



Control Number: 48816



Item Number: 1

Addendum StartPage: 0



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

Pursuant to Texas Water Code § 13.301 and 16 Texas Administrative Code § 24.109

## Sale, Transfer, or Merger (STM) Application Instructions

- I. **COMPLETE:** In order for the Commission to find the application sufficient for filing, the Applicant should:
  - i. Provide an answer to every question and submit any required attachment applicable to the STM request (i.e., agreements or contracts).
  - ii. Use attachments or additional pages to answer questions as necessary. If you use attachments or additional pages, reference their inclusion in the form.
  - iii. Provide all mapping information as detailed in Part G: Mapping & Affidavits.
- II. **FILE:** Seven (7) copies of the completed application with numbered attachments. One copy should be filed with no permanent binding, staples, tabs, or separators; and 7 copies of the portable electronic storage medium containing the digital mapping data.
  - i. **SEND TO:** Public Utility Commission of Texas. Attention: Filing Clerk, 1701 N. Congress Avenue, P.O. Box 13326, Austin, Texas 78711-3326 (NOTE: Electronic documents may be sent in advance of the paper copy, however they will not be processed and added to the Commission's on-line Interchange until the paper copy is received and file-stamped in Central Records.)
- III. The application will be assigned a docket number, and an administrative law judge (ALJ) will issue an order requiring Commission Staff to file a recommendation on whether the application is sufficient. The ALJ will issue an order after Staff's recommendation has been filed:
  - i. **DEFICIENT (Administratively Incomplete):** Applicants will be ordered to provide information to cure the deficiencies by a certain date, usually 30 days from ALJ's order. *Application is not accepted for filing.*
  - ii. **SUFFICIENT (Administratively Complete):** Applicants will be ordered by the ALJ to give appropriate notice of the application using the notice prepared by Commission Staff. *Application is accepted for filing.*
- IV. Once the Applicants issue notice, a copy of the actual notice sent and an affidavit attesting to notice should be filed in the docket assigned to the application. Recipients of notice may request a hearing on the merits.
 

**HEARING ON THE MERITS:** An affected party may request a hearing within 30 days of notice. In this event, the application may be referred to the State Office of Administrative Hearings (SOAH) to complete this request.
- V. **TRANSACTION TO PROCEED:** at any time following the provision of notice, or prior to 120 days from the last date that proper notice was given, Commission Staff will file a recommendation for the transaction to proceed as proposed or recommend that the STM be referred to SOAH for further investigation. The Applicants will be required to file an update in the docket to the ALJ every 30 days following the approval of the transaction. The transaction must be completed within six (6) months from the ALJ's order (Note: The Applicants may request an extension to the 6 month provision for good cause).
- VI. **FILE:** Seven (7) copies of completed transaction documents and documentation addressing the transfer or disposition of any outstanding deposits. After receiving all required documents from the Applicants, the application will be granted a procedural schedule for final processing. The Applicants are requested to consent in writing to the proposed maps and certificates, or tariff if applicable.
- VII. **FINAL ORDER:** The ALJ will issue a final order issuing or amending the applicable CCNs.

### FAQ:

#### Who can use this form?

Any retail public utility that provides water or wastewater service in Texas.

#### Who is required to use this form?

A retail public utility that is an investor owned utility (IOU) or a water supply corporation (WSC) prior to any STM of a water or sewer system, or utility, or prior to the transfer of a portion of a certificated service area.

### Terms

**Transferor:** Seller

**Transferee:** Purchaser

**CCN:** Certificate of Convenience and Necessity

**STM:** Sale, Transfer, or Merger

**IOU:** Investor Owned Utility

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### Application Summary

**Transferor:** BHP Water Supply Corporation

*(selling entity)*

**CCN No.s:** 10064

☒ Sale    ☐ Transfer    ☐ Merger    ☐ Consolidation    ☐ Lease/Rental

**Transferee:** City of Royse City

*(acquiring entity)*

**CCN No.s:** 12827

☒ Water    ☐ Sewer    ☐ All CCN    ☐ Portion CCN    ☐ Facilities transfer

**County(ies):** Hunt and Collin

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#### Please mark the items included in this filing

<input checked="" type="checkbox"/> Contract, Lease, Purchase, or Sale Agreement	Part A: Question 1
<input checked="" type="checkbox"/> Tariff including Rate Schedule	Part B: Question 4
<input type="checkbox"/> List of Customer Deposits	Part B: Question 5
<input type="checkbox"/> Partnership Agreement	Part C: Question 7
<input type="checkbox"/> Articles of Incorporation and By-Laws (WSC)	Part C: Question 7
<input type="checkbox"/> Certificate of Account Status	Part C: Question 7
<input checked="" type="checkbox"/> Financial Audit	Part C: Question 10
<input type="checkbox"/> Application Attachment A & B	Part C: Question 10
<input type="checkbox"/> Disclosure of Affiliated Interests	Part C: Question 10
<input type="checkbox"/> Capital Improvement Plan	Part C: Question 10
<input type="checkbox"/> List of Assets to be Transferred	Part D: 11.B
<input type="checkbox"/> Developer Contribution Contracts or Agreements	Part D: 11.D
<input type="checkbox"/> Enforcement Action Correspondence	Part E: Question 18 (Part D: Q12)
<input checked="" type="checkbox"/> TCEQ Compliance Correspondence	Part F: Question 22
<input type="checkbox"/> TCEQ Engineering Approvals	Part F: Question 24
<input type="checkbox"/> Purchased Water Supply or Treatment Agreement	Part F: Question 26
<input checked="" type="checkbox"/> Detailed (large scale) Map	Part G: Question 29
<input checked="" type="checkbox"/> General Location (small scale) Map	Part G: Question 29
<input checked="" type="checkbox"/> Digital Mapping Data	Part G: Question 29
<input checked="" type="checkbox"/> Signed & Notarized Oath	Page 13-14

**Part A: General Information**

1. Describe the proposed transaction, including the effect on all CCNs involved, and provide details on the existing or expected land use in the area affected by the proposed transaction. Attach all supporting documentation, such as a contract, a lease, or proposed purchase agreements:

See Supplemental Information, attached.

2. The proposed transaction will require (check all applicable):

See Supplemental Information.

For Transferee (Purchaser) CCN:

- ☐ Obtaining a NEW CCN for Purchaser  
☐ Transfer all CCN into Purchaser's CCN (Merger)  
☒ Transfer Portion of CCN into Purchaser's CCN  
☐ Transfer all CCN to Purchaser and retain Seller CCN  
☐ Uncertificated area added to Purchaser's CCN

For Transferor (Seller) CCN:

- ☐ Cancellation of Seller's CCN  
☒ Transfer of a Portion of Seller's CCN to Purchaser  
☐ Only Transfer of Facilities, No CCN or Customers  
☐ Only Transfer of Customers, No CCN or Facilities  
☐ Only Transfer CCN Area, No Customers or Facilities

**Part B: Transferor Information**

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

3. A. Name: BHP Water Supply Corporation

(individual, corporation, or other legal entity)

☐ Individual ☐ Corporation ☒ WSC ☐ Other: \_\_\_\_\_

B. Mailing Address: P.O. Box 370, Royse City, Texas 75189

Phone: (972) 636-2154 Email: \_\_\_\_\_

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

Name: Eddy Daniel, P.E. Title: Engineer

Mailing Address: DBI Engineers, P.O. Box 606, Farmersville, TX 75442

Phone: (972) 784-7777 Email: eddy@dbiconsultants.com

4. If the utility to be transferred is an Investor Owned Utility (IOU), for the most recent rate change, attach a copy of the current tariff and complete A through B:

A. Effective date for most recent rates: \_\_\_\_\_

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

☐ No ☐ Yes Application or Docket Number: \_\_\_\_\_

**If the transferor is a Water Supply or Sewer Service Corporation, provide a copy of the current tariff.**





- ☐ County
- ☐ Affected County (a county to which Subchapter B, Chapter 232, Local Government Code, applies)
- ☐ Other (please explain): \_\_\_\_\_

8. If the transferee operates under any d/b/a, provide the name below:

Name: N/A

9. If the transferee's legal status is anything other than an individual, provide the following information regarding the officers, members, or partners of the legal entity applying for the transfer: See Supplemental Information.

Name: Janet Nichol

Position: Mayor

Ownership % (if applicable): 0.00%

Address: P.O. Box 638, Royse City, Texas 75189-0638

Phone: (972) 524-4825

Email: \_\_\_\_\_

Name: Charles Houk

Position: City Councilmember, Place 1

Ownership % (if applicable): 0.00%

Address: P.O. Box 638, Royse City, Texas 75189-0638

Phone: (972) 524-4825

Email: \_\_\_\_\_

Name: Clay Ellis

Position: City Councilmember, Place 2

Ownership % (if applicable): 0.00%

Address: P.O. Box 638, Royse City, Texas 75189-0638

Phone: (972) 524-4825

Email: \_\_\_\_\_

Name: Bruce Bradley

Position: City Councilmember, Place 3

Ownership % (if applicable): 0.00%

Address: P.O. Box 638, Royse City, Texas 75189-0638

Phone: (972) 425-4825

Email: \_\_\_\_\_

10. **Financial Information**

The transferee Applicant must provide accounting information typically included within a balance sheet, income statement, and statement of cash flows. If the Applicant is an existing retail public utility, this must include historical financial information and projected financial information. However, projected financial information is only required if the Applicant proposes new service connections and new investment in plant, or if requested by Staff. If the Applicant is a new market entrant and does not have its own historical balance sheet, income statement, and statement of cash flows information, then the Applicant should establish a five-year projection taking the historical information of the transferor Applicant into consideration when establishing the projections.

**Historical Financial Information may be shown by providing any combination of the following that includes necessary information found in a balance sheet, income statement, and statement of cash flows:**

1. Completed Appendix A;
2. Documentation that includes all of the information required in Appendix A in a concise format; or
3. Audited financial statements issued within 18 months of the application filing date. This may be provided electronically by providing a uniform resource locator (URL) or a link to a website portal.

**Projected Financial Information may be shown by providing any of the following:**

1. Completed Appendix B;
2. Documentation that includes all of the information required in Appendix B in a concise format;
3. A detailed budget or capital improvement plan, which indicates sources and uses of funds required, including improvements to the system being transferred; or
4. A recent budget and capital improvements plan that includes information needed for analysis of the operations test (16 Tex. Admin. Code § 24.11(e)(3)) for the system being transferred and any operations combined with the system. This may be provided electronically by providing a uniform resource locator (URL) or a link to a website portal.

**Part D: Proposed Transaction Details**

11. A. Proposed Purchase Price: \$ 3,500.00

If the transferee Applicant is an investor owned utility (IOU) provide answers to B through D.

B. Transferee has a copy of an inventory list of assets to be transferred (*attach*):

☐ No ☐ Yes ☒ N/A

Total Original Cost of Plant in Service: \$ \_\_\_\_\_

Accumulated Depreciation: \$ \_\_\_\_\_

Net Book Value: \$ \_\_\_\_\_

C. **Customer contributions in aid of construction (CIAC):** Have the customers been billed for any surcharges approved by the Commission or TCEQ to fund any assets currently used and useful in providing utility service? Identify which assets were funded, or are being funded, by surcharges on the list of assets.

☒ No ☐ Yes

Total Customer CIAC: \$ \_\_\_\_\_

Accumulated Amortization: \$ \_\_\_\_\_

D. **Developer CIAC:** Did the transferor receive any developer contributions to pay for the assets proposed to be transferred in this application? If so, identify which assets were funded by developer contributions on the list of assets and provide any applicable developer agreements.

☒ No ☐ Yes

Total developer CIAC: \$ \_\_\_\_\_

Accumulated Amortization: \$ \_\_\_\_\_

12. A. Are any improvements or construction required to meet the minimum requirements of the TCEQ or Commission and to ensure continuous and adequate service to the requested area to be transferred plus any area currently certificated to the transferee Applicant? Attach supporting documentation and any necessary TCEQ approvals, if applicable.

☒ No ☐ Yes

B. If yes, describe the source and availability of funds and provide an estimated timeline for the construction of any planned or required improvements:

N/A.

13. Provide any other information concerning the nature of the transaction you believe should be given consideration:

The transfer of the facilities-only CCN from BHP to the City will enable the customers to receive improved service because the City has installed, or has plans to install, larger water lines to provide improved pressure. Many of these facilities held by BHP are dead-end lines. The transfer of the stated facilities to the City will relieve BHP of the obligations of maintenance and flushing, and enable BHP to focus on its larger service area and customers.

14. Complete the following proposed entries (listed below) as shown in the books of the Transferee (purchaser) after the acquisition. Debits (positive numbers) should equal credits (negative numbers) so that all line items added together equal zero. Additional entries may be made; the following are suggested only, and not intended to pose descriptive limitations:

Utility Plant in Service:	\$ _____	See Supplemental Information.
Accumulated Depreciation of Plant:	\$ _____	
Cash:	\$ _____	
Notes Payable:	\$ _____	
Mortgage Payable:	\$ _____	
(Proposed) Acquisition Adjustment*:	\$ _____	
*Acquisition Adjustments will be subject to review under 16 TAC § 24.31(d) and (e)		
Other (NARUC account name & No.):	_____	
Other (NARUC account name & No.):	_____	

15. A. Explain any proposed billing change (NOTE: If the acquiring entity is an IOU, the IOU may not change the rates charged to the customers through this STM application. Rates can only be changed through the approval of a rate change application.)

Customers were transferred to the City on February 1, 2018. These customers began paying the City's rates that had been previously established by the City. BHP's tariff is attached as Attachment 5; the City's current rate schedule is attached as Attachment 8.

B. If transferee is an IOU, state whether or not the transferee intends to file with the Commission, or an applicable municipal regulatory authority, an application to change rates for some or all of its customers as a result of the transaction within the next twelve months. If so, provide details below:

N/A.

**Part E: CCN Obtain or Amend Criteria Considerations**

16. Describe, in detail, the anticipated impact or changes in the quality of retail public utility service in the requested area as a result of the proposed transaction:

The City expects that the quality of retail public utility service for the customers transferred, will improve. The City has the capability of providing service to individual residences and to future subdivisions that are developing in the area. The City and BHP reached an agreement in 2011, acknowledging that the City was better positioned to serve higher-density growth as it occurred.

17. Describe the transferee's experience and qualifications in providing continuous and adequate service. This should include, but is not limited to: other CCN numbers, water and wastewater systems details, and any corresponding compliance history for all operations.

The City maintains a Superior rating for its water system. The City provides retail water utility service to 5,937 connections.

18. Has the transferee been under an enforcement action by the Commission, TCEQ, Texas Department of Health (TDH), the Office of the Attorney General (OAG), or the Environmental Protection Agency (EPA) in the past five (5) years for non-compliance with rules, orders, or state statutes? Attach copies of any correspondence with the applicable regulatory agency(ies)

☒ No ☐ Yes

19. Explain how the environmental integrity or the land will be impacted or disrupted as a result of the proposed transaction:

There will not be any impact on the environmental integrity as a result of the proposed transaction.

20. How will the proposed transaction serve the public interest?

The transaction will allow both the City and BHP to consolidate their services, and will enable customers who previously had been served by lines that often dead-ended to receive higher-pressured service from City-owned lines. As the parties acknowledged in 2011, Royse City is better positioned to serve the areas surrounding the transferred facilities as they develop and change from rural, widely-spaced residences, to higher density suburban development.

21. List all neighboring water or sewer utilities, cities, districts (including ground water conservation districts), counties, or other political subdivisions (including river authorities) providing the same service within two (2) miles from the outer boundary of the requested area affected by the proposed transaction:

See Supplemental Information.

**Part F: TCEQ Public Water System or Sewer (Wastewater) Information**

**Complete Part F for EACH Public Water or Sewer system to be transferred subject to approval of the transaction.  
Attach a separate sheet with this information if you need more space for additional systems being transferred.**

**22. A. For Public Water System (PWS):**

See Supplemental Information.

TCEQ PWS Identification Number: \_\_\_\_\_ (7 digit ID)

Name of PWS: \_\_\_\_\_

Date of last TCEQ compliance inspection: \_\_\_\_\_ (attach TCEQ letter)

Subdivisions served: \_\_\_\_\_

**B. For Sewer service:**

TCEQ Water Quality (WQ) Discharge Permit Number: WQ - \_\_\_\_\_ (8 digit ID)

Name of Wastewater Facility: \_\_\_\_\_

Name of Permittee: \_\_\_\_\_

Date of last TCEQ compliance inspection: \_\_\_\_\_ (attach TCEQ letter)

Subdivisions served: \_\_\_\_\_

Date of application to transfer permit submitted to TCEQ: \_\_\_\_\_

**23. List the number of existing connections, by meter/connection type, to be affected by the proposed transaction:**

Water				Sewer	
	Non-metered		2"		Residential
52	5/8" or 3/4"		3"		Commercial
	1"		4"		Industrial
	1 1/2"		Other		Other
Total Water Connections:			52	Total Sewer Connections:	

**24. A. Are any improvements required to meet TCEQ or Commission standards?**

☒ No ☐ Yes

**B. Provide details on each required major capital improvement necessary to correct deficiencies to meet the TCEQ or Commission standards (attach any engineering reports or TCEQ approval letters):**

Description of the Capital Improvement:	Estimated Completion Date:	Estimated Cost:

**C. Is there a moratorium on new connections?**

☒ No ☐ Yes:

**25. Does the system being transferred operate within the corporate boundaries of a municipality? See Supplemental Information.**

☐ No ☒ Yes: City of Royse City (name of municipality)

If yes, indicate the number of customers within the municipal boundary.

Water: 15 Sewer: \_\_\_\_\_

26. A. Does the system being transferred purchase water or sewer treatment capacity from another source?

☐ No ☒ Yes: If yes, attach a copy of purchase agreement or contract.

Capacity is purchased from: North Texas Municipal Water District

Water: \_\_\_\_\_

See Supplemental Information.

Sewer: \_\_\_\_\_

B. Is the PWS required to purchase water to meet capacity requirements or drinking water standards?

☒ No ☐ Yes

C. What is the amount of water supply or sewer treatment purchased, per the agreement or contract? What is the percent of overall demand supplied by purchased water or sewer treatment (if any)?

	Amount in Gallons	Percent of demand
Water:		0.00%
Sewer:		0.00%

D. Will the purchase agreement or contract be transferred to the Transferee?

☒ No ☐ Yes:

27. Does the PWS or sewer treatment plant have adequate capacity to meet the current and projected demands in the requested area?

☐ No ☒ Yes:

28. List the name, class, and TCEQ license number of the operator that will be responsible for the operations of the water or sewer utility service:

Name (as it appears on license)	Class	License No.	Water or Sewer
See Supplemental Information.			

#### Part G: Mapping & Affidavits

**ALL applications require mapping information to be filed in conjunction with the STM application.**  
***Read question 29 A and B to determine what information is required for your application.***

29. A. For applications requesting to transfer an entire CCN, without a CCN boundary adjustment, provide the following mapping information with each of the seven (7) copies of the application:

- i. A general location (small scale) map identifying the requested area in reference to the nearest county boundary, city, or town. The following guidance should be adhered to:
  - i. If the application requests to transfer certificated service areas for both water and sewer, separate maps must be provided for each.
  - ii. A hand drawn map, graphic, or diagram of the requested area is not considered an acceptable mapping document.

- iii. To maintain the integrity of the scale and quality of the map, copies must be exact duplicates of the original map. Therefore, copies of maps cannot be reduced or enlarged from the original map, or in black and white if the original map is in color.

- 2. A detailed (large scale) map identifying the requested area in reference to verifiable man-made and natural landmarks such as roads, rivers, and railroads. The Applicant should adhere to the following guidance:

- i. The map must be clearly labeled and the outer boundary of the requested area should be marked in reference to the verifiable man-made or natural landmarks. These verifiable man-made or natural landmarks must be labeled and marked on the map as well.
- ii. If the application requests an amendment for both water and sewer certificated service area, separate maps need to be provided for each.
- iii. To maintain the integrity of the scale and quality of the map, copies must be exact duplicates of the original map. Therefore, copies of maps cannot be reduced or enlarged from the original map, or in black and white if the original map is in color.
- iv. The outer boundary of the requested area should not be covered by any labels, roads, city limits or extraterritorial jurisdiction (ETJ) boundaries.

- B. For applications that are requesting to include area not currently within a CCN, or for applications that require a CCN amendment (any change in a CCN boundary), such as the transfer of only a portion of a certificated service area, provide the following mapping information with each of the seven (7) copies of the application:

- 1. A general location (small scale) map identifying the requested area with enough detail to locate the requested area in reference to the nearest county boundary, city, or town. Please refer to the mapping guidance in part A 1 (above).
- 2. A detailed (large scale) map identifying the requested area with enough detail to accurately locate the requested area in reference to verifiable man-made or natural landmarks such as roads, rivers, or railroads. Please refer to the mapping guidance in part A 2 (above).
- 3. One of the following identifying the requested area:
  - i. A metes and bounds survey sealed or embossed by either a licensed state land surveyor or a registered professional land surveyor. Please refer to the mapping guidance in part A 2 (above);
  - ii. A recorded plat. If the plat does not provide sufficient detail, Staff may request additional mapping information. Please refer to the mapping guidance in part A 2 (above); or
  - iii. Digital mapping data in a shapefile (SHP) format georeferenced in either NAD 83 Texas State Plane Coordinate System (US Feet) or in NAD 83 Texas Statewide Mapping System (Meters). The digital mapping data shall include a single, continuous polygon record. The following guidance should be adhered to:
    - a. The digital mapping data must correspond to the same requested area as shown on the general location and detailed maps. The requested area must be clearly labeled as either the water or sewer requested area.
    - b. A shapefile should include six files (.dbf, .shp, .shx, .sbx, .sbn, and the projection (.prj) file).
    - c. The digital mapping data shall be filed on a data disk (CD or USB drive), clearly labeled, and filed with Central Records. Seven (7) copies of the digital mapping data is also required.



**Part H: Notice Information**

The following information will be used to generate the proposed notice for the application.  
**DO NOT provide notice** of the application until it is found sufficient and the Applicants are ordered to provide notice.

30. Complete the following using verifiable man-made or natural landmarks such as roads, rivers, or railroads to describe the requested area (to be stated in the notice documents). Measurements should be approximated from the outermost boundary of the requested area:

The total acreage of the requested area is approximately: 32.86

Number of customer connections in the requested area: 52

Affected subdivision : private residences within and along facilities-only CCN

The closest city or town: Royse City

Approximate mileage to closest city or town center: 0

Direction to closest city or town: The area of proposed CCN transfer is located within City of Royse City and to east of current corporate limits.

The requested area is generally bounded on the North by: see Supplemental Information

on the East by: \_\_\_\_\_

on the South by: \_\_\_\_\_

on the West by: \_\_\_\_\_

31. A copy of the proposed map will be available at: City Hall, 305 N. Arch Street, Royse City, Texas 75189

32. What effect will the proposed transaction have on an average bill to be charged to the affected customers? Take into consideration the average consumption of the requested area, as well as any other factors that would increase or decrease a customer's monthly bill.

☐ All of the customers will be charged the same rates they were charged before the transaction.

☒ All of the customers will be charged different rates than they were charged before the transaction.

☐ higher monthly bill ☐ lower monthly bill

☐ Some customers will be charged different rates than they were charged before  
(i.e. inside city limit customers)

☐ higher monthly bill ☐ lower monthly bill

See Supplemental Information.

**Oath for Transferor (Transferring Entity)**

STATE OF Texas

COUNTY OF Rockwall

I, **Eddy Daniel, P.E.** being duly sworn, file this application for sale, transfer,

merger, consolidation, acquisition, lease, or authorized representative of BHP Water Supply Corporation  
rental, as

(owner, member of partnership, title as officer of corporation, or authorized representative)

I attest that, in such capacity, I am qualified and authorized to file and verify such application, am personally familiar with the documents filed with this application, and have complied with all the requirements contained in the application; and, that all such statements made and matters set forth therein with respect to Applicant are true and correct. Statements about other parties are made on information and belief. I further state that the application is made in good faith and that this application does not duplicate any filing presently before the Commission.

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

*Eddy W. Daniel, P.E.*

**AFFIANT**

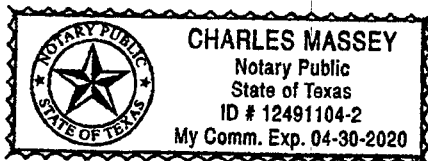
(Utility's Authorized Representative)

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 BEFORE ME**, a Notary Public in and for the State of Texas

this day the 24 of Oct, 2018

SEAL



*Charles Massey*

**NOTARY PUBLIC IN AND FOR THE  
STATE OF TEXAS**

*Charles Massey*

**PRINT OR TYPE NAME OF NOTARY**

**My commission expires:**

4-30-2020

**Oath for Transferee (Acquiring Entity)**

STATE OF Texas

COUNTY OF Rockwall

I, Carl Alsabrook being duly sworn, file this application for sale, transfer,  
merger, consolidation, acquisition, lease, or rental, as City Manager  
(owner, member of partnership, title as officer of corporation, or authorized representative)

I attest that, in such capacity, I am qualified and authorized to file and verify such application, am personally familiar with the documents filed with this application, and have complied with all the requirements contained in the application; and, that all such statements made and matters set forth therein with respect to Applicant are true and correct. Statements about other parties are made on information and belief. I further state that the application is made in good faith and that this application does not duplicate any filing presently before the Commission.

I further state that I have been provided with a copy of the 16 TAC § 24.109 Commission rules. I am also authorized to agree and do agree to be bound by and comply with any outstanding enforcement orders of the Texas Commission on Environmental Quality, the Public Utility Commission of Texas or the Attorney General which have been issued to the system or facilities being acquired and recognize that I will be subject to administrative penalties or other enforcement actions if I do not comply.

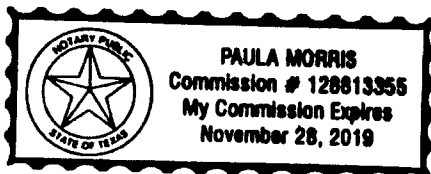


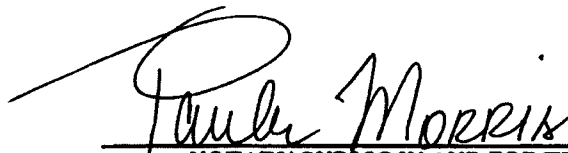
**AFFIANT**  
(Utility's Authorized Representative)

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

SUBSCRIBED AND SWORN BEFORE ME, a Notary Public in and for the State of Texas  
this day the 24<sup>th</sup> of October, 2018

SEAL





**NOTARY PUBLIC IN AND FOR THE  
STATE OF TEXAS**

Paula Morris

**PRINT OR TYPE NAME OF NOTARY**

My commission expires:

Nov. 28, 2019

**APPLICATION FOR SALE, TRANSFER, OR MERGER OF A RETAIL PUBLIC UTILITY  
CITY OF ROYSE CITY, TEXAS, CCN No. 12827  
BHP WATER SUPPLY CORPORATION, CCN No. 10064**

**Supplemental Information**

**Question No. 1. Description of Transaction.**

On April 28, 2016, BHP WSC ("BHP") and the City of Royse City ("City") entered into an agreement entitled "Third Amendment to Settlement Agreement Between the City of Royse City and BHP Water Supply Corporation" ("Third Amendment"). The original Settlement Agreement was dated April 5, 2011, and has been the basis for several revisions to the CCNs held by BHP and the City, most recently in PUC Docket No. 48564, filed on August 2, 2018. Copies of the original Settlement Agreement and the Third Amendment are attached to this Application as Attachments 1 and 2.

The Third Amendment, which is the basis for this Application, provides for the release by BHP from its CCN and transfer to the City "that portion of CCN No. 10064 designated as 'BHP WSC Facilities Only to Royse City'" as shown on Exhibit B to the Third Amendment. The facilities that will be transferred lie within the territorial CCN of the City. The Third Amendment also provided that the transfer of facilities would include all customers currently served by those transferred facilities, then estimated to be 52 accounts. Section 2.02 of the Third Amendment sets out the parties' intention that the result of the Third Amendment is the amendment of the parties' water CCN areas in accordance with the map attached to the agreement, and that the transfer includes (a) all physical facilities, including all lines, service meters, and valves in the transferred areas, (b) all easements, road/railroad crossing permits, and other real property used by the facilities in the transferred area, and (c) all customers in the transferred area, estimated at that time to be 52 accounts.

In the preparation of the mapping for this Application, BHP and the City identified additional facilities (not shown on the map attached to the Third Amendment) that also are to be transferred to the City. These additional facilities are included in the mapping provided with this Application.

Pursuant to the Third Amendment, on November 14, 2017, the City provided mailed written notice to the BHP customers to be transferred under the Agreement, notifying them of their transfer to the City, effective December 16, 2017. A copy of the notice letter is attached as Attachment 3, and the list of customers receiving such notice is attached as Attachment 4 (Confidential)

**Question No. 2. Transfers.**

The proposed transaction, for Seller, is a transfer of facilities and cancellation of that portion of Seller's facilities-only CCN. The customers served by the facilities to be transferred have already been transferred to the City, as described in the response to Question 1.

**Question No. 4. Transferor's Tariff.**

A copy of BHP's current tariff is attached as Attachment 5.

**Question No. 5. Customers Transferred.**

As noted in response to Question No. 1, the customers affected by the Third Amendment have already been transferred from BHP to the City. (See Attachments 3 and 4.) Written notice was provided to each customer. As stated in that notice, the City waived all deposits for the transferred customers. BHP did not hold any deposits for these transferred customers, as documented by the email from Mr. Eddy Daniels, attached as Attachment 6.

**Question No. 9. Transferee's Officers.**

The following individuals are in addition to the officers listed on the application form:

Matt Wheatley

City Councilmember Place 4

P.O. Box 638

Royse City, Texas 75189-0638

(972) 524-4825

James Branch

City Councilmember Place 5

P.O. Box 638

Royse City, Texas 75189-0638

(972) 524-4825

Tom Crowley

City Councilmember Place 6

P.O. Box 638

Royse City, Texas 75189-0638

(972) 524-4825

**Question No. 10. Financial Information.**

Royse City's most recently available audited financial report is attached as Attachment 7.

**Question No. 14. Accounting Entries.**

In accordance with the Third Amendment, the total compensation due from the City to BHP for the transfer of the facilities, the CCN, and the customers is \$3,500.00, to be paid when this STM is finally approved. Some of the facilities are still in use; others have been abandoned in place. The information requested in this Question is not applicable to the City, as the City's rate-making and accounting are not within the jurisdiction of the Commission.

**Question No. 21. Neighboring Entities.**

Entity	Contact	Address
B H P WSC	Dwain Dawson	PO Box 370, Royse City, TX 75189-0370
Caddo Basin SUD	Leahmon Bryant	156 County Road 1118, Greenville, TX 75401-7514
City of Josephine	Joe Holt	PO Box 99, Josephine, TX 75164-0099
City of Royse City	Janet Nichol	PO Box 638, Royse City, TX 75189-0638
Nevada WSC/SUD	Johnny Rudisill	108 N Warren St, Nevada, TX 75173-8223
Sabine River Authority	Stanley Matthews	PO Box 579, Orange, TX 77631-0579
North Texas MWD (includes Wylie WTP, Bonham WTP, Leonard WTP, Tawakoni WTP)	Thomas Kula	PO Box 2408, Wylie, TX 75098-2408
North Texas GCD	Drew Satterwhite, PE, Gen. Mgr.	5100 Airport Dr, Denison TX 75020
Collin County (Adventure Camp)	Keith Self	1180 Houston St, Anna, TX 75409-6317
Hunt County (North Hunt SUD)	Robert Speight	PO Box 1170, Commerce, TX 75429-1170
Rockwall County MUD 6	Jill Thrasher	19154 Bailey Ln, Forney, TX 75126-7596

**Question No. 22. Transferred System PWS.**

This question is not applicable, because only discrete facilities are being transferred with the facilities-only CCN; BHP will maintain its PWS. The latest TCEQ inspection letter for the Royse City water system is attached as Attachment 9.

**Question No. 25. City Limits.**

The transferred facilities are both within, and outside of, the city limits of Royse City. 15 of the transferred customers are located in the city limits of Royse City.

**Question No. 26. Purchased Water.**

A system is not being transferred, just discrete and isolated facilities. Both BHP and the City purchase all of their water from the North Texas Municipal Water District. This STM Application will not have any effect on the contracts held by the City or BHP, and their water supplier will remain the same.

**Question No. 28. Licensed Operators.**

Name	Classes	License Number
Dario Lopez, Jr.	Water Distribution Operator C	WD0007518
Dario Lopez, Jr.	Wastewater Collection Operator II	WW0041119
Joshua K. White	Backflow Prevention Assembly Tester	BP0014006
Joshua K. White	Customer Service Inspector	CI0007351

Joshua K. White	Water Distribution Operator C	WD0007752
Joshua K. White	Wastewater Collection Operator II	WW0038145
Christopher W. McDaniel	Water Distribution Operator C	WD0012904
Joseph A. Adams	Water Operator D	WO0037411
Dylan R. Tawwater	Water Operator D	WO0037416

**Question No. 29.B. Mapping Information.**

See Attachments 10 (small scale map), 11 (large scale map), and 12 (CD containing digital mapping data).

**Question No. 30. Area Description.**

The total acreage to be transferred is 32.86 acres, which includes the facilities and an estimated 15' easement on either side of the lines. It is difficult to enter the requested information regarding the boundaries of the subject area. The CCN transfer is a facilities-only CCN. The facilities are located north to south along CR 678 to CR 2658, southwest along State Highway 66 from CR 1031 to East County Line Road, CR 1031 between State Highway 66 and FM 2642, and from the railroad crossing along East County Line Road to FM 2642, then along Interstate Highway 30 to FM 2648, in Collin County and Hunt County.

**Question No. 32. Effect on Bills.**

See Attachments 5 and 8 for BHP's and the City's rates. Depending on whether the transferred customers are inside-City or outside-City customers, and their usage, the transferred customers may be charged higher or lower rates than previously.

## **SETTLEMENT AGREEMENT**

This SETTLEMENT AGREEMENT (the "Agreement") is made and entered into by and between the City of Royse City (the "City"), a Texas home rule city, and B H P Water Supply Corporation ("BHP"), a Texas non-profit water supply corporation in good standing (the City and BHP are collectively referred to as the "Parties"), each acting by and through its undersigned, duly authorized representative.

### **RECITALS**

WHEREAS, the City is the holder of water certificate of convenience and necessity ("CCN") No. 12827, issued by the Texas Commission on Environmental Quality ("TCEQ"), and BHP is the holder of water CCN No. 10064;

WHEREAS, a portion of BHP's water CCN area is contained within the corporate limits and extra-territorial jurisdiction of the City;

WHEREAS, the City desires to (i) decertify approximately 8,588 acres of land within BHP's water CCN boundary (the "Initial CCN Acquisition Area"), as more particularly shown on Exhibit A, attached hereto and incorporated herein for all purposes, and (ii) include such land within the City's water CCN area, pursuant to the terms of this Agreement;

WHEREAS, the City also desires to be dually certificated with BHP for the approximately 4,331 acres of land within BHP's water CCN boundary (the "Subsequent CCN Acquisition Area"), as more particularly shown on Exhibit A, in order to provide retail water service to that area as provided in this Agreement;

WHEREAS, BHP desires to remove the Initial CCN Acquisition Area from its water CCN, as provided in this Agreement, and to be dually certificated with the City in the Subsequent CCN Acquisition Area, as provided in this Agreement;

WHEREAS, BHP has requested financial assistance from the United States Department of Agriculture - Rural Development ("USDA-RD") in the approximate amount of three million eight hundred thousand dollars (\$3,800,000.00) (the "Loan") to finance certain improvements to BHP's water system and operations;

WHEREAS, while the City does not oppose BHP's efforts to secure the Loan to finance such improvements and operation enhancements, the City has expressed to BHP and North Central Texas Council of Governments ("NCTCOG") its concerns regarding USDA-RD's general requirement that a debtor provide a security interest in all of its assets, including its CCN, as collateral for loans issued by the USDA-RD;



WHEREAS, BHP desires to purchase a certain approximately 1.83 acre tract from the City to use as a water take-point site, which is more specifically described in Exhibit B, attached hereto and incorporated herein for all purposes (the "Take-point Tract"); and

WHEREAS, the City and BHP have conducted negotiations, and they desire to enter into this Agreement to resolve all outstanding issues regarding water CCN service areas, BHP's Loan application with USDA-RD, and the conveyance of the Take-point Tract from the City to BHP.

NOW THEREFORE, in consideration of the mutual promises, covenants, obligations, and benefits set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Parties hereto, the City and BHP contract, covenant and agree as follows:

### **AGREEMENT**

#### **1. BHP's Loan Application.**

(a) So long as BHP fulfills its obligations under this Agreement, the City will not attempt to enjoin USDA-RD from entering into a Loan agreement with BHP.

(b) Prior to entering into any Loan agreement with USDA-RD, BHP shall request and recommend to USDA-RD that BHP should not be required to grant a security interest to USDA-RD in the Initial CCN Acquisition Area or Subsequent CCN Acquisition Area as collateral for the Loan. BHP shall support the condition that USDA-RD exclude the Initial CCN Acquisition Area and Subsequent CCN Acquisition Area of BHP's water CCN from the collateral for the Loan. BHP recognizes that its agreement to make such request and recommendation and to offer such support provides the City with significant inducement to enter into this Agreement.

(c) Within seven (7) days after the Effective Date of this Agreement, BHP shall amend its Loan application by (i) removing the Initial CCN Acquisition Area and Subsequent CCN Acquisition Area from the assets of BHP and (ii) submitting an executed copy of this Agreement. Regardless of any other provision herein to the contrary, if BHP grants USDA-RD a security interest in the Initial CCN Acquisition Area or Subsequent CCN Acquisition Area as collateral for any Loan, then the City shall have the right, but not the obligation, to terminate this Agreement, effective immediately. If the City terminates the Agreement under this provision, then all amounts placed into the Escrow Account shall be refunded to the City.

(d) The term "Loan" shall have the meaning provided in the Recitals of this Agreement; and this term shall also mean any subsequent loan agreements entered into between BHP and USDA-RD where BHP is required to provide collateral.

#### **2. Designating CCNs for the Initial and Subsequent CCN Acquisition Areas.**

(a) **Initial CCN Acquisition Area** It is the Parties' intent that the City shall be singly certificated for the Initial CCN Acquisition Area; provided, however, that BHP shall maintain and be dually certificated with the City for the portion of its water CCN area within the Initial CCN Acquisition Area that overlaps with the locations of BHP's existing customers and existing water distribution lines and existing facilities, as of the Effective Date (defined herein) of this Agreement; and provided further, that BHP shall remain singly certificated to the land within the Initial CCN Acquisition Area designated as "Excluded Area from CCN Acquisition", more specifically shown on Exhibit A. The City may file one or more applications with the TCEQ or any successor agencies that regulate and administer the water CCN program for the State, for approval to transfer and/or decertify the Initial CCN Acquisition Area from BHP's water CCN boundary and amend the City's water CCN boundary to include such area in accordance with this Agreement; and BHP shall not protest any of these applications. The City shall pay BHP ONE MILLION ONE HUNDRED THOUSAND DOLLARS AND NO CENTS (\$1,100,000.00) (the "Full Payment") for conveying the Initial CCN Acquisition Area to the City, according to the following requirements:

(i) No later than sixty (60) calendar days after the Effective Date of this Agreement, the City shall establish an escrow account (the "Escrow Account") to hold the Initial Payment (defined herein) and Balance Payment (defined herein) in accordance with this Agreement. The Escrow Account shall be governed by an escrow agreement mutually agreeable to counsel for the City and BHP. The escrow agent shall be selected by the City, subject to approval by BHP; provided, however, that such approval shall not be unreasonably withheld or delayed.

(ii) After reducing the amount of the Full Payment by the amount of the Take-point Tract Payment (defined herein) required under Section 4 of this Agreement, the City shall pay BHP NINE HUNDRED THOUSAND DOLLARS AND NO CENTS (\$900,000.00) through the process provided below:

(A) No later than seven (7) calendar days after the Escrow Account has been created, the City shall deposit ONE HUNDRED FIFTY THOUSAND DOLLARS AND NO CENTS (\$150,000.00) (the "Initial Payment") into such Account.

(B) No later than six (6) months after the Escrow Account has been created, the City shall deposit the remaining SEVEN HUNDRED FIFTY THOUSAND DOLLARS AND NO CENTS (\$750,000.00) into such Account (the "Balance Payment"); provided, however, that the City has the right, but not the obligation, to make this payment through one or more transactions, so long as the City has deposited the entire Balance Payment amount into the Escrow Account on or before the deadline established herein.

(iii) In the event that the City fails to meet its escrow payment obligations under this Section, the City shall not be in breach of this Agreement; rather, the City shall (A) reduce the acreage of the Initial CCN Acquisition Area by an amount that

corresponds with the shortfall in the Escrow Account at the time when the Balance Payment is due, and (B) amend its pending CCN application to reflect the revised Initial CCN Acquisition Boundary. Such reduction in acreage shall be based upon the factor of ONE HUNDRED FIFTY DOLLARS AND NO CENTS (\$150.00) per acre (for example, a shortfall of \$150,000 would require the City to reduce the acreage of the Initial CCN Acquisition Area by 1,000 acres, because  $\$150,000/\$150 \text{ per acre} = 1,000 \text{ acres}$ ). In the event that the City is required to make such a modification, it shall only be due to a lack of funding from a third party associated with the developments identified on Exhibit C, attached hereto and incorporated herein for all purposes, then the City shall remove such development and, to the extent necessary, area contiguous to that development that is outside the corporate limits of the City, from the pending CCN application. Accordingly, with such modification the USDA-RD shall not be required to release from collateral of the Loan the area removed from transfer of the CCN.

(iv) Funds shall be released from the Escrow Account to BHP only upon the later of (A) issuance of a final and non-appealable order from the TCEQ decertifying the Initial CCN Acquisition Area, as may be reduced under this Section, from BHP's water CCN boundary and including such area into the City's water CCN boundary, and (B) BHP's receipt of written consent from USDA-RD to the release of the Initial CCN Acquisition Area from the collateral of the Loan, if applicable. In the event that the TCEQ or USDA-RD issues a final and non-appealable order denying any CCN application or request for Lienholder Consent (as defined herein), respectively, all money deposited in the Escrow Account shall be refunded to the City, and the certificated service rights for the Initial CCN Acquisition Area shall remain with BHP.

(v) In the event that the City reduces the Initial CCN Acquisition Area as provided in Section 2(a)(iii) above, and subsequently files additional application(s) to transfer and/or decertify any remaining portion of the Initial CCN Acquisition Area (which includes any reductions to the Initial CCN Acquisition Area under subsection 2(a)(iii) above) from BHP's water CCN boundary and to amend the City's water CCN boundary to include such area, other than those areas located in a municipal utility district, the City shall deposit funds into the Escrow Account prior to filing any application, based upon the factor of ONE HUNDRED FIFTY DOLLARS AND NO CENTS (\$150.00) per acre. Funds shall be released from the Escrow Account to BHP only upon the later of (A) issuance of a final and non-appealable order from the TCEQ decertifying the requested portion of the remaining Initial CCN Acquisition Area from BHP's water CCN boundary and including such area into the City's water CCN boundary, and (B) BHP's receipt of written consent from USDA-RD to the release of such additional area from the collateral of the Loan, if applicable.

(vi) BHP shall first utilize the Initial Payment and Balance Payment for the pay-off of BHP's existing debt, and BHP shall then utilize the remaining balance to offset the USDA-RD Loan amount or to pay down the principal on the existing Loan balance.

(b) Subsequent CCN Acquisition Area. It is the Parties' intent that the City and BHP shall be dually certificated for the Subsequent CCN Acquisition Area; provided, however, that BHP shall remain singly certificated to the Excluded Area from CCN Acquisition within the Subsequent CCN Acquisition Area, more specifically shown on Exhibit A. Dual certification shall be sought by the City upon execution of this agreement. BHP acknowledges and agrees that the City will seek dual water certification to the Subsequent CCN Acquisition Area. BHP shall not protest such application. The City shall pay BHP ONE HUNDRED FIFTY DOLLARS AND NO CENTS (\$150.00) (the "**Subsequent Payment**") for each acre within the Subsequent CCN Acquisition Area that the TCEQ grants the City dual water CCN certification with BHP that receives retail water utility service from the City as provided in Section 3(b) below. The City shall make each Subsequent Payment to BHP prior to construction of facilities and/or provision of service.

(c) To the extent necessary, BHP shall prepare, execute, submit, and prosecute any and all applicable USDA-RD forms, including, but not limited to, Form RD-465-1 (Application for Partial Release, Subordination, or Consent) (the "**Lienholder Consent**"), requesting USDA-RD to release the Initial CCN Acquisition Area and Subsequent CCN Acquisition Area from BHP's collateral in the Loan. Specifically, BHP shall prepare, execute, and submit such forms with USDA-RD no later than thirty (30) calendar days after the TCEQ issues a final and non-appealable order granting any City CCN application filed in accordance with this Agreement.

(d) BHP shall cooperate with the City regarding any applications filed with the TCEQ in accordance with this Agreement. If (i) the TCEQ does not approve one or more of the Parties' filings hereunder or (ii) a third party protests any applications filed in accordance with this Agreement, then the Parties shall work together to determine and implement a solution that is consistent with the intent of this Agreement.

(e) Where applicable herein, this Agreement shall be a "contract" (i) designating areas and customers to be served by the Parties in accordance with Texas Water Code Section 13.248, (ii) demonstrating an agreement for dual certification in accordance with Chapter 13 of the Texas Water Code, and (iii), agreeing to single certification under Texas Water Code Section 13.255.

### 3. Provisions for New and Existing Customers.

(a) Generally. To the extent that the City and BHP are dually certificated in the Initial CCN Acquisition Area, BHP shall only provide retail water utility service to all of its existing customers as of the Effective Date of this Agreement. To the extent that the City and BHP are dually certificated in the Subsequent CCN Acquisition Area, BHP shall only provide retail water utility service to (i) all of its existing customers as of the Effective Date of this Agreement and (ii) each new single family residential development that is not considered a High Density Development (defined herein) or other new single request for residential water service that is not within a High Density Development. For the purposes of this Agreement, a "**High Density Development**" means a development with a proposed density of more than two (2) lots per acre or with more than a total of sixty-five (65) lots. The City shall serve all other customers in these dually certificated areas,



including, but not limited to, High Density Developments, institutional, commercial, and industrial customers; provided, however, that BHP shall serve such requests for water service if the City provides its prior written consent to BHP.

(b) Changes in Service by Existing BHP Customers. The Parties acknowledge that BHP currently serves customers within the Initial CCN Acquisition Area, the Subsequent CCN Acquisition Area, and the Excluded Area from CCN Acquisition (each customer being a "BHP Existing Customer"). A list of the BHP Existing Customers is attached hereto as Exhibit D, incorporated herein for all purposes. However, if (i) any single family residential development containing BHP Existing Customers converts into a High Density Development, or (ii) any BHP Existing Customer converts into an institutional, commercial, or industrial customer, then the City shall thereafter render retail water service to such BHP Existing Customers unless the City provides prior written notice to BHP stating that the City does not desire to extend retail water service to those customers. BHP and the City shall work together in good faith to effectuate the transfer of such BHP Existing Customers to the City.

(c) Additional Compensation for Transfer of Customers.

(i) If the converted BHP Existing Customer is located within the Initial CCN Acquisition Area or Subsequent CCN Acquisition Area which shall be certificated to the City under this Agreement, then BHP shall not be entitled to any compensation from the City for the transfer of such BHP Existing Customer or property identified herein, other than the compensation identified in Section 2 of this Agreement.

(ii) If the converted BHP Existing Customer is located within the Excluded Area from CCN Acquisition, then the City shall compensate BHP for decertifying that customer and property from BHP's water CCN boundary and adding that area to the City's water CCN boundary, in the amount of (A) ONE HUNDRED FIFTY DOLLARS AND NO CENTS (\$150.00) per acre transferred, plus (B) an agreed value based upon the compensation factors contained in Texas Water Code § 13.254(g)(Vernon 2010). The City shall not make any payment to BHP under this Section 3(c)(ii) until: (A) the TCEQ issues a final and non-appealable order granting single CCN certification to the City to the requested area, and (B) BHP receives written consent from USDA-RD to the release of such area from BHP's CCN boundary, if applicable. BHP shall not protest any such CCN application.

(d) In the event a BHP Existing Customer converts into a customer that the City is entitled to serve under this Agreement, but refuses to transfer service to the City, BHP agrees to file an application at the TCEQ to decertify the portion of its water CCN that overlaps with that customer's property. Such application costs shall be paid by the City.

4. Conveyance of Real Property.

(a) The City agrees to sell, grant, and convey to BHP, and BHP hereby agrees to purchase from the City, all of the City's right, title, and interest in the Take-point Tract. The City

also agrees to grant BHP an easement to cross the City's remaining property to facilitate the connection to North Texas Municipal Water District and BHP's existing facilities; provided, however, that the City shall have the sole discretion to determine the location of such easement.

(b) In partial consideration for the sale of such Take-point Tract, BHP shall pay the City TWO HUNDRED THOUSAND DOLLARS AND NO CENTS (\$200,000.00) ("Take-point Tract Payment"), and this amount shall be used to reduce the Full Payment amount payable by the City to BHP hereunder.

(c) The transfer of ownership of the Take-point Tract ("Closing Date") shall occur no later than the later of: (i) thirty (30) calendar days after the TCEQ's order granting single certification to the City for the Initial CCN Acquisition Area becomes final and nonappealable, or (ii) BHP's receipt of written consent from USDA-RD to the release of the Initial CCN Acquisition Area from the collateral of the Loan, if applicable.

(d) BHP shall pay all closing costs, except that each Party shall be responsible for the payment of its own attorney's fees, copying expenses, and other costs incurred in connection with this transaction.

5. Plans and Specifications. Prior to BHP constructing any water utility facilities on the Take-point Tract or transporting water to or from the Take-point Tract, BHP shall provide the City with BHP's proposed plans and specifications for such facilities for approval. The City's scope of approval shall be limited to the geographical and topographical locations of such facilities. The City and BHP shall work together to ensure that such facilities do not interfere with the City's existing utility infrastructure or future utility infrastructure proposed in the City's current capital improvements plan. Within thirty (30) days of having received such proposed plans and specifications, the City shall conduct its review and either approve the plans and specifications or provide comments to BHP explaining why its approval has been withheld. BHP shall construct such water utility facilities in accordance with the scope of the City's review as identified above. It is BHP's obligation to provide the City with such plans and specifications. When BHP has completed constructing such water infrastructure, BHP shall make the final "as built" plans and specifications available to the City upon request.

6. Default. A non-breaching Party shall have the right, but not the obligation, to terminate this Agreement in the event that the non-breaching Party provides the breaching Party with written notice of a breach and such breach is not cured within thirty (30) days of delivery of such notice.

7. Termination. This Agreement shall terminate when: (i) the Initial CCN Acquisition Area is removed from BHP's water CCN boundaries and added to the City's water CCN boundaries; (ii) the City and BHP are dually certificated to all of the Subsequent CCN Acquisition Area; (iii) USDA-RD has approved all applications, if any, requesting approval to release the Initial CCN Acquisition Area and Subsequent CCN Acquisition Area from the collateral of the Loan; (iv) the Take-point Tract has been conveyed by the City to BHP; and (v) when BHP no longer has any retail water customers within the Initial CCN Acquisition Area or Subsequent CCN Acquisition Area.

8. Continuing Obligation. BHP shall not request TCEQ approval to decertify any portion of the Initial CCN Acquisition Boundary Area or Subsequent CCN Acquisition Boundary Area from the City's water CCN boundary without mutual consent of both Parties or as otherwise provided by law. The City shall not request TCEQ approval to decertify any portion of the remaining BHP CCN located to the east of the Subsequent CCN Acquisition Boundary without mutual consent of both parties or as otherwise provided by law.

9. Severability. The provisions of this Agreement are severable and, if any provision or part of this Agreement or the application thereof to any person or circumstance shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Agreement and the application of such provision or part of this Agreement to other persons or circumstances shall not be affected thereby.

10. Amendment. Except as otherwise provided in this Agreement, this Agreement may be amended, modified or terminated only by written instrument executed by duly authorized representatives of the Parties.

11. Applicable Law. This Agreement shall be governed by, and construed in accordance with, the Constitution and law of the State of Texas, except as to matters exclusively controlled by the Constitution and Statutes of the United States of America.

12. Third Party Beneficiaries. This Agreement shall be for the sole and exclusive benefit of the Parties hereto and shall never be construed to confer any benefit to any third party.

13. Entire Agreement. This Agreement constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, between the Parties with respect to the subject matter hereof.

14. Waiver. Each Party may specifically, but only in writing, waive any breach of this Agreement by the other Party, but no such waiver shall be deemed to constitute a waiver of similar or other breaches by such other Party.

14. Notices. All notices by the City to BHP shall be in writing and mailed by Certified Mail, Return Receipt Requested, addressed to:

B H P Water Supply Corporation  
Attn: General Manager  
PO Box 370  
Royse City, Texas 75189

cc: Jackson Walker L.L.P.  
Attn: Ali Abazari  
100 Congress Ave., Ste. 1100  
Austin, Texas 78701

All notices by BHP to the City shall be in writing and mailed by Certified Mail, Return Receipt Requested, addressed to:

City of Royse City  
Attn: City Manager  
100 Main Street  
Royse City, Texas 75189

cc: Lloyd Gosselink Rochelle & Townsend, P.C.  
Attn: Georgia N. Crump  
816 Congress Ave., Ste. 1900  
Austin, Texas 78701

Any notice or other communication required or permitted under this Agreement shall be deemed to be delivered when delivered by United States mail, registered or certified, with return receipt requested and postage prepaid, on the date of receipt, refusal or non-delivery as indicated on the return receipt. Notice in any other manner shall be considered delivered if and when received by the other Party to be notified and acknowledged in writing by the Party to be notified. Either Party may change its address by giving written notice of such change to the other Party.

15. Successors and Assigns. This Agreement shall bind the Parties and their legal successors, but shall otherwise not be assignable by any Party without prior written consent of the other Party, which consent shall not be unreasonably withheld. All of the respective obligations of each of the Parties shall bind that Party and shall apply to and bind any successors or assigns of that Party.

16. Venue. Actions taken by either Party in connection with this Agreement shall be deemed to have occurred in Rockwall County, Texas.

17. Multiple Originals. This Agreement shall be executed in a number of counterparts, each of which shall be for all purposes deemed to be an original, and all such counterparts shall together constitute and be one and the same instrument.



18. Attorney's Fees. Each Party to this Agreement shall be responsible for its own costs, including attorney's fees.

19. Effective Date. The Effective Date of this Agreement shall be the date that the last Party executes this Agreement, as set forth below by their signature.

20. Recitals. The above Recitals are true and correct and are incorporated into this Agreement for all purposes.

21. Authority. The Parties represent that the individuals named below are duly authorized to execute this Agreement on behalf of their respective Party.

22. Enforceability. The Parties agree that this Agreement constitutes the legal, valid and binding obligation of each Party hereto, enforceable in accordance with its terms, and that each Party is entering into this Agreement in reliance upon the enforceability of this Agreement.

[remainder of page intentionally left blank]

Executed in multiple copies, each of which shall constitute an original, on the dates set forth below:

DATE: 4-5-2011

CITY OF ROYSE CITY, TEXAS

By: Bill Ship  
City Manager

ATTEST:

Brenda Craft  
City Secretary

[Seal]



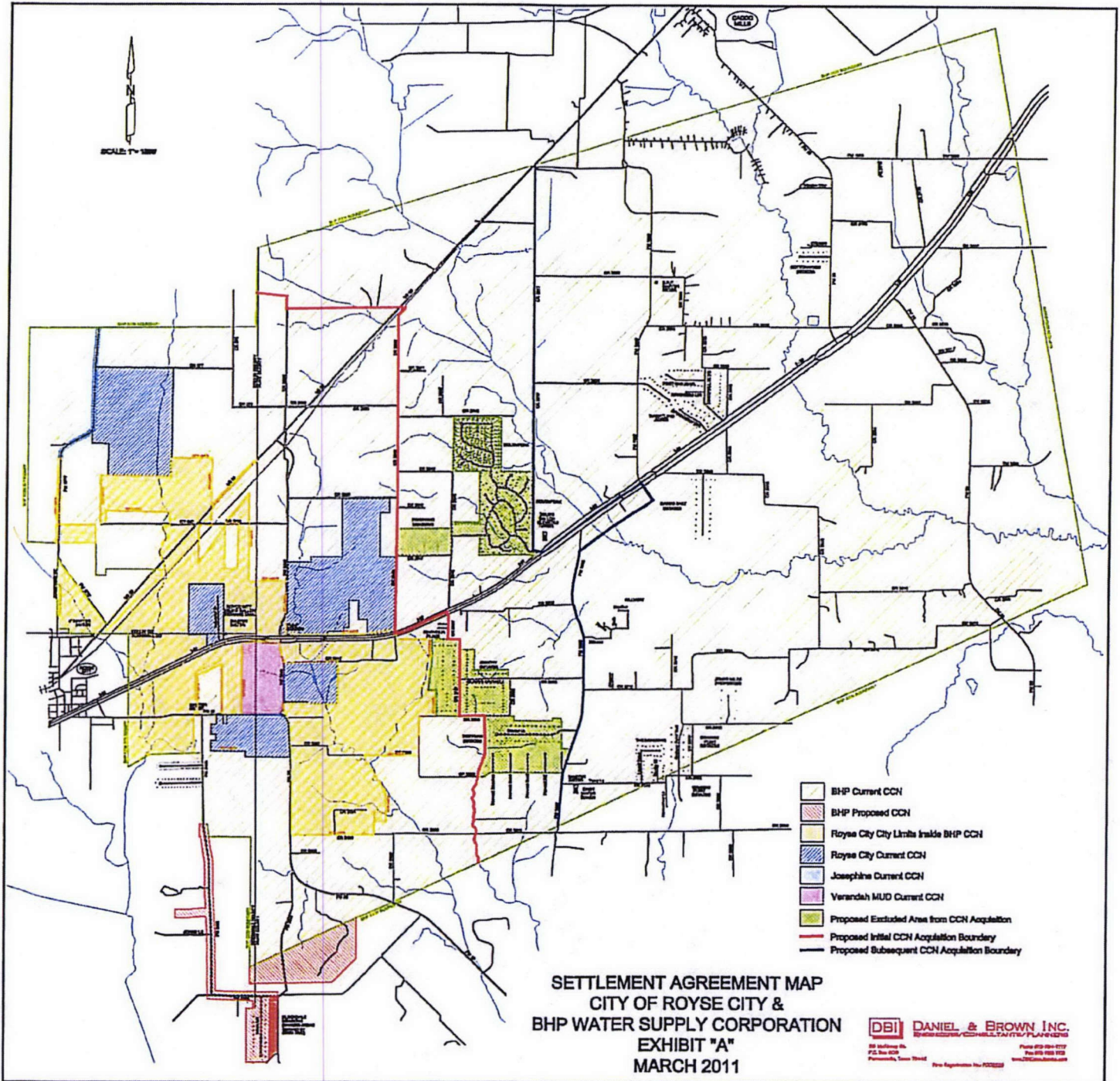
DATE: 4-5-11

BHP WATER SUPPLY CORPORATION

By: G. W. Proctor  
President, Board of Directors

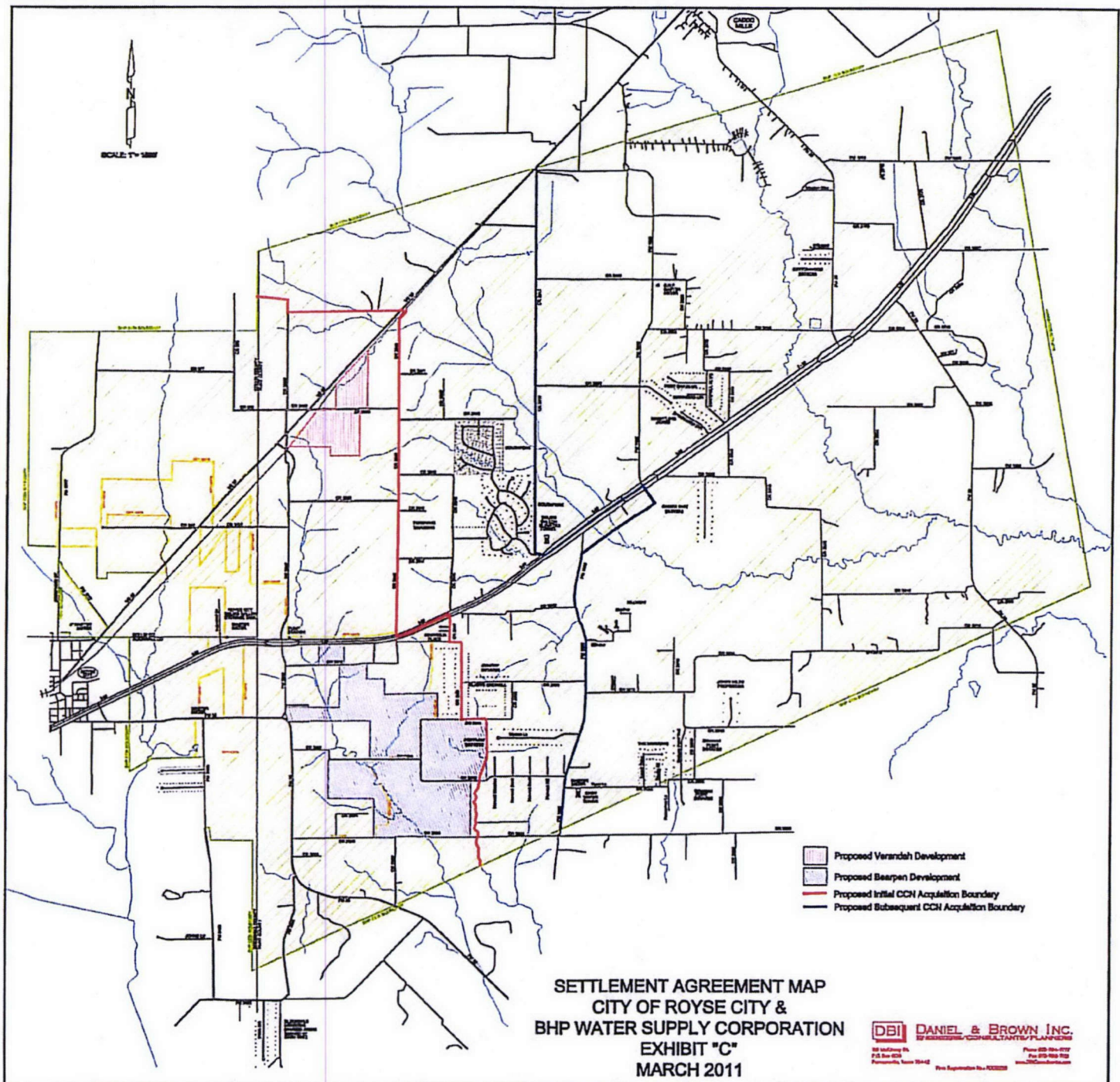
ATTEST:

[Signature]  
Secretary:









## Exhibit "D"

### BHP Water Supply Corporation - Existing Customers

Initial CCN acquisition Area			
	Account Number	Customer Name	Service Address
1	1327	BEARPEN CREEK	4651 CR 2596 #4
2	1328	BEARPEN CREEK, LP	4665 CR 2596 #6
3	1329	BEARPEN CREEK, LP	4677 CR 2596
4	1250	MORENO, GUSTAVO	6080 CR 2597
5	1011	SHEFFIELD PROPERTIES	6108 CR 2597 #31
6	1046	VILLEGAS, JAVIER	6118 CR 2597
7	1010	SHEFFIELD PROPERTIES	6136 CR 2597 #29
8	945	SHEFFIELD LAND MANAGEMENT	6206 CR 2597
9	1185	LOZANO, DEYRA	6222 CR 2597
10	1004	SHEFFIELD PROPERTIES	6234 CR 2597 #26
11	990	SHEFFIELD	6242 CR 2597 #25
12	1078	YEPEZ, ALFREDO	6264 CR 2597 #24
13	1248	TRIPLE L MOBIL HOMES, LP	6268 CR 2597 #23
14	1136	POLAND, SHIRLEY	6280 CR 2597
15	1105	RUST, MIKE AND CYNTHIA	6302 CR 2597 #17
16	1073	SHEFFIELD PROPERTIES, INC.	6302 CR 2597 #20
17	1548	SHEFFIELD PROPERTIES, INC.	CR 2597 LOT 19
18	983	LEMONS, CONCEPCION	6308 CR 2597 #18
19	972	SHEFFIELD LAND MANAGEMENT	6344 CR 2597 #17
20	1059	SALINA, ORLANDO	6364B CR 2597
21	1058	VACANT	6364A CR 2597
22	1093	VALAZQUEZ, ALFONSO	6366 CR 2597 #15
23	1008	NAJERA, ALEX	6376 CR 2597
24	432	SHEFFIELD	6392 CR 2597
25	717	SHEFFIELD PROPERTIES	6404 CR 2597 #12
26	1060	SHEFFIELD PROPERTIES INC	6406 CR 2597 #11
27	973	SHEFFIELD LAND MANAGEMENT	6428 CR 2597 #10
28	1057	SHEFFIELD PROPERTIES INC	6442 CR 2597 #9
29	960	SHEFFIELD PROPERTY	6464 CR 2597
30	1301	SHEFFIELD PROPERTIES	6498 CR 2597
31	989	SOTO, ISABEL	6488 CR 2597 #6
32	1345	GORDON, DEAN	6536 CR 2597 #5
33	988	SHEFFIELD PROPERTIES	4712 CR 2596 #4
34	346	KUNDMUELLER, DAVID & AMBE	4740 CR 2596 #3
35	583	VACANT	4756 CR 2596 #2
36	604	ORTIZ, NATHAN	4778 CR 2597 #1
37	1330	BEARPIN CREEK, LP	4830 CR 2596 #55
38	1331	BEARPIN CREEK, LP	4824 CR 2596 #54
39	1332	BEARPIN CREEK, LP	4856 CR 2596 #53
40	292	HUAPERS	4645 PR 2505

Initial CCN acquisition Area			
	Account Number	Customer Name	Service Address
41	293	HUAPERS	4659 PR 2505
42	294	HUAPERS	4677 PR 2505
43	295	HUAPERS	4699 PR 2505
44	296	HUAPERS	4701 PR 2505
45	297	HUAPERS	4706 PR 2505
46	298	HUAPERS	4698 PR 2505
47	299	HUAPERS	4678 PR 2505
48	300	HUAPERS	4664 PR 2505
49	301	HUAPERS	4652 PR 2505
50	302	HUAPERS	4645 PR 2503
51	1281	HAUPERS, BRUCE	LOT C2 CR 2503
52	304	HAUPERS	4675 PR 2503
53	305	HAUPERS	4689 PR 2502
54	306	HAUPERS	4717 PR 2503
55	307	HAUPERS	4731 PR 2503
56	308	HAUPERS	4708 PR 2503
57	309	HAUPERS	4692 PR 2503
58	310	HAUPERS	4660 PR 2503
59	311	HAUPERS	4654 PR 2503
60	312	HAUPERS	4648 PR 2503
61	1363	HAUPERS	6373 E I-30
62	1395	HAUPERS, BRUCE	6413 BLDG A/B I-30
63	1302	HAUPERS, ERIC	6373 I-30 #A
64	1194	HAUPERS, BRUCE	6515 I-30
65	1406	HAUPERS, BRUCE	6413 I-30 W
66	303	HAUPERS	6513 I-30 E
67	313	HOLMES, SAM	CR 2515
68	777	GRAY, DAVID	CR 2515 KENNEL
69	314	GRAY, DAVID	CR 2515 HOUSE
70	714	DELGREWCO, RANDY	5223 CR 2515
71	729	GONZALEZ, LAUREN	5245 CR 2515
72	315	DANIEL, LEONARD H	5293 CR 2515
73	316	GRAY, DAVID W	6641 I-30
74	317	ACTION, INC.	6723 I-30 W
75	318	McCALL, SHARON	6931 I-30
76	319	PHILLIPS, RHONDA #1	6957 I-30 W
77	994	PHILLIPS RHONDA #2	6961 I-30 VET
78	1083	VACANT	CORNER OF 2642 @ I-30
79	539	VACANT	700 S. FM 35
80	86	COMFORT CARE DENTAL	2763 FM 35
81	805	THOMAS SHELTON	2661 FM 35
82	325	CROWELL, BOBBY	FM35 @ FM 2453
83	326	BVMF PROPERTIES, LLC	126 FM 2453
84	327	CORNELIUS, JAMES	127 FM 2453

Initial CCN acquisition Area			
	Account Number	Customer Name	Service Address
85	328	HASSENTEUFEL, JACK	2605 FM 35
86	710	MERRET, REX E.	205 FM 2453
87	329	HUNTER, JEFF	259 FM 2453
88	330	BOSTICK, JACK	281 FM 2453
89	767	VACANT	325 FM 2453
90	331	FUNDERBURK, BARBARA	371 FM 2453
91	332	ADAMS, CHRIS	403 FM 2453
92	852	WEBB, MICHEAL & SPAM	470 FM 2453
93	333	WOODS, TOMMY	510 FM 2453
94	334	SWINEY, ROYCE	535 FM 2453
95	161	KRIDER, MIKE	589 FM 2543
96	335	KRIDER, JENNY	587 FM 2543
97	336	KRIDER, WAYNE	623 FM 2453
98	753	KRIDER, WAYNE #2	625 FM 2543
99	337	WEBB, DARRELL W.	665 FM 2543
100	774	AKIRA, ISHIKAWA	846 FM 2543
101	856	STONE RIVER GOLF CLUB	846 FM 2543
102	1353	FROELICH, KIRK	860 FM 2543
103	1304	MAGNESS, DAVID	FM 2543 BARN
104	338	MAGNESS, DAVID	FM 2543 RENT HOUSE
105	339	CRENSHAW, JOHNNY	FM 2543
106	1512	CRENSHAW, JOHNNY & BETTY	1250 FM 2543
107	1195	MAGNESS, DAVID	1289 FM 2543 HOUSE
108	340	POOR, KEVIN & DELIA	1428 FM 2543
109	1431	HALLETT, TERESA	1498 FM 2543
110	595	HALLETT, DON	1498 FM 2543
111	343	ANDERSON, VIRGINIA	1517 FM 2543
112	344	MCCARROL, REBA	1739 FM 2543
113	863	HALLETT, DON	1784 FM 2543
114	345	HALLETT, DON & TERESA	FM 2543
115	348	HERNDON, NICK C.	1993 FM 2543
116	1179	CROWELL, BOBBY	2101 FM 2543
117	1121	HALLETT, TERESA	2060 FM 2543 BARN
118	368	ROSE, RICHARD	2116 FM 2543
119	722	KNIGHT, C.L. JR	2164 FM 2543
120	350	HAMM, DARREL	FM 2542
121	360	BAUGH, PAT	238 JOHNS LANE
122	359	WYDA, CHARLIE & PEGGY	386 JOHNS RD
123	839	MCCRARYM, JOHNNY	449 JOHNS ROAD
124	1290	OBERLECHNER, LANCE	478 JOHNS LANE
125	201	DRAPALIK, JOSEPH	526 JOHNS ROAD
126	351	MILLER, MIKE	2263 FM 2543
127	352	CRENSHAW, J.W.	FM 2543
128	353	HENDERSON, W.R. #2	2341 FM 2543



Initial CCN acquisition Area			
	Account Number	Customer Name	Service Address
129	354	HENDERSON, W.R. #1	2389 FM 2543
130	355	WEST, DONALD RAY	2449 FM 2543
131	1508	WEST, DONALD & ELIZABETH	2443 FM 2543
132	356	WEST, DONALD RAY	2439 FM 2543
133	362	LOW, ROSS	2446 FM 2543
134	358	BOWN, TIM	2502 FM 2543
135	361	WHITE, J.D.	2592 FM 2543
136	363	LEMONS, JAMES A.	2622 FM 2543
137	364	NORRIS, MICHEAL & MELISSA	2623 FM 2543
138	365	MORAN, THOMAS	2668 FM 2543
139	366	BUCHANAN, DONALS	FARM FM 2543
140	367	PULLEN, MARY E.	FM 2543
141	163	HITTSON RANCH	2553 CRENSHAW W RD
142	369	DAWSON, DWAIN	182 BLOCKDALE
143	1105	DAWSON, DWAIN	300 BLCOKDALE RD
144	370	CROWELL REAL ESTATE	359 BLOCKDALE
145	1255	SANDERS, RANDALL	363 BLCOKDALE
146	1313	JAYROE, JACKIE & KATHY	401 BLCOKDALE
147	1138	SMITH, SHANE	7781 IRMA #2
148	1392	ELDER, ERIC & DENISE	7828 IRMA DRIVE #24
149	1180	BOLING, JULIE & KEVIN	7822 IRMA DR #25
150	1150	WALLACE, RENEE	7827 IRMA #4
151	1151	KENDZIERSKI, DAVID	7839 IRMA # 5
152	1152	KOLINKO, MIREK	7871 IRMA #6
153	1153	HOWERTON, MICHEAL	7893 IRMA #7
154	1155	WEAVER, JOE	7937 IRMA #9
155	1359	SCHWEDER, ROBERT & JAN	7915 IRMA #8
156	1156	HOLLIFIELD, DAVID OR KARI	7959 IRMA #10
157	1158	HOLLIFIELD, DUANE	7999 IRMA #12
158	1159	EBAUGH, MONA	8019 IRMA #13
159	1160	SULLIVAN, SCOTT	8027 IRMA #14
160	1161	MULANAX, DAVID & AIMEE	8015 IRMA #15
161	1163	SMITH, KAREN	8000 IRMA #16
162	1162	NAILING, DONALD	7980 IRMA #17
163	1181	COOPER ELIZABETH ANN	7922 IMRA #20
164	1262	CHANCELOR, SHELLI	7898 IRMA #21
165	1190	WHITE, CHRIS	7892 IRMA #22
166	1191	DAHMER, JESSE	7870 IRMA #23
167	371	AUSTIN, JILL	5509 CR 2591
168	1114	CROWELL, NANCY	7754 CR 2584
169	372	DUNN, MEREDETH & JIM	5440 CR 2591
170	759	VAUGHN, DAVID #2	7765 CR 2584
171	373	VAUGHN, DAVID	7765 CR 2584
172	1456	BLAIR, MIKE & KIM	7999 CE 2584

Initial CCN acquisition Area			
	Account Number	Customer Name	Service Address
173	349	CALLAWAY, GARY	5 ACRES CR 2584 (7225)
174	1253	NOUANESSENGSY, DAO	7595 CR 2584
175	375	NAVARRO, EFREN	7563 CR 2584
176	347	CROWELL, ROBERT JOHN	7550 CR 2584
177	376	CROWELL, BOBBY #3	7548 CR 2584
178	1543	CROWELL S FISH CAMP	CR2584
179	257	JONES, DEBBIE	7517 CR 2584
180	197	PARTINGTON, BRIAN	7515 CR 2584
181	378	ARNOLD, DAVID	7483 CR 2584
182	377	CROWELL, SCOTT	7474 CR 2584
183	784	CANTRELL, HOWARD	7419 CR 2584
184	829	PARADIS, BRENDA	7411 CR 2584
185	341	CROWELL, BOBBY #8	CR 2584
186	380	CANUP, JOE B.	CR 2584
187	398	MARALE, NICK B.	7984 FM 35
188	394	SAMPLEY, C.R.	FM 35
189	933	LOPEZ-ROGINA, CHARLIE	7944 FM 35
190	397	EVANS, ETHEL	7969 FM 35
191	740	4252 LLC	5775 CR 2592
192	106	WILKIE, JAMIE	CR 2592
193	396	MCCLUSKEY, ROBERT	5904 CR 2592
194	395	KIRSKEY, JEFF	7893 FM 35
195	393	WYLIE, JARED	7892 FM 35
196	392	TUCKER, ROBERT	7811 FM 35
197	1542	SIKES, DESTINY	7835 FM 35
198	1561	FEDROCK, BILL & TRISH	7828 FM 35
199	391	WHITE, TERRY	7803 FM 35
200	390	CULP, JAMES W SR.	7781 FM 35
201	389	WOOD, KENNETH	7721 FM 35
202	1349	HATCHER, MIKE & KELLY	7695 FM 35
203	1108	GRIFFIN, BILLY C. #2	7663 FM 35
204	1067	GRIFFIN, BILLY C.	7663 FM 35
205	387	GRIFFIN, BILLY C.	FM 35
206	649	GRIFFIN, BILLY	SHOP FM 35
207	386	ASBILL, BOBBY	7599 FM 35
208	385	LEWIS, EDDY	7585 FM 35
209	384	BUNCH, DARRELL	7577 FM 35
210	718	FORRY, DANIEL	7563 FM 35
211	382	LOVELESS, KENT #1	7541 FM 35
212	1026	LOVELESS, KENT #1	7541 FM 35
213	381	EASELY, JAMES	7451 FM 35
214	896	ROHDE, KEN	7439 FM 35
215	399	CHAMBERS, LAWRENCE	7413 FM 35
216	400	GARDNER, SANDRA	7403 FM 35

Initial CCN acquisition Area			
	Account Number	Customer Name	Service Address
217	401	MAGNESS, DAVID	7402 FM 35 RENT HOUSE
218	620	JENKINS, LARRY	7366 FM 35
219	812	PAYNE, JERRY	5422 PR 2593
220	811	MONROE, JANA	5414 PR 2593
221	402	GARCIA, FRANK	5413 PR 2593
222	1351	DE LEON, JUAN & MARY	5362 PR 2593
223	403	DEAN, CARLA	5363 PR 2593
224	405	BAUMAN, JOHN	5346 PR 2593
225	404	HENSLEY, GEORGE W.	5331 PR 2593
226	406	PLANT, TWILA DUGGER	7363 FM 35
227	1249	SCARBROUGH, O.G.	7338 FM 35
228	451	NEVILL, LARRY & HELEN	7333 FM 35
229	407	AZIZ, ADEFI	5661 FM 2526
230	1053	BLACKWELL, RUSSEL	5633 CR 2526
231	1054	VACANT	5634 CR 2526
232	408	TABIRI, JOSE N.	5601 CR 2526
233	920	CORNEJO, ARTURO	5615 CR 2526
234	497	RIVERA, LUIS	5581 CR 2526
235	747	RILEY, JULIE	5560 CR 2526
236	411	MONTELONGO, ERVEY	5558 CR 2526
237	410	UMSTED, STEVE	5521 CR 2526
238	817	SCOTT, CASSI	5511 CR 2526
239	833	HULL, LUANNA	5483 CR2526
240	413	BARKER, DANNY	5574 CR 2594
241	1347	VOLLHARDT, JOAN	5550 CR 2594
242	414	GRANBERRY, RAY	5492 CR 2594
243	415	REEVES, RANDAL	5472 CR2594
244	416	GOODWIN, JOE	5462 CR 2594
245	1038	ALONZO, LEONARDO	5438 CR 2594
246	1308	MONTELONGO, CESARIA	CR 2594
247	417	VACANT	5404 CR 2594
248	418	HOWARD, HOWARD P	5423 CR 2594
249	419	AGUILLON, FABIAN	MARTYY LANE
250	835	VACANT	5376 CR 2594
251	420	DELGADO, HERMAN	5374 CR 2594
252	1509	PEREZ, AMBER	5395 CR 2594 MARTY LANE
253	421	SHEWMAKE, BOB	5359 CR 2594
254	733	PLEMMONS, MARK E.	5325 CR 2594
255	147	COOK JAMES	5310 CR 2594
256	423	PLEMMONS, L.D.	5307 CR 2594
257	707	PLEMMONS, BRENDA	5299 CR 2594
258	424	MADDOX, KENNETH P.	5451 CR 2526
259	425	STAFFORD, MARK	5437 CR 2526
260	1376	KENNEY, PAT	5437 CR 2526

Initial CCN acquisition Area			
	Account Number	Customer Name	Service Address
261	822	LOZANO, VIRGINIA	5428 CR 2526
262	427	ORCHARD, AMY	5416 CR 2526
263	1453	ORCHARD, JIM	5420 CR 2526
264	428	ORCHARD, AMY	5414 CR 2526
265	429	CHRISTMAN, LOIS	5382 CR 2526
266	430	ALLEN, GENE	5395 CR 2526
267	431	ATKINSON, BOBBIE CAROL	5373 CR 2526
268	732	RODRIGUEZ, VICENTE	5358 CR 2526
269	433	WILLIAMS, BENNY	5330 CR 2523
270	909	MEIS, DERRICK	5308 CR 2526
271	434	WATTS, DAVID	5323 CR 2526
272	435	ROBLES, WILEBALDO	5298 CR 2526
273	735	LANDWERMEYER, TODD	5285 CR 2526
274	437	VACANT	5246 CR 2526
275	438	HOLLOWAY, JERRY	5269 CR 2526
276	439	RODRIGUEZ, VICENTE	5241 CR 2526
277	1377	RODRIGUEZ, VICENTE	5241 CR 2526
278	739	DAVIS, COLLEEN	HC 2595
279	1400	DAVIS, COLLEEN & MICHAEL	5596 CR 2592
280	921	BIRKETT, RONNIE	5732 CR 2592
281	441	OLIVER, CHRISTIE	5666 CR 2526
282	836	TALLEY, CHARLES	7280 FM 35
283	1502	HUNT COUNT FARM BUREAU	7320 FM 35
284	442	TALLEY, CHARLES. #2	7300FM 35
285	443	MADDIN, DANNY	7301 FM 35
286	444	CROFTON, PHILLIP GREGORY	7252 FM 35
287	445	RAMPY, PAUL	7228 FM 35
288	446	RIDGE PARK DEVELOPMENT	7171 FM 35
289	711	CRAIG, SUSAN & STEPHEN	7025 FM 35
290	448	CONASTER, TIM & CANDIS	7010 DM 35
291	447	WEEKS, JERRY	6988 DM 35
292	449	DAFFRON, JAMES	6989 DM 35
293	450	HERNDON, JIMMY JOE	6367 DM 35
294	950	VACANT	7196 I-30 W
295	453	VACANT	5668 CR 2648
296	454	DELEON, LUCIANO	6024 FM 2642
297	756	MAHAN, FRED	6026 FM 2642
298	1112	RODDY, JAMES	6008 FM 2642
299	456	KNIGHT, JOHN	5901 FM 2642
300	785	ESTRADA, IMELDA	23724 CR 1031
301	457	ROSALES, ANDRES	23710 CR 1031
302	436	ROSALES, ANDRES	23664 CR 1031
303	904	STRAIT, MELINDA	10457 DH 66
304	458	HOUSER, TERY W.	CR 1031 TRAILER

Initial CCN acquisition Area			
	Account Number	Customer Name	Service Address
305	459	HOUSER, KENNETH P	2201 E HWY 66
306	460	FIKES, LINDA	2024 HWY 66
307	1068	HICKS, BILLY	HWY 66
308	897	CALLAHAN, BONNIE	2024 HWY 66 CR 1031
309	929	MURPHREE, JIM JR	2000. E. HWY 66
310	461	ACOSTA, CORNELLO	2101 SH 66
311	462	ROWAN, JOHN	HWY 66
312	463	GILLILAND, GARY	1602 E MAIN / 1209 E HWY
313	466	HAVENS, JAMES	1210 E HWY 66
314	465	ALFAHEL, BACHAR	1122 SH 66
315	464	WATSON, FERRIS	1209 HWY 66
316	467	DONAHU, RICK	10322 HWY 66
317	796	WARDLAW, J.L.	10385 HWY 66
318	468	MARTIN, PAMELA #2	6596 HWY 66
319	469	MARTIN, PAMELA #1	6596 HWY 66
320	470	JOSLIN, MELVIN J. #2	CR 2656
321	471	JOSLIN, MELVIN #1	5073 CR 2656
322	742	HOLCOMB, MAX	5044 CR2656
323	472	ANSLEY, TRACY	5390 CR 2658
324	473	VACANT	9765 CR 678
325	1350	CRISWELL COLLEGE	CR 678
326	633	FRAZIER, RANDY	9553 CR678
327	474	LOGSTON, MARK	9313 CR678
328	475	ORTIZ, ADAN & MONICA	9227 CR 678
329	477	PENNINGTON, LESLIE	9188 CR 678
330	476	GORDON, JOHN	9157 CR 678
331	1314	VASQUEZ, DOLOREZ	9141 CR 678
332	1091	TUGGLE, VENITA	CR 678
333	478	TUGGLE, VENITA	8870 CR 678
334	479	LITTLEFIELD, JAMES	8871 CR 678
335	828	HAMSHER, JOHN & HOANNE	4756 CR 2656
336	1258	POTEET, WAYNE	5041 CR 2656
337	170	REVILLA, ANDRES REYES	5307 CR 2658
338	1027	VACANT	5295 CR 2658
339	481	HEFFEL, LOTHAR & PATRICIA	5260 CR 2658
340	482	MALONE, F.D.	5178 CR 2658
341	720	VACANT	5150 CR 2658
342	483	VACANT	5152 CR 2658
343	484	VACANT	5124 CR 2658
344	969	ANSLEY, KENNETH	5116 CR 2658
345	486	SKY, WILLIAM & KATHY	4973 CR 2658
346	487	SMITH, REBECCA	4925 CR 2658
347	488	STRICKLAND, WELDON	4964 CR 2658
348	959	STRICKLAND, WELDON	4928 CR 2658

Initial CCN acquisition Area			
	Account Number	Customer Name	Service Address
349	1066	STRICKLAND, WELDON L.	4926 CR 2658
350	1299	ROGERS, SUSAN	4913 CR 2658
351	1482	NYUGEN, LINDSEY	4847 CR 2658
352	1235	COMACHO, HECTOR	4855 CR 2658
353	489	HICKS, MANDY #1	4906 CR 2658
354	1184	JARED, BILLY	4982 CR 2648
355	491	VALLEJO, JUAN	6469 HWY 66
356	492	JOSLIN, JIMMY	6503 HWY 66
357	493	JOSLIN, JERRY	6515 HWY 66
358	496	MOTT, BRIAN	5341 CR 2656
359	1081	KRANZ, TREEN	5211 CR 2656
360	495	MOTT, BRIAN	5216 CR 2656
361	494	MOTT, BRIAN	5216 CR 2656
362	498	PINEDA, JOSE	5306 CR 2656
363	499	VALUGISTICS/BRISTLE GROUP	5303 CR 2656
364	1133	JAYAMPATHY, ASELA	FOREHAND MEADOWS
365	500	VACANT	I-30
366	501	MITCHELL, ADAM	6780 I-30 W
367	894	JACKSON, VICKI	6756 I-30 W
368	925	JACKSON, VICKI	6756 I-30 W
369	832	VACANT	6734 I-30 W
370	741	MITCHELL, ADAM	6722 I-30
371	788	MITCHELL, ADAM	6680 I-30
372	1254	VACANT	5722 CR 2648 #2
373	323	VACANT	5668 CR 2648
374	1210	NICHOLAS, DONALD	5636 CR 2648 #12
375	1496	MIRELES, RAUL & JEANETTE	5020 CR 2648
376	1237	GEOSITS, CHRIS	5628 CR 2648
377	1251	SINGLETON, ARTHUR	5616 CR 2648
378	1189	DAVIS, SALLY	5614 CR 2648
379	905	VACANT	5612 CR 2648
380	507	HENAGER, RON	5528 CR 2648
381	1115	HUNT, IRA	5538 CR 2648
382	96	VACANT	5520 CR 2648
383	1101	CORMIER, CASILDA	5518 CR 2648
384	1183	LIRA, ELSA	5514 CR 2648
385	1065	RAMIREZ, MARIO	5480 CR 2648
386	511	MILLER, ANITA D.	5618 CR 2646
387	1055	ABNEY, KATY	5442 CR 2648
388	1104	STOVER, JAMIE	5414 CR 2648
389	513	PALMER, VICKI	4760 PR 2649
390	514	CLAWSON, STEVE	4780 PR 2649
391	518	PEOPLES, DERYL	5268 CR 2648
392	522	VAN DYKE, SANDY	5176 CR 2648

Initial CCN acquisition Area			
	Account Number	Customer Name	Service Address
393	523	WHITLOCK, THOMAS	5160 CR 2648
394	524	L&L MAINTENANCE	5104 CR 2648
395	1401	LOGSTON, ROBERT G.	5104 CR 2648
396	525	STEPHENS, JOHNNY	5100 CR 2648
397	541	WILLIAMS, CLOETTA	4984 CR 2648
398	544	HICKS, MANDY #2	4906 CR 2648
399	545	GIBSON, K.W.	4891 CR 2648
400	546	BEAZ, DOMINGO	4872 CR 2648
401	846	ORTA, RICHARD	4860 CR 2648
402	547	HOFFMAN, JOHN	4822 CR 2648
403	882	MYRICK, DANNY R	4778 CR 2648
404	1573	CILLEGAS, ARLENE	4704 CR 2648
405	1450	ROMAN, ROSENDO	4683 CR 2648
406	548	VINYARD, JEFF	4682 CR 2648
407	1031	HAUSER, MANUALA	4648 CR 2648
408	1032	HOFFMANN, LEOPOLD	4650 CR 2648

Subsequent CCN acquisition Area			
	Account Number	Customer Name	Service Address
1	1365	I-30 BUSINESS PARK LTD	6107 I-30
2	1366	I-30 BUSINESS PARK LTD	6108 I-30
3	1367	I-30 BUSINESS PARK LTD	6109 I-30
4	1368	I-30 BUSINESS PARK LTD	6110 I-30
5	1369	I-30 BUSINESS PARK LTD	6111 I-30
6	1370	I-30 BUSINESS PARK LTD	6112 I-30
7	1371	I-30 BUSINESS PARK LTD	6113 I-30
8	1372	I-30 BUSINESS PARK LTD	6114 I-30
9	1242	I-30 BUSINESS PARK LTD	6107 I-30 #1
10	1243	I-30 BUSINESS PARK LTD	6107 I-30 #2
11	769	I-30 BUSINESS PARK LTD	6107 I-30 #3
12	778	I-30 BUSINESS PARK LTD	6107 I-30 #4
13	123	I-30 BUSINESS PARK LTD	6107 I-30 #5
14	1480	I-30 BUSINESS PARK LTD	6107 I-30 BLDG R (2509)
15	932	I-30 BUSINESS PARK LTD	6107 I-30 #6
16	1305	I-30 BUSINESS PARK LTD	6107 I-30 #7
17	175	HARDCASTLE, LONNY	5167 I-30 W
18	176	STARK, G.T.	5193 I-30 W
19	877	STEWART, JERRY	5217 I-30 W
20	177	MCLARRY, DANNY	5219 I-30 W
21	1126	MCLARRU, TONY	5221 I-30 W
22	181	ROMO, RICK #1	5740 FM 1565
23	182	ROMO, RICK #2	FM 1564
24	184	TURPIN, SCOTT A	FM 1565
25	188	HAMILTON, J.T.	4064 CR 2509
26	1564	POTOSKY, DONALD	4101 CR 2509
27	189	TURNER, KATHY	4101 CR 2509
28	72	LINDSEY, DANNY & PATTY	4153 CR 2509
29	191	WATSON, BILL #1	4203 CR 2509
30	7	BURKHART, LISA	4130 CR 2509
31	192	JOHN., WIGGINS	4198 CR 2509
32	190	BILL, WATSON	4205 CR 2509
33	193	ADA,S, FRED & SHEILA	4221 CR 2509
34	844	GREEN, ROBERT & LYNTHIA	4236 CR 2509
35	167	HARDY, RICHARD	4243 CR 2509
36	165	POTOSKY, DON & DONNA	4266 CR 2509
37	731	PRICE, MATTHEW	4285 CR 2509
38	196	WILLIAMS, JAMES & STACIE	4285 RC 2509
39	996	ANDERSON, KEITH	4296 CR 2509
40	799	VACANT	4296 CR 2509
41	985	DAWSON, IVAN	4317 CR 2509
42	770	SHERMAN, BARRETT	4305 CR 2509
43	198	ZIMMERMAN, CAROLYN	4332 CR 2509
44	199	HARGROVE, RACHEL	4334 CR 2509



Subsequent CCN acquisition Area			
	Account Number	Customer Name	Service Address
45	203	OWENS, LAVADA	4475 CR 2509
46	204	FERGUS, THOMES	4495 CR 2509
47	928	KILMER, SHAUN,	4583 CR 2509
48	1193	KERSEY, SHERRY	6088FM 1565
49	277	VACANT	6959 FM 1565
50	278	WOODY, LEONARD	COMBINATION 5858
51	279	WOODY, HOMER	GATE ON 2526
52	1568	WOODY, STEVE	4831 CR 2526
53	280	WOODY, STEVE	GATE 2326
54	728	OATES, PAULETTE	FM 1565 S
55	688	ARMBRUSTER, CHARLES	FM 1565
56	275	PAINTER, R.A.	6896 FM 1565
57	275	PIRTLE, BUCK TINA	6852 FM 1565
58	749	OATES, JASON	4544 CR 2595 (FM 1565 S)
59	259	KENT, WILLIAM	1017 HARVEST HILL CIR
60	238	MORRISON, JACK	1021 HARVEST HILL CIR
61	187	DEWEESE, PHILLIP & JULIE	1051 HARVEST HILL CIR
62	2	PATTERSON, JAMES & PENNY	1055 HARVEST HILL CIR
63	1407	BLACK, FRANK	1085 HARVEST HILL CIR
64	1416	LABATE, DONNA	1087 HARVEST HILL CIR
65	269	GASH, ROBERT	6706 FM 1565
66	1417	NICHOLL, CARL	1115 HARVEST HILL CIR
67	1418	RICHTER, NICHOLAS	1116 HARVEST HILL CIR
68	1419	MULLINS, CHARLES & LANDONN	1088 HARVEST HILL CIR
69	1420	WILSON, SHARI	1086 HARVEST HILL CIR
70	1421	MCCASLIN, CHARLES	1054 HARVEST HILL CIR
71	1422	CARTER, MATT	1052 HARVEST HILL CIR
72	1423	WHAPLES, MICHEAL	1020 HARVEST HILL CIR
73	1424	KERSHNER, DOUG	1018 HARVEST HILL CIR
74	1487	MCGATH, TERREL	2017 HARVEST KNOLL CIR #1
75	1510	VACANT	2018 HARVEST KNOLL #28
76	1491	SHIGLEY, STEPHEN & SARAH	2021 HARVEST KNOLL CIR 16
77	1139	MCAFFEE, CHRIS & KIM	2051 HARVEST KNOLL CIR
78	1538	SEALS, RICHARD J.	2020 HARVEST KNOLL
79	858	BOLDEN, ROBERT	6678 FM 1565
80	919	FETTY, HAROLD (III)	6770 FM 1565
81	987	FOWLER, MATTHEW	6772 FM 1565
82	855	HUMPHRIES, BILLY	6774 FM 1565
83	1287	VACANT	6650 FM 1565
84	122	LITTLEJOHN, BECKY	6616 FM 1565
85	119	SNOW, MATT	6590 FM 1565
86	1373	PROCK, JAN	4503 MARIAN LANE
87	1079	JACKSON, DONALD VAN	4478 MARIAN LANE
88	618	RUIZ, CHEVEZ ERNEST	4542 MARIAN LANE

Subsequent CCN acquisition Area			
	Account Number	Customer Name	Service Address
89	1425	CAVAZOS, SANJUANA	4554 MARIAN LANE
90	535	SMITH, JERRY & CINDY	4549 MARIAN LANE
91	596	ANDERSON, JENNIFER	4561 MARIAN LANE
92	1015	HOUGHTON, KEVEN	4583 MARIAN LANE
93	1398	BETHUNE, SHANE	4614 MARIAN LANE #23
94	1071	PRICE, ROGER	4621 MARIAN LANE
95	1386	PEARSON, JIM & SUSAN	4645 MARIAN LANE
96	173	MORENO, EFRAIN	4651 MARIAN LANE
97	504	MCCOY, JENNIE	4644 MARIAN LANE
98	584	TAYLOR, THOMAS ROYSE	4680 MARIAN LANE
99	65	KIMBER, SANDRA	4679 MARIAN LANE
100	169	THOMPSON, MARYANNE	4750 MARIAN LANE
101	422	MARTINEZ, JOSE A.	4726 MARIAN LANE
102	664	AUSTIN, DOUG & CANDY	4723 MARIAN LANE
103	664	AUSTIN, DOUG & CANDY	4723 MARIAN LANE
104	291	FUNK, VALORIE, & RENE	4729 MARIAN LANE
105	409	DOUGHTY, RICHARD	4753 MARIAN LANE
106	804	PETERSON, BRENDA	4742 MARIAN LANE
107	412	KELLAM, TOM	4767 MARIAN LANE
108	898	LOPEZ, BALDOMERO,	4803 MARIAN LANE
109	607	ORTIZ, RUBEN	4784 MARIAN LANE
110	1346	EASLEY, JEFFREY	4816 MARIAN LANE
111	39	WHITE, LILA	LOT #30 MARIAN LANE
112	374	REEDER, KENNY	4832 MARIAN LANE
113	1014	SILVA, MAXIMO	4842 MARIAN LANE
114	803	HERNANDEZ, PEDRO	4852 MARIAN LANE
115	4061	PECINA, ARTURO	4853 MARIAN LANE
116	751	SHANNON, DANNY	4827 MARIAN LANE
117	808	COLBERT, DONALD	6508 FM 1565
118	1099	CULLUPHER, LINDA	6508 FM 1565 BY DAUGHT
119	831	DOMINGUES, RAUL	6478 FM 1565 S
120	819	STINSON, TRUDI	6464 FM 1565
121	1082	CAMBELL, BARRY	6442 FM 1565
122	818	BOYETT, JOSEPH	6390 FM 1565
123	1540	TATUM, MELINDA	6374 FM 1565
124	1541	HILTON, WOODIE	6376 FM 1565
125	857	WILLIAMS, ALTON	3979 CR 2596
126	1125	VACANT	3928 CR 2596 #0
127	886	LUTTLRELL, MARY JANE	3956 CR 2596
128	900	CROWELL REAL ESTATE	3974 CR 2596
129	888	MUNOZ, YESENIA	4016 CR 2596 #4
130	916	BUCHANAN, JEFFREY	4041 CR 2596
131	915	WOOSLEY, HAROLD	4043 CR 2596
132	908	CROWELL REAL ESTATE	4038 CR 2596

Subsequent CCN acquisition Area			
	Account Number	Customer Name	Service Address
133	885	CROWELL REAL ESTATE	4060 CR 2596 #6
134	901	THOMPSON, JULIUS	4078 CR 2596
135	1134	WOOSLEY BRADEN	4097 CR 2596
136	889	RAVELO, GILBERT	4122 CR 2596
137	910	MILES, LACY J.	4144 CR 2596
138	911	VACANT	4174 CR 2596
139	912	BLACK, GARY & NANCY	4190 CR 2596
140	924	GIBBS, CURTIS	4177 CR 2596
141	890	DEVEREAUX, DOUG & JAMIE	4206 CR 2596
142	143	WEISS, LAURA & JERRY	4220 CR 2596
143	891	CROWELL REAL ESTATE	4252 CR 2596
144	903	HOBBS, LAURA	4260 CR 2596
145	930	BOWERS, MICHAEL	4278 CR 2596
146	931	BREWER, LLOYD & BRENDA	4284 CR 2596
147	922	FIELDS, JIMMIE	4304 CR 2596
148	937	CROWELL REAL ESTATE	4322 CR 2596
149	935	PORTILLO, JOANNA	4340 CR 2596
150	1034	CROWELL REAL ESTATE	4366 CR 2596
151	1503	BARNES, CHRIS	4382 CR 2596
152	1503	BARNES, CHRIS	4382 CR 2596
153	506	MARTINEZ, DENISE	4387 CR 2596
154	962	VACANT	4418 CR 2596
155	1388	MCCARTY, MICHAEL & PAULA	4510 CR 2596
156	1356	NUNEZ, GUSTAVO	4539 CR 2596
157	907	RAGSDALE, MIKE	4516 CR 2596 #11
158	1483	PHILLIPS, BRANDON	4542 CR 2596 #10
159	1146	ATKINS, JOSEPH & DOROTHY	4546 CR 2596 #9
160	1145	BRYANT, DON & NORMA	4560 CR 2596 #8
161	1144	VACANT	4622 CR 2596 #7
162	913	ROJAS, ROSA & RIGOBERTO	4268 CR 2596 GCC
163	1551	LYNN, KARA	4390 GLADYS CC
164	993	WHITE, JOHN	4444 GLADYS CC
165	1493	ESQUIREL, JUAN & ESLA	4404 GLADYS CC
166	941	BROWN, ROGER	4372 GLADYS CC
167	980	CROWELL REAL ESTATE	4383 GLADYS CC
168	999	VACANT	4399 GLADYS CC #51
169	1029	CROWELL REAL ESTATE	4415 GLADYS CC
170	1013	COLLINSWORTH, RICKY	4433 GLADYS CC
171	1003	DOSS, CLIFFORD	4466 GLADYS CC
172	165	GREEN, RENTH & JODEE	4480 GLADYS CC
173	979	MILTON, AUBRY	4465 GLADYS CC
174	1037	REYNOLDS, JACK	4485 GLADYS CC
175	1009	BOWERS, JANET	4504 GLADYS CC
176	978	CROWELL REAL ESTATE	3998 CR 2596

Subsequent CCN acquisition Area			
	Account Number	Customer Name	Service Address
177	1056	ESPINOZA, MARTIN	6381 CR 2597
178	1143	DONALDSON, MARTHA REGINA	6541 CR 2597 #6
179	1481	BIRTCIEL, TERRI	6523 CR 2597 #5
180	1141	MCCURDY, SHANE	6509 CR 2597
181	1140	CROWELL REAL ESTATE	6493 CR 2597 #3
182	1211	CROWELL REAL ESTATE	6471 CR 2597
183	1435	VACANT	6479 CR 2597
184	918	CROWELL REAL ESTATE	6451 CR 2597
185	1092	ESPINOZA, ROSEBELL	6435 CR 2597
186	923	VACANT	6417 CR 2597
187	801	MOARREZ, OSCAR	6399 CR 2597
188	485	BENTLEY, KIM	4528 GLADYS CC
189	1102	CROWELL REAL ESTATE	6327 CR 2597
190	943	HAAR, JEANIE	6311 CR 2597
191	972	KOCH, CARL & DELORES	6293 CR 2597 #39
192	1045	HENDERSON, WENDY	6257 CR 2597
193	1122	AMARAL, KIMBERLY	6245 CR 2597
194	1123	HARRIS, TERESA & JAMES	6233 CR 2597
195	1300	WHITE, AARON	6217 CR 2597
196	1429	HRNACK, DARYL	6181 CR 2597
197	1006	SHEFFIELD PROPERTY	6053 CR 2597 #33
198	1103	RING, DAVID	6169 CR 2597
199	940	CRUZ, ANGELICA	6275 CR 2597 #40
200	9950	RING, LINDA	6155 CR 2597
201	281	SLUNAKER, MRS. M.J.	5561 I-30 W
202	282	CASTILLO, JOSE & BENITA	5625 I-30 W
203	283	DAY, JOE #8	2836 CR 2296
204	284	DAY JOE #5	5635 I-30 W
205	285	TOWER 98 LLC	5647 I-30 W
206	286	DAY, JOE #2	5655 I-30 W
207	287	TURPIN, SCOTT A	5789 I-30 W
208	288	TURPIN, SCOTT A	5855 I-30 W
209	289	SICARD, ROBERT	5957 I-30 W
210	1430	RIVERA, SANTIAGO	6027 I-30 E BLDG A
211	1504	RIVERA, SANTIAGO	6027 I-30 E BLDG B
212	1513	J & J SOLUTIONS	6027 I-30 E BLDG C
213	290	ALLEN, THAD	6039 I-30 W
214	1025	DBA AUTO RECOVERY BUREAU	6053 I-30 W
215	178	BARSOUM, GABRIEL	6079 I-30 W
216	502	TITTLE, DENNIS	5885 CR 2648
217	503	VACANT	5777 CR 2648
218	1460	MCCORD, RONNIE & RUBY	5735 CR 2648
219	1499	DEBRUYCKER, ALLISON	5679 CR 2648
220	1572	VEGA, MELISSA	5705 CR 2648

Subsequent CCN acquisition Area			
	Account Number	Customer Name	Service Address
221	1516	WELLS, CAROLYN SUE	5699 CR 2648
222	1127	MOORE, RON	5659 CR 2648
223	1455	MOORE, RON#2	5659 CR 2648
224	815	EUBANKS, ERNIE	5625 CR 2648 #5
225	827	GARCIA, RAMON	5615 CR 2648 #4
226	505	VACANT	5615 CR 2648
227	879	SIMS, SHAWN	5585 CR 2648 #3
228	1209	ROBINSON, WADE	5545 CR 2648
229	814	MEZA, SANTIAGO	5559 CR 2648 #2
230	914	CROUCH, CHARLIE & BARBARA	5525 CR 2648 #1
231	508	MCKENZIE, VICTORIA	5507 CR 2648
232	1100	QUIROZ, JULIO	5509 CR 2648
233	810	QUIROZ, AIDE & LUIS ROCHA	5509 CR 2648
234	509	ESPINOZA, MARCOS	5495 CR 2648
235	510	JACKSON, RANDY & PAM	5487 CR 2648
236	719	PALMER, JAMES	4723 CR 2648
237	512	MUNOZ, ELOY	5413 CR 2648
238	861	GATES, SUSAN	5403 CR 2648
239	872	TERRAL, ZOE	5395 CR 2648
240	515	TOLBERT, GERALD	5333 CR 2648
241	516	MCWHORTER, GERALD	5313 CR 2648
242	517	HAYES, DANIEL	5303 CR 2648
243	519	VACANT	5275 CR 2648 HOUSE
244	520	VACANT	5275 CR 2648 BARN
245	1107	HERNANDEZ, RAMON	5036 CR 2660
246	526	MILLER, ANDREW	4923 CR 2662
247	1132	JOSLIN, GERGGORY S.	4902 CR 2662
248	1550	TORRES, ISIDRO	4894 CR 2662
249	528	MACCALLUM, WILLIAM	4852 CR 2662
250	529	MIMS, BOBBY	4863 CR 2662
251	530	MARTIN ,DORSEY #1	4806 CR 2662
252	531	VACANT	4795 CR 2662
253	532	SCARBROUGH, JUSTY	4820 CR 2662
254	1531	GREEN, JUDY	4788 CR 2662
255	533	VACANT	4757 CR 2662
256	1186	MARTIN, MITCH	BARN - 2662
257	860	ALVAREZ, BENJAMIN	4759 CR 2662
258	906	MORDECAI, MARK	4956 CR 2660
259	536	DIX, DARREL	4856 CR 2660
260	537	WILSON, JIMMY	4858 CR 2660
261	540	RUFF, DANNY	4828 CR 2660
262	538	DABBS, SUSAN	4762 CR 2660 RC-8000
263	1358	DABBS, SUSAN	4762 CR 2660
264	1311	CAMPBELL, STEPHEN	4684 CR 2660

Subsequent CCN acquisition Area			
	Account Number	Customer Name	Service Address
265	1391	KAHN, MOHAMMED ZAMAN	4442 CR 2660
266	542	ANDERSON, GLORIA	VACANT LOT
267	543	LONG, BRIAN D	4915 CR 2648
268	95	MCCORSTIN, RANDAL	4753 CR 2661 RENTAL
269	549	ROSS, GLADY B & ROBERT	4753 CR 2661
270	550	ARIA, JULIO P	4726 CR 2661
271	552	POOR, HOLLIE	4700 CR 2661
272	1405	POOR, WILLIAM	4690 CR 2661
273	551	MARTIN, GAYLON,	4695 CR 2661
274	534	MARTIN, LEVI	4695 CR 2661
275	553	REYNOLDS, ARACELI	4747 CR 2648
276	554	CHEEK, DON	4725 CR 2648
277	555	ROMAN, SUSANO	4683 CR 2618
278	556	ROMAN, MANUEL & MARIA	4669 CR 2648
279	997	TRIMBLE, GARY	4647 CR 2648
280	557	ADAMCEWICZ, KATHERINE	4607 CR 2648
281	1245	STRAIT, RANDY	4591 CR 2648
282	1402	DAFFRON, BRANDON & DEANN	4539 CR 2648
283	868	SHEFFIELD PROPERTY	4816 CR 2647 #6
284	558	ALLEN, ROBERTS #2	4795 CR 2647
285	977	SHEFFIELD - LAND MGMT	4796 CR 2647 #8
286	1312	CARRISALEZ, JOSE	4794 CR 2647
287	847	DOUGHTY, STEPHEN & PENNY	4800 CR 2647 #7
288	559	ALLEN, ROBERTS #1	4795 CR 2647
289	866	TORRES-ARD, RITA	4790 CR 2647
290	830	FORREST, R.S.	4774 CR 2647 LOT 11
291	869	BIRD, DONALD R	4758 CR 2647
292	850	ROMO, HILARIA & MARIA	4740 CR 2647 #13
293	560	PRESTON, PAUL D	4745 CR 2647
294	1309	SHEFFIELD PROPERTY	LOT 14 FOREHAND
295	853	SHEFFIELD PROPERTY	4722 CR 2647
296	792	MCDANIEL, ELVIS	4725 CR 2647
297	864	SHEFFIELD PROPERTY	4616 CR 2647 #17
298	1098	MONTENLONGO, CHRISTINA	4690 CR 2647
299	867	CASTILLOM MARIA	4670 CR 2647 #19
300	1385	TORRES, CARMEN	4670 CR 2647
301	865	SHEFFIELD PROPERTY	4666 CR 2647 #21
302	20	MATA, MAURI	4661 CR 2647
303	854	FIELDS, JIMMIE D.	4660 CR 2647
304	848	HERNANDEZ, MARIA	4646 CR 2646
305	563	CATHEY, JOHN	5803 CR 2646
306	821	ALMOND, JONATHAN	5772 CR 2646
307	1498	ROSAS, CONCEPCION JR	5771 CR 2646
308	851	RICHARDSON, TRACIE	5760 CR 2646

Subsequent CCN acquisition Area			
	Account Number	Customer Name	Service Address
309	1282	SHEFFIELD PROPERTIES INC	5728 CR 2646 #27
310	1569	MARTINEZ, AGUSTIN	5735 CR 2646
311	849	FERGUSON, ELIZABETH	5700 CR 2646
312	820	VACANT	5678 CR 2646
313	562	DAMRON, JOHN W.	5622 CR 2646 #24
314	1229	BARAJAS, MANUEL	5654 CR 2646
315	1207	MILLER, JOHN	5616 CR 2646 NEXT TO DAMR
316	816	VACANT	5611 CR 2646
317	239	VACANT	5611 CR 2646 #11
318	1264	BLAGG JIM D.	5571 CR 2646
319	883	BRINKLY, BOBBY	5476 CR 2646
320	1075	JACKSON GARY T.	5425 CR 2646
321	862	GOETHALS, RONALD R	5491 CR 2646
322	876	BELL, GARRY	5350 CR 2646
323	571	RAGSDALE, MARK	5308 CR 2646
324	1137	SNODGRASS, JAMES W	5284 CR 2646
325	521	MUNOZ, ERNESTO	5252 CR 2646
326	1348	CAPP, MICHAEL & CHERYL	5262 CR 2646
327	565	MILLER, CLAY	5843 CR 2646
328	564	TUBB, GARY & AMI	5856 CR 2646
329	566	GRAY, GERALD	5889 CR 2646
330	1389	GRAY, MICHAEL	5887 CR 2646
331	622	KURTZ, GARY	5910 CR 2646
332	567	DALE, GLENDA	5940 CR 2646
333	657	ARAMBUL, JUAN	5963 CR 2646
334	568	ERVIN, GERALD	5956 CR 2646
335	570	SPENCE, RUSSEL	5976 CR 2646
336	569	VACANT	5996 CR 2646
337	859	BLOODSWORTH, M WINDELL	6031 CR 2646
338	490	CROWELL REAL ESTATE	6162 I-30 W
339	781	MCELROY, ERIC	6160 I-30 W
340	572	DANIALS, NANCY	6138 I-30 W
341	357	BERNAL, KARLA	6188 I-30 W
342	1452	BERNAL, KARLA	6204 I-30 W
343	573	THURMAN, JO	6116 I-30 W
344	574	PAINTER, COREY	6124 I-30 W
345	575	THURMAN, JO	6112 I-30 W
346	576	FOX, SAMMY	6072 I-30 TRADING VILLAGE
347	1033	FOX, SAMMY	6074 I-30 TRADING VILLAGE
348	1109	FOX, SAMMY	6068 I-30 W
349	1192	FOX, SAMMY	6070 I-30 W
350	1110	FOX, SAMMY	6066 I-30 W
351	578	PAINTER, LLOYD	6004 I-30 W
352	1479	KENNEDY, BENNY	6006 I-30 W

Subsequent CCN acquisition Area			
	Account Number	Customer Name	Service Address
353	1465	KENNEDY, BENNY	6006 I-30 W
354	1466	LAY, JAMES & RUBY	6048 I-30 W
355	579	PEOPLES, OTHA GENE #2	5928 I-30 W
356	580	PEOPLES, OTHA GENE #1	5928 I-30 W
357	581	KIPPLES, LAUREL	5906 I-30 W
358	582	PEOPLE G.W.	5842 I-30 W
359	1097	MITCHELL, ADAM	5822 SOUTHFORD DR.
360	9660	AIMAN, NORMAN	5794 SOUTHFORD DR.
361	953	GOESITS, CHRIS	5789 SOUTHFORD DR.
362	956	SMALLWOOD, ROBERT	5767 SOUTHFORD DR.
363	1018	HUNTER, CHARLES	5766 SOUTHFORD DR.
364	1244	MIZELLON HAIR DESIGN	HAIR 5766 SOUTHFORD DR.
365	954	SANCHEZ, RICARDO & KENIA	5750 SOUTHFORD DR.
366	955	YEAKLEY, TIM	5744 SOUTHFORD DR.
367	1090	WHITEHAED, STEVE	4185 LUCY CIRCLE
368	1131	STARRETT, TERRY D	4188 LUCY CIRCLE
369	1203	CONLEY, DEBORAH	4163 LUCY CIRCLE
370	1257	BYMER, EDNA D	4180 LUCY CIRCLE
371	1276	ELLIOT, ALVIN	4157 LUCY CIRCLE
372	1277	MARTIN, ROBERT	4158 LUCY CIRCLE
373	1271	GENTRY, RICKY	4143 LUCY CIRCLE
374	1204	MARLOWE, ADAM	4144 LUCY CIRCLE
375	1241	PINTO, AMY	5598 SFD NORTH
376	1267	DAY, MAKE & BETSY	5530 JR DRIVE
377	1265	LASWELL, JACK A	5531 JR DRIVE
378	1157	GOINS, MICHAEL & DENISE	5502 JR DRIVE
379	1383	PAONESSA, JOHN	5515 JR DRIVE
380	1293	BEST, FRASER	5495 JR DRIVE
381	1303	WASHBURN, JOHN	5449 JR DRIVE
382	1434	CORNELIUS, KEVIN & JILL	5442 JR DRIVE #11
383	1278	MORRIS, DAVID	5408 JR DRIVE
384	1294	RICHARDSON, MARK	5370 GARY COURT
385	1439	NIEMEYER, JANICE	5361 GARY COURT
386	1291	GREEN, PHILLIP & DANA	5362 GARY COURT #26
387	1355	HENDERSON, WYLIE C	5395 GARY COURT
388	324	RUSSELL, E DENNIS & PAT	5354 GARY COURT
389	1335	KIERNAN, DAN	5337 GARY COURT
390	1147	BELK, ALAN	5338V
391	1444	TYRE, KATHLEEN	5323 GARY COURT, LT 19 III
392	1334	GONZALES, DAVID	5324 GARY COURT
393	1292	DAWS, KELLY & TERESA	5384 JR DRIVE #9
394	1441	WELCH, RONNIE	5376 JR DRIVE
395	322	KONKEL, KIMBERLY	5247 MISS ELLIE COURT
396	1336	CANTU, BALVINDER	5246 MISS ELLIE COURT



Subsequent CCN acquisition Area			
	Account Number	Customer Name	Service Address
397	1289	BEAUMONT, CHRISTALLE	5225 MISS ELLIE COURT
398	1272	PERRY, DAVID	5224 MISS ELLIE COURT
399	1148	CARPENTER, KEN& TONIA	5205 MISS ELLIE COURT
400	1279	NORTON, VICKIE	5206 MISS ELLIE COURT
401	1270	POTTS, MICHEAL	5235 JR COURT
402	1268	EVANS, HAROLD	5244 JR COURT
403	1261	CASH, J.L	5224 JR COURT
404	1266	ALLEN, DAVID	5223 JR COURT
405	1307	COULTER, KENNA	5201 JR COURT
406	1177	MILLER, NANCY	5202 JR COURT
407	1525	ALLEN, KEVIN	5200 JR COURT
408	1344	MCGEHEE, A.C.	5191 JR COURT
409	1469	BOND, JESSICA	5173 JR COURT
410	1464	CAMPBELL, DACY	5151 JR COURT
411	1226	WOOTEN, BERRY	5143 JR COURT
412	1380	BIEHLER, BEELJE	5135 JR COURT
413	1183	WILLIS, AARON	5123 JR COURT
414	1530	RENFRO & BICKEL	5122 JR COURT
415	1154	LUCAS, CHRISTINE	5101 JR COURT
416	1490	MCCAGHN, DEBORAH	5088 JR COURT
417	1529	LOWE, ROBERT	5100 JR COURT
418	1566	RATLIFFE, ROGER	5087 JR COURT
419	1360	ALCORN, MEGHAN	5076 JR COURT
420	1404	SMITH, BRIAN	5075 JR COURT
421	1459	WILLIAMS, JIM	5063 JR COURT
422	1394	RIGGS, VINCENT & NANCY	5062 JR COURT
423	1475	GATEWOOD, CHRISTOPHER	5047 JR COURT
424	1357	DANGEL, MEGAN	5042 JR COURT
425	1375	MCCOY, DENNIS	5037 JR COURT
426	1428	WESTERMAN, BRUCE	5033 JR COURT
427	1379	PANOS,SUSAN & STEPHEN	5027 JR COURT
428	1364	BLAKELEY, JIMMY	5021 JR COURT
429	1164	BURROUGHS, JULIE	5017 JR COURT
430	1567	PERRY, PATRICK	4419 JOCK EWING #64
431	1468	WHITE, NICK	4410 JOCK EWING DRIVE #68
432	1559	PRR, DEVELOPMENT	4411 JOCK EWING CIR #65
433	1539	MCCALLUM, JOSHUA	5001 JR COURT
434	1474	JOHNSON, JAMES	4906 JR COURT
435	1553	BRIDGEWATER, JOSHUA	4907 JR COURT
436	1470	WILSON, HEATH	4925 JR COURT
437	1501	LAYER, CHARLES	4926 JR COURT
438	1488	PRICE, DALE	4943 JR COURT
439	1570	PRR, DEVELOPMENT	4973 JR COURT
440	1284	CHRISTY, MICHELLE	4989 JR COURT

Subsequent CCN acquisition Area			
	Account Number	Customer Name	Service Address
441	1515	CARSON, DARRELL	4961 JR COURT
442	1528	HACKNEY, BRYAN TODD	4955 JR COURT
443	1533	MELOTT, AMANDA	4951 JR COURT
444	1548	FORD, RICHARD	4950 JR COURT
445	1414	MURPHY, DAVY	4901 JR COURT
446	1545	GRAZER, SCOTT	4852 JR COURT
447	1518	SMITH, RODNEY	4857 JR COURT
448	1484	CHAFFEE, TOM & CHARLENE	4892 JR COURT
449	1544	SNARR, DAVID C	4848 JR COURT
450	1560	CAPANNELLI, EDWARD	4836 JR COURT
451	1507	ANDERSON, CHERYL	4837 JR COURT
452	1532	CULOTTA, AJ & DEEDEE	4833 JR COURT
453	1521	MARTINEZ, RAY & CARMEL	4829 JR COURT
454	1526	HOLT, WILLIAM	4823 JR COURT
455	1485	MONTGOMERY, BETTY	4870 JR COURT
456	1562	JOHNSON, JEFFREY	4875 JR COURT
457	1381	WHITEHEAD, STEPHANIE	5111 JR COURT
458	1149	BRANNEN, MATTHEW	3249 TERI COURT
459	1440	VANSTEENIS, ELTON R	3246 TERI COURT
460	1511	PERRY, JOHNNY	3241 TERI COURT
461	1396	ALEXANDER, SCOTT	3242 TERI COURT
462	1462	AMY, JEFF	3225 TERI COURT
463	1283	WELLS, EDWARD	3220 TERI COURT
464	452	MARTINSON, MILTON	3217 TERI COURT
465	1230	WOODHAM, SIM R	3211 TERI COURT
466	1393	TEJAS PROPERTIES LTD	3013 TERI COURT
467	1500	WATSON, TODD	3002 TERI COURT
468	1451	FRIEDRICH, BRIAN	3008 TERI COURT
469	1489	TALLEY, ROY	3205 TERI COURT
470	1397	LANGLEY, ANTHONY	3201 TERI COURT
471	1227	ROSS, BARBARA	3200 TERI COURT
472	1260	RAWLINGS, HAROLD	5347 BARNES DR
473	1173	WHEELER, PENTY	5457 SF DR N
474	1171	UNDERWOOD, KEN	5458 SF DR N
475	1240	HUSTON, JOHN & DANIELLE	5465 SF DR N
476	1201	VOGT, SHARON	5500 SF DR N
477	1172	CLEMONS, CHRISTY	5499 SF DR N
478	1130	CARLEW, NEAL	5521 SF DR N
479	1175	CALDWELL, BOB	5536 SF DR N
480	1238	AMARAL, KIMBERLY	5553 SF DR N
481	1202	DADY, ANN	5562 SF DR N
482	1019	CRAWFORD, ROBERT	5742 SF DR N
483	964	GRASSI, RALPH	5625 PAMELA COURT
484	965	THARIO, JEFFREY	5608 PAMELA COURT

Subsequent CCN acquisition Area			
	Account Number	Customer Name	Service Address
485	1020	SHEPHERD, MARK	5646 PAMELA COURT
486	1089	GILLETTE, CHARLES & DIANE	5662 PAMELA COURT
487	1002	NORTON, TIM	5721 SF DR W
488	1050	BEENE, MICHAEL	5587 EWING LANE
489	1049	HARTLEY, BLAKE	5552 EWING LANE
490	981	EBBY HALLIDAY REALTORS	5534 EWING LANE (9C)
491	949	ESCALERA, ELIDA	5541 EWING LANE
492	1095	BERNO, LAURA	5515 EWING LANE
493	1051	ENLOE, JANICE	5489 EWING LANE
494	1088	MIMS, JEREMY	5494 EWING LANE
495	1052	BECKNELL, TAMMY	5467 EWING LANE
496	1000	DUNAWAY, PATRICK	5456 EWING LANE
497	1297	MAXWELL, LAYNE	5451 SOUTHFORK DR
498	1129	KENNDY, PATRICIA	5404 BOBBY CIRCLE
499	1094	STEINHOFF, CHAD & ANGELA	5409 BOBBY CIRCLE
500	1174	COLLINGS, DAVID	5380 BOBBY CIRCLE
501	1167	CLEMENTS, STEVE	5381 BOBBY CIRCLE
502	1128	BAMSCH, BRENDA	5360 BOBBY CIRCLE
503	1168	BAILEY, DON	5353 BOBBY CIRCLE
504	1239	HITT, ROBERT JR.	5348 BOBBY CIRCLE
505	1169	BILLINGSLY, JONATHAN	5347 BOBBY CIRCLE
506	1016	BARRETT, DANIEL	5466 SF DR W
507	967	MUNSON, WILLIAM	5486 SF DR W
508	1017	WRIGHT, KRISTIAN	5520 SF DR W
509	957	RICHARDSON, JOHN	5548 SF DR W
510	1022	SAVAGE, LAURA	5559 SF DR W
511	1170	WILLIS, RODNEY	5577 SF DR W
512	1047	MCCAULEY, AUDREY	5596 SF DR W
513	899	DABROY, CARLOS	5615 SF DR W
514	1021	PETERSON, CURTIS	5622 SF DR W
515	1086	GRAY, HOWARD	5630 SF DR W
516	1096	WOOD, JEFF	5625 SF DR W
517	697	GUARDIOLA, JOSE	5638 SF DR W
518	1036	LYNCH, LAURA	5646 SF DR W
519	1048	NAJERA, DANIEL	5649 SF DR W
520	1001	THAXTON, PAUL	5654 SF DR W
521	982	CALHOUN, DARRELL	4490 SUE ELLEN DR (54)
522	1120	MALONE, MARK R KENDRIZ	4506 SUE ELLEN DR
523	1119	TOVAR, KIMBERLY	4512 SUE ELLEN DR
524	1196	HOSEIN AZAM	4534 SUE ELLEN DR
525	1197	FISHER, STEPHANIE & KIRK J	4548 SUE ELLEN DR
526	1198	GARCIA, ADRIAN & SANDRA	4562 SUE ELLEN DR
527	1199	DINGMAN, SHANE	4568 SUE ELLEN DR
528	1200	BUTTS, LARRY	4584 SUE ELLEN DR

529	Subsequent CCN acquisition Area		
	Account Number	Customer Name	Service Address
	958	VACANT	5438 SUE ELLEN DR

**THIRD AMENDMENT TO SETTLEMENT AGREEMENT BETWEEN THE CITY OF ROYSE CITY AND BHP  
WATER SUPPLY CORPORATION**

This Third Amendment to the Settlement Agreement (the "Amendment") is entered into by and between the City of Royse City, Texas ("Royse City") and BHP Water Supply Corporation ("BHP") (Royse City and BHP are collectively referred to as the "Parties"), and is effective upon execution by Royse City and BHP.

**RECITALS**

**WHEREAS**, the Parties entered into a certain "Settlement Agreement," effective on April 5, 2011 ("Agreement");

**WHEREAS**, the Parties entered into an amendment of the Settlement Agreement on March 19, 2014, amending the Settlement Agreement ("First Amendment");

**WHEREAS**, the Parties entered into another amendment of the Settlement Agreement on March 23, 2015, further amending the Settlement Agreement ("Second Amendment");

**WHEREAS**, the First and Second Amendments added additional existing customers for BHP to Exhibit D of the Agreement;

**WHEREAS**, additional needs for extensions of service and the phasing out of certain facilities have caused the Parties to reassess the delineated service parameters established in the Agreement, as amended;

**WHEREAS**, the City Council for the City authorized this amendment at a meeting on March 22, 2016;

**WHEREAS**, the Board of Directors for BHP authorized this amendment at a meeting on March 1, 2016;

**WHEREAS**, the Wholesale Treated Water Contract (attached as Exhibit "C") entered into between the Parties on November 16, 2008, terminates upon BHP's direct connection to and taking water from North Texas Municipal Water District ("NTMWD"), and the Parties desire to establish an emergency point of delivery for BHP to take water from Royse City in case of temporary disruption of water service from NTMWD; and

**WHEREAS**, Royse City and BHP believe, at this time, it is in the best interest of all to amend the Agreement subject to the conditions below.

## **AGREEMENT**

**NOW, THEREFORE**, in consideration of the mutual promises, covenants, obligations, and benefits set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by both Parties, Royse City and BHP agree as follows:

### **Article I.**

#### **Establishment of Emergency, Point of Delivery, and Rate**

##### **Section 1.01. Definitions.**

- (a) "Non-pressurized Point of Delivery" means the point at which BHP takes delivery of Wholesale Treated Water from Royse City, through an air gap at the existing facilities located at the southwest corner of the Verandah subdivision on Interstate Highway 30. The Non-pressurized Point of Delivery is more specifically depicted in Exhibit A, attached hereto and incorporated herein for all purposes.
- (b) "Pressurized Point of Delivery" means the point at which BHP takes delivery of Wholesale Treated Water from Royse City through a direct connection to the Royse City water system at FM 35 near its place of intersection with FM 2453. The Pressurized Point of Delivery is more specifically depicted in Exhibit A, attached hereto and incorporated herein for all purposes.
- (c) "Wholesale Treated Water" means potable water treated to meet current state and federal water quality standard that is delivered by Royse City to BHP's at the Non-pressurized and/or Pressurized Points of Delivery, as required under the terms and conditions of this Amendment.
- (d) "Emergency" means an instance when BHP does not receive water from NTMWD because NTMWD is unable to deliver water to BHP WSC or there is a physical water system line break or a pump station operational problem which prevents delivery of water to the BHP customers; provided, however, that an Emergency excludes any instance when NTMWD's inability to provide water is due to a failure by BHP to perform its obligations under its agreement with NTMWD.

**Section 1.02. Delivery of Emergency Water Supply.** To the extent that an Emergency exists and that Royse City has additional water available after meeting its obligations to provide a water supply to its own customers, Royse City agrees to supply BHP with Wholesale Treated Water, subject to the terms of this Agreement, on a temporary basis. In the event that Royse City provides Wholesale Treated Water to BHP, BHP agrees not to transport such water supply to wholesale or retail customers outside of BHP's retail service area.

**Section 1.03. Royse City Water Supply Source.** The supply of Wholesale Treated Water received by BHP shall be treated water from the Royse City Delivery System. BHP understands that Royse City purchases the water to be supplied hereunder from NTMWD, and that NTMWD is obligated to Royse City by agreement to treat such water so as to meet the standards of all State and Federal agencies having jurisdiction over water quality. BHP has satisfied itself that the Wholesale Treated Water received from Royse City hereunder will be suitable for its needs. Royse City and BHP shall cooperate, each within its legal power, in preventing, to the extent practicable, the pollution and contamination of the reservoirs and watersheds from which the water supply is obtained. BHP further understands that Royse City's water supply may be restricted due to drought, water conservation, or

other restrictions imposed by NTMWD or State/Federal agencies; BHP agrees to abide by any restrictions imposed by Royse City, NTMWD or State/Federal agencies.

**Section 1.04. Emergency Process.**

- (a) As a condition precedent to Royse City providing Wholesale Treated Water to BHP, BHP shall provide Royse City with notice of an Emergency and a request ("Request") for Wholesale Treated Water, including an explanation of the Emergency condition, and a preference to receive Wholesale Treated Water at the Pressurized Point of Delivery and/or Non-pressurized Point of Delivery.
- (b) The provision of Wholesale Treated Water by Royse City under this Amendment is subject, at all times, to the availability of water in excess of that required to supply water for all municipal, domestic, commercial, industrial, or other Royse City users, as determined by Royse City.
- (c) After notification of the City by BHP, BHP may open the interconnection between Royse City and BHP's water systems to commence furnishing Wholesale Treated Water hereunder. If Royse City notifies BHP that excess water is not available, BHP will promptly close any interconnection between Royse and BHP's water system.

**Section 1.05. Emergency Infrastructure.**

- (a) The existing Pressurized Point of Delivery and Non-pressurized Point of Delivery ("Emergency Infrastructure") as identified shall be considered as acceptable for the delivery of Wholesale Treated Water. The costs of maintaining and operating the Emergency Infrastructure, shall be borne by BHP. BHP will provide results of required meter test, and BHP will maintain meters at an accuracy within AWWA allowances for applicable meter. The Emergency Infrastructure includes, but is not limited to, interconnections, approach facilities, and a water meter at each Point of Delivery. The Emergency Infrastructure shall be owned by BHP.
- (b) Royse City will be provided access to Emergency Infrastructure for meter reading.
- (c) BHP will be solely responsible for undertaking all reasonable and prudent measures required to protect its system from damage or harm caused by the connection of the BHP's water system to Royse City's water system, differences in operational pressures or water chemistry, or otherwise from the receipt of Wholesale Treated Water hereunder. BHP will also be responsible for providing such notice as may be required by law to inform its customers of any difference in water chemistry occasioned by its receipt of Wholesale Treated Water under this Amendment.

**Section 1.06. Rates.** The rates charged by Royse City to BHP for Wholesale Treated Water usage are the higher of (i) the then current water rates charged to Royse City by NTMWD, or (ii) the following:

**Non-Pressurized**

Up to 500,000 gallons	1.25x current NTMWD customer rate
500,001 – 1,000,000 gallons	1.5x current NTMWD customer rate
1,000,000 + gallons	2x current NTMWD customer rate

**Pressurized**

Up to 500,000 gallons	1.5x current NTMWD customer rate
500,001 – 1,000,000 gallons	2x current NTMWD customer rate
1,000,000 + gallons	2.25x current NTMWD customer rate

BHP agrees that the rates charged by Royse City to BHP for Wholesale Treated Water are just and reasonable, and do not violate the public interest. BHP acknowledges that it could obtain emergency water services from alternate water providers. Royse City will invoice BHP at the end of each Emergency Period, and BHP shall pay such invoice in full no later than 30 days after receipt of any invoice. Failure by BHP to timely pay any invoice may result in a reasonable late fee and interest.

**Section 1.07. Duration of Service.** As determined by Royse City, the City agrees to provide Wholesale Treated Water to BHP for the shorter of the following periods (an "Emergency Period"):

- (a) the reasonable duration of the Emergency giving rise to the request for Wholesale Treated Water;
- (b) the reasonable duration needed to repair damage to NTMWD's or BHP's water system that is the basis of the Emergency;
- (c) the duration of Royse City's ability to provide Wholesale Treated Water to BHP after meeting the needs of its own customers; or
- (d) not more than two weeks.

BHP shall promptly notify Royse City when the Emergency conditions cease to exist, and BHP will close the interconnection and discontinue receiving Wholesale Treated Water from Royse City.

**Section 1.08. Chemical Compatibility/Safety of Water.** BHP acknowledges that the disinfection method employed by Royse City may not be compatible with the disinfection method used by BHP. BHP will be solely responsible for any required flushing of its lines, for ensuring that water from Royse City's System is not mixed with water from BHP's System, and for ensuring the overall safety and water hygiene standards of water distributed to retail customers via its distribution system in accordance with applicable regulatory requirements. BHP will be responsible for providing any required notices to its retail customers of a change in disinfection methods.

**Section 1.09. Backflow Prevention.** In order to protect the potable water supply of the City from contamination, BHP agrees to comply with all applicable cross connection control regulations of the Texas Commission on Environmental Quality regarding the elimination of cross-connections and backflow prevention. Before any interconnection for Wholesale Treated Water is permitted under this Amendment, BHP agrees to maintain the existing backflow preventer at the current Pressurized Delivery Point at BHP's sole expense.

The existing backflow prevention assembly will be the property of BHP, who will be solely responsible for the ownership, operation, and maintenance of same at all times.

The Parties agree that sanitary control of BHP's distribution system will reside with BHP at all times, and that BHP is responsible for establishing and enforcing adequate regulations for safeguarding BHP's water system.

**Section 1.10. Easements.** Royse City will cooperate with BHP to provide easements to construct, install, operate, maintain, and access the Emergency Infrastructure.

## Article II.

### **BHP'S Transfer of Facilities, CCN, and Customers to Royse City**



**Section 2.01. CCN Area, Facilities, Customers to be Transferred Pursuant to the Agreement.** The water CCN area, facilities and customers to be transferred from BHP to Royse City pursuant to this Amendment are generally located southwest along State Highway 66 from CR 1031 to FM 1777, CR 1031 between State Highway 66 and FM 2642, FM 2642 from Interstate Highway 30 to FM 2642, and all land north of State Highway 66 and west of CR 2642 in Collin County and Hunt County, Texas (the "Transferred Area"). The Transferred Area is more particularly described herein and identified on the map attached hereto as Exhibit B.

**Section 2.02. Purpose of Amendment; Transfer.** Royse City and BHP agree that the intended result of this Amendment is the amendment of the parties' water CCN areas in accordance with the map attached hereto as Exhibit B. Royse City and BHP agree that, upon the execution of this Amendment, BHP will release from its water certificate of convenience and necessity and transfer to Royse City that portion of CCN No. 10064 designated as "BHP WSC Facilities Only to Royse City" on Exhibit B. Such transfer includes:

- (a) all physical facilities, including but not limited to all lines, service meters and valves, in the Transferred Area ;
- (b) all easements, road/railroad crossing permits, and other real property used by the facilities in the Transferred Area;
- (c) all customers in the Transferred Area, which is estimated to be 52 accounts.

**Section 2.03. Cooperation.** BHP will execute any reasonably required documents requested by Royse City to effectuate the transfer of the items listed in Section 2.02, above.

**Section 2.04. Capping Waterlines.** At the point near the intersection of FM 2642 and State Highway 66 where Royse City's and BHP's systems will separate, it will be necessary to cut and cap said line in order for Royse City's and BHP's systems to remain physically separate and not interconnected. Royse City shall be responsible for cutting and capping BHP's one and one-half inch (1-1/2") water line as indicated herein. Two caps shall be installed, one on each Royse City's and BHP's portions of the one-half inch (1-1/2") water line. Such cutting and capping shall be accomplished at Royse City's sole expense. The timing of such cutting and capping shall be determined by agreement of Royse City and BHP, and BHP shall have the right to be present and observe the activities undertaken by Royse City with regard to BHP's existing one and one-half inch (1-1/2") water line.

**Section 2.05. Operations and maintenance.** Upon completion of the cutting and capping as provided herein, each Party shall be solely responsible for maintenance and operation of the four inch (4") line and the cap on their portion of the capped line: BHP shall be responsible for all maintenance and operation of the line, including the cap on its portion of the line, being all portions to the north of the cut and cap; Royse City shall be responsible for all maintenance and operation of the line, including the cap on its portion of the line, being all portions to the south of the cut and cap.

**Section 2.06. Customers to be Transferred.** BHP shall transfer the customers located in the Transferred Area to Royse City (the "Transferred Customers"), as contemplated in Section 2.02, above, in accordance with the following provisions:

- (a) all account information for the Transferred Customers shall be provided by BHP to Royse City no later than 45 days after the date the TCEQ/PUC grants its approval to the Application for Sale, Transfer, or Merger ("STM") to be filed by Royse City, as provided herein;
- (b) the Parties agree that BHP will not transfer any membership deposits of the Transferred Customers to Royse City; and the Parties agree that it is BHP's sole obligation to return all membership deposits held by BHP for the Transferred Customers, to the Transferred Customers no later than 30 days after the date the TCEQ/PUC grants its approval to the STM Application to be filed by Royse City, as provided herein;
- (c) BHP will be responsible for collecting any outstanding balances for services provided by BHP to the Transferred Customers after the transfer of the customer's account information to Royse City; and Royse City will have no obligation to pay BHP for any outstanding balances of the Transferred Customers under any circumstances;
- (d) Exhibit "D" of the Agreement is hereby amended by removing the Transferred Customers from such exhibit. Together with the changes made to Exhibit "D" in Article 3 of this Amendment, the Parties will sign-off on an amended Exhibit "D."

**Section 2.07.** No later than sixty (60) days following execution of this Amendment, Royse City shall file any and all applications necessary with the PUC to approve the transfer of the Transferred Area and the Transferred Facilities (the "STM Application") to reflect the agreement set forth herein. BHP will cooperate with Royse City in the preparation of the STM Application. Royse City shall bear all costs associated with preparing and filing the STM Applications and pursuit of regulatory approvals. Royse City shall pay BHP \$3,500.00 once the STM Application has been fully approved.

### **Article III.**

#### **Additions to BHP Water Supply Corporation – Existing Customers List**

**Section 3.01.** In conjunction with removal of the Transferred Customers from Exhibit "D" of the Agreement, BHP is entitled to up to 52 new customers ("New Existing Customers") to be added to the exhibit on an interim basis. Such New Existing Customers must be directly connected to existing BHP facilities located within Royse City's certificated area CCN No. 12827. Such New Existing Customers shall be single-family residential or small commercial properties, defined to mean structures with less than 6,000 square feet, that are not part of newly subdivided development (defined as a development platted after the effective date of this agreement), and are not considered a "High Density Development," as defined in the Agreement. BHP may not enlarge or expand BHP's "Facilities Only" water CCN in Royse City's certificated area CCN No. 12827 except that BHP may replace existing waterlines with like size or smaller as may be required for maintenance purposes. In the event that the portion of the City's water CCN that contains any of the New Existing Customers' land is subject to a CCN decertification proceeding, BHP agrees to cooperate with Royse City and oppose such proceeding.

**Section 3.02.** One of the New Existing Customers will be the person/property subject to the prior amendment to the settlement agreement entered into on March 23, 2015, involving Ashley Jones and her property on CR 2594, Hunt County, Texas.

**Section 3.03.** The person/property subject to the prior amendment to the Agreement, involving Wayne Poteet and his property on CR 2656, Hunt County, Texas, will be one of the Transferred Customers pursuant to this Amendment.

**Section 3.04. Procedure for Adding New Existing Customers.**

- (a) Customers seeking water service within the Royse City's water certificated area shall first fill out an application for water service with Royse City. If BHP receives a request for service from a customer in Royse City's certificated area who is not on Exhibit "D" of the Agreement, BHP shall refer such customer to Royse City to fill out an application for water service with Royse City.
- (b) Royse City shall allow BHP to add a New Existing Customer to Exhibit "D" and to provide water service to such customer on behalf of Royse City if:
  - (i) The customer seeking water service is a single-family residential or small commercial, defined to mean structures with less than 6,000 square feet, property not part of a newly subdivided development;
  - (ii) Royse City does not have water lines within 300 yards of the customer seeking water service's property;
  - (iii) The customer seeking water service's property is next to BHP's "Facilities Only" in Royse City certificated area CCN No. 12827; and
  - (iv) BHP has not exceeded 52 New Existing Customers.
- (c) Royse City may allow BHP to add a New Existing Customer to Exhibit "D" and to provide water service to such customer on behalf of Royse City if:
  - (i) Royse City does not have water lines within 300 yards of the customer seeking water service's property;
  - (ii) The customer seeking water service's property is next to BHP's "Facilities Only" in Royse City certificated area CCN No. 12827; and
  - (iii) BHP has not exceed 52 New Existing Customers.
- (d) Whenever New Existing Customers are added to the BHP system in accordance with this agreement, an amended Exhibit "D" will be produced that must be signed off on by both Royse City and BHP as customers are added.

**Article IV.  
Miscellaneous**

**Section 4.01.** This Amendment may not be assigned by any Party without the written consent of the other Party.

**Section 4.02.** This Amendment contains the entire agreement of the parties with respect to the matters contained herein and may not be modified or terminated except upon the provisions hereof or by the mutual written agreement of the parties hereto.

**Section 4.03.** This Amendment shall be construed in accordance with the laws of the State of Texas and shall be performable in Rockwall County, Texas.

**Section 4.04.** This Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

**Section 4.05.** The individuals executing this Amendment on behalf of the respective parties below represent to each other and to others that all appropriate and necessary action has been taken to authorize the individual who is executing this Amendment to do so for and on behalf of the party for which his or her signature appears, that there are no other parties or entities required to execute this Amendment in order for the same to be an authorized and binding Amendment on the party for whom the individual is signing this Amendment and that each individual affixing his or her signature hereto is authorized to do so, and such authorization is valid and effective on the date hereof.

**Section 4.06.** This Amendment is executed by the parties hereto without coercion or duress and for substantial consideration, the sufficiency of which is forever confessed. Each signatory represents this Amendment has been read by the party for which this Amendment is executed and that such party has had an opportunity to confer with its counsel.

**Section 4.07.** Any notice provided for under the terms of this Amendment by either party to the other shall be in writing and may be effected by registered or certified mail, return receipt requested addressed and delivered to the following:

To Royse City: City Manager  
City of Royse City  
P.O. Box 638  
Royse City, Texas 75189

To BHP: BHP Water Supply Corporation  
Attn: General Manager  
PO Box 370  
Royse City, Texas 75189

Each party may change the address to which notice may be sent to that party by giving notice of such change to the other party in accordance with the provisions of this Amendment.

**Section 4.08.** This Amendment is executed in duplicate originals, each of which shall be deemed an original for all purposes.

Section 4.09. In case any one or more of the provisions contained in this Amendment shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof, and this Amendment shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

Section 4.10. In the event that the Parties cannot complete the STM application in a reasonable time due to the actions of third parties, Royse City has the right, but not the obligation, to terminate this Amendment. If the Amendment is terminated as provided in this Section 4.10, then the Parties will work together to restore the provision of retail water service to the conditions existing on the day before the Effective Date of this Amendment. This provision shall survive this Amendment.

Section 4.11. This Amendment shall be deemed drafted equally by all parties hereto. The language of all parts of this Amendment shall be construed as a whole according to its fair meaning, and any presumption or principle that the language herein is to be construed against any party shall not apply. Headings in this Amendment are for the convenience of the parties and are not intended to be used in construing this document.

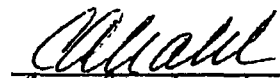
Section 4.12. Default. In the event either party fails to comply with the terms of this Amendment, the other party has the right to enforce the terms of this Amendment by specific performance or by any other remedies available to the other party. The party substantially prevailing in any litigation over the enforcement of this contract shall receive its reasonable and necessary attorney fees and court costs.

Section 4.13 Defined Terms. All defined terms in the Agreement, First Amendment, and Second Amendment shall have the same meanings in this Amendment.

Section 4.14 Prior Agreements. To the extent the terms of this Amendment conflict with the provisions of the Agreement, First Amendment, and Second Amendment, the terms of this Amendment shall control.

IN WITNESS THEREOF, the parties have executed this Agreement and caused this Agreement to be effective on the latest date (the "Effective Date") as reflected by the signatures below.

THE CITY OF ROYSE CITY, TEXAS

By:  Date: 4/20/16  
Its: Carl Alsabrook, city manager

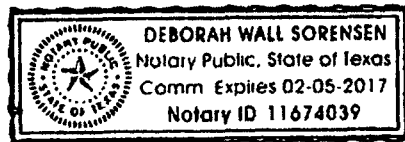
STATE OF TEXAS

§  
§

COUNTY OF ROCKWALL

BEFORE ME, the undersigned authority, on this day personally appeared Carl Alsabrook known to me to be one of the persons whose names are subscribed on the foregoing instrument; he/she acknowledged to me that he/she is the duly authorized representative for THE CITY OF ROYSE CITY, TEXAS, and he/she executed said instrument for the purposes and considering therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 28 day of April 2016



Deborah Wall Sorensen  
Notary Public in and for the State of Texas  
My Commission Expires:  
2/5/17

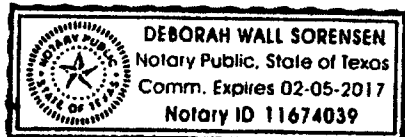
## BHP WATER SUPPLY CORPORATION

By: Mike Krider Date: 4-28-16  
 Its: MIKE KRIDER

STATE OF TEXAS §  
 COUNTY OF ROCKWALL §

BEFORE ME, the undersigned authority, on this day personally appeared Mike Krider, known to me to be one of the persons whose names are subscribed on the foregoing instrument; he/she acknowledged to me that he/she is the duly authorized representative for BHP WATER SUPPLY CORPORATION, and he/she executed said instrument for the purposes and considering therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 28 day of April 2016



Deborah Wall Sorensen  
 Notary Public in and for the State of Texas  
 My Commission Expires:

2/5/17

By: \_\_\_\_\_ Date: \_\_\_\_\_  
 Ashley M. Jones

STATE OF TEXAS §  
 COUNTY OF \_\_\_\_\_ §

BEFORE ME, the undersigned authority, on this day personally appeared Ashley M. Jones, known to me to be one of the persons whose names are subscribed on the foregoing instrument; she executed said instrument for the purposes and considering therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this \_\_\_\_ day of \_\_\_\_\_ 2015.

\_\_\_\_\_  
 Notary Public in and for the State of Texas  
 My Commission Expires:

\_\_\_\_\_

November 14, 2017

Frank Hemani  
3446 TX HWY 49  
Mount Pleasant, TX 75455

Re: Notice of Water Utility Service Provider Change  
Service Address: 6024 FM 2642  
Meter Number: 3698273

Dear Water Customer:

Recently, BHP Water Supply Corporation and the City of Royse City agreed that BHP would transfer some of its water utility service infrastructure to the City, so that the City could provide centralized water service to the customers served by such infrastructure. This transfer will result in a change of your water utility service provider. As of December 16, 2017, the City of Royse City will be your water supplier.

The City anticipates that this transition will be seamless and cause no noticeable interruption in water utility service. To this end, your final meter read with BHP will be December 15, 2017, and you will receive a bill from BHP for such amount. It is the City's understanding from BHP that your deposit (if any) and account with BHP will be settled and closed pursuant to BHP's current Tariff and service policies.

Moving forward, your account with the City will begin on December 16, 2017. There is nothing you need to do to set up your new account with the City, as BHP will transfer your customer information to the City. Also, the City is waiving any required deposits for the establishment of your new account. You will receive your first bill from the City around February 1, 2018. We look forward to having you as a customer. Please call me at 972-636-2250 with any questions or if I can be of further assistance.

Sincerely,

Lisa Morton  
Customer Service Manager



**Attachment 4- List of  
Customers to be  
Transferred  
is Confidential and being  
provided under seal**

# **TARIFF**

FOR THE

**BHP WATER SUPPLY CORPORATION**

**HUNT, COLLIN, & ROCKWALL COUNTIES, TEXAS**



**DANIEL & BROWN INC.**  
**ENGINEERS/CONSULTANTS/PLANNERS**  
P.O. Box 606, Farmersville, Texas 75442  
972-784-7777

SECTION A.  
RESOLUTION

ESTABLISHES THAT:

1. This Tariff of the BHP Water Supply Corporation, serving in Rockwall, Hunt and Collin Counties consisting of Sections A. through G. and forms inclusive, is adopted and enacted as the current regulations and policies effective as of the 6th day of January, 2009.
2. Only those preexisting written contracts or agreements executed by the present or previous Board of Directors shall remain in effect, unless the contract or agreement requires compliance with changes of the tariff from time to time.
3. The adoption of this tariff does not prohibit or limit the Corporation from enforcing previous penalties or assessments from before the current effective date.
4. An official copy of this and all policies or records shall be available during regular office hours of the Corporation. The Secretary of the Corporation shall maintain the original copy as approved and all previous copies for exhibit.
5. Rules and regulations of state or federal agencies having jurisdiction shall supersede any terms of this policy. If any section, paragraph, sentence, clause, phrase, word, or words of this policy are declared unconstitutional or invalid for any purpose, the remainder of this policy shall not be affected.

PASSED and APPROVED this 6th day of January, 2009.

B. W. Pender  
President, BHP Water Supply Corporation

ATTEST:

Tony P. Little  
Secretary, BHP Water Supply Corporation

Approved: 1 /06 /2009

BHP WSC

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## SECTION B. STATEMENTS

1. **Organization.** The BHP Water Supply Corporation is a member-owned, non-profit corporation incorporated pursuant to the Water Supply/Sewer Service Corporation Act, Article 1434a, Tex. Rev. Civ. Stat. (West 1980, Vernon Supp. 1996 as amended) and as supplemented by the Texas Non-Profit Corporation Act, Tex. Rev. Civ. Stat. Ann., Article 1396-1.01, et seq. (West 1980, Vernon Supp. 1996 as amended) for the purpose of furnishing potable water utility service. Corporation operating policies, rates, and regulations are adopted by the Board of Directors elected by the Members of the Corporation.
2. **Non-Discrimination Policy.** Membership in the Corporation and service is provided to all Applicants who comply with the provisions of this Tariff regardless of race, creed, color, national origin, sex, disability, or marital status.
3. **Policy and Rule Application.** These policies, rules, and regulations apply to the water services provided by the BHP Water Supply Corporation, also referred to as Corporation or BHP WSC. Failure on the part of the Member, Consumer, or Applicant to observe these policies, rules and regulations gives the Corporation the authority to deny or discontinue service according to the terms of this Tariff as amended from time to time by the Board of Directors of the Corporation.
4. **Corporation Bylaws.** The Corporation Members have adopted bylaws (see Article 1396-2.09) which establish the make-up of the Board of Directors and other important regulations of the Corporation. The bylaws are on file at the Corporation's office.
5. **Fire Protection Responsibility.** The Corporation does not provide nor imply that fire protection is available on any of the distribution system. All hydrants or flush valves are for the operation and maintenance of the system and may be used for refill only by authorized fire departments. The Corporation reserves the right to remove any hydrant, due to improper use or detriment to the system as determined by the Corporation, at any time without notice, refund, or compensation to the contributors unless such hydrants are installed pursuant to the terms of a Non-Standard Service Contract as provided for in Section F, in which event the terms and conditions of the Contract shall apply.
6. **Damage Liability.** The BHP WSC is not liable for damages caused by service interruptions, events beyond its control, and for normal system failures. The limits of liability of the BHP WSC is the extent of the cost of service provided. By acceptance of Membership, Member consents to waiver of such liability.
7. **Information Disclosure.** The records of the Corporation shall be kept in the Corporation office. All information collected, assembled, or maintained by or for the Corporation shall be disclosed to the public in accordance with the Texas Open Records Act. An individual customer may request in writing that their name, address, telephone number, or social security number be kept confidential. Such confidentiality does not prohibit the utility from disclosing this information to an official or employee of the state or a political subdivision of the state acting in an official capacity or an employee of the Corporation acting in connection with the employee's duties. Further, such confidentiality does not prohibit the Corporation from disclosing the name and address of each member on a list to be made available to the Corporation's voting members, or their agents or attorneys, in connection with a meeting of the Corporation's members. The Corporation shall give its applicants and customers notice of rights to confidentiality under this policy and all prevailing associated fees for such request.
8. **Customer Notice Provisions.** The Corporation shall give written notice of monthly rate changes by mail or hand delivery to all consumers at least 30 days prior to the effective date of the new rate. The notice shall contain the old rates, new rates, effective date of the new rate, date of Board authorization, and the name and phone number of the Corporation's contact person designated to address inquiries about the rate change.

Approved 1/6/09

BHP WSC



9. **Grievance Procedures.** Any Member of the Corporation or individual demonstrating an interest under the policies of this Tariff in becoming a Member of the Corporation shall have an opportunity to voice concerns or grievances to the Corporation by the following means and procedures:
- a. By presentation of concerns to the Corporation's authorized staff member. If not resolved to the satisfaction of the aggrieved party then,
  - b. By presenting a letter to the Board of Directors stating the individual's grievance or concern and the desired result.
  - c. The Board of Directors shall respond to the complaint by communicating the Board's decision in writing.
  - d. Any charges or fees contested as a part of the complaint in review by the Corporation under this policy shall be suspended until a satisfactory review and final decision has been made by the Board of Directors.
10. **Plumbing Standards.** The Corporation adopts applicable sections of the Uniform Plumbing Code as guidance in the design, installation, and maintenance of plumbing systems and service facilities connecting or connected to the utility's water facilities, to the extent appropriate under the applicable statutes and regulations governing public water and sewer utility systems. Any Member may be required to retrofit plumbing systems and service facilities as determined to be necessary by the Corporation for the purposes of compliance with the Uniform Plumbing Code. (30 TAC 290.46(i))
11. **Customer Service Inspections.** The Corporation requires that a customer service inspection certification be completed prior to providing continuous water service to new construction and for all new members as part of the activation of standard and some non-standard service. Customer service inspections are also required on any existing service when the corporation has reason to believe that cross-connections or other potential contaminant hazards exist, or after any material improvement, correction or addition to the members' water distribution facilities. This inspection is limited to the identification and prevention of cross-connections, potential contaminant hazards and illegal lead materials. (30 TAC 290.46(i-j))

## **SECTION C. DEFINITIONS**

**Active Service** -- Status of any Member receiving authorized service under the provisions of this Tariff.

**Applicant** -- Person, partnership, cooperative corporation, corporation, agency, public or private organization of any type applying for service with the Water Supply Corporation.

**Board of Directors** -- The governing body elected by the Members of the Water Supply Corporation. ( Art. 1396-1.02 (7) )

**Bylaws** -- The rules pertaining to the governing of the Water Supply Corporation adopted by the Corporation Members ( Art. 1396-1.02 (5) )

**Certificate of Convenience and Necessity (CCN)** -- The authorization granted under Chapter 13 Subchapter G of the Texas Water Code for the Water Supply Corporation to provide water utility service within a defined territory. The Water Supply Corporation has been issued Certificate Number 10064. Territory defined in the CCN shall be the Certificated Service Area.

**Corporation or Water Supply Corporation** -- The BHP Water Supply Corporation.

**Developer** -- Any person, partnership, cooperative corporation, corporation, agency, or public or private organization who subdivides land or requests more than two (2) water or sewer service connections on a single contiguous tract of land [as defined in Chapter 13.2502 (e)(1) of the Water Code].

**Disconnection of Service** -- The discontinuance of water service by the Corporation to a Member/Customer.

**Easement** -- A private perpetual dedicated right-of-way for the installation of water and or sewer pipelines and necessary facilities which allows access to property for future operation, maintenance, facility replacement, facility upgrades, and/or installation of additional pipelines (if applicable). This may also include restrictions on the adjacent area to limit the installation of sewer lines or other facilities that would restrict the use of any area of the easement.

**Equity Buy-In (Impact) Fee** -- A fee assessed of new Applicants for service for the purpose of acquiring capital to defray the costs of expanding the system facilities in order to meet the customer growth needs of the Corporation. This fee is charged for each meter equivalent or service unit for which service has been requested.

**Final Plat** -- A complete plan for the subdivision of a tract of land. The BHP Water Supply Corporation shall determine if a plat submitted for the purpose of this Tariff shall qualify as a final plat. (30 TAC 291.85)

**Hazardous Condition** -- A condition which jeopardizes the health and welfare of the Members/Consumers of the Corporation as determined by the Corporation or regulatory authority.

**Indication of Interest Fee** -- A fee paid by a potential Member of the Corporation for the purpose of determining the feasibility of a construction and/or expansion project. The Indication of Interest Fee may be converted to a Membership Fee upon determination that service to the Applicant is feasible and available. This also applies to applicants applying for, or receiving, Temporary Service.

**Liquidated Membership** -- A Membership which has been canceled due to delinquent charges exceeding the Membership Fee or for other reasons as specified in this Tariff.

**Member** -- Any person, partnership, cooperative corporation, corporation, agency, or public or private organization that has qualified for service and received a Membership in accordance with the Corporation's Tariff.

Approved 1/6/09

BHP WSC

**Membership Certificate** – A non-interest bearing stock certificate purchased from the Corporation evidencing a Member's interest in the Corporation. (ART. 1396-2.08 D)

**Membership Fee** – A fee qualified as such under the terms of the tariff and the bylaws of the Corporation assigned to the real estate designated to receive service. The membership fee shall be refundable upon termination of service and surrendering the Membership Certificate. (30 TAC 291.3 Definitions, Texas Water Code 13.043(g), Article 1434a, Tex. Rev. Civ. Stat. Sec. 9. A.(c))

**Proof of Ownership** – Article 1434a, Tex. Rev. Civ. Stat. Sec. 9A(c) gives authority to the corporation to require ownership of real estate designated to receive service as a condition of membership and service. For the purpose of this tariff, applicants for service and membership shall provide proof of ownership by deed of trust, warranty deed, or other recordable documentation of fee simple title to real estate to be served.

**Renter** – A consumer who rents or leases property from a Member or who may otherwise be termed a tenant.

**Re-Service** – Providing service to an Applicant at a location for which service previously existed. Costs of such re-servicing shall be based on justifiable expenses

**Reserved Service Charge** – A monthly charge assessed for each property where service is being reserved

**Service Availability Charge** – (Also known as "minimum monthly charge", "minimum", or the "base rate") The monthly charge assessed each Member/Customer for the opportunity of receiving service. The Service Availability Charge is a fixed rate based upon the meter, service size, or equivalent dwelling unit(s). (See definition of Reserved Service Charge)

**Service Application and Agreement** – A written agreement between the Member/Applicant and the Corporation defining the specific type of service requirements requested on the current service application and agreement form, and the responsibilities of each party required before service is furnished.

**Service Unit** – The base unit of service used in facilities design and rate making. For the purpose of this Tariff, a service unit is a 5/8" X 3/4" water meter. Sewer facilities are designed and rates are based on the basis of population served or demand

**Subdivide** – Means to divide the surface area of land into lots intended primarily for residential use. (Local Government Code Chapter 232, Section 232.021 Definitions)

**Subdivider** – Means an individual, firm, corporation, or other legal entity that owns any interest in land and that directly or indirectly subdivides land into lots as a part of a common promotional plan in the ordinary course of business. (Local Government Code Chapter 232, Section 232.021 Definitions)

**Subdivision** – Means an area of land that has been subdivided into lots for sale or lease. (Local Government Code Chapter 232, Section 232.021 Definitions)

**Tariff** – The operating policies, service rules, service extension policy, service rates, rationing policies, and sample application packet adopted by the Board of Directors. A copy of this, Board approved, tariff is on file at the Corporation office and as required since September 1, 1989 at the State office of the TNRCC.

**Temporary Service** – The classification assigned an applicant that is in the process of construction. This could also apply to service for uses other than permanent (agricultural, road construction, drilling, livestock, etc.). The length of time associated with this classification will be set by the Board. This classification will change to permanent service after requirements in Section E. 1, E. 2, E. 3, and E. 5 are met. Applicant must have paid an Indication of Interest Fee.

**Texas Natural Resource Conservation Commission (TNRCC)** -- State regulatory agency having jurisdiction of water and sewer service utilities and appellate jurisdiction over the rates and fees charged by Non-Profit Water and Sewer Service Corporations. (30 TAC - Texas Administrative Code)

**Transferee** -- An Applicant receiving a Membership in the Water Supply Corporation by legal means from a person or entity desiring to forfeit and transfer current rights of Membership to another person or entity.

**Transferor** -- A Member who transfers Membership by legal means to another person or entity desiring to qualify for service at a property for which the Membership is currently issued or to the Corporation. (Art. 1434a Sec.9A:

RHP WSC

**SECTION D.**  
**GEOGRAPHIC AREA SERVED**

BHP Water Supply Corporation is located in Hunt, Collin, and Rockwall Counties at P.O. Box 370, Royse City, Texas.

The service area is further defined by Certificate of Convenience and Necessity (CCN) #10064.

## SECTION E. SERVICE RULES AND REGULATIONS

1. **Service Entitlement.** An Applicant shall be considered qualified and entitled to water utility service when proper application has been made, terms and conditions of Service and Membership have been met and continue to be met, and all fees have been paid as prescribed (30 TAC 291.85 (a))
2. **Application Procedures and Requirements.** For the purposes of this Tariff, service requested by an Applicant shall be for real estate designated to receive the service provided by the Corporation and shall be divided into the following two classes:
  - a. **Standard Service** is defined as service on an existing pipeline where pipeline or service facility extensions are not required and special design and/or engineering considerations are not necessary. Typically, this would include 5/8" X 3/4" or 3/4" sized water meter services set on existing pipelines.
  - b. **Non-Standard Service** is defined as any service request which requires a larger meter service or service to more than one tract or an addition to the supply, storage and/or distribution/collection system. The service requirements as prescribed by Section F of this Tariff shall be required of the Non-Standard Service Applicant prior to providing service.
  - c. **Requirements for Standard and Non-Standard Service.**
    - 1) The Corporation's Service Application and Agreement Form shall be completed in full and signed by the Applicant.
    - 2) A Right-of-Way Easement Form, Sanitary Control Easement, or other such easement forms, required by the Corporation, must be completed by the Applicant for the purpose of allowing future facility additions. (30 TAC 290.47 Appendix C.) **NOTE:** This requirement may be delayed for Non-Standard Service requests.
    - 3) The Applicant shall provide proof of ownership to property for which service has been requested in a manner acceptable to the Corporation. Proof of ownership shall consist of warranty deed, deed of trust or other recordable documentation of fee simple title to the real estate designated to receive service. (ART. 1434a, Sec.9A. (c) Vernon's Tex. Civ. Stat., 13.002 (11) of the Texas Water Code)
    - 4) Notice of application approval and costs of service determined by the Corporation shall be presented to the Applicant in writing and shall remain in effect for a period not to exceed thirty (30) days. After that time the Applicant must re-apply for service. (30 TAC 291.81 (a) (1))
    - 5) If the water main has been located in the public right-of-way and is adjacent to Applicant's property due to the current or previous landowner's refusal to grant easement to the Corporation for the purpose of installing the water main and appurtenances, and the Corporation has documentation of such refusal recorded in public records file, the Applicant, prior to receiving the requested service, shall grant easement to the Corporation. In addition to the normally required fees for service, the Applicant shall pay such sums as are necessary for the removal of the water main from the public right-of-way and for relocation onto the Applicant's property pursuant to such easement.
3. **Activation of Standard Service.**
  - a. **New Tap** — The Corporation shall charge a non-refundable service installation fee as required under Section G of this tariff. The service installation fee shall be quoted in writing to the Applicant. All fees shall be paid in advance of installation. (30 TAC 291.86 (a)(1)(A))
  - b. **Re-Service** — On property where service previously existed, the Corporation shall charge the **Membership Fee**, where the Membership Fee has been liquidated, and costs necessary to restore service. In addition, the Corporation shall charge accumulated Reserved Service Fees which have been entered on the in-active account as monthly debits. This is allowing the Corporation to recover the costs of reserving capacity at the location for which re-service has been requested. If restoration of service is not requested, this fee will accumulate monthly until the total balance of Reserved Service Fees equals the amount of the Equity Buy-In Fee previously paid for service to the property. After this time the service equipment may be removed by the Corporation and future request for service shall be treated as a new application.
  - c. **Performance of Work** — After approval is granted by proper authorities, all tap and equipment installations specified by the Corporation shall be completed by the Corporation staff or designated representative. The tap shall be completed within five (5) working days after approval and receipt

of payment of quoted fees. This time may be extended for installation of equipment for Non-Standard Service Request (30 TAC 291.85)

- d. **Inspection of Customer Service Facilities** – The property of the Applicant/ Member shall be inspected to insure compliance with state required Minimum Acceptable Operating Practices For Public Drinking Water Systems as promulgated by the Texas Natural Resource Conservation Commission or successor agency. (30 TAC 290.46(j) )

4. **Activation of Non-Standard Service.**

- a. **Activation of Non-Standard Service** shall be conducted as prescribed by terms of Section F of this Tariff.
- b. **Re-Service** - The same terms which apply under the Activation of Standard Service Sub-Section on Re-Servicing shall be applied to Non-Standard Re-Service requests.

5. **Changes in Service Classification.** If at any time the Corporation determines that the customer service needs changed from those originally applied for to a different service classification and the Corporation determines that additional or different facilities are necessary to provide adequate service, the Corporation shall require the Applicant/Member to re-apply for service under the terms and conditions of this Tariff. Applicant/Members failing to comply with this provision shall be subject to the Disconnection with Notice Provisions of this Tariff.

6. **Membership.**

- a. **Eligibility** - Eligibility for Membership shall not guarantee service to the Applicant or Transferee; however, qualification for service is a prerequisite to Membership eligibility for new Applicants or continued Membership for Transferees.
- b. **Membership Certificates** - Upon qualification for service, qualification for Membership, and payment of the required fees, the Corporation shall issue a refundable Membership Certificate to the Applicant. The Membership Certificate provides proof of Membership in the Corporation and shall entitle the Member to one (1) connection to the Corporation's water utility service and one (1) share of Corporation Stock. The Membership Certificate also entitles the Member to one (1) vote in conducting the affairs of any Annual or Special Membership Meeting of the Corporation as prescribed by the Corporation Bylaws. An original or a copy of each Membership Certificate shall be held on file in the Corporation Office. Ownership of more than one (1) Membership Certificate shall not authorize the Member to cast more than one (1) vote at any annual or special meeting. (Art. 1434a Vernon's Tex. Civ. Stat.) Each Membership Certificate and Stock thereby represented may be assigned to the specified parcel of land originally designated to receive service at the time of application. (ART. 1434a, 9A. (c)(e) Vernon's Tex. Civ. Stat.) **NOTE:** In the event the applicant is in the process of construction the Membership will be considered TEMPORARY until such time as the final Customer Service Inspection is completed and the forms are returned as required
- c. **Transfers of Membership.** (Art. 1434a., Vernon's Tex. Rev. Civ. Stat. Sec. 9A.)
  - 1) A Member is entitled to transfer Membership in the Corporation only under the following circumstances:
    - (a) The Membership is transferred by will to a person related to the Transferor within the second degree by consanguinity; or
    - (b) The Membership is transferred without compensation to a person related to the Transferor within the second degree by consanguinity; or
    - (c) The Membership is transferred without compensation or by sale to the Corporation; or
    - (d) The Membership is transferred as a part of the conveyance of real estate from which the Membership arose.
  - 2) In the event that Membership is transferred pursuant to the provisions of Sub-Section 6.c.(1) such transfer shall not be completed or recorded on the books and records of the Corporation until such time as the transferor has provided satisfactory evidence to the Corporation of such transfer. A transfer of Membership shall not be binding on the Corporation until such transfer has been approved as provided by Sub-Section 6.c.(3).

- 3) Qualifications for service upon transfer of Membership set forth in Sub-Section 6.c.(1) and 6.c.(2) shall be subject to approval of the Corporation and shall be recorded on the books and records of the Corporation only upon the following terms and conditions:
  - (a) A Transfer Authorization Form has been completed by the Transferor and Transferee;
  - (b) The Transferee has completed the required Application Packet;
  - (c) All indebtedness due the Corporation has been paid;
  - (d) The Membership Certificate has been surrendered, properly endorsed, by the Transferor, and
  - (e) The Transferee demonstrates satisfactory evidence of ownership of the property designated to receive service and from which the Membership originally arose.
- 4) If the application packet and other information is not completed on the day transfer of membership is requested the corporation will give the transferee written notice of 10 additional days to produce completed documentation to the corporation office. Service will be disconnected on the day following the 10<sup>th</sup> day according to disconnection with notice requirements. Additional time may be allowed at the directions of the manager or board.
- d. **Cancellation of Membership** -- To keep a Membership in good standing, a Service Availability Charge or a Reserved Service Charge must be paid monthly to the Corporation, whether or not water is used. Failure to pay this monthly charge to the Corporation shall jeopardize the Member's Membership standing and give rise to liquidation of the Membership Fee and forfeiture of the Membership. A Member may be relieved of this obligation to pay by surrendering the Membership Certificate, properly endorsed, to the Corporation. The Member shall also complete a Service Discontinuance Request Form prior to termination of service. However, a Member is not relieved of any obligations incurred prior to the date of surrender of a properly endorsed Membership Certificate prior to termination of service. Rights to future service at this tap shall be extended on an as-available basis and subject to the terms of the Activation of Service of this Tariff. (Art 1434a., Vernon's Tex. Rev. Civ. Stat. Sec. 9 A.(d))
- e. **Liquidation Due To Delinquency** -- When the amount of the delinquent charges owed by the Member equals the Membership Fee, the Membership Fee shall be liquidated and the Membership canceled and transferred back to the Corporation. In the event the Member leaves a balance due on an account guaranteed under the terms of a Service Application and Agreement, and the delinquent Member owns more than one Membership Certificate, the Corporation may liquidate as many of the Member Guarantor's Membership Fees as necessary to satisfy the balance due the Corporation, provided proper notice has been given. The Corporation shall collect any remaining account balances by initiation of legal action. Re-instatement of service shall be subject to the terms of the Activation of Service of this Tariff.
- f. **Cancellation Due To Policy Non-Compliance** -- The Corporation may cancel a Membership anytime a Member fails to comply with policies of the Corporation, including but not limited to Member's failure to provide proof of ownership of the property from which the Membership arose. (ART. 1434a., Vernon's Tex. Rev. Civ. Stat. Sec. 9A. (e))
- g. **Re-assignment of Canceled Membership** -- The Corporation, upon cancellation of Membership under the provisions of this Tariff, may re-assign the Membership rights thereby granted to any person who satisfactorily demonstrates eligibility for Membership, including but not limited to proof of ownership of the property from which the Membership arose. (Art. 1434a., Vernon's Tex. Rev. Civ. Stat. Sec. 9A.(e))
- h. **Mortgaging of Memberships** -- Nothing herein shall preclude a Member from mortgaging his/her Membership. However, notification to the holder of any security interest (mortgagee/lien-holder) of account status of Member/mortgagor will be provided only upon satisfactory completion of requirements for such conditions under the Membership Mortgage Agreement. Prior to the cancellation of any Membership as provided in this tariff. (Cancellation of Membership), the Corporation will notify the holder of any security interest in the Membership. The holder of the security interest also must hold a security interest in the real property at which water service is provided under the Membership. The Corporation may transfer the Membership to the holder of such security interest in lieu of cancellation, provided the holder of the security interest pays in full all delinquent and unpaid obligations and provided further that the holder of the security interest has



secured title to the real property from which the Membership arose. The Corporation may withhold cancellation of a Membership pending the resolution of any foreclosure proceedings or similar legal proceedings by the holder of the security interest.

- i. **Cancellation and Re-assignment of membership as results of Bankruptcy proceedings** – When the corporation is notified that a member has filed bankruptcy, the corporation shall cancel the membership for that property and require the receiver or current owner to qualify for membership in accordance with the terms of this tariff. Notice will be provided to the member filing for bankruptcy allowing 20 days to provide a completed application packet and payment of the required membership fee to the corporation or service will be disconnected according to the terms of this tariff

- 7 **Owners and Renters.** Any Member, renting or leasing real estate property designated to receive service according to the terms of this tariff to other parties, is responsible for all charges due the Corporation. The Corporation may bill the renter or lessee for utility service (at Member Request) as a third party, but the Member is fully responsible for any and all unpaid bills left by the renter/lessee. The owner shall be required to sign an Alternate Billing Agreement. The Member shall take responsibility for any necessary deposits from the renter/lessee to ensure payment of a past due bill. The Corporation may notify the Member of the renter's past due payment status subject to service charges.
8. **Denial Of Service.** The Corporation may deny service for the following reasons:
  - a. Failure of the Applicant or Transferee to complete all required forms and pay all required fees and charges;
  - b. Failure of the Applicant or Transferee to comply with rules, regulations, policies, and bylaws of the Corporation;
  - c. Existence of a hazardous condition at the Applicant's property which would jeopardize the welfare of the Members/Users of the Corporation upon connection;
  - d. Failure of Applicant or Transferee to provide representatives or employees of the Corporation reasonable access to property, for which service has been requested;
  - e. Failure of Applicant or Transferee to comply with all governmental rules and regulations of the Corporation's tariff on file with the state regulatory agency governing the service applied for by the Applicant;
  - f. Failure of Applicant or Transferee to provide proof of ownership, to the satisfaction of the Corporation, of property for which the tap has been requested, and/or
  - g. Applicant's service facilities are known to be inadequate or of such character that satisfactory service cannot be provided.
- 9 **Applicant's or Transferee's Recourse.** In the event the Corporation refuses to serve an Applicant under the provisions of these rules, the Corporation must notify the Applicant, in writing, on the basis of its refusal. The Applicant may file for an appeal, in writing, with the Board of Directors of the Corporation.
10. **Insufficient Grounds for Refusal of Service.** The following shall not constitute sufficient cause for the refusal of service to an Applicant:
  - a. Delinquency in payment for service by a previous occupant of the premises to be served;
  - b. Failure to pay a bill to correct previous underbilling due to misapplication of rates more than six (6) months prior to the date of application;
  - c. Violation of the Corporation's rules pertaining to operation of non-standard equipment or unauthorized attachments which interferes with the service of others, unless the customer has first been notified and been afforded reasonable opportunity to comply with said requirements;
  - d. Failure to pay a bill of another customer as guarantor thereof unless the guarantee was made in writing to the Corporation as a condition precedent to service;
  - e. Failure to pay the bill of another customer at the same address except where the change of customer identity is made to avoid or evade payment of a utility bill,
  - f. Failure to comply with regulations or rules for anything other than the type of utility service specifically requested including failure to comply with septic tank regulations.

11. **Deferred Payment Agreement.** The Corporation may offer a deferred payment plan to a Member who cannot pay an outstanding balance in full and is willing to pay the balance in reasonable installments as determined by the Corporation, including any Late Penalty Fees or interest on the monthly balance to be determined as per agreement.

12. **Charge Distribution and Payment Application.**

- a. **The Service Availability Charge or the Reserved Service Charge** is for the billing period from the 1st day of the month to the last day of the month. Charges shall be prorated for meter installations and service termination's falling during the billing period. Billings for this amount shall be mailed on or about the 1st of the month preceding the month for which this charge is due. All services shall be subject to this charge whether or not the service is in use by the Member.
- b. **Gallage Charge** shall be billed at the rate specified in Section G and billing shall be calculated in ten (10) gallon increments. Water charges are based on monthly meter readings and are calculated from reading date to reading date. Readings used in all billing calculations shall be taken by the Corporation's employees or designated representative.
- c. **Posting of Payments** -- All payments shall be posted against previous balances prior to posting against current billings.

13. **Due Dates, Delinquent Bills, and Service Disconnection Date.** The Corporation shall mail all bills on or about the 25th of the month. All bills shall be due and payable upon receipt and are past due beyond the date indicated on the bill (allowing approximately fifteen (15) days to pay), after which time a penalty shall be applied as described in Section G. A bill is delinquent if not paid on or before the past due date. Payments made by mail will be considered late if postmarked after the past due date. A 5 day grace period may then be allowed for delayed payments prior to mailing of final notices. Final notices shall be mailed allowing ten (10) additional days for payment prior to disconnection. The ten (10) additional days shall begin on the day the final notice is deposited with the U.S. Postal Service with sufficient postage. If the past due date for the regular or final billing is on a weekend or holiday, the past due date for payment purposes shall be the next day the Corporation office is open for business after said weekend or holiday. For all disputed payment deadlines, the date postmarked on each bill will determine the beginning of each billing cycle or final notice mailings.

Upon written request, any residential customer 60 years of age or older who occupies the entire premises of a dwelling receiving water utility service from the Corporation shall receive extension of the past due date, without penalty. The extension shall not exceed 10 days beyond the usual 15 day payment period for a total of no more than 25 days from the date the bill is issued. The request may specify extension of the late payment periods for current and subsequent billings. (HB 670 Effective August 30, 1993)

14. **Rules for Disconnection of Service.** The following describes the rules and conditions for disconnection of service. For the purposes of disconnecting sewer service under these policies, water service will be terminated in lieu of disconnecting sewer service.

- a. **Disconnection With Notice** -- Water utility service may be disconnected for any of the following reasons after proper notification has been given.
  - 1) **Returned Checks** -- The Corporation shall mail, via the U.S. Postal Service, a notice requiring redemption of the returned instrument within ten (10) days of the date of the notice to be made in the Corporation office. Redemption of the returned instrument shall be made by cash, money order, or certified check. Failure to meet these terms shall initiate disconnection of service. Any such instruments returned as insufficient or non-negotiable for any reason for any two billing periods within a 12 month period shall be considered evidence of bad credit risk by the Corporation. The Member/Customer in violation shall be placed on a "cash-only" basis for a period of 12 months. **NOTE:** "cash only" means certified check, money order, or cash.
  - 2) **Failure to pay a delinquent account** for utility service or failure to comply with the terms of a deferred payment agreement;

- 3) Violation of the Corporation's rules pertaining to the use of service in a manner which interferes with the service of others or the operation of non-standard equipment if a reasonable attempt has been made to notify the Member and the Member is provided with a reasonable opportunity to remedy the situation;
  - 4) Failure of the Member to comply with the terms of the Corporation's Service Agreement, Tariff, Bylaws, or Special Contract provided that the Corporation has given notice of said failure to comply, and Member has failed to comply within a specified amount of time after notification.
  - 5) Failure to provide access to the meter under the terms of this Tariff or to property at which water service is received when there is reason to believe that a hazardous condition or policy violation exists for which access is necessary to verify.
  - 6) Misrepresentation by any Applicant or Transferee of any fact on any form, document, or other agreement required to be executed by the Corporation.
  - 7) Failure of Member to re-apply for service upon notification by the Corporation that Member no longer meets the terms of the service classification originally applied for under the original service application.
- b. **Disconnection Without Notice** – Water utility service may be disconnected without notice for any of the following conditions:
- 1) A known dangerous or hazardous condition exists for which service may remain disconnected for as long as the condition exists, including but not limited to a violation of the Texas Sanitation and Health Protection Law 4477-1, or there is reason to believe a dangerous or hazardous condition exists and the Member refuses to allow access for the purpose of confirming the existence of such condition and/or removing the dangerous or hazardous condition (30 TAC 290.46 (j) );
  - 2) Service is connected without authority by a person who has not made application for service or who has reconnected service without authority following termination of service for nonpayment; and
  - 3) In instances of tampering with the Corporation's meter or equipment, by-passing the meter or equipment, or other diversion of service.  
**NOTE:** Where reasonable, given the nature of the reason for disconnection, a written statement providing notice of disconnection and the reason therefore shall be posted at the place of common entry or upon the front door of each affected residential unit as soon as possible after service has been disconnected.
- c. **Disconnection Prohibited** – Utility service may not be disconnected for any of the following reasons:
- 1) Failure of the Member to pay for merchandise or charges for non-utility service provided by the Corporation, unless an agreement exists between the Applicant and the Corporation whereby the Member guarantees payment of non-utility service as a condition of service;
  - 2) Failure of the Member to pay for a different type or class of utility service unless a fee for such service is included in the same bill;
  - 3) Failure of the Member to pay charges arising from an underbilling occurring due to any misapplication of rates more than six (6) months prior to the current billing;
  - 4) Failure of the Member to pay the account of another Member as guarantor thereof, unless the Corporation has in writing the guarantee as a condition precedent to service;
  - 5) Failure of the Member to pay charges arising from an underbilling due to any faulty metering, unless the meter has been tampered with or unless such underbilling charges are due under the Inoperative Meters Subsection of this tariff.
  - 6) Failure of the Member to pay estimated bill other than a bill rendered pursuant to an approved meter reading plan, unless the Corporation is unable to read the meter due to circumstances beyond its control;
  - 7) In response to a request for disconnection by an Owner/Member of rental property where the renter is billed directly by the Corporation as authorized by the owner, and the renter's account is not scheduled for disconnection under the Rules for Disconnection of Service in this Tariff.
- d. **Disconnection on Holidays and Weekends** – Unless a dangerous condition exists or the Member requests disconnection, service shall not be disconnected on a day, or on a day preceding

a day, when personnel of the Corporation are not available to the public for the purpose of making collections and reconnecting service.

- e. **Disconnection Due to Utility Abandonment** – The Corporation may not abandon a Member or a Certificated Service Area without written notice to its Members and all similar neighboring utilities and approval from the Texas Natural Resource Conservation Commission.
  - f. **Disconnection for Ill and Disabled** – The Corporation may not discontinue service to a delinquent residential Member permanently residing in an individually metered dwelling unit when that Member establishes that discontinuance of service will result in some person at that residence becoming seriously ill or more seriously ill if service is discontinued. Each time a Member seeks to avoid termination of service under this Sub-section, the Member must have the attending physician call or contact the Corporation within sixteen (16) days of issuance of the bill. A written statement must be received by the Corporation from the physician within twenty-six (26) days of the issuance of the utility bill. The prohibition against service termination shall last sixty-three (63) days from the issuance of the utility bill or such lesser period as may be agreed upon by the Corporation and Member's physician. The Member shall enter into a Deferred Payment Agreement.
  - g. **Disconnection of Master-Metered Accounts and Non-Standard Services** – When a bill for water utility services is delinquent for a master-metered service complex (defined as a complex in which a single meter serves two (2) or more residential dwelling units), the following shall apply: (30 TAC SUBCHAPTER H. 291.126)
    - 1) The Corporation shall send a notice to the Member as required. This notice shall also inform the Member that notice of possible disconnection will be provided to the tenants of the service complex in five (5) days if payment is not rendered before that time.
    - 2) At least five (5) days after providing notice to the Member and at least five (5) days prior to disconnection, the Corporation shall post notices, stating "Termination Notice" in public areas of the service complex notifying the residents of the scheduled date for disconnection of service.
    - 3) The tenants may pay the Corporation for any delinquent bill in behalf of the owner to avert disconnection or to reconnect service to the complex.
  - h. **Disconnection of Temporary Service** – When an applicant with a Temporary service fails to comply with the conditions stated in the Service Application and Agreement Form or other rules of this Tariff service may be terminated with notice.
15. **Billing Cycle Changes.** The Corporation reserves the right to change its billing cycles if the work load requires such practice. After a billing period has been changed, the billings shall be sent on the new change date unless otherwise determined by the Corporation.
16. **Back-billing.** The Corporation may back-bill a Member for up to four (4) years (48 months) for meter error, misapplied meter multiplier, incorrect meter readings, or error in computing a Member's bill. Failure to pay the most recent six (6) months billing will result in disconnection of service. Back-billing shall not extend beyond current Membership except in cases involving the transfer of a Membership conditioned upon payment of delinquent obligations by the Transferee, as provided in this Tariff.
17. **Disputed Bills.** In the event of a dispute between the Member and the Corporation regarding any bill, the Corporation shall forthwith make and conduct an investigation as shall be required by the particular case, and report the results in writing thereof to the Member. All disputes under this Subsection must be submitted to the Corporation, in writing, prior to the due date posted on said bill except in cases involving the transfer of a Membership conditioned on payment of delinquent obligations by the Transferee, as provided in this Tariff.
18. **Inoperative Meters.** Water meters found inoperative will be repaired or replaced within a reasonable time. If a meter is found not to register for any period, unless by-passed or tampered with, the Corporation shall make a charge for units used, but not metered, for a period not to exceed three (3) months, based on amounts used under similar conditions during the period preceding or subsequent thereto, or during corresponding periods in previous years.

- c. A Member owning more than one (1) Membership Certificate shall keep all payments current on all accounts. Failure to maintain current status on all accounts shall be enforceable as per Service Application and Agreement executed by the Member.
- d. The Corporation's ownership and maintenance responsibility of water supply and metering equipment shall end at the meter or other service equipment. Therefore, all water usage registering upon and/or damages occurring to the metering equipment owned and maintained by the Corporation shall be subject to charges as determined by the Corporation's Tariff as amended from time to time by the Board of Directors.
- e. The Corporation shall require each Member to have a cut-off valve on the Member's side of the meter for purposes of isolating the Member's service pipeline and plumbing facilities from the Corporation's water pressure. The valve shall meet AWWA standards (a ball valve is preferred). The Member's use of the Corporation's curb stop or other similar valve for such purposes is prohibited. Any damage to the Corporation's equipment shall be subject to service charges. (This additional cut-off valve may be installed as a part of the original meter installation by the Corporation.)

**19. Bill Adjustment Due To Meter Error.** The Corporation shall test any Member's meter upon written request of the Member. In the event the meter tests within the accuracy standards of The American Water Works Association, a test fee as prescribed in Section G of this Tariff shall be imposed. In the event the test results indicate that the meter is faulty or inaccurate, the test fee shall be waived, the meter shall be calibrated or replaced, and a billing adjustment may be made as far back as six (6) months but not extending beyond current Membership except in cases involving the transfer of a Membership conditioned on payment of delinquent obligations by the Transferee, as provided in this Tariff. The billing adjustment shall be made to the degree of the meter's inaccuracy as determined by the test. The Member shall complete a Meter Test Request Form prior to the test.

**20. Meter Tampering and Diversion.** For purposes of these Sections, meter-tampering, by-passing, or diversion shall all be defined as tampering with the Corporation's service equipment, by-passing the same, or other instances of diversion, such as:

- a. removing a locking or shut-off device used by the Corporation to discontinue service,
- b. physically disorienting the meter,
- c. attaching objects to the meter to divert service or to by-pass,
- d. inserting objects into the meter,
- e. and other electrical and mechanical means of tampering with, by-passing, or diverting service.

The burden of proof of meter-tampering, by-passing, or diversion is on the Corporation. Photographic evidence or any other reliable and credible evidence may be used; however, any evidence shall be accompanied by a sworn affidavit by the Corporation's staff when any action regarding meter-tampering as provided for in these Sections is initiated. A court finding of meter-tampering may be used instead of photographic or other evidence, if applicable. Unauthorized users of services of the Corporation shall be prosecuted to the extent allowed by law under the Texas Penal Code 28.03. (Is a Misdemeanor)

**21. Meter Relocation.** Relocation of services shall be allowed by the Corporation provided that:

- a. No transfer of Membership is involved;
- b. An easement for the proposed location has been granted to the Corporation;
- c. The Member pays the actual cost of relocation plus administrative fees, and
- d. Service capacity is available at proposed location.

**22. Prohibition of Multiple Connections To A Single Tap.** No more than one (1) residential, commercial, or industrial service connection is allowed per meter. The Corporation may consider allowing an apartment building or mobile home/RV park to apply as a "Master Metered Account" and have a single meter. Any unauthorized submetering or diversion of service shall be considered a Multiple Connection and subject to disconnection of service. If the Corporation has sufficient reason to believe a Multiple Connection exists, the Corporation shall discontinue service under the Disconnection with Notice provisions of this Tariff.

**23. Member's Responsibility.**

- a. The Member shall provide access to the meter as per service agreement. If access to the meter is hindered or denied preventing the reading of the meter, an estimated bill shall be rendered to the Member for the month; and a notice shall be sent to the effect that access could not be gained. If access is denied for three (3) consecutive months after proper notification to the Member, then service shall be discontinued and the meter removed with no further notice.
- b. The Member shall be responsible for compliance with all utility, local, and state codes, requirements, and regulations concerning on-site service and plumbing facilities.
  - 1) All connections shall be designed to ensure against back-flow or siphonage into the Corporation's water supply. In particular, livestock water troughs shall be plumbed above the top of the trough with air space between the discharge and the water level in the trough. (30 TAC 290.46)
  - 2) The use of pipe and pipe fittings that contain more than 8.0% lead or solder and flux that contain more than 0.2% lead is prohibited for any plumbing installation or repair of any residential or non-residential facility providing water for human consumption and connected to the Corporation's facilities. Customer service pipelines shall be installed by the applicant and shall be a minimum of SDR-26 PVC pipe. (30 TAC 290.46 )

## SECTION F.

### DEVELOPER, SUBDIVISION, AND NON-STANDARD SERVICE REQUIREMENTS

1. **Corporation's Limitations.** All Applicants shall recognize that the Corporation must comply with local, state, and federal rules and regulations as promulgated from time to time, and by covenants of current indebtedness. The Corporation is not required to extend retail utility service to an Applicant in a subdivision where the responsible party (Applicant/Developer) of the applicable property (subdivision) has failed to comply with the terms of this policy. 13.2502 of the Texas Water Code requires that notice be given herein or by publication by alternative means to the Developers/Applicants
2. **Purpose.** It is the purpose of this Section to define the process by which the specific terms and conditions for service to subdivisions are determined including the Developer's and the Corporation's respective costs.
3. **Application of Rules.** This Section is applicable to subdivisions, additions to subdivisions, developments, or whenever additional service facilities are required. For the purposes of this Tariff, Applications subject to this Section shall be defined as Non-Standard. This Section may be altered or suspended for planned facility expansions when the Corporation extends its indebtedness. The Board of Directors of the Corporation shall interpret on an individual basis whether or not the Applicant's service request shall be subject to all or part of the conditions of this Section.
4. **Non-Standard Service Application.** The Applicant shall meet the following requirements prior to the initiation of a Service Contract by the Corporation:
  - a. The Applicant shall provide the Corporation a completed Non-Standard Service Application giving special attention to the item on SPECIAL SERVICE NEEDS OF THE APPLICANT.
  - b. A final plat approved by the Corporation must accompany the Application showing the Applicant's requested service area. The plat must be approved by all governmental authorities exercising jurisdiction over lot sizes, sewage control, drainage, right-of-way, and other service facilities. Plans, specifications, and special requirements of such governmental authorities shall be submitted with the plat. Applicant's for single taps involving extension or upsizing of facilities shall be required to submit maps or plans detailing the location of the requested extension and details of demand requirements.
  - c. At the time the Applicant submits the Application, a Non-Standard Service Investigation Fee (See Section G) to cover initial administrative, legal, and engineering fees shall be paid to the Corporation. The balance of actual expenses incurred as a result of efforts by the Corporation to study service requirements of the Applicant shall be refunded to the Applicant and the Applicant shall pay any additional expenses.
  - d. If after the service investigation has been completed, the Corporation determines that the Applicant's service request is for property outside the area dedicated in the Corporation's Certificate of Convenience and Necessity, service may be extended provided that:
    - 1) The service location is contiguous to or within one-fourth (1/4) mile of the Corporation's Certificated Service Area;
    - 2) The service location is not in an area receiving similar service from another utility; and
    - 3) The service location is not within another utility's Certificate of Convenience and Necessity.
    - 4) If the Corporation extends service under these conditions, the Applicant shall fully support any subsequent efforts by the Corporation to amend its Certificate of Convenience and Necessity to include the applicant's property within the service area.
5. **Design.** The Corporation shall study the design requirements of the Applicant's required facilities prior to initiation of a Service Agreement by adopting the following schedule:
  - a. The Corporation's Consulting Engineer shall design all service facilities for the Applicant's requested service within the Corporation's specifications or within certain codes and specifications of neighboring municipalities for all Non-Standard Service Applications which lie within the enforced extra territorial jurisdiction of a municipality.

Approved 1/6/09

BHP WSC

- b. The Engineer's fees shall be paid out of the Non-Standard Service Investigation Fee, provided the actual costs of the Engineer's services do not exceed the amount of the Non-Standard Service Investigation Fee allotted for engineering services. If the fee for the Engineer's services exceed the allotted fee, the Applicant shall pay the balance of engineering fees prior to commencing with the service investigation.
  - c. The Consulting Engineer shall submit to the Corporation a recommendations for water service and cost estimates for the project.
  - d. If no governmental authority imposes other design criteria on the Applicant's service request, the Corporation's Engineer shall design all facilities for any Applicant to meet the demand for service as platted and/or requested in the plans or plat submitted in application for service. The Corporation reserves the right to upgrade design of service facilities to meet future demands, provided however, that the Corporation shall pay the expense of such upgrading in excess of the Applicant's facility requirements.
6. **Non-Standard Service Contract.** All Applicants requesting or requiring Non-Standard Service shall enter into a written contract, drawn up by the Corporation, in addition to submitting the Corporation's Service Application and Agreement. Said contract shall define the terms of service prior to construction of required service facilities. Guidelines for the service contract may include, but are not limited to:
- a. All costs associated with required administration, design, construction, and inspection of facilities for water service to the Applicant's service area and terms by which these costs are to be paid.
  - b. Procedures by which the Applicant shall accept or deny a contractor's bid, thereby committing to continue or discontinue the project.
  - c. Equity Buy-In Fee (Front-end Capital Contributions) required by the Corporation in addition to the other costs required under this Section. An Equity Buy-In Fee shall be required for seventy percent 70% of the tracts or lots in advance for service to the subdivision.
  - d. Monthly Reserved Service Charges as applicable to the service request.
  - e. Terms by which reserved service shall be provided to the Applicant and duration of reserved service with respect to the impact the Applicant's service request will have upon the Corporation's system capability to meet other service requests.
  - f. Terms by which the Applicant shall be reimbursed or compensated for fees duplicated in assessments for monthly rates and Equity Buy-In Fees.
  - g. Terms by which the Corporation shall administer the Applicant's project with respect to:
    - 1) Design of the Applicant's service facilities;
    - 2) Securing and qualifying bids;
    - 3) Execution of the Service Agreement;
    - 4) Selection of a qualified bidder for construction;
    - 5) Dispensing advanced funds for construction of facilities required for the Applicant's service;
    - 6) Inspecting construction of facilities; and
    - 7) Testing facilities and closing the project.
  - h. Terms by which the Applicant shall indemnify the Corporation from all third party claims or lawsuit in connection with the project contemplated.
  - i. Terms by which the Applicant shall deed all constructed facilities to the Corporation and by which the Corporation shall assume operation and maintenance responsibility, including any enforcement of warranties in connection with construction of the Applicant's project.
  - j. Terms by which the Applicant shall grant title or easement for right-of-ways, constructed facilities, and facility sites and/or terms by which the Applicant shall provide for the securing of required right-of-ways and sites.
  - k. Terms by which the Board of Directors shall review and approve the Service Contract pursuant to current rules, regulations, and bylaws.
7. **Property and Right-of-Way Acquisition.** With regard to construction of facilities, the Corporation shall require private right-of-way easements or private property as per the following conditions:
- a. If the Corporation determines that right-of-way easements or facility sites outside the Applicant's property are required, the Corporation shall require the Applicant make good faith efforts to secure easements or title to facility sites in behalf of the Corporation. All right-of-way easements and



property titles shall be researched, validated, and filed by the Corporation at the expense of the Applicant.

- b. All facilities required to be installed in public right-of-ways in behalf of the Applicant, due to inability to secure private right-of-way easements, shall be subject to costs equal to the original cost of facility installation for those facilities in public right-of-ways, plus the estimated cost of future relocation to private right-of-ways, or subject to the cost of installation under condemnation procedures, whichever is most desired by the Applicant.
  - c. The Corporation shall require an exclusive dedicated right-of-way on the Applicant's property (as required by the size of the planned facilities and as determined by the Corporation) and title to property required for other on-site facilities.
  - d. Easements and facilities sites shall be prepared for the construction of the Corporation's pipeline and facility installations in accordance with the Corporation's requirements and at the expense of the Applicant.
8. **Bids For Construction.** The Corporation shall solicit bids for the construction of the Applicant's proposed facilities in accordance with generally accepted practices. Plans and specifications shall be made available, with or without charge, to other prospective bidders. Although the Corporation reserves the right to reject any bid or contractor, the Corporation shall generally award the contract to the lowest and best bidder in accordance with the following criteria:
- a. The Applicant shall sign the Service Contract noting willingness to proceed with the project and shall pay all costs in of construction associated with the project;
  - b. The Contractor shall supply favorable references acceptable to the Corporation;
  - d. The Contractor shall qualify with the Corporation as competent to complete the work; and
  - e. The Contractor shall provide adequate certificates of insurance as required by the Corporation.
9. **Payment For Construction And Service.** After the Applicant has executed the Service Contract, the Applicant shall pay to the Contractor all costs necessary for completion of the project and in accordance with the terms of the Service Contract
10. **Construction.**
- a. All road work pursuant to state, county and/or municipal standards (if applicable) shall be completed prior to facility construction to avoid future problems resulting from road right-of-way completion and excavation. Subject to approval of the requisite authority, road sleeves may be installed prior to road construction to avoid road damage during construction of Applicant's facilities.
  - b. The Corporation shall, at the expense of the Applicant, inspect the facilities to ensure that Corporation standards are achieved.
  - c. Construction plans and specifications shall be strictly adhered to, but the Corporation reserves the right to change-order any specifications, due to unforeseen circumstances during the design phase, to better facilitate operation of the Applicant's facility. All change-order amounts shall be charged to the Applicant.
11. **Service Within Subdivisions** – The Corporation's objective to provide service to any customer located within a subdivision governed by this section is strictly limited to the non-standard service specified by the Applicant. The purchasers of any lots who do not receive service because this service has not been specified or paid for by the Applicant shall have no recourse to the Corporation but may have recourse to the Applicant/Developer.

## **SECTION G.**

### **RATES AND SERVICE FEES**

NOTE: Unless specifically defined in this Tariff, all fees, rates, and charges as stated shall be non-refundable.

1. **Service Investigation Fee.** The Corporation shall conduct a service investigation for each service application submitted at the Corporation office. An initial determination shall be made by the Corporation, without charge, as to whether the service request is Standard or Non-Standard. An investigation shall then be conducted and the results reported under the following terms:
  - a. All Standard Service requests shall be investigated without charge and all applicable costs for providing service shall be quoted in writing to the Applicant within ten (10) working days of application.
  - b. All Non-Standard Service requests shall be subject to a fee (\$50.00 per lot or tract) or other amount appropriate to each project, of sufficient amount to cover all administrative, legal, and engineering fees associated with investigation of the Corporation's ability to deliver service to the Applicant to;
    - (1) provide engineering analysis for required facilities,
    - (2) provide cost estimates of the project
    - (3) present detailed plans and specifications as per final plat,
    - (4) to accept bids for the project,
    - (5) to present a Non-Standard Service Contract to the Applicant, and
    - (6) to provide other services as required by the Corporation for such investigation.

A Non-Standard Service Contract shall be presented to the Applicant within a Suitable amount of time as determined by the complexity of the project.  
(See Section F.)
2. **Membership Fee.** At the time the application for service is approved, a refundable Membership Fee must be paid before service shall be provided or reserved for the Applicant by the Corporation.
 

**The Membership Fee for water service is \$100.00 for each service unit.**
3. **Easement Fee.** When the Corporation determines that private right-of-way easements and/or facilities sites are necessary to provide service to the Applicant, the Applicant shall be required to make good faith efforts to secure easements in behalf of the Corporation and/or may be required to pay all costs incurred by the Corporation in validating, clearing, and retaining such right-of-way in addition to tap fees otherwise required pursuant to the provisions of this Tariff. The costs may include all legal fees and expenses necessary to attempt to secure such right-of-way and/or facilities sites in behalf of the Applicant.
4. **Installation Fee.** The Corporation shall charge an installation fee for service as follows:
  - a. Standard Service shall include all current labor, materials, engineering, legal, customer service inspection and administrative costs necessary to provide individual metered water service and shall be charged on a per tap basis as computed immediately prior to such time as metered service is requested and installed.
 

**Standard Service Installation Fee per meter installation is: \$300.00.**
  - b. Non-Standard Service shall include any and all construction labor and materials, inspection, administration, legal, and engineering fees, as determined by the Corporation under the rules of Section F of this Tariff.
  - c. Standard and Non-Standard Service Installations shall include all costs of any pipeline relocations.

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Page 2

5. **Equity Buy-In Fee (Impact Fee).** In addition to the Membership Fee, each Applicant shall be required to achieve parity with existing Members by contributing capital in an amount projected to defray the cost of up-grading system facilities to meet growth demands created by adding customers. This fee shall be assessed immediately prior to providing or reserving service on a per service unit basis for each tap/lot and shall be assigned and restricted to the tap/lot for which the service was originally requested.

NOTE: The Equity Buy-In Fee shall be paid for seventy percent (70%) of the lots or tracts to subdivisions, multiple services or other non-standard applications.

**Equity Buy-In Fee (Impact Fee) per installation is: \$1,800.00**

6. **Monthly Charges.**

- a. **Service Availability Charge (Monthly Minimum)**

Water Service – The monthly charge for metered water service, which may or may not include allowable gallonage, is based on demand by meter size. Each charge is assessed based on the number of 5/8"x3/4" meters as per American Water Works Association maximum continuous flow specifications equivalent to the size indicated and is used as a base multiplier for the Service Availability Charge and allowable gallonage. Rates and equivalents are as follows:

METER SIZE	METER EQUIVALENTS	MONTHLY RATE
5/8"x3/4"	1.0 x	\$20.00
¾"	1.5 x	\$30.00
1"	2 ½ x	\$50.00
2"	8 x	\$160.00
3"	16 x	\$320.00
4"	25 x	\$500.00

- b. **Reserved Service Charges** – The monthly charge for each active account at a specific location for which a meter has been installed but for which the Corporation and the Applicant have entered into agreement and/or contract for reserved service. This monthly charge shall be based on the Corporation's fixed costs to service the Applicant's dedicated facilities on a per Service Unit basis. This charge reserves service to the Applicant's real estate designated to receive service. This fee is determined on a case by case basis but shall never exceed the Service Availability Charge for Metered Service on a per Service Unit basis.
- c. **Gallonge Charge** – In addition to the Service Availability Charge, a gallonage charge shall be added at the following rates for usage during any one (1) billing period.

**Water - \$5.99 per 1,000 gallons for usage over 2,000 gallons.**

The Corporation shall, as required by Section 5.235, Water Code of the State of Texas, collect from each of its retail customers a regulatory assessment equal to one-half of one percent of the charge for retail water or wastewater service. This charge shall be collected in addition to other charges for utility service. This fee is collected on all charges pertaining to Section G.6.  
Monthly Charges of this tariff. (30 TAC 291.76 d. (3) (i) )

- d. **Board of Directors Credit** – A \$20.00 monthly credit to be deducted from monthly water bill in accordance with the BHP WSC Bylaws.
7. **Late Payment Fee.** The Corporation shall charge a fee of \$15.00 for the late payment of a water bill.
8. **Returned Check Fee.** In the event a check, draft, or any other similar instrument is given by a person, firm, corporation, or partnership to the Corporation for payment of services provided for in this Tariff, and the instrument is returned by the bank or other similar institution as insufficient or no-negotiable for any reason, the account for which the instrument was issued shall be assessed a return check charge of \$25.00

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Page 3

9. **Reconnect Fee.** The Corporation shall charge a fee of \$70.00 for reconnecting service after the Corporation has previously disconnected the service for any reason provided for in this Tariff except for activation of service under Section E (Re-Service). The Corporation shall charge an additional fee of \$75.00 for reconnecting service after the Corporation has previously disconnected the service for any reason provided for in the Tariff except for activation of service under Section E (Re-Service) after close of regular business hours.
10. **Service Trip Fee.** The Corporation may charge a trip fee of \$25.00 for any service call or trip to the Member's tap as a result by the Member or resident (unless the service call is in response to damage of the Corporation's or another Member's facilities) or for the purpose of disconnecting or collecting payment for service.
11. **Equipment Damage Fee.** If the Corporation's facilities or equipment have been damaged by tampering, by-passing, installing unauthorized taps, reconnecting service without authority, or other service diversion, a fee shall be charged equal to the actual costs for all labor, material, and equipment necessary for repair, replacement, and other Corporation actions. This fee shall be charged and paid before service is re-established. If the Corporation's equipment has not been damaged, a fee equal to the actual costs for all labor, material, equipment, and other actions necessary to correct service diversion, unauthorized taps, or reconnection of service without authority shall be charged. All components of this fee will be itemized, and a statement shall be provided to the Member. If the Corporation's facilities or equipment have been damaged due to negligence or unauthorized use of the Corporation's equipment, right-of-way, or meter shut-off valve, or due to other acts for which the Corporation incurs losses or damages, the Member shall be liable for all labor and material charges incurred as a result of said acts or negligence.
12. **Meter Test Fee.** The Corporation shall test a Member's meter upon written request of the Member. Under the terms of Section E of this Tariff, actual charges of the meter test may be imposed on the affected account.
13. **Transfer Fee.** An Applicant for service who is a Transferee shall complete all required application forms, etc., and pay a Transfer Fee of \$50.00.
14. **Information Disclosure Fee.** All public information except that which has been individually requested as confidential shall be available to the public for a fee to be determined by the Corporation based on the level of service and costs to provide such information, but not to be inconsistent with the terms of the Texas Open Records Act: Chapter 552, Texas Government Code.
15. **Meter Relocation Fee.** The Corporation shall charge a fee of \$250.00 for the relocation of an existing service to another location on the system where no road bore or extension is needed.
16. **County Road Bore Fee.** The Corporation shall charge a fee of \$1,500.00 when a water line must be brought under a county road and encased.
17. **Highway Road Bore Fee.** The Corporation shall charge a fee of \$5,000.00 for water lines that must be brought under state highways or Farm to Market roads. Permits must be obtained through the State Highway Department and certain requirements met.
18. **Meter Reading Verification Fee.** The Corporation shall charge a fee of \$25.00 if meter reader is asked to return to a customer's meter for a reading recheck the customer will be charged a fee if the reading was found to be correct. This reading must have been requested by the customer. One meter reading recheck is allowed during a 6 month period at no charge to the customer.
19. **Other Fees.** All services outside the normal scope of utility operations which the Corporation may be compelled to provide at the request of a customer or Member shall be charged to the recipient based on the cost of providing such service.

**SAMPLE APPLICATION PACKET**

Form RD-TX 442-9  
(Rev 6-06)

**UNITED STATES DEPARTMENT OF AGRICULTURE  
Rural Utilities Service**

**RIGHT-OF-WAY EASEMENT  
(General Type Easement)**

**KNOW ALL MEN BY THESE PRESENTS**, that \_\_\_\_\_  
(hereinafter called "Grantors"), in consideration of one dollar (\$1.00) and other good and valuable consideration paid by \_\_\_\_\_ (hereinafter called "Grantee"), the receipt and sufficiency of which is hereby acknowledged, does hereby grant, bargain, sell, transfer, and convey to said Grantee, its successors, and assigns, a perpetual easement with the right to erect, construct, install and lay and thereafter access and use, operate, inspect, repair, maintain, replace, upgrade, parallel and remove water distribution and/or sewer collection lines and appurtenances, over and across \_\_\_\_\_ acres of land, more particularly described in instrument recorded in Vol. \_\_\_\_\_, Page \_\_\_\_\_, Deed Records, \_\_\_\_\_ County, Texas, together with the right of ingress and egress over Grantor's adjacent lands for the purpose for which the above mentioned rights are granted. The easement hereby granted shall not exceed 15' in width, and Grantee is hereby authorized to designate the course of the easement herein conveyed except that when the pipeline(s) is installed, the easement herein granted shall be limited to a strip of land 15' in width, the center line thereof being the pipeline as installed.

Grantee shall have such other rights and benefits necessary and/or convenient for the full enjoyment and use of the rights herein granted, including without limitation, (1) the reasonable right of ingress and egress over and across lands owned by Grantor which are contiguous to the easement; (2) the reasonable right from time to time to remove any and all paving, undergrowth and other obstructions that may injure Grantee's facilities and appurtenances or interfere with the construction, maintenance, inspection, operation, protection, repair, alteration, testing, replacement, upgrading, relocation (as above limited), substitution or removal thereof; and (3) the rights to abandon-in-place any and all water supply and/or sewer distribution lines, service lines and associated appurtenances, such that Grantee shall have no obligation or liability to Grantor, or their successors or assigns, to move or remove any such abandoned lines or appurtenances.

In the event the easement hereby granted abuts on a public road and the county or state hereafter widens or relocates the public road so as to require the relocation of this water and/or sewer line as installed, Grantor further grants to Grantee an additional easement over and across the land described above for the purpose of laterally relocating said water and/or sewer line as may be necessary to clear the road improvements, which easement hereby granted shall be limited to a strip of land 15' in width, the center line thereof being the pipeline as relocated.

The consideration recited herein shall constitute payment in full for all damages sustained by Grantors by reason of the installation of the structures referred to herein and the Grantee will maintain such easement in a state of good repair and efficiency so that no unreasonable damages will result from its use to Grantor's premises. This Agreement together with other provisions of this grant shall constitute a covenant running with the land for the benefit of the Grantee, its successors, and assigns. The Grantors covenant that they are the owners of the above described lands and that said lands are free and clear of all encumbrances and liens except the following:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Form RD-TX 442-9  
(Rev. 6-06)

Grantor does hereby bind itself, its successors and assigns, to WARRANT AND FOREVER DEFEND, all and singular, the easement herein granted to Grantee, or Grantee's successors and assigns, against every person whomsoever claiming, or to claim, the same or any part thereof.

The easement conveyed herein was obtained or improved through Federal financial assistance. This easement is subject to the provisions of Title VI of the Civil Rights Act of 1964 and the regulations issued pursuant thereto for so long as the easement continues to be used for the same or similar purpose for which financial assistance was extended or for so long as the Grantee owns it, whichever is longer.

IN WITNESS WHEREOF the said Grantors have executed this instrument this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

**ACKNOWLEDGMENT**  
(Individual)

STATE OF TEXAS                    §  
COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on \_\_\_\_\_ by \_\_\_\_\_

(SEAL)

\_\_\_\_\_  
Notary Public, State of Texas

RUS-TX Bulletin 1780-9  
TX PN No. 56 (Rev. 1/09)

## WATER SUPPLY CORPORATION SERVICE APPLICATION AND AGREEMENT

**Please Print:**      DATE \_\_\_\_\_

APPLICANT'S NAME \_\_\_\_\_

CO-APPLICANT'S NAME \_\_\_\_\_

CURRENT BILLING ADDRESS \_\_\_\_\_

FUTURE BILLING ADDRESS: \_\_\_\_\_

PHONE NUMBER - Home (\_\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_      Work (\_\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_

PROOF OF OWNERSHIP PROVIDED BY \_\_\_\_\_

DRIVER'S LICENSE NUMBER OF APPLICANT \_\_\_\_\_

LEGAL DESCRIPTION OF PROPERTY (Include name of road, subdivision with lot and block number)

\_\_\_\_\_

PREVIOUS OWNER'S NAME AND ADDRESS (if transferring Membership)

\_\_\_\_\_

ACREAGE \_\_\_\_\_      HOUSEHOLD SIZE \_\_\_\_\_

NUMBER IN FAMILY \_\_\_\_\_      LIVESTOCK & NUMBER \_\_\_\_\_

SPECIAL SERVICE NEEDS OF APPLICANT \_\_\_\_\_

NOTE: FORM MUST BE COMPLETED BY APPLICANT ONLY. A MAP OF SERVICE LOCATION REQUEST MUST BE ATTACHED.

The following information is requested by the Federal Government in order to monitor compliance with Federal laws prohibiting discrimination against applicants seeking to participate in this program. You are not required to furnish this information, but are encouraged to do so. This information will not be used in evaluating your application or to discriminate against you in any way. However, if you choose not to furnish it, we are required to note the race/national origin of individual applicants on the basis of visual observation or surname.

**Ethnicity:** ☐ Hispanic or Latino  
☐ Not of Hispanic or Latino

**Race:** ☐ White    ☐ Black or African American    ☐ American Indian/Alaska Native  
☐ Asian    ☐ Native Hawaiian or Other Pacific Islander

**Gender:** ☐ Male    ☐ Female

EQUAL OPPORTUNITY PROGRAM

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