Purpose of Application

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

### 1. Applicant Information

#### Applicant

Utility name: Park Water Company

Certificate number:

Street address (City/ST/ZIP/Code): 7107 FM 307, Midland, Texas 79706

Mailing address(City/ST/ZIP/Code): 7107 FM 307, Midland, Texas 79706

Utility Phone Number and Fax: (432) 687-2070 (432) 687-3545

#### 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: Richard Hamala / Rich Oller

Title: Attorney / Engineer

Mailing address: 102 N Railroad Pflugerville, TX 78660 / 6812 Wayne Ave. Ste A Lubbock, TX 79424

Email: rhamala@tiemannlaw.com / rich.oller@oei-eng.com

Phone and Fax: 512-2511920/ fax 512-2518540  
806-9936226

List all counties in which service is proposed:

Midland County

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: 0802526497
- iii. A listing of all stockholders and their respective percentages of ownership.
- iv. A copy of the company's organizational chart, if available.
- v. A list of all directors and disclose the title of each individual.
- vi. A list of all affiliated organizations (if any) and explain the affiliate's business relationship with the applicant.

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

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

## 2. Location Information

- A. Are there people already living in the proposed area?      ☒ Yes      ☐ No  
If YES, are any currently receiving utility service?      ☐ Yes      ☒ No  
If YES, from WHOM? \_\_\_\_\_

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

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

☐ Yes ☐ No

If YES, provide the following:

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

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

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

☐ Yes ☒ No

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

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

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

☐ Yes ☒ No

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

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

### 3. Map Requirements

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

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

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

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

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

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

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



W	Q						-			
---	---	--	--	--	--	--	---	--	--	--

W	Q						-			
---	---	--	--	--	--	--	---	--	--	--

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

[illegible]

- Attach additional sheet(s) if necessary -

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

- ☐ Yes
- ☐ No

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

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

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

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

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

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

G. Effect of Granting a Certificate Amendment.

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

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

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

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

ii. Yes, Water

Purchased on a ☐ Regular ☐ Seasonal ☐ Emergency basis?

Water Source	% of Total Treatment
	0.00%

Water Source	% of Total Treatment
	0.00%
	0.00%

iii. ☐ Yes, Sewer treatment capacity

Purchased on a ☐ Regular ☐ Seasonal ☐ Emergency basis?

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

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

I. Ability to Provide Adequate Service.

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

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

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

## 6. Financial Information

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



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

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

B. For existing water and/or sewer systems:

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

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

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

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

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

## 7. Notice Requirements

- A. All proposed notice forms must be completed and submitted with the application. Do not mail or publish the notices until you receive written approval from the commission to do so.
- B. The commission cannot grant a CCN until proper notice of the application has been given. Commission rules do not allow a waiver of notice requirements for CCN applicants.
- C. It is the applicant's responsibility to ensure that proper notice is given to all entities that are required to receive notice.
- D. Recommended notice forms for publication, neighboring cities and systems, landowners with 25 acres or more, and customers are included with this application for use in preparing proposed notices. (Notice forms are available in Spanish upon request.)
- E. After reviewing and, if necessary, modifying the proposed notice, the commission will send the notice to the applicant after the application is accepted for filing along with instructions for publication and/or mailing. Please review the notice carefully before providing the notice.
- F. Notice For Publication:  
The applicant shall publish the notice in a newspaper with general circulation in the county(ies) where a CCN is being requested. The notice must be published once each week for two consecutive weeks beginning with the week after the notice is received from the commission. Proof of publication in the form of a publisher's affidavit shall be submitted to the commission within 30 days of the last publication date. The affidavit shall state with specificity each county in which the newspaper is of general circulation.
- G. Notice To Neighboring Utilities:
  - i. List all neighboring retail public utilities and cities providing the same utility service within the following vicinities of the applicant's proposed certificate area.
  - ii. For applications for the issuance of a NEW CCN, the applicant must mail the notice with a copy of the proposed CCN map to all cities and neighboring retail public utilities providing the same utility service within five (5) miles of the requested service area.

- iii. For applications for the AMENDMENT of a CCN, the applicant must mail the notice with a copy of the proposed CCN map to all cities and neighboring retail public utilities providing the same utility service within two (2) miles of the requested service area.

H. Notice to Customers:

Investor Owned Utilities (IOUs) that are currently providing service without a CCN must provide individual mailed notice to all current customers. The notice must contain the current rates, the date those rates were instituted and any other information required in the application.

- I. The commission may require the applicant to deliver notice to other affected persons or agencies.

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

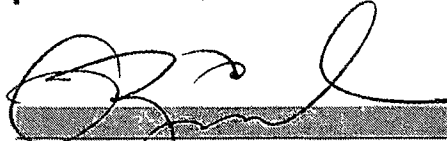
# OATH

STATE OF TEXAS  
COUNTY OF TRAVIS

I, Michael Zippich, 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.

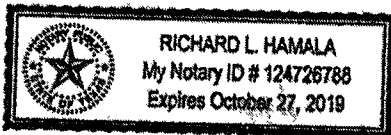
**I further represent that the Applicant will provide continuous and adequate  
service to all customers and qualified applicants for service within its certificated  
service area.**

  
\_\_\_\_\_  
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 16th of February 20 18

SEAL



Richard L. Hamala  
NOTARY PUBLIC IN AND FOR THE  
STATE OF TEXAS

Richard L. Hamala  
PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES October 27, 2019

## Notice for Publication

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

MIDLAND COUNTY(IES), TEXAS

Name of Applicant Park Water Company has filed an application for a CCN to obtain or amend CCN No. (s) n/a and to decertify a portion(s) of n/a 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

Midland County (ies).

The proposed utility service area is located approximately 7 miles east [direction] of downtown Midland, [City or Town] Texas, and is generally bounded on the north by FM 307; on the east by South County Road 1120; on the south by East County Rd 120; and on the west by South County Road 1058

The total area being requested includes approximately 478 acres and 0 current customers.

A copy of the proposed service area map is available at (Utility Address and Phone Number): 7107 FM 307, Midland Texas 79706

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

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

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

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

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

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

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

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

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

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

## Notice to Neighboring Systems, Landowners and Cities

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

MIDLAND COUNTY(IES), TEXAS

To: Greenwood Water Corporation Date Notice Mailed            20             
(Neighboring System, Landowner or City)

7107 FM 307

(Address)

Midland Texas 79706

City State Zip

Name of Applicant Park Water Company has filed an application for a  
CCN to obtain or amend CCN No. (s) n/a 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 Midland County(ies).

The proposed utility service area is located approximately 7 miles east  
[direction] of downtown Midland, [City or Town] Texas, and is  
generally bounded on the north by FM 307; on the east by  
South County Road 1120; on the south by East County Rd 120; and on the west by South County Road 1050

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

The total area being requested includes approximately 478 acres and 0  
current customers.

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

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

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

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

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

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

## 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

MIDLAND COUNTY(IES), TEXAS

Dear Customer: \_\_\_\_\_ Date Notice Mailed 1/14/14 20 14

Name of Applicant Park Water Company has filed an application for a CCN to obtain or amend CCN No. (s) n/a and to decertify a portion(s) of n/a 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 Midland County(ies).

The proposed utility service area is located approximately 7 miles east  
[direction] of downtown Midland, [City or Town] Texas.

A copy of the proposed service area map is available at (Utility Address and Phone Number): 7107 FM 307, Midland Texas 79706

The current utility rates which were first effective on n/a 20 14

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%	
\$	_____
\$	_____
\$	_____
\$	_____
\$	_____
\$	_____
\$	_____
\$	_____
\$	_____
\$	_____

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



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

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

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

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

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

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

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

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

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

## HISTORICAL BALANCE SHEETS

	CURRENT YEAR (A)	A-1 YEAR	A-2 YEAR	A-3 YEAR	A-4 YEAR	A-5 YEAR
<b>CURRENT ASSETS</b>						
Cash						
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>						

N.A. New Utility and New System

## HISTORICAL INCOME STATEMENT

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

N.A. New Utility and New System

## 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						

N.A. New Utility and New System

## PROJECTED BALANCE SHEETS

	START UP	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
<b>CURRENT ASSETS</b>						
Cash	0	0	0	0	0	0
Accounts Receivable	0	0	0	0	0	0
Inventories	0	0	0	0	0	0
Income Tax Receivable	0	0	0	0	0	0
Other	0	0	0	0	0	0
<b>Total</b>	0	0	0		0	0
<b>FIXED ASSETS</b>						
Land	0	0	0	0	0	0
Collection/Distribution Sys.						
Buildings						
Equipment	3,966,386	4,507,279	4,507,279	4,507,279	5,331,057	5,331,057
Other						
Less: Accum. Depreciation or Reserves	0	-120,194	-256,778	-393,362	-529,946	-691,493
<b>Total</b>	3,966,386	4,387,085	4,250,501	4,113,917	4,801,111	4,639,564
<b>TOTAL ASSETS</b>	3,966,386	4,387,085	4,250,501	4,113,917	4,801,111	4,639,564
<b>CURRENT LIABILITIES</b>						
Accounts Payable	0	0.00	0.00	0.00	0.00	0.00
Notes Payable, Current	0	0.00	0.00	0.00	0.00	0.00
Accrued Expenses	0	0.00	0.00	0.00	0.00	0.00
Other	0	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	0	0.00	0.00	0.00	0.00	0.00
<b>LONGTERM LIABILITIES</b>						
Notes Payable, Long-term	3,966,386	4,507,279	4,507,279	4,507,279	5,331,057	5,331,057
Other	0	0	0	0	0	0
<b>TOTAL LIABILITIES</b>	3,966,386	4,507,279	4,507,279	4,507,279	5,331,057	5,331,057
<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
<b>METER NUMBER King/Chaney</b>						
Existing Number of Taps	0	95	190	285	380	
New Taps per Year	95	95	95	95	95	
Total Meters at Year End	95	190	285	380	475	
<b>METER REVENUE</b>						
Fees Per Meter	990	990	990	990	990	
Cost Per Meter	686	686	686	586	487	
Operating Revenue Per Meter	304	304	304	403	503	
<b>GROSS WATER REVENUE</b>						
Collection/Distribution Sys.	94,027	188,054	282,082	376,109	470,136	
Other						
Gross Income	94,027	188,054	282,082	376,109	470,136	
<b>OPERATING EXPENSES</b>						
General & Administrative	65,186	130,372	195,558	222,842	231,173	
Interest						
Other (Rent)						
<b>NET INCOME King/Chaney</b>	28,841	57,682	86,523	153,267	238,963	
<b>METER NUMBER Meadows</b>						
Existing Number of Taps	0	35	70	94	118	
New Taps per Year	35	35	24	24	22	
Total Meters at Year End	35	70	94	118	140	
<b>METER REVENUE</b>						
Fees Per Meter	1,527	1,527	1,527	1,527	1,527	
Cost Per Meter	686	686	686	686	487	
Operating Revenue Per Meter	840	840	840	840	1,040	
<b>GROSS WATER REVENUE</b>						
Fees	53,432	106,865	143,504	180,144	213,730	
Other						
Gross Income	53,432	106,865	143,504	180,144	213,730	
<b>OPERATING EXPENSES</b>						
General & Administrative	24,016	48,032	64,500	80,968	68,135	
Interest						
Other (Rent)						
<b>NET INCOME Meadows</b>	29,416	58,833	79,004	99,175	145,594	
<b>TOTAL NET INCOME</b>	58,258	116,515	165,527	252,443	384,557	

## 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						
Collection/Distribution Sys.						
Professional Fees						
Other						
Total	0	0	0	0	0	
% Increase Per Year						
<b>OPERATIONAL EXPENSES (Total System)</b>						
Salaries	150,000	150,000	160,000	160,000	170,000	
Auto Expense	60,000	30,000	62,000	34,000	66,000	
Utilities Expense	25,000	32,000	40,000	45,000	52,000	
Depreciation Expense						
Repair & Maintenance	5,000	10,000	10,000	12,000	12,000	
Supplies	60,500	66,500	75,500	74,500	77,000	
Other	34,000	34,000	36,000	38,000	41,000	
Total	334,500	322,500	383,500	363,500	418,000	
% Increase Per Year		-3.59	18.91	-5.22	14.99	
<b>ASSUMPTIONS</b>						
Interest Rate/Terms						
Utility Cost/gal.						
Depreciation Schedule	120,194	136,584	136,584	136,584	161,547	
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	58,258	116,515	165,527	252,443	384,557	
Depreciation (if Funded)	120,194	136,584	136,584	136,584	161,547	
Loan Proceeds						
Other						
Total Sources	154,452	229,099	278,111	365,027	522,104	
<b>USES OF CASH</b>						
Net Loss						
Principle Portion of Pmts.						
Collection/Distribution Sys.						
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						



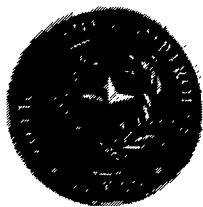


Park Water Company  
Appendices  
For  
Application to Obtain or Amend a Water or Sewer  
Certificate of Convenience and Necessity (CCN)

Contents of Appendix	Application Section	Page
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List of Affiliated Organizations	1.B.vi	7
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Appendix 1.B.i

Certification of Account Status

**Franchise Tax Account Status**

As of : 02/10/2018 19:09:17

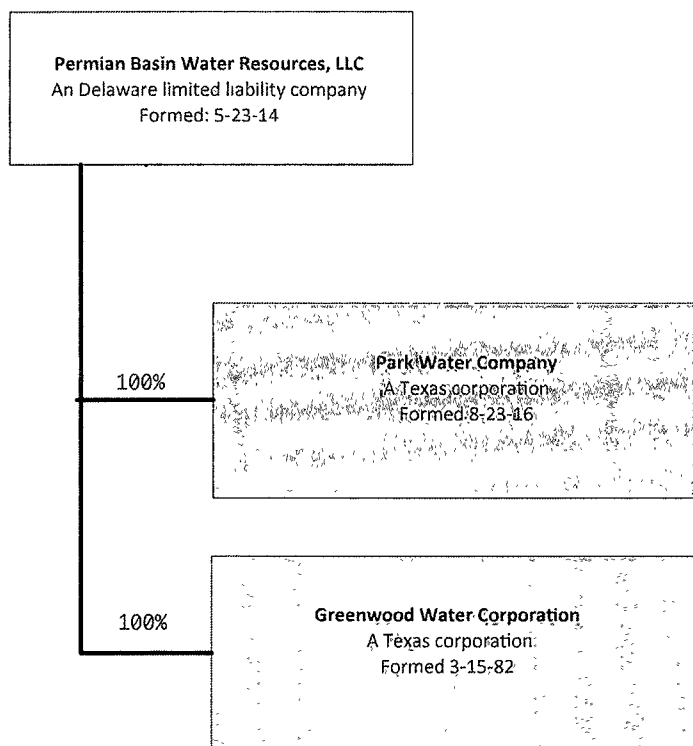
**This Page is Not Sufficient for Filings with the Secretary of State****PARK WATER COMPANY****Texas Taxpayer Number** 32061371350**Mailing Address** 700 LAVACA ST STE 1401 AUSTIN, TX 78701-3101**Right to Transact Business in Texas** ACTIVE**State of Formation** TX**Effective SOS Registration Date** 08/23/2016**Texas SOS File Number** 0802526497**Registered Agent Name** REGISTERED AGENTS INC.**Registered Office Street Address** 700 LAVACA, STE 1401 AUSTIN, TX 78701

Appendix 1.B.iii

Listing of Stockholders and Percentage of Ownership

Stockholder Name	Percentage of Ownership
Permian Basin Water Resources, LLC, an Arizona limited liability company	100%

## Appendix 1B.iv Organizational Chart



Appendix 1.B.v

List of Directors

Director Name	Title
Michael Zipprich	President

Appendix 1.B.vi

List of Affiliated Organizations

Permian Basin Water Resources, LLC	Sole owner and parent of the Applicant.
Park Sewer Company	Commonly owned affiliate of applicant that is intended to provide sewer service in the proposed service area.
Greenwood Water Corporation	Commonly owned affiliate of applicant that provides water utility service.



## Appendix 2.B

### Need for Service

Michael Zipprich created Park Water Company for the purpose of providing potable water service to three land development projects that are controlled by Mr. Zipprich. The three projects are located in an unincorporated area known as Greenwood that is located in Midland County east of Midland, Texas. The three projects are intended to be served by two separate public water systems operating under a single certificate of convenience and necessity. The names and owners of the projects and the projected demand for water service in the three projects are shown in the table below:

King Ranch/Chaney Public Water System			
Project	Owner	Phase	Number of Lots
King Ranch/Chaney	King 261, LLC/Texas 156, LLC	1	400
		2	248
		3	224

Meadows Public Water System			
Project	Owner	Phase	Number of Lots
Meadows	Meadows 78, LLC	1	68
		2	69
		3	62

The only existing water service provider within two miles of the three land development projects is Greenwood Water Corporation. Greenwood Water Corporation and Park Water Company are commonly owned by Permian Basin Water Resources, LLC and are both controlled by Mr. Zipprich. Mr. Zipprich and his engineering consultants have determined that creating new water systems is more economic and more feasible than increasing the capacity and extending the facilities of Greenwood Water Corporation for the purpose of serving the three land development projects.

The groundwater in the Greenwood area contains naturally occurring arsenic. A monitored community water system is more reliable for removing and controlling contaminants as compared to individual private water wells. Additionally, as compared to individual private water wells, community water systems will facilitate achieving the development density that is planned for the projects.

Portions of the projects have obtained approved plats as follows:

Subdivision	Date of Approved Plat	Document Number
Chaney Ranch Addition	9/25/2014	2014-22454
Meadows Addition		
King Ranch		

Appendix 2.B.iv

Landowner Requests for Service Letters

**Meadows 78, LLC  
7144 E Stetson Drive Ste. C-200  
Scottsdale, AZ 85251**

November 15, 2017

Park Water Company  
7144 E Stetson Drive Ste. C-200  
Scottsdale, AZ 85251

Subject: Request for Service for The Meadows in Midland County, Texas

Dear Sir:


This letter is a request for water service for our proposed development called The Meadows on approximately 62 acres of land located in Midland County, Texas as shown on the attached drawing. The proposed project will create 199 single-family residential lots. To our knowledge, this land is not located within the jurisdiction of any city or within the service area of any water service provider.

The plat for this development is in the process of being submitted for approval by Midland County.

We are inquiring as to whether Park Water Company can provide water service to the future residents of our planned community and look forward to receiving your response.

Your timely response to this request will be appreciated.

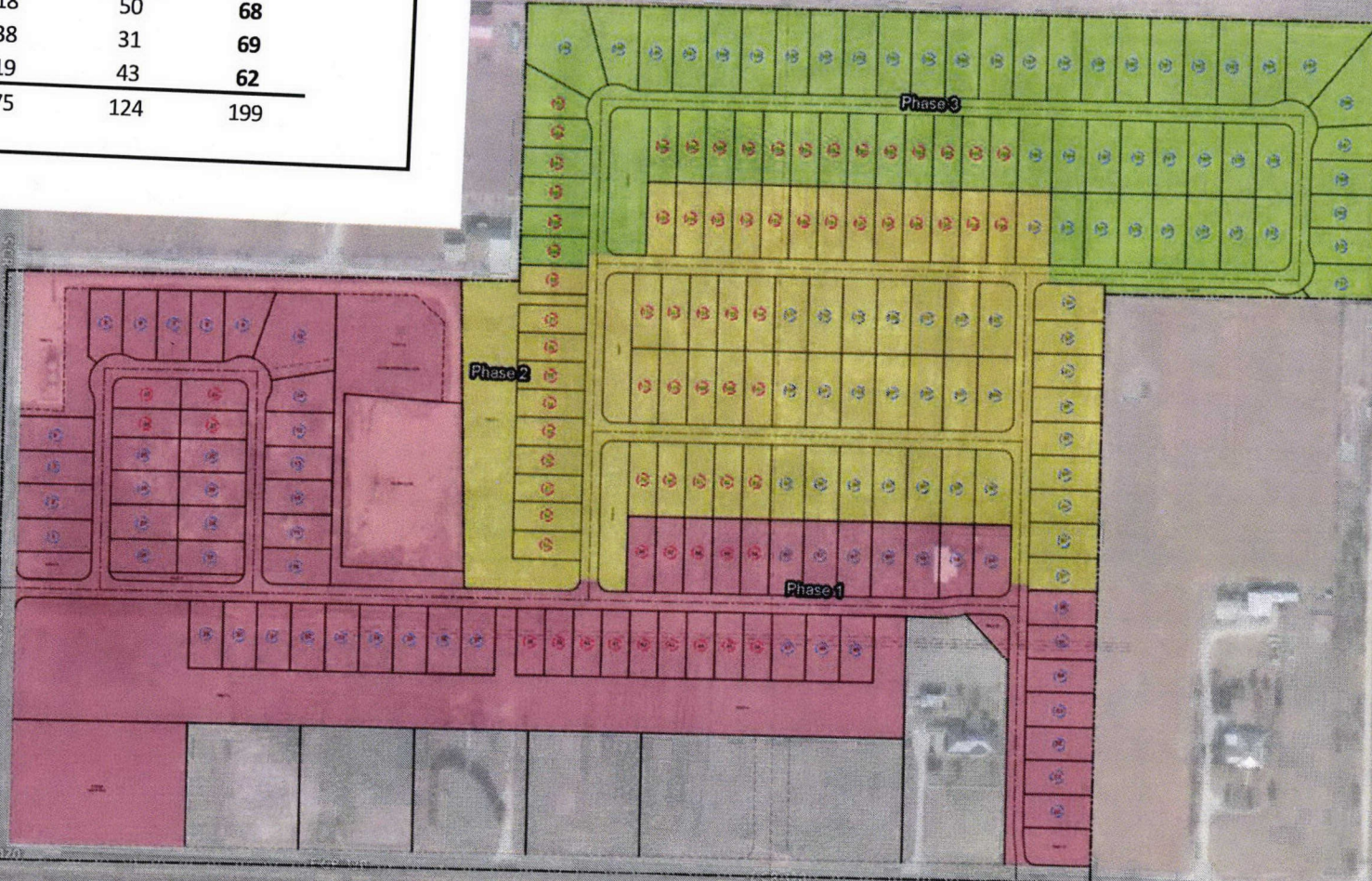
Sincerely



Mike Zipprich  
Manager



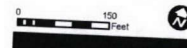
	50' x 120'	60' x 120'	Total
Phase 1	18	50	68
Phase 2	38	31	69
Phase 3	19	43	62
	75	124	199



bing

Meadows

Midland County, Texas



ueg  
united  
engineering  
group  
Phase Map



**Texas 156, LLC  
7144 E Stetson Drive Ste. C-200  
Scottsdale, AZ 85251**

November 15, 2017

Park Water Company  
7144 E Stetson Drive Ste. C-200  
Scottsdale, AZ 85251

**Subject: Request for Service for the Chaney Ranch development in Midland  
County, Texas**

Dear Sir:

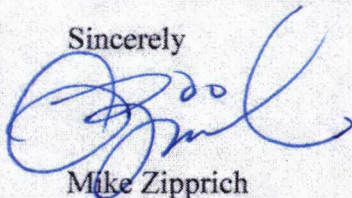
This letter is a request for water service for our proposed Chaney Ranch development on approximately 155 acres of land located in Midland County, Texas as shown on the attached drawing. The proposed project will create 107 single-family residential lots. To our knowledge, this land is not located within the jurisdiction of any city or within the service area of any water service provider.

The plats for this development have been approved by Midland County.

We are inquiring as to whether Park Water Company can provide water service to the future residents of our planned community and look forward to receiving your response.

Your timely response to this request will be appreciated.

Sincerely



Mike Zipprich  
Manager







**King 261, LLC**  
**7144 E Stetson Drive Ste. C-200**  
**Scottsdale, AZ 85251**

November 15, 2017

Park Water Company  
7144 E Stetson Drive Ste. C-200  
Scottsdale, AZ 85251

**Subject:** Request for Service for the King Ranch development in Midland County,  
Texas

Dear Sir:

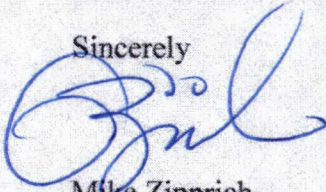
This letter is a request for water service for our proposed King Ranch development on approximately 261 acres of land located in Midland County, Texas as shown on the attached drawing. The proposed project will create 763 single-family residential lots. To our knowledge, this land is not located within the jurisdiction of any city or within the service area of any water service provider.

This development has already been submitted to Midland County for planning and approval and should be approved by the county in the near future.

We are inquiring as to whether Park Water Company can provide water service to the future residents of our planned community and look forward to receiving your response.

Your timely response to this request will be appreciated.

Sincerely



Mike Zipprich  
Manager



**Lot Count:**  
 50' x 120' = 450  
 60' x 120' = 331  
**Total**        **781**



King Ranch

Midland County, Texas




 united  
 engineering  
 group

Conceptual Lotting Plan



### Appendix 3.0

#### Maps and GIS Data

Large scale and small scale location maps are attached separately.

GIS shapefile data is provided separately on a disk.

A written description of the proposed service area follows this cover page.

A facilities location map follows this cover page.

### Appendix 3.C.

#### Written Description of the Proposed Service Area

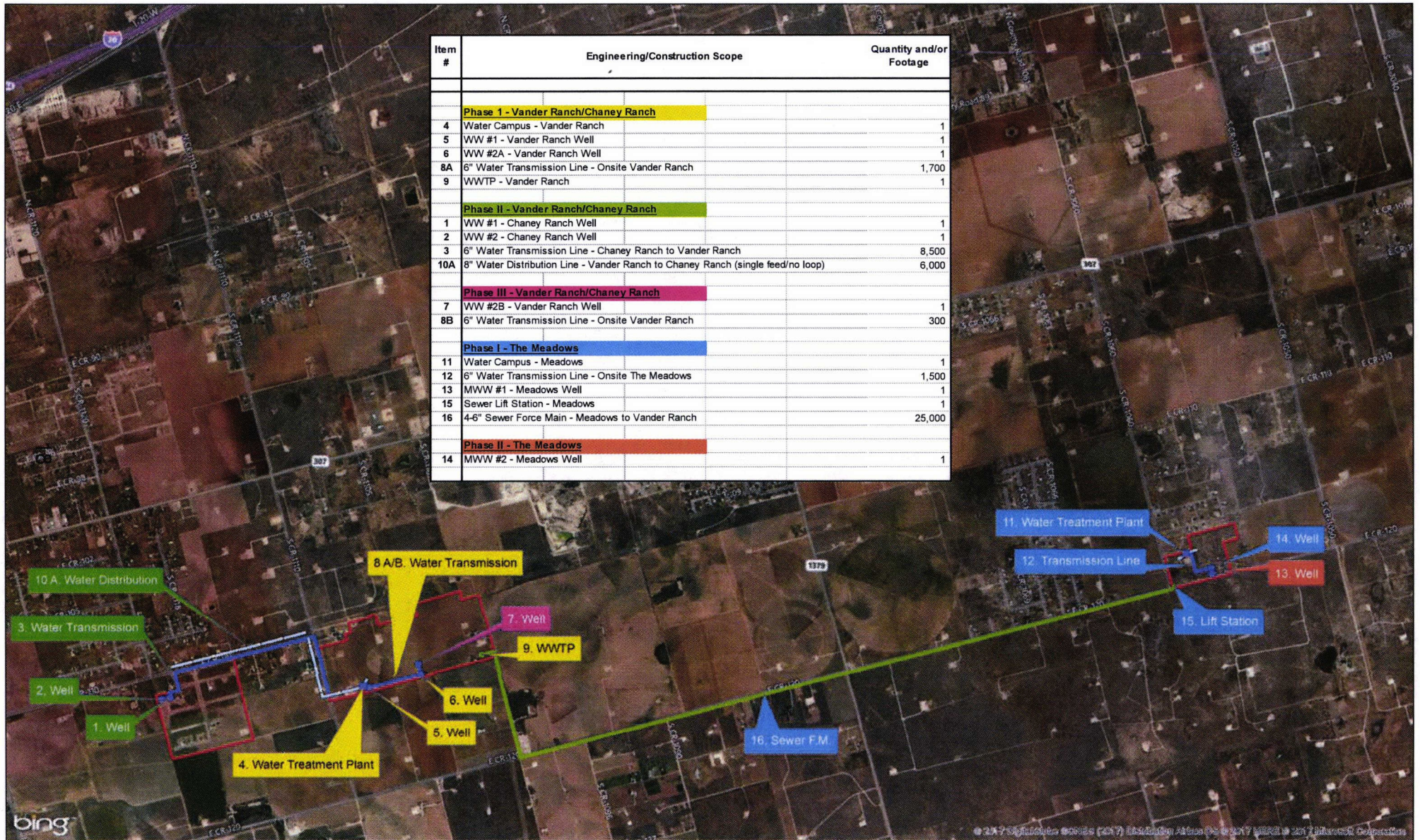
The proposed service area is comprised of three properties that are scheduled for residential development. The properties have either been granted final plat approval by Midland County or are currently in the process of obtaining plat approval.

The first area is located east of the southeast corner of County Road 110 and County Road 1120 in Midland County. This is an unincorporated area of Midland County and lies outside of the ETJ for the City of Midland. This area is referred to as the 'Greenwood Area' of Midland County. This project is 155.29 acres and has final plat approval for 107 – 1 acre and 2 acre lots. This project is referred to as 'Chaney Ranch'.

The second area is located at the northeast corner of County Road 120 and County Road 1060 in Midland County. This is an unincorporated area of Midland County and lies outside of the ETJ for the City of Midland. This area is referred to as the 'Greenwood Area' of Midland County. This project is 61.29 acres and has final plat approval for 50 – 1 acre lots. However, this project is in the process of being replatted to contain 199 lots. This project is referred to as 'Meadow Ranch'.

The third area is located at the southeast corner of County Road 110 and County Road 1110 in Midland County. This is an unincorporated area of Midland County and lies outside of the ETJ for the City of Midland. This area is referred to as the 'Greenwood Area' of Midland County. This project is 261.045 acres. This project is referred to as 'Kings Ranch'. This project is currently in the design process and will include 763 lots. The lots will vary in size from 6,000 to 8,000 SF lots. Final plat approval is anticipated during 2018.





## Permian Basin Water Resources

Midland County, Texas

0 2,375 Feet





Appendix 4.A.i

List of Public Drinking Water Systems within a 2 mile Radius

Greenwood Water Corporation	Commonly owned affiliate of the Applicant that provides water utility service.
-----------------------------	--

## Appendix 4.A.ii

### Requests for Service Letters

King 261, LLC  
7144 E Stetson Drive Ste. C-200  
Scottsdale, AZ 85251

November 1, 2017

General Manager  
Greenwood Water Corporation  
2121 S County Road 1083  
Midland, Texas 79706-5331

Subject: Request for Service for the King Ranch development in Midland County,  
Texas

Dear General Manager:

This letter is a request for water service for our proposed King Ranch development on approximately 261 acres of land located in Midland County, Texas as shown on the attached drawing. The proposed project will create 763 single-family residential lots. To our knowledge, this land is not located within the jurisdiction of any city or within the service area of any water service provider.

This planned development is not contiguous with Greenwood Water Corporation's existing certificated service area.

This development has already been submitted to Midland County for planning and approval and should be approved by the county in the near future.

We are inquiring as to whether Greenwood Water Corporation can provide water service to the future residents of our planned community and look forward to receiving your response.

Your timely response to this request will be appreciated.

Sincerely



Mike Zipprich  
Manager



**Lot Count:**  
 50' x 120' = 450  
 60' x 120' = 331  
**Total**      781



King Ranch

Midland County, Texas

0 200 Feet




 united engineering group

Conceptual Lotting Plan



Texas 156, LLC  
7144 E Stetson Drive Ste. C-200  
Scottsdale, AZ 85251

November 1, 2017

General Manager  
Greenwood Water Corporation  
2121 S County Road 1083  
Midland, Texas 79706-5331

Subject: Request for Service for the Chaney Ranch development in Midland  
County, Texas

Dear General Manager:

This letter is a request for water service for our proposed Chaney Ranch development on approximately 155 acres of land located in Midland County, Texas as shown on the attached drawing. The proposed project will create 107 single-family residential lots. To our knowledge, this land is not located within the jurisdiction of any city or within the service area of any water service provider.

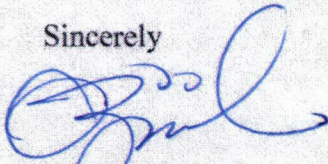
This planned development is not contiguous with Greenwood Water Corporation's existing certificated service area.

The plats for this development have been approved by Midland County.

We are inquiring as to whether Greenwood Water Corporation can provide water service to the future residents of our planned community and look forward to receiving your response.

Your timely response to this request will be appreciated.

Sincerely



Mike Zipprich  
Manager



# CHANEY RANCH ADDITION SECTION 2

BEING A REPLAT OF BLOCKS 1 THROUGH 10,  
CHANEY RANCH ADDITION  
MIDLAND COUNTY, TEXAS

STATE OF TEXAS  
COUNTY OF MIDLAND

WE, THE RECORDERS OF MIDLAND COUNTY, TEXAS, DO HEREBY CERTIFY THAT THE FOREGOING IS A TRUE AND CORRECT COPY OF THE ORIGINAL AS FILED IN OUR OFFICE ON THE 18<sup>TH</sup> DAY OF SEPTEMBER, 2014.

NOTED, THEREFORE, KNOW ALL MEN BY THESE PRESENTS  
THAT WE DO HEREBY CERTIFY THAT THE FOREGOING IS A TRUE AND CORRECT COPY OF THE ORIGINAL AS FILED IN OUR OFFICE ON THE 18<sup>TH</sup> DAY OF SEPTEMBER, 2014.

STATE OF TEXAS  
COUNTY OF MIDLAND



- NOTES:
- THIS PLAN IS BASED ON THE 2014 AERIAL PHOTOGRAPHIC SURVEY.
  - BEFORE A PORTION OF THIS SURVEY IS SET AS A TRACT, THE SURVEYOR HAS CONDUCTED A VISUAL INSPECTION OF THE TRACT AND HAS DETERMINED THAT THE TRACT IS NOT SUBJECT TO ANY OTHER INTERESTS OR ENCUMBRANCES.
  - BEFORE AND AFTER THE SURVEY, THE SURVEYOR HAS CONDUCTED A VISUAL INSPECTION OF THE TRACT AND HAS DETERMINED THAT THE TRACT IS NOT SUBJECT TO ANY OTHER INTERESTS OR ENCUMBRANCES.
  - BEFORE AND AFTER THE SURVEY, THE SURVEYOR HAS CONDUCTED A VISUAL INSPECTION OF THE TRACT AND HAS DETERMINED THAT THE TRACT IS NOT SUBJECT TO ANY OTHER INTERESTS OR ENCUMBRANCES.
  - BEFORE AND AFTER THE SURVEY, THE SURVEYOR HAS CONDUCTED A VISUAL INSPECTION OF THE TRACT AND HAS DETERMINED THAT THE TRACT IS NOT SUBJECT TO ANY OTHER INTERESTS OR ENCUMBRANCES.
  - BEFORE AND AFTER THE SURVEY, THE SURVEYOR HAS CONDUCTED A VISUAL INSPECTION OF THE TRACT AND HAS DETERMINED THAT THE TRACT IS NOT SUBJECT TO ANY OTHER INTERESTS OR ENCUMBRANCES.
  - BEFORE AND AFTER THE SURVEY, THE SURVEYOR HAS CONDUCTED A VISUAL INSPECTION OF THE TRACT AND HAS DETERMINED THAT THE TRACT IS NOT SUBJECT TO ANY OTHER INTERESTS OR ENCUMBRANCES.
  - BEFORE AND AFTER THE SURVEY, THE SURVEYOR HAS CONDUCTED A VISUAL INSPECTION OF THE TRACT AND HAS DETERMINED THAT THE TRACT IS NOT SUBJECT TO ANY OTHER INTERESTS OR ENCUMBRANCES.
  - BEFORE AND AFTER THE SURVEY, THE SURVEYOR HAS CONDUCTED A VISUAL INSPECTION OF THE TRACT AND HAS DETERMINED THAT THE TRACT IS NOT SUBJECT TO ANY OTHER INTERESTS OR ENCUMBRANCES.
  - BEFORE AND AFTER THE SURVEY, THE SURVEYOR HAS CONDUCTED A VISUAL INSPECTION OF THE TRACT AND HAS DETERMINED THAT THE TRACT IS NOT SUBJECT TO ANY OTHER INTERESTS OR ENCUMBRANCES.

PLAT FILED FOR RECORD  
MIDLAND COUNTY, TEXAS  
NO. 2014-2015, CABINET  
DATE: 09-20-2014, PAGE: 12

SCHUMANN ENGINEERING CO., INC.  
Civil Engineering ~ Land Surveying  
10000 FARM ROAD, SUITE 100  
MIDLAND, TEXAS 79701-0001  
PHONE: (409) 699-0001  
FAX: (409) 699-0001

NO.	DATE	DESCRIPTION	BY	AMOUNT	DATE	DESCRIPTION	BY	AMOUNT
1	04/30/2014	RECEIVED	RS	74,200	04/30/2014	RECEIVED	RS	74,200

GRAPHIC SCALE  
0 200 400  
1" = 200 FT.  
1" = 300 FT.

Block	Tract	Area	Owner	Notes
1	1	1.00	CHANEY RANCH ADDITION	
1	2	1.00	CHANEY RANCH ADDITION	
1	3	1.00	CHANEY RANCH ADDITION	
1	4	1.00	CHANEY RANCH ADDITION	
1	5	1.00	CHANEY RANCH ADDITION	
1	6	1.00	CHANEY RANCH ADDITION	
1	7	1.00	CHANEY RANCH ADDITION	
1	8	1.00	CHANEY RANCH ADDITION	
1	9	1.00	CHANEY RANCH ADDITION	
1	10	1.00	CHANEY RANCH ADDITION	
1	11	1.00	CHANEY RANCH ADDITION	
1	12	1.00	CHANEY RANCH ADDITION	
1	13	1.00	CHANEY RANCH ADDITION	
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1	98	1.00	CHANEY RANCH ADDITION	
1	99	1.00	CHANEY RANCH ADDITION	
1	100	1.00	CHANEY RANCH ADDITION	

NOTES:  
THIS PLAN IS BASED ON THE 2014 AERIAL PHOTOGRAPHIC SURVEY.

CERTIFICATE OF APPROVAL  
FOR APPROVAL BY THE COMMISSIONER OF THE LAND OFFICE

THIS IS TO CERTIFY THAT THE ABOVE AND FOREGOING IS A TRUE AND CORRECT COPY OF THE ORIGINAL AS FILED IN OUR OFFICE ON THE 18<sup>TH</sup> DAY OF SEPTEMBER, 2014.

THAT I, R. J. BAILEY, A LICENSED PROFESSIONAL LAND SURVEYOR, DO HEREBY CERTIFY THAT I PREPARED THIS PLAN FROM AN ACTUAL AND ACCURATE SURVEY OF THE LAND AND THAT THE COMMISSIONER OF THE LAND OFFICE HAS REVIEWED AND APPROVED THIS PLAN FOR RECORD.



AT WITNESS MY HAND AND SEAL OF OFFICE, THIS 18<sup>TH</sup> DAY OF SEPTEMBER, 2014.

R. J. BAILEY

LAND SURVEYOR

NO. 100,000

STATE OF TEXAS

COMMISSIONER OF THE LAND OFFICE

NO. 100,000

STATE OF TEXAS

COMMISSIONER OF THE LAND OFFICE

NO. 100,000

STATE OF TEXAS

COMMISSIONER OF THE LAND OFFICE

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COMMISSIONER OF THE LAND OFFICE

NO. 100,000

STATE OF TEXAS

**Meadows 78, LLC  
7144 E Stetson Drive Ste. C-200  
Scottsdale, AZ 85251**

November 1, 2017

General Manager  
Greenwood Water Corporation  
2121 S County Road 1083  
Midland, Texas 79706

Subject: Request for Service for The Meadows in Midland County, Texas

Dear Mr. Manager:

This letter is a request for water service for our proposed development called The Meadows on approximately 62 acres of land located in Midland County, Texas as shown on the attached drawing. The proposed project will create 199 single-family residential lots. To our knowledge, this land is not located within the jurisdiction of any city or within the service area of any water service provider.

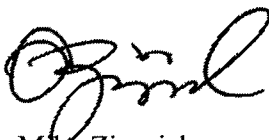
This planned development is not contiguous with Greenwood Water Corporation's existing certificated service area.

The plat for this development is in the process of being submitted for approval by Midland County.

We are inquiring as to whether Greenwood Water Corporation can provide water service to the future residents of our planned community and look forward to receiving your response.

Your timely response to this request will be appreciated.

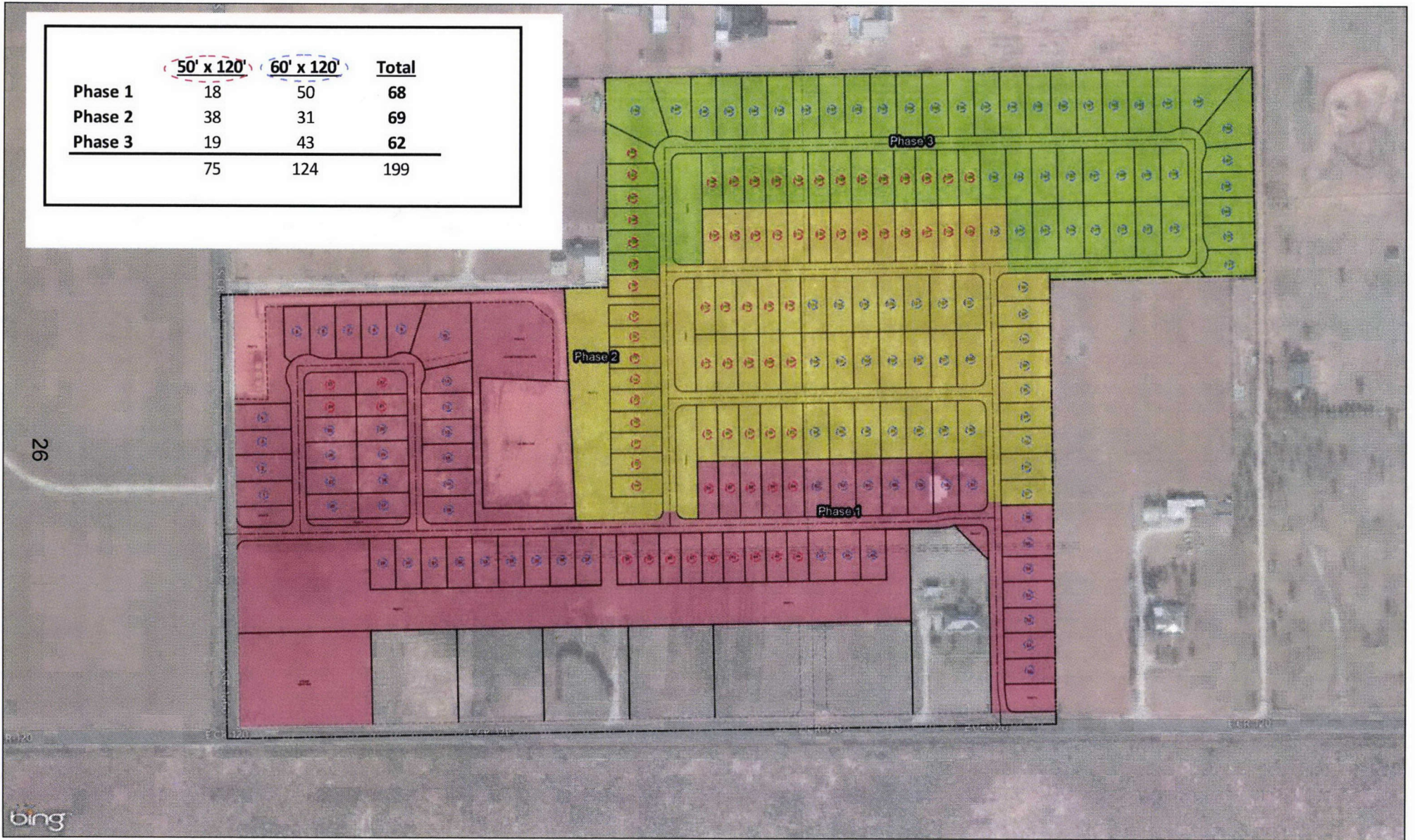
Sincerely



Mike Zipprich  
Manager



	50' x 120'	60' x 120'	Total
Phase 1	18	50	68
Phase 2	38	31	69
Phase 3	19	43	62
	75	124	199



Meadows

Midland County, Texas

0 150 Feet



ueg united engineering group  
Phase Map

Appendix 4.A.iii and 4.B.i

Denial of Service Response Letters



**Greenwood Water Corporation  
2121 S County Road 1083  
Midland, Texas 79706**

November 10, 2017

Mr. Mike Zipprich  
Texas 156, LLC  
7144 E Stetson Drive Ste. C-200  
Scottsdale, AZ 85251

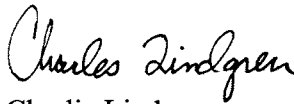
Subject: Request for Service to Chaney Ranch in Midland County, Texas

Dear Mr. Zipprich:

We received your request for service to a proposed subdivision called Chaney Ranch located in Midland County, Texas. The project would create 107 single-family residential lots.

We appreciate your interest, however, at this time Greenwood Water Corporation is not willing to extend service to the area of your proposed subdivision. Thus, Texas 156, LLC's request for water service is denied.

Sincerely,



Charlie Lindgren  
Chief Financial Officer

**Greenwood Water Corporation  
2121 S County Road 1083  
Midland, Texas 79706**

November 10, 2017

Mr. Mike Zipprich  
King 261, LLC  
7144 E Stetson Drive Ste. C-200  
Scottsdale, AZ 85251

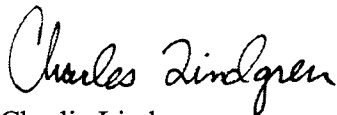
Subject: Request for Service to King Ranch in Midland County, Texas

Dear Mr. Zipprich:

We received your request for service to a proposed subdivision called King Ranch located in Midland County, Texas. The project would create 763 single-family residential lots.

We appreciate your interest, however, at this time Greenwood Water Corporation is not willing to extend service to the area of your proposed subdivision. Thus, King 261, LLC's request for water service is denied.

Sincerely,



Charlie Lindgren  
Chief Financial Officer

**Greenwood Water Corporation  
2121 S County Road 1083  
Midland, Texas 79706**

November 10, 2017

Mr. Mike Zipprich  
Meadows 78, LLC  
7144 E Stetson Drive Ste. C-200  
Scottsdale, AZ 85251

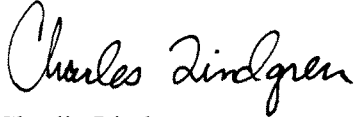
Subject: Request for Service to The Meadows in Midland County, Texas

Dear Mr. Zipprich:

We received your request for service to a proposed subdivision called The Meadows located in Midland County, Texas. The project would create 199 single-family residential lots.

We appreciate your interest, however, at this time Greenwood Water Corporation is not willing to extend service to the area of your proposed subdivision. Thus, Meadows 78, LLC's request for water service is denied.

Sincerely,



Charlie Lindgren  
Chief Financial Officer

#### Appendix Section 4.C- Description of the Utility System

##### Project Description Vander Ranch, Chaney Ranch & Meadows

The utility system for Park Water Company shall be constructed in Phases to better match the buildout of each development. One public water system (PWS) will serve Vander Ranch and Chaney Ranch. A separate PWS will serve Meadows. The initial construction shall be 5 water wells, 3 for Vander Ranch and 2 for Meadows. These wells have been approved by TCEQ for construction and shall be installed in accordance with the TCEQ requirements for municipal public water supply wells.

##### Phase I

Phase I construction will consist of 5 municipal supply wells drilled and completed in accordance with TCEQ requirements by a licensed well driller. The well capacity or production capacity is estimated at 200 gallons per minute for each new well based on local well logs and knowledge of water in the area from local well drillers. This is a conservative estimate of the well production capability. Water treatment systems shall be included in Phase I and are modular units as manufactured by Purific's using ceramic membrane technology in an ultra filtration process. These proposed treatment units carry a 25-year warranty and produce relatively no waste stream compared to other treatment systems such as Reverse Osmosis. Treatment is required due to the levels of arsenic, fluorides, and radio nucleoids found naturally occurring in the groundwater in this area. A treatment unit for Vander Ranch and Meadows is proposed in Phase I. These units will be placed independently in each development and shall be fed by wells for each PWS into dosing tanks to feed the treatment units using booster pumps. The dosing tanks are 7000 gallon that will receive water from the respective wells in each development. From treatment the water will be chlorinated by chlorine injection and then stored in ground storage tanks (GST's) at each development, Vander Ranch and Meadows. Vander Ranch will have a welded steel 300,000-gallon GST and Meadows a welded steel 50,000-gallon GST. Booster pumps will take suction from each GST and pump the treated and chlorinated water into an elevated storage tank at Vander Ranch and a standpipe in Meadows. These tanks are 300,000 and 75,000 gallons respectively. Elevated storage will provide the distribution system pressure. The distribution system will consist of 6, 8 & 10-inch diameter lines and shall be AWWA C900 pipe. Below is an estimate of the various pipe lengths by subdivision for water supply and distribution system by Phase:

PHASE	Vander Ranch/Meadows		Chaney Ranch		Meadows	
	Pipe Size, in.	Length, LF	Pipe Size, in.	Length, LF	Pipe Size, in.	Length, LF
I	6	17573	6	14278	6	9187
	8		8	606	8	
	10	5397	10	14916	10	3831
II	6	10000				
	8					
	10		10	14000		
III	6	3500				
	8	8500				
	10					

*Note: These are approximate line footages from preliminary phasing layouts.*



Gate valves shall be placed in the distribution system to isolate sections of the system for maintenance.

Fire hydrants shall be spaced on a 400-foot spacing through each subdivision. These appurtenances shall be installed during the construction of the distribution system.

A metering system as manufactured by Sensus shall be installed during the distribution system construction that will electronically monitor each meter and record the usage at a central location for future billing and record keeping. The system will utilize WiFi connectivity to monitor and transmit this information.

#### **Phase II**

Phase II consists of adding an additional Purific's treatment unit in Vander Ranch as a redundant treatment and to allow for expansion of the development for Phase II. Additional distribution piping will be installed as development progresses in Phase II.

#### **Phase III**

Two additional wells are programmed to be installed in Chaney to provide capacity and alternation of production from the original 3 wells drilled in Vander Ranch. A 10-inch well supply line shall be constructed from Chaney to the treatment plant in Vander. An additional Purific's treatment unit shall be added to the treatment facility at Vander Ranch. Additional distribution piping shall be added for the absorption of lots in this Phase.

At the conclusion of Phase III all supply wells, treatment and storage facilities will be completed and capable of providing overall capacity, treatment and storage for 3000 lots which exceeds the proposed full buildout of 1425 lots.

## Appendix 4.E

### TCEQ Water System Plan Review Status

The plans and specifications for the public water supply wells were submitted to TCEQ on November 11, 2017. See attached submittal reports.

The plans and specifications for the water treatment and storage facilities are scheduled to submitted to TCEQ prior to March 1, 2018.



## Document for PLAN REVIEW

### Document Type

Name: **WATER SYSTEM PLAN REVIEW**

Description: **WATER SYSTEM PLAN REVIEW**

Document Status **Plans Picked up for Review**



### Values

LOG-NUM	P-11272017-171
DESCRIPTION	PROPOSED WELL
REFERENCE LOG NUMBERS	
REVIEW PLANS TYPE CODE	7A
PE COVER LETTER	11/17/2017
CODE	VANDER RANCH, CHANEY, HOPKINS
TCDP/O.R.C.A. NUMBER	0
PLAN REVIEWER ASSIGNED DATE	12/06/2017
STATUS (APPROVED/DISAPPROVED)	
LETTERHEAD DATE	
PTT CODE	
REQUEST PWS ID DATE	
ASSIGNED PWS DATE	
48 HOUR NOTICE DATE	
CEMENTING DATE	
WELL DRILLER NAME	
WELL DRILLER PHONE NUMBER	
OWNERS DESIGNATION	
QTY OF PROPOSED TANKS/PUMPS	0
CONSTRUCTION FINISHED	
CONSTRUCTION STARTED	
WASTEWATER REVIEW NEEDED	
UNUSED FIELD	
POTENTIAL HUMAN HEALTH IMPACT	
FUTURE FIELD - CURRENTLY UNUSED	



### Document

ID: **383584**

Received Date: **11/27/2017**

Final Action Date:

Document Creation Date: **11/28/2017**

### Document Affiliation

Type:

Individual:

Organization:

No occurrences retrieved

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## Document for PLAN REVIEW

### Document Type

Name: WATER SYSTEM PLAN REVIEW

Description: WATER SYSTEM PLAN REVIEW

Document Status: Plans Picked up for Review



### Values

LOG-NUM	P-11272017-170
DESCRIPTION	PROPOSED WELL
REFERENCE LOG NUMBERS	
REVIEW PLANS TYPE CODE	7A
PE COVER LETTER	11/17/2017
CODE	MEADOWS WATER SYSTEM
TCDP/O.R.C.A. NUMBER	0
PLAN REVIEWER ASSIGNED DATE	12/06/2017
STATUS (APPROVED/DISAPPROVED)	
LETTERHEAD DATE	
PTT CODE	
REQUEST PWS ID DATE	
ASSIGNED PWS DATE	
48 HOUR NOTICE DATE	
CEMENTING DATE	
WELL DRILLER NAME	
WELL DRILLER PHONE NUMBER	
OWNERS DESIGNATION	
QTY OF PROPOSED TANKS/PUMPS	0
CONSTRUCTION FINISHED	
CONSTRUCTION STARTED	
WASTEWATER REVIEW NEEDED	
UNUSED FIELD	
POTENTIAL HUMAN HEALTH IMPACT	
FUTURE FIELD - CURRENTLY UNUSED	



### Document

ID: 383583

Received Date: 11/27/2017

Final Action Date:

Document Creation Date: 11/28/2017

### Document Affiliation

Type:

Individual:

Organization:

No occurrences retrieved

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Appendix 6.A.i  
Business Plan and Financing  
System Cost Estimates

## **BUSINESS PLAN FOR PARK WATER COMPANY**

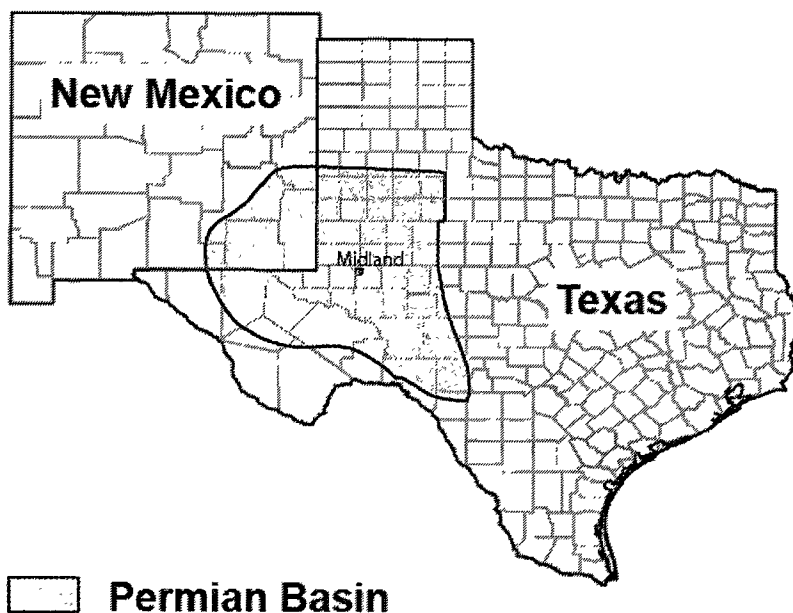
### **Business Summary:**

The following business plan covers the proposed operations of Park Water Supply (“PWS”), a Texas limited liability company formed on August 23, 2016. PWS is a wholly owned subsidiary of Permian Basin Water Resources, LLC “(PBWR)”. PBWR is also the 100% shareholder of Greenwood Water Corporation, a Texas corporation formed on March 15, 1982, which operates Greenwood Water System – Public Water System No. 1650078.

The business plan for PWS is to serve a fast growing area known as Greenwood, Texas. Greenwood Texas is located approximately 11 miles east of downtown Midland, Texas, and is part of the Midland metropolitan statistical area. It lacks city services.

The Midland economy continues to grow despite the general lack of movement in oil prices. In August 2017 the unemployment rate was 3.2%, down from 4.7% a year earlier. Housing construction continues to be strong with a record 494 new single-family permits issued through April. Housing sales are equally impressive with record sales at record prices through the first four months of 2017.

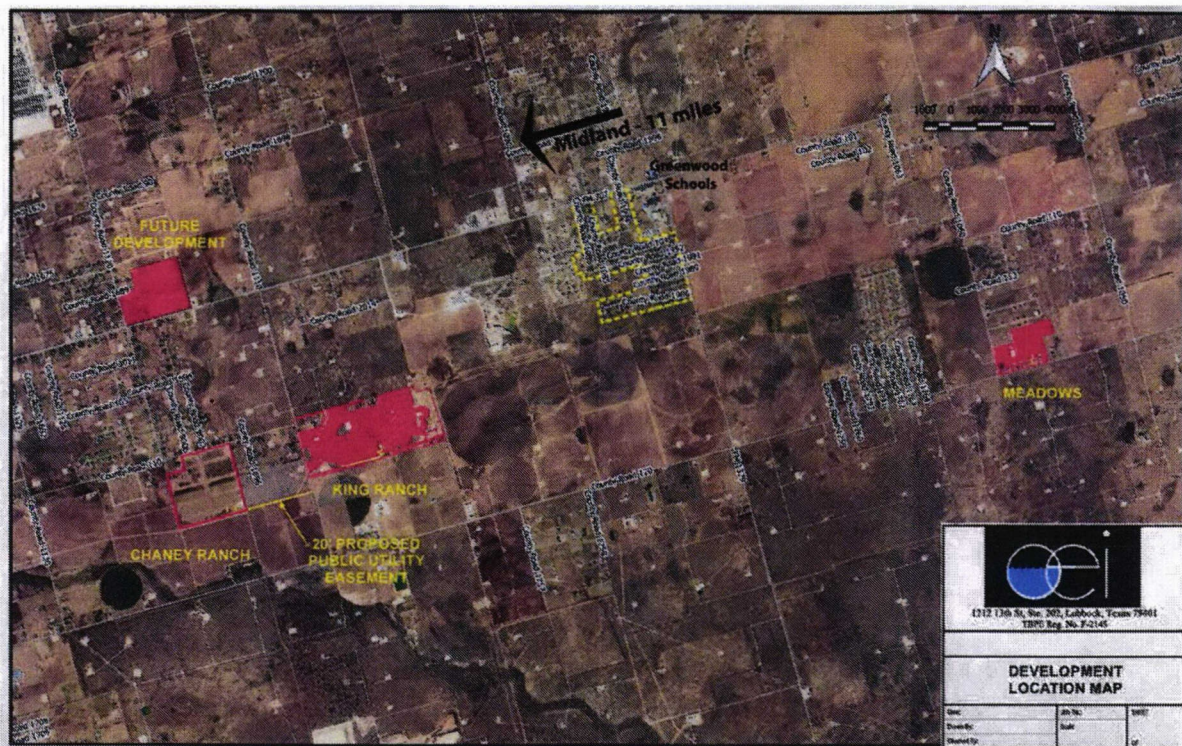
Midland is located in the center of Permian Basin. (See below.) As of June 2017 over 48% of all oil rigs in the US were located in the Permian Basin (369 of 758 rigs). This is up from 150 of 421 rigs one year earlier.



Greenwood housing is primarily located on 1- to 5- acre lots served by well water and septic systems. The Greenwood Independent School District (elementary, middle and high school) is a highly desirable educational system; however, there is a lack of smaller lot, affordable housing the area. The plan is for PWS to serve this demand by providing water to over 1,000 residential lots at affordable pricing. PWS also will be designed to expand its system as the demand for any size home grows.

#### **Proposed Area to be Served:**

The map below shows the location of the initial three developments to be served under this business plan: Meadows, King Ranch and Chaney Ranch.



All three development project are currently owned and controlled by Michael Zipprich, who is the majority owner/principal of PBWR; all three projects are in various stages of development.

Meadows. Meadows is a 199 lot subdivision with average lot sizes of .20 acres. Currently planned for 75 50'x120' sized lots and 124 60'x120' sized lots. Homes will range in the 1,700 sq ft to 2,000 sq ft range with prices starting in the low \$200,000's.

King Ranch. King Ranch is a 763 lot community with lot sizes of 45', 50' and 60' wide lots. Negotiations are already underway for a large, national homebuilder to take down 100 lots.

Chaney Ranch. Chaney Ranch is completed, 109-lot subdivision with 15 2-acre and 94 1-acre lots. Approximately 64 of the lots are sold to local builders or now occupied by permanent homeowners. The subdivision already has underground piping. Once available, we believe a majority of the homeowners will want to switch to PWS-supplied water to improve the quality and have a more secure, long-term source of water.

### **Description of Facilities/Infrastructure:**

The utility system for Park Water Company shall be constructed in Phases to better match the buildout of each development. One public water system (PWS) will serve Vander Ranch and Chaney Ranch. A separate PWS will serve Meadows. The initial construction shall be 5 water wells, 3 for Vander Ranch and 2 for Meadows. These wells have been approved by TCEQ for construction and shall be installed in accordance with the TCEQ requirements for municipal public water supply wells.

#### **Phase I**

Phase I construction will consist of 5 municipal supply wells drilled and completed in accordance with TCEQ requirements by a licensed well driller. The well capacity or production capacity is estimated at 200 gallons per minute for each new well based on local well logs and knowledge of water in the area from local well drillers. This is a conservative estimate of the well production capability. Water treatment systems shall be included in Phase I and are modular units as manufactured by Purific's using ceramic membrane technology in an ultra filtration process. These proposed treatment units carry a 25-year warranty and produce relatively no waste stream compared to other treatment systems such as Reverse Osmosis. Treatment is required due to the levels of arsenic, fluorides, and radio nucleoids found naturally occurring in the groundwater in this area. A treatment unit for Vander Ranch and Meadows is proposed in Phase I. These units will be placed independently in each development and shall be fed by wells for each PWS into dosing tanks to feed the treatment units using booster pumps. The dosing tanks are 7000 gallon that will receive water from the respective wells in each development. From treatment the water will be chlorinated by chlorine injection and then stored in ground storage tanks (GST's) at each development, Vander Ranch and Meadows. Vander Ranch will have a welded steel 300,000-gallon GST and Meadows a welded steel 50,000-gallon GST. Booster pumps will take suction from each GST and pump the treated and chlorinated water into an elevated storage tank at Vander Ranch and a standpipe in Meadows. These tanks are 300,000 and 75,000 gallons respectively. Elevated storage will provide the distribution system pressure. The distribution system will consist of 6, 8 & 10-inch diameter lines and shall be AWWA C900 pipe.

#### **Phase II**

Phase II consists of adding an additional Purific's treatment unit in Vander Ranch as a redundant treatment and to allow for expansion of the development for Phase II. Additional distribution piping will be installed as development progresses in Phase II.



### **Phase III**

Two additional wells are programed to be installed in Chaney to provide capacity and alternation of production from the original 3 wells drilled in Vander Ranch. A 10-inch well supply line shall be constructed from Chaney to the treatment plant in Vander. An additional Purific's treatment unit shall be added to the treatment facility at Vander Ranch. Additional distribution piping shall be added for the absorption of lots in this Phase.

At the conclusion of Phase III all supply wells, treatment and storage facilities will be completed and capable of providing overall capacity, treatment and storage for 3000 lots which exceeds the proposed full buildout of 1425 lots.

### **Organizational Chart Permian Basin Water Resources, LLC and its wholly-owned subsidiary Park Water Supply:**

Michael Zipprich – President. Zipprich has over 39 years of real estate and operating company success. As Principal of Cavalier Homes he developed and built in excess of 3,000 homes between 1984 and 2001. As Principal of various development entities he acquired, entitled and sold 12 projects representing over 22,000 residential lots to national and local homebuilders between 2001 and 2007. Since 2007 and under the name of National Equity Real Property Investments, LLC he has acquired, planned and is currently developing two projects in Lake Charles, Louisiana, 4 projects in Greenwood, Texas, and 4 projects in Arizona. In 2014 he formed Permian Basin Water Resources, LLC to acquire 100% of the stock of Greenwood Water Corporation, which he has been successfully operating as President since its acquisition in June 2015. Zipprich will be responsible for all leadership responsibilities.

Charles Lindgren – CFO. Lindgren brings over 33 years of fiscal leadership as Chief Financial Officer. He has 20 years in the banking industry and served as Chief Credit Officer and one of the Board Members at Stearns Bank in Scottsdale, Arizona. From 2004 to 2011 he was Chief Operating Officer for Saxa, Inc., a commercial development company that successfully development over 75 projects in 8 states. Most recently he has been the CFO for the Zipprich-controlled projects, including CFO of Greenwood Water Corporation since its acquisition in 2015. Lindgren will be responsible for all financial operations.

Randall Andrus – VP Development. Andrus brings over 35 years real estate development expertise in all phases from acquisition to entitlements to design/engineering. Andrus will be responsible for development coordination.

Cherryl Thane – Office Manager. Thane brings over 19 years of office, management and customer service responsibilities. She will be responsible for managing the field staff and customer service.

**Pro Forma Information:**

Attached as an exhibit to the business plan is a detailed, pro forma operating budget for PWS. The operating budget is based on the following key assumptions:

1. PWS is developed in three phases for each of the three developments Meadows, King and Chaney.
2. A total of 1,071 lots for the three developments are absorbed over an 8 year period.
3. Water usage is based on 7,000 gallons per meter per month per connection brought online over the 8 year period.
4. Water rates are based on our third party rate study prepared for by B&D Environmental, Inc. as of August 30, 2017. The rates are based on the cost estimates prepared by our third party engineer, Oller Engineering, Inc.
5. Based on the attached operating budget using these revenue assumptions as well as other operating expense estimates, the company is anticipating a small Year 1 profit. However, as additional lots/connections are brought online and economies of scale are achieved, the company becomes reasonably profitable and more than sufficient to handle its operating obligations.

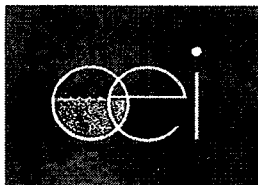
**Letter of Commitment from Lenders and Development Group:**

Attached to this business plan is a financing commitment from CapSource, Inc. for the full amount of the third-party cost estimate. Michael Zipprich has a long, successful track record with CapSource, Inc.

**King Ranch/Chaney Well & Water Treatment Total Build Out**

Permian Basin Residential Property  
Engineer's Opinion of Probable Construction Cost  
August 17, 2017

Item	Description	Quantity	Unit	Unit Price	Probable Constr. Cost	Total
<b>Well development</b>						
	Well drilling (Bore, 16-inch maleable steel casing [approx. 32/ft], and screen)	4	E.A.	\$80,000.00	\$320,000.00	\$320,000.00
	Well Pumps (submersible)	4	E.A.	\$17,500.00	\$70,000.00	\$70,000.00
	Discharge piping to header line	3	E.A.	\$14,000.00	\$42,000.00	\$42,000.00
	Well fencing - barbwire	9,000	L.F.	\$15.00	\$135,000.00	\$135,000.00
	Farm gate	2	L.S.	\$80.00	\$160.00	\$160.00
	Caliche road	3,000	S.Y.	\$75.00	\$225,000.00	\$225,000.00
	Electrical - Well Panels	3	E.A.	\$16,000.00	\$48,000.00	\$48,000.00
	Chlorinated Gravel Pack Brady 8/12	21	C.Y.	\$547.00	\$11,487.00	\$11,487.00
	Access Road	3.7	C.Y.	\$325.00	\$1,202.50	\$1,202.50
	Concrete Foundation Pad (40'x25' 6" thick)	1,000	S.F.	\$6.50	\$6,500.00	\$6,500.00
<b>GST &amp; Water Treatment Facility</b>						
	2 - 150k GST - Raw Water Dosing Tank	300,000	Gal.	\$1.30	\$390,000.00	\$390,000.00
	300k GST - Treated Water	300,000	Gal.	\$1.30	\$390,000.00	\$390,000.00
	300k Elevated Storage Tank	300,000	Gal.	\$3.00	\$900,000.00	\$900,000.00
	Booster Pump	1	E.A.	\$36,940.00	\$36,940.00	\$36,940.00
42	Duplex Booster pumps	2	E.A.	\$35,000.00	\$70,000.00	\$70,000.00
	Flow Meters	2	E.A.	\$11,500.00	\$23,000.00	\$23,000.00
	Electrical	2	L.S.	\$20,000.00	\$40,000.00	\$40,000.00
	Pump Control Valves	2	E.A.	\$24,500.00	\$49,000.00	\$49,000.00
	Booster Pump Piping	1	E.A.	\$35,000.00	\$35,000.00	\$35,000.00
	Building for Booster Station (Metal)	1000	S.F.	\$100.00	\$100,000.00	\$100,000.00
	Standby Generator w/ Auto Switch	1	L.S.	\$35,000.00	\$35,000.00	\$35,000.00
	Chemical Tank	1	E.A.	\$275.00	\$275.00	\$275.00
	JM Eagle Containment Pallet	1	E.A.	\$70.00	\$70.00	\$70.00
	LML Chemical Pump	1	E.A.	\$470.00	\$470.00	\$470.00
<b>Water Treatment Unit</b>						
	Water Treatment Unit	2	E.A.	\$250,000.00	\$500,000.00	\$500,000.00
<b>SubTotal</b>					\$3,429,104.50	
<b>Construction Contingency (15%)</b>					\$514,365.68	
<b>Total Opinion w/ Contingency</b>						<b>\$3,943,470.18</b>



1212 13th Street, Suite 202  
Lubbock, TX 79401 • (806) 993-6226  
Texas Registered Engineering Firm F-2145

**Meadows Well & Water Treatment Total Build Out**

Permian Basin Residential Property  
Engineer's Opinion of Probable Construction Cost  
August 17, 2017

Item	Description	Quantity	Unit	Unit Price	Probable Constr. Cost	Total
<b>Well development</b>						
	Well drilling (Bore, 16-inch maleable steel casing [approx. 32/ft], and screen)	2	E A	\$80,000.00	\$160,000.00	\$160,000.00
	Well Pumps (submersible)	2	E.A.	\$17,500.00	\$35,000.00	\$35,000.00
	Discharge piping to header line	2	E A	\$6,000.00	\$12,000.00	\$12,000.00
	Well fencing - barbwire	3,480	L.F.	\$15.00	\$52,200.00	\$52,200.00
	Farm gate	1	L.S.	\$80.00	\$80.00	\$80.00
	Caliche road	900	S Y.	\$75.00	\$67,500.00	\$67,500.00
	Electrical - Well Panels	2	E A.	\$16,000.00	\$32,000.00	\$32,000.00
	Chlorinated Gravel Pack Brady 8/12	8	C.Y.	\$547.00	\$4,376.00	\$4,376.00
	Elec. Primary Extension	2	E.A.	\$50,000.00	\$100,000.00	\$100,000.00
	Access Road	3.7	C.Y.	\$325.00	\$1,202.50	\$1,202.50
	Concrete Foundation Pad (40'x25' 6" thick)	1,000	S.F.	\$6.50	\$6,500.00	\$6,500.00
<b>GST &amp; Water Treatment Facility</b>						
	50k GST	50,000	Gal	\$1.75	\$87,500.00	\$87,500.00
	Booster Pumps	1	E.A.	\$35,000.00	\$35,000.00	\$35,000.00
	Flow Meters	1	E.A.	\$11,500.00	\$11,500.00	\$11,500.00
	Electrical	1	L.S.	\$10,000.00	\$10,000.00	\$10,000.00
	Pump Control Valves	1	E.A.	\$24,500.00	\$24,500.00	\$24,500.00
43	Booster pump piping	1	E A	\$35,000.00	\$35,000.00	\$35,000.00
	Building for Booster Station (Metal)	900	S F	\$100.00	\$90,000.00	\$90,000.00
	Master Level Controls	1	E A.	\$10,000.00	\$10,000.00	\$10,000.00
	Standby Generaor Auto Switch	1	E.A.	\$28,000.00	\$28,000.00	\$28,000.00
	Chemical Tank	1	E.A.	\$250.00	\$250.00	\$250.00
	JM Eagle Containment Pallet	1	E.A.	\$70.00	\$70.00	\$70.00
	LML Chemical Pump	1	E A.	\$470.00	\$470.00	\$470.00
<b>Water Treatment Unit</b>						
	Water Treatment Unit	1	E.A.	\$230,000.00	\$230,000.00	\$230,000.00
	Piping & Controls	2	E.A.	\$15,000.00	\$30,000.00	\$30,000.00
	Electrical	1	E A.	\$10,000.00	\$10,000.00	\$10,000.00
	5k GST Dosing Tank	5,000	Gal	\$1.30	\$6,500.00	\$6,500.00
	Standpipe 80k	80,000	Gal.	\$1.90	\$152,000.00	\$152,000.00
<b>SubTotal</b>					\$1,231,648.50	
<b>Construction Contingency (15%)</b>					\$184,747.28	
<b>(Total Opinion w/ Contingency)</b>						<b>\$1,416,395.78</b>



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Permian Basin Water Resources, LLC  
Park Water Company  
Combined Operating Budget for King/Chaney and Meadows

**Meadows 78:**

Beginning lots  
Absorption  
Ending Lots

Monthly Base Rate  
Gallons Used Per Month (per meter)  
Gallonage Charge  
Water Bill Per Meter  
Water Revenue

**King:**

Beginning lots  
Absorption  
Ending Lots

Monthly Base Rate  
Gallons Used Per Month (per meter)  
Gallonage Charge  
Water Bill Per Meter  
Water Revenue

**Chaney Ranch**

Beginning lots  
Absorption  
Ending Lots

Monthly Base Rate  
Gallons Used Per Month (per meter)  
Gallonage Charge  
Water Bill Per Meter  
Water Revenue

**Total Water Revenue**

Paying Customers

**Expenses:**

Salaries  
Electrical  
Fuel  
Vehicles  
Chemicals  
Treatment Filters  
Parts, Tools, repair clamps, etc.  
Water Meters

Phase 1		Phase 2		
Year 1	Year 2	Year 3	Year 4	Year 5
Beginning lots	130	130	106	82
Absorption	-45	-24	-24	-22
Ending Lots	105	106	82	60
Monthly Base Rate	\$85.22	\$85.22	\$85.22	\$85.22
Gallons Used Per Month (per meter)	7,000	7,000	7,000	7,000
Gallonage Charge	\$6.00	\$6.00	\$6.00	\$6.00
Water Bill Per Meter	\$127.22	\$127.22	\$127.22	\$127.22
Water Revenue	\$143,504	\$180,144	\$213,730	\$213,730
Beginning lots	472	389	306	224
Absorption	-83	-83	-82	-75
Ending Lots	389	306	224	149
Monthly Base Rate	\$55.25	\$55.25	\$55.25	\$55.25
Gallons Used Per Month (per meter)	7,000	7,000	7,000	7,000
Gallonage Charge	\$3.89	\$3.89	\$3.89	\$3.89
Water Bill Per Meter	\$82.48	\$82.48	\$82.48	\$82.48
Water Revenue	\$370,170	\$452,320	\$533,481	\$533,481
Beginning lots	0	0	0	0
Absorption	0	0	0	0
Ending Lots	0	0	0	0
Monthly Base Rate	\$55.25	\$55.25	\$55.25	\$55.25
Gallons Used Per Month (per meter)	7,000	7,000	7,000	7,000
Gallonage Charge	\$3.89	\$3.89	\$3.89	\$3.89
Water Bill Per Meter	\$82.48	\$82.48	\$82.48	\$82.48
Water Revenue	\$107,884	\$107,884	\$107,884	\$107,884
Total Water Revenue	\$621,558	\$740,348	\$855,094	\$855,094
Paying Customers	577	684	788	788
Salaries	\$150,000	\$160,000	\$170,000	\$170,000
Electrical	\$40,000	\$45,000	\$52,000	\$52,000
Fuel	\$32,000	\$34,000	\$36,000	\$36,000
Vehicles	\$30,000	\$0	\$30,000	\$30,000
Chemicals	\$20,000	\$22,000	\$24,000	\$24,000
Treatment Filters	\$42,000	\$42,000	\$42,000	\$42,000
Parts, Tools, repair clamps, etc.	\$10,000	\$12,000	\$12,000	\$12,000
Water Meters	\$7,000	\$5,000	\$5,000	\$5,000

Permian Basin Water Resources, LLC  
 Park Water Company  
 Combined Operating Budget for King/Chaney and Meadows

	Phase 2					Phase 3		
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Meter Cans	\$5,000	\$2,500	\$4,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Pipe & Fittings	\$5,000	\$2,500	\$2,500	\$2,500	\$3,000	\$3,000	\$3,000	\$3,000
Equipment Rental	\$12,000	\$12,000	\$12,000	\$14,000	\$15,000	\$15,000	\$15,000	\$15,000
Water Quality Analysis	\$12,000	\$12,000	\$14,000	\$14,000	\$16,000	\$16,000	\$16,000	\$16,000
Misc.	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Total Estimated Operating and Management Costs	\$44,000	\$39,000	\$373,500	\$363,500	\$418,000	\$398,000	\$448,000	\$418,000
Net Profit	(\$14,720)	\$180,269	\$248,058	\$376,848	\$437,094	\$561,369	\$616,624	\$750,899



## CAPSOURCE

Mr. Michael Zipprich  
Manager  
Park Water Company  
7144 E Stetson Drive C-200  
Scottsdale, AZ 85251

January 31, 2018

Re: Financing for new water facilities

Dear Mr. Zipprich,

CapSource, Inc. hereby provides this letter of intent to finance the water and sewer costs for your residential projects in Midland Texas. Below is a summary of the terms of this proposed financing:

Borrower: Park Water Company, LLC

Amount: \$6,750,000

Purpose: Provide (a) construction funds of \$5,359,865 per the attached budget to construct two water systems, providing service to approximately 962 residential lots in Midland, Texas, and (b) interest reserve and loan closing costs

Commitment Expiration Date: Loan must be consummated within the next 24 months.

Term: 8 years

Rate: 8.0%

Collateral: First deed of trust on the water campus property (+/- 10 acres) and 1st position UCC-1 on all FF&E acquired under the loan proceeds

Repayment: Impact fees to developer or homebuilders on individual lot take-downs

Please do not hesitate to contact me if you have any questions regarding this matter. I can be reached at (702) 987-8616 or by email at [steve@capsourcenv.com](mailto:steve@capsourcenv.com).

Sincerely,  
CapSource, Inc.

Steve Byrne  
President

Appendix 6.A.iii  
Proposed Tariff  
and  
Rate Studies





## **WATER UTILITY TARIFF**

**Docket Number:** \_

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

<u>Park Water Company</u> (Utility Name)	<u>7107 FM 307</u> (Business Address)
<u>Midland Texas 79706</u> (City, State, Zip Code)	<u>432-687-2070</u> (Area Code/Telephone)

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

This tariff is effective in the following counties:

Midland

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

Greenwood (unincorporated area)

This tariff is effective in the following subdivisions or public water systems:

Meadows Addition, Vander (King) Ranch Addition, Chaney Ranch Addition

### **TABLE OF CONTENTS**

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

### **TABLE OF CONTENTS**

SECTION 1.0-RATE SCHEDULES	2
SECTION 2.0- SERVICE RULES AND POLICIES	4
SECTION 3.0- EXTENSION POLICY	13
APPENDIX A - DROUGHT CONTINGENCY PLAN	
APPENDIX B- APPLICATION FOR SERVICE	

Note: Appendix A – Drought Contingency Plan (DCP) is approved by the Texas Commission on Environmental Quality; however, the DCP is included as part of your approved utility tariff pursuant to PUC rules. If you are establishing a tariff for the first time, please contact the TCEQ to complete and submit a DCP for approval.

## SECTION 1.0 -- RATE SCHEDULES

### Section 1.01 - Rates

#### MEADOWS ADDITION

Meter Size	Monthly Minimum Charge	Gallage Charge
5/8"	\$ <del>85.22</del> (Includes no gallons)	\$ <del>6.00</del> per 1000 gallons, 1 <sup>st</sup> <del>20,000</del> gallons
3/4"	\$ <del>127.83</del>	\$ <del>6.00</del> per 1000 gallons, next <del>10,000</del> gallons
1"	\$ <del>213.05</del>	\$ <del>6.00</del> per 1000 gallons thereafter
1½"	\$ <del>426.10</del>	
2"	\$ <del>681.76</del>	
3"	\$ <del>1278.30</del>	
4"	\$ <del>2130.50</del>	

#### VANDER (KING) RANCH ADDITION AND CHANEY ADDITION

Meter Size	Monthly Minimum Charge	Gallage Charge
5/8"	\$ 55.25 (Includes no gallons)	\$ <del>3.89</del> per 1000 gallons, 1 <sup>st</sup> <del>20,000</del> gallons
3/4"	\$ 82.87	\$ <del>3.89</del> per 1000 gallons, next <del>10,000</del> gallons
1"	\$ 138.12	\$ <del>3.89</del> per 1000 gallons thereafter
1½"	\$ 276.25	
2"	\$ 442.00	
3	\$ 828.75	
4"	\$ 1381.25	

**FORM OF PAYMENT:** The utility will accept the following forms of payment:  
 Cash ☒ Check ☒ Money Order ☒ Credit Card ☐ Other (specify\_\_\_\_)  
 THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO  
 ACCEPT PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN  
 RECEIPT WILL BE GIVEN FOR CASH PAYMENTS.

#### REGULATORY ASSESSMENT

1.0%

PUC RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL  
 MONTHLY BILL AND REMIT THE FEE TO THE TCEQ.

#### Section 1.02 - Miscellaneous Fee

##### TAP FEE

\$700.00

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

##### TAP FEE (Unique Costs)

Actual Cost

FOR EXAMPLE, A ROAD BORE FOR CUSTOMERS OUTSIDE OF SUBDIVISIONS OR  
 RESIDENTIAL AREAS.

##### TAP FEE (Large Meter)

Actual Cost

TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METER SIZE  
 INSTALLED.

## SECTION 1.0 – RATE SCHEDULES (Continued)

### METER RELOCATION FEE

Actual Relocation Cost, Not to Exceed Tap Fee

THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS THAT AN EXISTING METER BE RELOCATED

### METER TEST FEE

\$25.00

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

### RECONNECTION FEE

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

- |    |   |                |
|----|---|----------------|
| a) | Nonpayment of bill (Maximum \$25.00)            | <u>\$25.00</u> |
| b) | Customer's request that service be disconnected | <u>\$50.00</u> |
| c) | _____   | <u>\$_____</u> |

### TRANSFER FEE

\$35.00

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

### LATE CHARGE (EITHER \$5.00 OR 10% OF THE BILL)

\$10%

PUC RULES ALLOW A ONE-TIME PENALTY TO BE CHARGED ON DELINQUENT BILLS. A LATE CHARGE MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

### RETURNED CHECK CHARGE

\$ 30.00

RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

### CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50)

\$50.00

### COMMERCIAL & NON-RESIDENTIAL DEPOSIT

1/6TH OF ESTIMATED ANNUAL BILL

### GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE \$\_\_\_\_\_

WHEN AUTHORIZED IN WRITING BY PUC AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [P.U.C. SUBST. R. 24.21(k)(2)]

### LINE EXTENSION AND CONSTRUCTION CHARGES:

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

## **SECTION 2.0 -- SERVICE RULES AND POLICIES**

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

### Section 2.01 - Application for Water Service

All applications for service will be made on the utility's standard application or contract form (attached in the Appendix to this tariff), will be signed by the applicant, any required fees (deposits, reconnect, tap, extension fees, etc. as applicable) will be paid and easements, if required, will be granted before service is provided by the utility. A separate application or contract will be made for each service location.

### Section 2.02 - Refusal of Service

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

### Section 2.03 - Fees and Charges & Easements Required Before Service Can Be Connected

#### (A) Customer Deposits

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

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

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

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

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

### **(B) Tap or Reconnect Fees**

A new customer requesting service at a location where service has not previously been provided must pay a tap fee as provided in Section 1. A customer requesting service where service has previously been provided must pay a reconnect fee as provided in Section 1. Any applicant or existing customer required to pay for any costs not specifically set forth in the rate schedule pages of this tariff shall be given a written explanation of such costs prior to request for payment and/or commencement of construction. If the applicant or existing customer does not believe that these costs are reasonable or necessary, the applicant or existing customer shall be informed of their right to appeal such costs to the PUC or such other regulatory authority having jurisdiction over the utility's rates in that portion of the utility's service area in which the applicant's or existing customer's property(ies) is located.

Fees in addition to the regular tap fee may be charged if listed specifically in Section 1 to cover unique costs not normally incurred as permitted by P.U.C. SUBST. R. 24.86(a)(1)(C). For example, a road bore for customers outside a subdivision or residential area could be considered a unique cost.

### **(C) Easement Requirement**

Where recorded public utility easements on the service applicant's property do not exist or public road right-of-way easements are not available to access the applicant's property, the utility may require the applicant to provide it with a permanent recorded public utility easement on and across the applicant's real property sufficient to provide service to that applicant. Such easement(s) shall not be used for the construction of production, storage, transmission or pressure facilities unless they are needed for adequate service to that applicant.

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

### Section 2.04 - Utility Response to Applications for Service

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

Except for good cause where service has previously been provided, service will be reconnected within one working day after the applicant has met the requirements for reconnection.

### Section 2.05 - Customer Responsibility

The customer will be responsible for furnishing and laying the necessary customer service pipe from the meter location to the place of consumption. Customers will not be allowed to use the utility's cutoff valve on the utility's side of the meter. Existing customers may install cutoff valves on their side of the meter and are encouraged to do so. All new customers may be required to install and maintain a cutoff valve on their side of the meter.

No direct connection between a public water supply system and any potential source of contamination or between a public water supply system and a private water source (ex. private well) will be allowed. A customer shall not connect, or allow any other person or party to connect, onto any water lines on his premises.

### Section 2.06 - Customer Service Inspections

Applicants for new service connections or facilities which have undergone extensive plumbing modifications are required to furnish the utility a completed customer service inspection certificate. The inspection certificate shall certify that the establishment is in compliance with the Texas Commission on Environmental Quality (TCEQ) Rules and Regulations for Public Water Systems, Section 290.46(j). The utility is not required to perform these inspections for the applicant/customer, but will assist the applicant/customer in locating and obtaining the services of a certified inspector.

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

### Section 2.07 - Back Flow Prevention Devices

No water connection shall be allowed to any residence or establishment where an actual or potential contamination hazard exists unless the public water facilities are protected from contamination by either an approved air gap, backflow prevention assembly, or other approved device. The type of device or backflow prevention assembly required shall be determined by the specific potential hazard identified in Title 30 Texas Administrative Code (TAC) §290.47(i) Appendix I, Assessment of Hazards and Selection of Assemblies of the TCEQ Rules and Regulations for Public Water Systems.

The use of a backflow prevention assembly at the service connection shall be considered as additional backflow protection and shall not negate the use of backflow protection on internal hazards as outlined and enforced by local plumbing codes. When a customer service inspection certificate indicates that an adequate internal cross-connection control program is in effect, backflow protection at the water service entrance or meter is not required.

At any residence or establishment where it has been determined by a customer service inspection, that there is no actual or potential contamination hazard, as referenced in 30 TAC §290.47(i) Appendix I, Assessment of Hazards and Selection of Assemblies of the TCEQ Rules and Regulations for Public Water Systems, then a backflow prevention assembly or device is not required. Outside hose bibs do require, at a minimum, the installation and maintenance of a working atmospheric vacuum breaker.

All backflow prevention assemblies or devices shall be tested upon installation by a TCEQ certified backflow prevention assembly tester and certified to be operating within specifications. Backflow prevention assemblies which are installed to provide protection against health hazards must also be tested and certified to be operating within specifications at least annually by a certified backflow prevention assembly tester.

If the utility determines that a backflow prevention assembly or device is required, the utility will provide the customer or applicant with a list of TCEQ certified backflow prevention assembly testers. The customer will be responsible for the cost of installation and testing, if any, of backflow prevention assembly or device. The customer should contact several qualified installers to compare prices before installation. The customer must pay for any required maintenance and annual testing and must furnish a copy of the test results demonstrating that the assembly is functioning properly to the utility within 30 days after the anniversary date of the installation unless a different date is agreed upon.

## **SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)**

### Section 2.08 - Access to Customer's Premises

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

All customers or service applicants shall provide access to meters and utility cutoff valves at all times reasonably necessary to conduct ordinary utility business and after normal business hours as needed to protect and preserve the integrity of the public drinking water supply.

### Section 2.09 - Meter Requirements, Readings, and Testing

One meter is required for each residential, commercial, or industrial connection. All water sold by the utility will be billed based on meter measurements. The utility will provide, install, own and maintain meters to measure amounts of water consumed by its customers.

Meters will be read at monthly intervals and as nearly as possible on the corresponding day of each monthly meter reading period unless otherwise authorized by the Commission.



## **SECTION 2.0 -- SERVICE RULES AND POLICIES(Continued)**

Meter tests. The utility will, upon the request of a customer, and, if the customer so desires, in his or her presence or in that of his or her authorized representative, make without charge a test of the accuracy of the customer's meter. If the customer asks to observe the test, the test will be made during the utility's normal working hours at a time convenient to the customer. Whenever possible, the test will be made on the customer's premises, but may, at the utility's discretion, be made at the utility's testing facility. If within a period of two years the customer requests a new test, the utility will make the test, but if the meter is found to be within the accuracy standards established by the American Water Works Association, the utility will charge the customer a fee which reflects the cost to test the meter up to a maximum \$25 for a residential customer. Following the completion of any requested test, the utility will promptly advise the customer of the date of removal of the meter, the date of the test, the result of the test, and who made the test.

### Section 2.10 - Billing

#### (A) Regular Billing

Bills from the utility will be mailed monthly unless otherwise authorized by the Commission. The due date of bills for utility service will be at least sixteen (16) days from the date of issuance. The postmark on the bill or, if there is no postmark on the bill, the recorded date of mailing by the utility will constitute proof of the date of issuance. Payment for utility service is delinquent if full payment, including late fees and the regulatory assessment, is not received at the utility or the utility's authorized payment agency by 5:00 p.m. on the due date. If the due date falls on a holiday or weekend, the due date for payment purposes will be the next workday after the due date.

#### (B) Late Fees

A late penalty of either \$5.00 or 10.0% will be charged on bills received after the due date. The penalty on delinquent bills will not be applied to any balance to which the penalty was applied in a previous billing. The utility must maintain a record of the date of mailing to charge the late penalty.

#### (C) Information on Bill

Each bill will provide all information required by the PUC Rules. For each of the systems it operates, the utility will maintain and note on the monthly bill a local or toll-free telephone number (or numbers) to which customers can direct questions about their utility service.

## **SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)**

### **(D) Prorated Bills**

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

### **Section 2.11- Payments**

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

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

### **Section 2.12 - Service Disconnection**

#### **(A) With Notice**

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

The utility is encouraged to offer a deferred payment plan to a customer who cannot pay an outstanding bill in full and is willing to pay the balance in reasonable installments. However, a customer's utility service may be disconnected if a bill has not been paid or a deferred payment agreement entered into within 26 days from the date of issuance of a bill and if proper notice of termination has been given.

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

#### **B) Without Notice**

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

## **SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)**

### Section 2.13 - Reconnection of Service

Utility personnel must be available during normal business hours to accept payments on the day service is disconnected and the following day unless service was disconnected at the customer's request or due to a hazardous condition.

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

### Section 2.14 - Service Interruptions

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

### Section 2.15 - Quality of Service

The utility will plan, furnish, and maintain production, treatment, storage, transmission, and distribution facilities of sufficient size and capacity to provide a continuous and adequate supply of water for all reasonable consumer uses. Unless otherwise authorized by the TCEQ, the utility will maintain facilities as described in the TCEQ Rules and Regulations for Public Water Systems.

### Section 2.16 - Customer Complaints and Disputes

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

## **SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)**

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

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

### Section 2.17 - Customer Liability

Customer shall be liable for any damage or injury to utility-owned property shown to be caused by the customer.

## **SECTION 3.0--EXTENSION POLICY**

### **Section 3.01 - Standard Extension Requirements**

LINE EXTENSION AND CONSTRUCTION CHARGES: NO CONTRIBUTION IN AID OF CONSTRUCTION MAY BE REQUIRED OF ANY CUSTOMER EXCEPT AS PROVIDED FOR IN THIS APPROVED EXTENSION POLICY.

The utility is not required to extend service to any applicant outside of its certified service area and will only do so under terms and conditions mutually agreeable to the utility and the applicant, in compliance with PUC rules and policies, and upon extension of the utility's certified service area boundaries by the PUC.

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

The utility is not required to extend service to any applicant outside of its certificated service area and will only do so under terms and conditions mutually agreeable to the utility and the applicant, in compliance with PUC rules and policies, and upon extension of the utility's certificated service area boundaries by the PUC.

### **Section 3.02 - Costs Utilities and Service Applicants Shall Bear**

Within its certified area, the utility will pay the cost of the first 200 feet of any water main or distribution line necessary to extend service to an individual residential customer within a platted subdivision.

However, if the residential customer requesting service purchased the property after the developer was notified in writing of the need to provide facilities to the utility, the utility may charge for the first 200 feet. The utility must also be able to document that the developer of the subdivision refused to provide facilities compatible with the utility's facilities in accordance with the utility's approved extension policy after receiving a written request from the utility.

### **SECTION 3.0 -- EXTENSION POLICY (Continued)**

Residential customers will be charged the equivalent of the costs of extending service to their property from the nearest transmission or distribution line even if that line does not have adequate capacity to serve the customer. However, if the customer places unique, non-standard service demands upon the system, the customer may be charged the additional cost of extending service to and throughout their property, including the cost of all necessary transmission and storage facilities necessary to meet the service demands anticipated to be created by that property.

Unless an exception is granted by the TCEQ, the residential service applicant shall not be required to pay for costs of main extensions greater than 2" in diameter for water distribution and pressure wastewater collection lines and 6" in diameter for gravity wastewater lines.

Exceptions may be granted by the TCEQ if:

- adequate service cannot be provided to the applicant using the maximum line sizes listed due to distance or elevation, in which case, it shall be the utility's burden to justify that a larger diameter pipe is required for adequate service;
- or larger minimum line sizes are required under subdivision platting requirements or building codes of municipalities within whose corporate limits or extraterritorial jurisdiction the point of use is located; or the residential service applicant is located outside the CCN service area.

If an exception is granted by the TCEQ, the utility shall establish a proportional cost plan for the specific extension or a rebate plan which may be limited to seven years to return the portion of the applicant's costs for oversizing as new customers are added to ensure that future applicants for service on the line pay at least as much as the initial service applicant.

For purposes of determining the costs that service applicants shall pay, commercial customers with service demands greater than residential customer demands in the certified area, industrial, and wholesale customers shall be treated as developers. A service applicant requesting a one inch meter for a lawn sprinkler system to service a residential lot is not considered nonstandard service.

If an applicant requires service other than the standard service provided by the utility, such applicant will be required to pay all expenses incurred by the utility in excess of the expenses that would be incurred in providing the standard service and connection beyond 200 feet and throughout his property including the cost of all necessary transmission facilities.

## **SECTION 3.0 -- EXTENSION POLICY (Continued)**

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

### Section 3.03 - Contributions in Aid of Construction

Developers may be required to provide contributions in aid of construction in amounts sufficient to furnish the development with all facilities necessary to provide for reasonable local demand requirements and to comply with TCEQ minimum design criteria for facilities used in the production, transmission, pumping, or treatment of water or TCEQ minimum requirements. For purposes of this subsection, a developer is one who subdivides or requests more than two meters on a piece of property. Commercial, industrial, and wholesale customers will be treated as developers.

Any applicant who places unique or non-standard service demands on the system may be required to provide contributions in aid of construction for the actual costs of any additional facilities required to maintain compliance with the TCEQ minimum design criteria for water production, treatment, pumping, storage and transmission.

Any service extension to a subdivision (recorded or unrecorded) may be subject to the provisions and restrictions of P.U.C. SUBST. R. 24.86(d). When a developer wishes to extend the system to prepare to service multiple new connections, the charge shall be the cost of such extension, plus a pro-rata charge for facilities which must be committed to such extension compliant with the TCEQ minimum design criteria. As provided by P.U.C. SUBST. R. 24.85(e)(3), for purposes of this section, commercial, industrial, and wholesale customers shall be treated as developers.

A utility may only charge a developer standby fees for unrecovered costs of facilities committed to a developer's property under the following circumstances:

- Under a contract and only in accordance with the terms of the contract; or
  - if service is not being provided to a lot or lots within two years after installation of facilities necessary to provide service to the lots has been completed and if the standby fees are included on the utilities approved tariff after a rate change application has been filed. The fees cannot be billed to the developer or collected until the standby fees have been approved by the commission or executive director.
- for purposes of this section, a manufactured housing rental community can only be charged standby fees under a contract or if the utility installs the facilities necessary to provide individually metered service to each of the rental lots or spaces in the community.



## **SECTION 3.0 -- EXTENSION POLICY (Continued)**

### Section 3.04 - Appealing Connection Costs

The imposition of additional extension costs or charges as provided by Sections 3.0 - Extension Policy of this tariff shall be subject to appeal as provided in this tariff, PUC rules, or the rules of such other regulatory authority as may have jurisdiction over the utility's rates and services. Any applicant required to pay for any costs not specifically set forth in the rate schedule pages of this tariff shall be given a written explanation of such costs prior to payment and/or commencement of construction. If the applicant does not believe that these costs are reasonable or necessary, the applicant shall be informed of the right to appeal such costs to the PUC or such other regulatory authority having jurisdiction over the utility's rates in that portion of the utility's service area in which the applicant's property(ies) is located.

### Section 3.05 - Applying for Service

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

Where a new tap or service connection is required, the service applicant shall be required to submit a written service application and request that a tap be made. A diagram, map, plat, or written metes and bounds description of precisely where the applicant desires each tap or service connection is to be made and, if necessary, where the meter is to be installed, along the applicant's property line may also be required with the tap request. The actual point of connection and meter installation must be readily accessible to utility personnel for inspection, servicing, and meter reading while being reasonably secure from damage by vehicles and mowers. If the utility has more than one main adjacent to the service applicant's property, the tap or service connection will be made to the utility's nearest service main with adequate capacity to service the applicant's full potential service demand. Beyond the initial 200 feet, the customer shall bear only the equivalent cost of extending from the nearest main. If the tap or service connection cannot be made at the applicant's desired location, it will be made at another location mutually acceptable to the applicant and the utility. If no agreement on location can be made, the applicant may refer the matter to the PUC for resolution.

## **SECTION 3.0 -- EXTENSION POLICY (Continued)**

### Section 3.06 - Qualified Service Applicant

A "qualified service applicant" is an applicant who has: (1) met all of the utility's requirements for service contained in this tariff, PUC rules and/or PUC order, (2) has made payment or made arrangement for payment of tap fees, (3) has provided all easements and rights-of-way required to provide service to the requested location, (4) delivered an executed customer service inspection certificate to the utility, if applicable, and (5) has executed a customer service application for each location to which service is being requested.

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

### Section 3.07 - Developer Requirements

As a condition of service to a new subdivision, the utility shall require a developer (as defined by PUC rule) to provide permanent recorded public utility easements as a condition of service to any location within the developer's property.

**APPENDIX A – DROUGHT CONTINGENCY PLAN  
(Utility Must Attach TCEQ-Approved Plan)**

**DRAFT**  
**DROUGHT CONTINGENCY PLAN**  
**FOR**

**PARK WATER COMPANY**

(Name of Utility)

7107 FM 307, Midland Texas 79706

(Address, City, Zip Code)

\_\_\_\_\_  
(CCN#)

\_\_\_\_\_  
(PWS #s)

\_\_\_\_\_  
(Date)

**Section 1      Declaration of Policy, Purpose, and Intent**

In cases of extreme drought, periods of abnormally high usage, system contamination, or extended reduction in ability to supply water due to equipment failure, temporary restrictions may be instituted to limit non-essential water usage. The purpose of the Drought Contingency Plan is to encourage customer conservation in order to maintain supply, storage, or pressure or to comply with the requirements of a court, government agency or other authority.

**Please note:** Water restriction is not a legitimate alternative if a water system does not meet the Texas Commission on Environmental Quality's (TCEQ) capacity requirements under normal conditions **or** if the utility fails to take all immediate and necessary steps to replace or repair malfunctioning equipment.

I, \_\_\_\_\_ (print name), being the responsible official for Park Water Company, **request a minor tariff amendment to include the enclosed Drought Contingency Plan.**

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Date)

## Section 2 Public Involvement

Opportunity for the public to provide input into the preparation of the Plan was provided by:

(Check at least one of the following)

*Scheduling and providing public notice of a public meeting to accept input on the Plan.*

The meeting took place at:

Date: \_\_\_\_\_ Time: \_\_\_\_\_ Location: \_\_\_\_\_

*Mailed survey with summary of results (attach survey and results)*

► *Bill insert inviting comment* (**attach bill insert**)

*Other method* \_\_\_\_\_

## Section 3 Public Education

The \_\_\_\_\_ (*name of utility*) will periodically provide the public with information about the Plan, including information about the conditions under which each stage of the Plan is to be initiated or terminated and the drought response measures to be implemented in each stage.

Drought plan information will be provided by:

(check at least one of the following)

*public meeting*

*press releases*

► *utility bill inserts*

other \_\_\_\_\_

## Section 4 Coordination with Regional Water Planning Groups

The service area of the Park Water Company is located within Regional Water Planning Group (RWPG) F.

Park Water Company has mailed a copy of this Plan to the RWPG.

## Section 5 Notice Requirements

Written notice will be provided to each customer **prior to implementation or termination of each stage of the water restriction program**. Mailed notice must be given to each customer 72 hours prior to the start of water restriction. If notice is hand delivered, the utility cannot enforce the provisions of the plan for 24 hours after notice is provided. The written notice to customers will contain the following information:

1. the date restrictions will begin,
2. the circumstances that triggered the restrictions,
3. the stages of response and explanation of the restrictions to be implemented, and,
4. an explanation of the consequences for violations.

The utility must notify the TCEQ by telephone at (512) 239-4691, or electronic mail at [watermon@tceq.state.tx.us](mailto:watermon@tceq.state.tx.us) prior to implementing Stage III and must notify in writing the Public Drinking Water Section at MC - 155, P.O. Box 13087, Austin, Texas 78711-3087 within five (5) working days of implementation including a copy of the utility's restriction notice. The utility must file a status report of its restriction program with the TCEQ at the initiation and termination of mandatory water use restrictions (i.e., Stages III and IV).

#### **Section 6        Violations**

First violation - The customer will be notified by written notice of their specific violation.

Subsequent violations:

- a.     After written notice, the utility may install a flow restricting device in the line to limit the amount of water which will pass through the meter in a 24-hour period. The utility may charge the customer for the actual cost of installing and removing the flow restricting device, not to exceed \$150.00.
- b.     After written notice, the utility may discontinue service at the meter for a period of seven (7) days, or until the end of the calendar month, whichever is LESS. The reconnect fee of the utility will apply for restoration of service.

#### **Section 7        Exemptions or Variances**

The utility may grant any customer an exemption or variance from the drought contingency plan for good cause **upon written request**. A customer who is refused an exemption or variance may appeal such action of the utility in writing to the Texas Commission on Environmental Quality. The utility will treat all customers equally concerning exemptions and variances, and shall not discriminate in granting exemptions and variances. No exemption or variance shall be retroactive or otherwise justify any violation of this Plan occurring prior to the issuance of the variance.

#### **Section 8        Response Stages**

Unless there is an immediate and extreme reduction in water production, or other absolute necessity to declare an emergency or severe condition, the utility will initially declare Stage I restrictions. If, after a reasonable period of time, demand is not reduced enough to alleviate outages, reduce the risk of outages, or comply with restrictions required by a court, government agency or other authority, Stage II may be implemented with Stage III to follow if necessary.

#### **STAGE I - CUSTOMER AWARENESS**

Stage I will begin:

**Every April 1<sup>st</sup>, the utility will mail a public announcement to its customers. No notice to TCEQ required.**

Stage I will end:

**Every September 30<sup>th</sup>, the utility will mail a public announcement to its customers. No notice to TCEQ required.**

Utility Measures:

This announcement will be designed to increase customer awareness of water conservation and encourage the most efficient use of water. A copy of the current public announcement on water conservation awareness shall be kept on file available for inspection by the TCEQ.

Voluntary Water Use Restrictions:

Water customers are requested to voluntarily limit the use of water for non-essential purposes and to practice water conservation.

**STAGE II - VOLUNTARY WATER CONSERVATION:**

**Target: Achieve a 10 percent reduction in daily water demand.**

The water utility will implement Stage 2 when any one of the selected triggers is reached:

Supply-Based Triggers: (check at least one and fill in the appropriate value)

Well level reaches \_\_\_\_\_ ft. mean sea level (m.s.l.)  
Overnight recovery rate reaches \_\_\_\_\_ ft.  
Reservoir elevation reaches \_\_\_\_\_ ft. (m.s.l.)  
Stream flow reaches \_\_\_\_\_ cfs at USGS gage # \_\_\_\_\_  
Wholesale supplier's drought Stage 2

Annual water use equals \_\_\_\_\_ % of well permit/Water Right/purchased water contract amount

► Other 75% of well pumping capacity

Demand- or Capacity-Based Triggers: (check at least one and fill in the appropriate value)

Drinking water treatment as % of capacity \_\_\_\_\_ %  
► Total daily demand as % of pumping capacity 75 %  
Total daily demand as % of storage capacity \_\_\_\_\_ %  
Pump hours per day \_\_\_\_\_ hrs.  
Production or distribution limitations.  
Other \_\_\_\_\_

**Upon initiation and termination of Stage II, the utility will mail a public announcement to its customers. No notice to TCEQ required.**

Requirements for Termination:

Stage II of the Plan may end when all of the conditions listed as triggering events have ceased to exist for a period of three (3) consecutive days. Upon termination of Stage II, Stage I becomes operative.

Utility Measures:

Visually inspect lines and repair leaks on a daily basis. Monthly review of customer use records and follow-up on any that have unusually high usage.

*Describe additional measures, if any, to be implemented directly by the utility to manage limited water supplies and/or reduce water demand. Examples include: reduced or discontinued flushing of water mains, activation and use of an alternative supply source(s); use of reclaimed water for non-potable purposes.*



The second water source for Park Water Company is: (check one)

Other well

Interconnection with other system

► Purchased water

Other \_\_\_\_\_

Voluntary Water Use Restrictions:

1. Restricted Hours: Outside watering is allowed daily, but only during periods specifically described in the customer notice; between 10:00 p.m. and 5:00 a.m. for example; or
2. Restricted Days/Hours: Water customers are requested to voluntarily limit the irrigation of landscaped areas with hose-end sprinklers or automatic irrigation systems. Customers are requested to limit outdoor water use to **Mondays for water customers with a street address ending with the numbers 1, 2, or 3, Wednesdays for water customers with a street address ending with the numbers 4, 5, or 6, and Fridays for water customers with a street address ending with the numbers 7, 8, 9, or 0.** Irrigation of landscaped areas is further limited to the hours of 12:00 midnight until 10:00 a.m. and between 8:00 p.m. and 12:00 midnight on designated watering days. However, irrigation of landscaped areas is permitted at anytime if it is by means of a hand-held hose, a faucet-filled bucket or watering can of five (5) gallons or less, or drip irrigation system; or
3. Other uses that waste water such as water running down the gutter.

**STAGE III - MANDATORY WATER USE RESTRICTIONS:**

**Target: Achieve a 20 percent reduction in daily water demand.**

The water utility will implement Stage III when any one of the selected triggers is reached:

Supply-Based Triggers (check at least one and fill in the appropriate value)

Well level reaches \_\_\_\_\_ ft. (m.s.l.)

Overnight recovery rate reaches \_\_\_\_\_ ft.

Reservoir elevation reaches \_\_\_\_\_ ft. (m.s.l.)

Stream flow reaches \_\_\_\_\_ cfs at USGS gage # \_\_\_\_\_

Wholesale supplier=s drought Stage III

Annual water use equals \_\_\_\_\_ % of well permit/Water Right/purchased water contract amount.

► Other 85% of well pumping capacity

Demand- or Capacity-Based Triggers (check at least one and fill in the appropriate value)

Drinking water treatment as % of capacity \_\_\_\_\_ %

► Total daily demand as % of pumping capacity 85 %

Total daily demand as % of storage capacity \_\_\_\_\_ %

Pump hours per day \_\_\_\_\_ hrs.

Production or distribution limitations.

Other \_\_\_\_\_

**Upon initiation and termination of Stage III, the utility will mail a public announcement to its customers. Notice to TCEQ required.**

Requirements for Termination:

Stage III of the Plan may end when all of the conditions listed as triggering events have ceased to exist for a period of three (3) consecutive days. Upon termination of Stage III, Stage II becomes operative.

Utility Measures:

Visually inspect lines and repair leaks on a regular basis. Flushing is prohibited except for dead end mains.

*Describe additional measures, if any, to be implemented directly by the utility to manage limited water supplies and/or reduce water demand. Examples include: activation and use of an alternative supply source(s); use of reclaimed water for non-potable purposes; offering low-flow fixtures and water restrictors.*

Mandatory Water Use Restrictions:

The following water use restrictions shall apply to all customers.

1. Irrigation of landscaped areas with hose-end sprinklers or automatic irrigation systems **shall be limited to Mondays for water customers with a street address ending with the numbers 1, 2, or 3, Wednesdays for water customers with a street address ending with the numbers 4, 5, or 6, and Fridays for water customers with a street address ending with the numbers 7, 8, 9, or 0.** Irrigation of landscaped areas is further limited to the hours of 12:00 midnight until 10:00 a.m. and between 8:00 p.m. and 12:00 midnight on designated watering days. However, irrigation of landscaped areas is permitted at anytime if it is by means of a hand-held hose, a faucet-filled bucket or watering can of five (5) gallons or less, or drip irrigation system.
2. Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle is prohibited except on designated watering days between the hours of 12:00 midnight and 10:00 a.m. and between 8:00 p.m. and 12:00 midnight. Such washing, when allowed, shall be done with a hand-held bucket or a hand-held hose equipped with a positive shutoff nozzle for quick rinses. Vehicle washing may be done at any time on the immediate premises of a commercial car wash or commercial service station. Further, such washing may be exempted from these regulations if the health, safety, and welfare of the public are contingent upon frequent vehicle cleansing, such as garbage trucks and vehicles used to transport food and perishables.
3. Use of water to fill, refill, or add to any indoor or outdoor swimming pools, wading pools, or "Jacuzzi" type pool are prohibited except on designated watering days between the hours of 12:00 midnight and 10:00 a.m. and between 8:00 p.m. and 12:00 midnight.
4. Operation of any ornamental fountain or pond for aesthetic or scenic purposes is prohibited except where necessary to support aquatic life or where such fountains or ponds are equipped with a recirculation system.
5. Use of water from hydrants or flush valves shall be limited to maintaining public health, safety, and welfare.

6. Use of water for the irrigation of golf courses, parks, and green belt areas are prohibited except by hand-held hose and only on designated watering days between the hours 12:00 midnight and 10:00 a.m. and between 8:00 p.m. and 12:00 midnight.
7. The following uses of water are defined as non-essential and are prohibited:
  - a. wash down of any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas;
  - b. use of water to wash down buildings or structures for purposes other than immediate fire protection;
  - c. use of water for dust control;
  - d. flushing gutters or permitting water to run or accumulate in any gutter or street;
  - e. failure to repair a controllable leak(s) within a reasonable period after having been given notice directing the repair of such leak(s); and
  - f. any waste of water.

#### **STAGE IV - CRITICAL WATER USE RESTRICTIONS:**

**Target: Achieve a 30 percent reduction in daily water demand.**

The water utility will implement Stage IV when any one of the selected triggers is reached:

Supply-Based Triggers: (check at least one and fill in the appropriate value)

Well level reaches \_\_\_\_\_ ft. (m.s.l.)

Overnight recovery rate reaches \_\_\_\_\_ ft.

Reservoir elevation reaches \_\_\_\_\_ ft. (m.s.l.)

Stream flow reaches \_\_\_\_\_ cfs at USGS gage # \_\_\_\_\_

Wholesale supplier=s drought Stage IV

Annual water use equals \_\_\_\_\_ % of well permit/Water Right/purchased water contract amount

Supply contamination

► Other 95% of well pumping capacity

Demand- or Capacity-Based Triggers: (check at least one and fill in the appropriate value)

Drinking water treatment as % of capacity \_\_\_\_\_ %  
▶ Total daily demand as % of pumping capacity 95 %  
Total daily demand as % of storage capacity \_\_\_\_\_ %  
Pump hours per day \_\_\_\_\_ hrs  
Production or distribution limitations  
System outage  
Other \_\_\_\_\_

**Upon initiation and termination of Stage IV, the utility will mail a public announcement to its customers. Notice to TCEQ required.**

Requirements for Termination:

Stage IV of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of three (3) consecutive days. Upon termination of Stage IV, Stage III becomes operative.

Operational Measures:

The utility shall visually inspect lines and repair leaks on a daily basis. Flushing is prohibited except for dead end mains and only between the hours of 9:00 p.m. and 3:00 a.m. Emergency interconnects or alternative supply arrangements shall be initiated. All meters shall be read as often as necessary to insure compliance with this program for the benefit of all the customers. *Describe additional measures, if any, to be implemented directly to manage limited water supplies and/or reduce water demand.*

Mandatory Water Use Restrictions: (all outdoor use of water is prohibited)

1. Irrigation of landscaped areas is absolutely prohibited.
2. Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle is absolutely prohibited.

**SYSTEM OUTAGE or SUPPLY CONTAMINATION**

Notify TCEQ Regional Office immediately.