

Control Number: 48863



Item Number: 1

Addendum StartPage: 0

# Application Summary

**Transferor:** Brookshires Camp Joy

(selling entity)

**CCN No.s:** 12960

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

**Transferee:** TWS Holdings Texas Water Systems

(acquiring entity)

**CCN No.s:** 12473

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

**County(ies):** Upshur

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### Please mark the items included in this filing

- ☒ Contract, Lease, Purchase, or Sale Agreement
- ☒ Tariff including Rate Schedule
- ☐ List of Customer Deposits
- ☐ Partnership Agreement
- ☐ Articles of Incorporation and By-Laws (WSC)
- ☒ Certificate of Account Status
- ☒ Financial Audit
- ☒ Application Attachment A & B
- ☐ Disclosure of Affiliated Interests
- ☐ Capital Improvement Plan
- ☒ List of Assets to be Transferred
- ☐ Developer Contribution Contracts or Agreements
- ☐ Enforcement Action Correspondence
- ☐ TCEQ Compliance Correspondence
- ☐ TCEQ Engineering Approvals
- ☐ Purchased Water Supply or Treatment Agreement
- ☒ Detailed (large scale) Map
- ☒ General Location (small scale) Map
- ☒ Digital Mapping Data
- ☒ Signed & Notarized Oath

- Part A: Question 1
- Part B: Question 4
- Part B: Question 5
- Part C: Question 7
- Part C: Question 7
- Part C: Question 7
- Part C: Question 10
- Part C: Question 10
- Part C: Question 10
- Part C: Question 10
- Part D: 11.B
- Part D: 11.D
- Part E: Question 18 (Part D: Q12)
- Part F: Question 22
- Part F: Question 24
- Part F: Question 26
- Part G: Question 29
- Part G: Question 29
- Part G: Question 29
- Page 13-14

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**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:

cash sale. contract attached

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

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: Henry Brookshire Jr  
(individual, corporation, or other legal entity)  
☒ Individual ☐ Corporation ☐ WSC ☐ Other: \_\_\_\_\_
- B. Mailing Address: PO Box 397, Ore City, Texas 75683-0397
- Phone: (903) 968-6518 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: Henry Brookshire J Title: Owner
- Mailing Address: PO Box 397, Ore City, Texas 75683-0397
- Phone: (903) 968-6518 Email: \_\_\_\_\_

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: June 1, 2003
- 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: TCEQ 34231G CCN12960

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

5. For the customers that will be transferred following the approval of the proposed transaction, check all that apply:

☐ There are no customers that will be transferred

☒ # of customers without deposits held by the transferor 119

☐ # of customers with deposits held by the transferor\*                     

\*Attach a list of all customers affected by the proposed transaction that have deposits held, and include a customer indicator (name or account number), date of each deposit, amount of each deposit, and any unpaid interest on each deposit.

### Part C: Transferee Information

Questions 6 through 10 apply only to the *transferee* (purchaser or proposed service provider)

6. A. Name: TWS Holdings/Texas Water Systems  
(individual, corporation, or other legal entity)

☐ Individual ☒ Corporation ☐ WSC ☐ Other:

B. Mailing Address: 7891 US Hwy 271 Tyler, Texas 75708-4002

Phone: (903) 597-5788 Email: cs@txwatersystems.com

C. Contact Person. 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: Belinda Tompkins Title: administrator

Address: 7891 US Hwy 271 Tyler, Texas 75708-4003

Phone: (903) 597-5788 Email: belinda@txwatersystems.com

D. If the transferee is someone other than a municipality, is the transferee current on the Regulatory Assessment Fees (RAF) with the Texas Commission on Environmental Quality (TCEQ)?

☐ No ☒ Yes ☐ N/A

E. If the transferee is an IOU, is the transferee current on the Annual Report filings with the Commission?

☐ No ☒ Yes ☐ N/A

7. The legal status of the transferee is:

☐ Individual or sole proprietorship

☐ Partnership or limited partnership (*attach* Partnership agreement)

☒ Corporation  
Charter number (as recorded with the Texas Secretary of State): CN600729727

☐ Non-profit, member-owned, member controlled Cooperative Corporation [Article 1434(a) Water Supply or Sewer Service Corporation, incorporated under TWC Chapter 67]  
Charter number (as recorded with the Texas Secretary of State):                       
☐ Articles of Incorporation and By-Laws established (*attach*)

☐ Municipally-owned utility

☐ District (MUD, SUD, WCID, FWSD, etc.)



- ☐ 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: \_\_\_\_\_

**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:**

Name:	James K Brown	Ownership % (if applicable):	75.00%
Position:	President		
Address:	7891 US Hwy 271 Tyler, Texas 75708-4002		
Phone:	(903) 597-5788	Email:	red@txwatersystems.com
Name:	Hudson White	Ownership % (if applicable):	25.00%
Position:	VP		
Address:	7891 US Hwy 271 Tyler, Texas 75708-4002		
Phone:	(903) 597-5788	Email:	
Name:		Ownership % (if applicable):	0.00%
Position:			
Address:			
Phone:		Email:	
Name:		Ownership % (if applicable):	0.00%
Position:			
Address:			
Phone:		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: \$ 90,000.00

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: \$ 120,200.00

Accumulated Depreciation: \$ 56,045.00

Net Book Value: \$ 64,155.00

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: \$ 0.00

Accumulated Amortization: \$ 0.00

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: \$ 0.00

Accumulated Amortization: \$ 0.00

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:

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

cash sale

**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:	\$	120,200.00
Accumulated Depreciation of Plant:	\$	56,045.00
Cash:	\$	0.00
Notes Payable:	\$	0 00
Mortgage Payable:	\$	0 00
(Proposed) Acquisition Adjustment*:	\$	64,155 00

\*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.)

None

**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:

Not within the 1st year

**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:

None. The buyer has been operating the water system for the last 7 years.

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.

TWS Holdings owns 9 water systems in Smith, Upshur, Gregg and Henderson County. CCN #12473

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:

None

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

Current owner is in his 80's. The sale will insure continued uninterrupted service

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:

BI County WSC (10490)  
City of Ore City (10424)  
Diana SUD (10425)

**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):**TCEQ PWS Identification Number: TX2300015 (7 digit ID)Name of PWS: Brookshires Camp JoyDate of last TCEQ compliance inspection: September 27, 2016 (attach TCEQ letter)Subdivisions served: Camp Joy**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
119	5/8" or 3/4"		3"		Commercial
	1"		4"		Industrial
	1 1/2"		Other		Other
Total Water Connections:				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?**☒ No ☐ Yes: \_\_\_\_\_ (name of municipality)

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

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

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

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
David L. Odle	C	WG0011502	W
Randy Lovejoy	C	WG0001737	W

### 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: 470.00

Number of customer connections in the requested area: 119

Affected subdivision : Camp Joy Subdivision

The closest city or town: Ore City, Texas

Approximate mileage to closest city or town center: 2

Direction to closest city or town: NNE of downtown Ore City, Texas

The requested area is generally bounded on the North by: Unnamed creek, S of Upshur Landing Road

on the East by: Lake O' The Pines

on the South by: Unnamed creek, N of Marion County line

on the West by: N Front Street

31. A copy of the proposed map will be available at: \_\_\_\_\_

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



Oath for Transferor (Transferring Entity)

STATE OF Smith Texas

COUNTY OF Smith

I, Henry A Brookshire, Jr being duly sworn, file this application for sale, transfer,

merger, consolidation, acquisition, lease, or rental, as

**Owner**

(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.

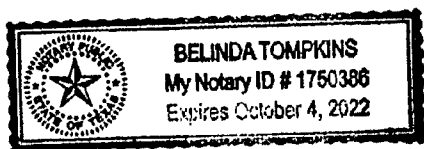
I further state that I have provided to the purchaser or transferee a written disclosure statement about any contributed property as required under Texas Water Code § 13.301(j) and copies of any outstanding enforcement Orders of the Texas Commission on Environmental Quality, the Public Utility Commission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

Henry A Brookshire  
**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 2 of November, 2018

SEAL



Belinda Tompkins

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

Belinda Tompkins

**PRINT OR TYPE NAME OF NOTARY**

My commission expires: 10/2022

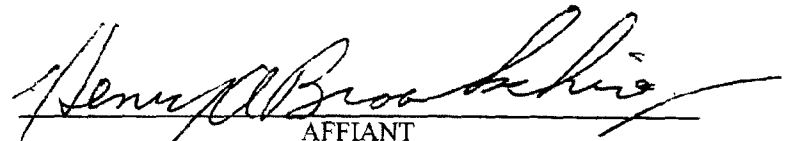
**OATH FOR SELLER OR FORMER SERVICE PROVIDER**

STATE OF TEXAS

COUNTY OF UPSHUR

I, Henry A. Brookshire, being duly sworn, file this application for sale, lease, rental or merger or consolidation as Utility Owner (indicate relationship to applicant) that is, owner, member of partnership, title as officer of corporation, or other authorized representative of applicant); that, in such capacity, I am qualified and authorized to file and verify such application, am personally familiar with the documents filed with this application, and have complied with all the requirements contained in the application; and, that all such statements made and matters set forth therein with respect to applicant are true and correct. Statements about other parties are made on information and belief. I further state that the application is made in good faith and that this application does not duplicate any filing presently before the Commission.

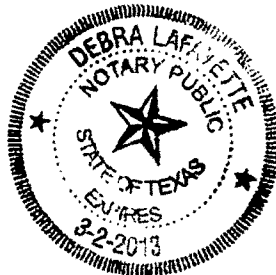
I further state that I have provided to the purchaser or transferee a written disclosure statement about any contributed property as required under Section 13.301(j) and copies of any outstanding Orders of the Commission or Attorney General and have also complied with the notice requirements in Section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


  
AFFIANT  
(Utility's Authorized Representative)

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

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public in and for the State of Texas,  
day 19th of September 20 12.

SEAL



  
NOTARY PUBLIC IN AND FOR THE  
STATE OF TEXAS

Debra Lafayette  
PRINT OR TYPE NAME OF NOTARY  
MY COMMISSION EXPIRES 3-2-2013

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

**Oath for Transferee (Acquiring Entity)**


STATE OF Texas

COUNTY OF Smith

I, James K Brown being duly sworn, file this application for sale, transfer, merger, consolidation, acquisition, lease, or rental, as President  
(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.

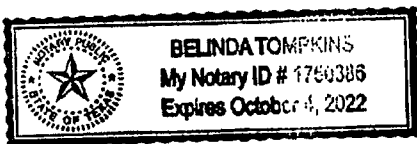
I further state that I have been provided with a copy of the 16 TAC § 24.109 Commission rules. I am also authorized to agree and do agree to be bound by and comply with any outstanding enforcement orders of the Texas Commission on Environmental Quality, the Public Utility Commission of Texas or the Attorney 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 2nd of November, 20 18

SEAL



Belinda Tompkins

NOTARY PUBLIC IN AND FOR THE  
STATE OF TEXAS

Belinda Tompkins

PRINT OR TYPE NAME OF NOTARY

My commission expires:

10/2022

OATH FOR PURCHASER OR ACQUIRING ENTITY


STATE OF TEXAS

COUNTY OF SMITH

I, JAMES K. BROWN, being duly sworn, file this application for

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

I am also authorized and do agree to be bound by and comply with any outstanding orders of the Commission 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.

  
\_\_\_\_\_  
AFFILIANT  
(Utility's Authorized Representative)


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

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

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public in and for the State of Texas,  
day 24th of Sept, 20 12.

SEAL



  
\_\_\_\_\_  
NOTARY PUBLIC IN AND FOR THE  
STATE OF TEXAS

Deborah Perryman  
\_\_\_\_\_  
PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES 6-14-16

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

Appendix

Appendix A: Historical Financial Information (Balance Sheet and Income Schedule)

(Audited financial statements may be substituted for this schedule – see Item 17 of the instructions)

HISTORICAL BALANCE SHEETS (ENTER DATE OF YEAR END)	CURRENT(A) (12.31.17)	A-1 YEAR (12.31.16)	A-2 YEAR (12.31.15)	A-3 YEAR (12.31.14)	A-4 YEAR (12.31.13)	A-5 YEAR (12.31.12)
<b>CURRENT ASSETS</b>						
Cash	-\$ 7,044.98	-\$ 18,683.61	\$ 752.53	-\$ 4,305.83	-\$ 8,662.89	\$ 72,549.20
Accounts Receivable	177,536.04	144,254.52	74,673.78	55,851.64	48,732.25	682,435.79
Inventories						
Other	998,536.71	1,045,322.33	1,400,363.81	1,178,799.29	1,225,701.72	822,900.57
<b>A. Total Current Assets</b>	<b>\$ 1,169,027.77</b>	<b>\$ 1,208,260.49</b>	<b>\$ 1,475,790.12</b>	<b>\$ 1,230,345.10</b>	<b>\$ 1,265,771.08</b>	<b>\$ 1,577,885.56</b>
<b>FIXED ASSETS</b>						
Land	\$ 26,976.51	\$ 26,976.51	\$ 26,976.51	\$ 26,976.51	\$ 26,976.51	\$ 26,588.51
Collection/Distribution System	1,190,358.04	1,120,967.60	1,035,753.18	1,012,786.17	956,072.85	933,739.04
Buildings	142,480.45	142,480.45	142,480.45	142,480.45	123,377.95	211,028.85
Equipment						
Other	402,311.87	293,688.21	349,004.97	320,976.46	350,197.97	219,723.48
Less: Accum. Depreciation or Reserves	-1,297,239.10	-1,202,182.36	-1,174,941.48	-1,071,817.03	-967,346.20	-855,491.05
<b>B. Total Fixed Assets</b>	<b>\$ 464,887.77</b>	<b>\$ 381,930.39</b>	<b>\$ 379,273.63</b>	<b>\$ 431,402.56</b>	<b>\$ 489,279.08</b>	<b>\$ 535,588.83</b>
<b>C. TOTAL Assets (A + B)</b>	<b>\$ 1,633,915.54</b>	<b>\$ 1,590,190.88</b>	<b>\$ 1,855,063.75</b>	<b>\$ 1,661,747.66</b>	<b>\$ 1,755,050.16</b>	<b>\$ 2,113,474.39</b>
<b>CURRENT LIABILITIES</b>						
Accounts Payable	\$ 95,394.64	\$ 127,594.77	\$ 74,738.21	\$ 63,280.37	\$ 31,753.07	\$ 261,325.17
Notes Payable, Current	50,812.35	69,225.26	24,154.73		29,057.13	40,425.66
Accrued Expenses						
Other	92,264.24	101,508.62	197,282.97	97,779.15	73,239.10	82,029.98
<b>D. Total Current Liabilities</b>	<b>\$ 238,471.23</b>	<b>\$ 298,328.65</b>	<b>\$ 296,175.91</b>	<b>\$ 161,059.52</b>	<b>\$ 134,049.30</b>	<b>\$ 383,780.81</b>
<b>LONG TERM LIABILITIES</b>						
Notes Payable, Long-term	\$ 549,664.11	\$ 601,767.65	\$ 651,097.65	\$ 729,882.24	\$ 740,004.16	\$ 779,726.76
Other						
<b>E. Total Long Term Liabilities</b>	<b>\$ 549,664.11</b>	<b>\$ 601,767.65</b>	<b>\$ 651,097.65</b>	<b>\$ 729,882.24</b>	<b>\$ 740,004.16</b>	<b>\$ 779,726.76</b>
<b>F. TOTAL LIABILITIES (D + E)</b>	<b>\$ 788,135.35</b>	<b>\$ 900,096.30</b>	<b>\$ 947,273.56</b>	<b>\$ 890,941.76</b>	<b>\$ 874,053.46</b>	<b>\$ 11,683,507.57</b>
<b>OWNER'S EQUITY</b>						
Paid in Capital	\$ 280,491.95	\$ 280,491.95	\$ 459,633.39	\$ 459,633.39	\$ 459,633.39	\$ 466,248.53
Retained Equity	373,453.56	413,421.84	355,677.38	262,757.72	518,024.79	72,120.18
Other	36,000.00	36,000.00	36,000.00	36,000.00	36,000.00	319,745.06
Current Period Profit or Loss	155,834.68	-39,819.21	56,479.42	12,414.79	-132,661.48	91,853.05
<b>G. TOTAL OWNER'S EQUITY</b>	<b>\$ 845,780.19</b>	<b>\$ 690,094.58</b>	<b>\$ 907,790.19</b>	<b>\$ 770,805.90</b>	<b>\$ 880,996.70</b>	<b>\$ 949,966.82</b>
<b>TOTAL LIABILITIES+EQUITY (F + G) = C</b>	<b>\$ 1,633,915.54</b>	<b>\$ 1,590,190.88</b>	<b>\$ 1,855,063.75</b>	<b>\$ 1,661,747.66</b>	<b>\$ 1,755,050.16</b>	<b>\$ 2,113,474.39</b>
<b>WORKING CAPITAL (A – D)</b>	<b>\$ 930,556.54</b>	<b>\$ 909,931.84</b>	<b>\$ 1,179,614.21</b>	<b>\$ 1,069,285.58</b>	<b>\$ 1,131,721.78</b>	<b>\$ 1,194,104.75</b>
<b>CURRENT RATIO (A / D)</b>	<b>4.9000</b>	<b>4.0500</b>	<b>4.9800</b>	<b>7.6300</b>	<b>9.4400</b>	<b>4.1100</b>
<b>DEBT TO EQUITY RATIO (E / G)</b>	<b>0.6500</b>	<b>0.8700</b>	<b>0.7100</b>	<b>0.9400</b>	<b>0.8400</b>	<b>0.8200</b>

DO NOT INCLUDE ATTACHMENTS A OR B IN FILED APPLICATION IF LEFT BLANK

<b>HISTORICAL NET INCOME INFORMATION</b>						
<b>(ENTER DATE OF YEAR END )</b>	<b>CURRENT(A)</b> <b>(12-31-17)</b>	<b>A-1 YEAR</b> <b>(12-31-16)</b>	<b>A-2 YEAR</b> <b>(12-31-15)</b>	<b>A-3 YEAR</b> <b>(12-31-14)</b>	<b>A-4 YEAR</b> <b>(12-31-13)</b>	<b>A-5 YEAR</b> <b>(12-31-12)</b>
<b>METER NUMBER</b>						
Existing Number of Taps	1,025	1,001	980	970		
New Taps Per Year	39	24	21	10		
<b>Total Meters at Year End</b>	<b>1,064</b>	<b>1,025</b>	<b>1,001</b>	<b>980</b>		
<b>METER REVENUE</b>						
Revenue per Meter (use for projections)	\$ 44.73	\$ 44.45	\$ 41.05	\$ 40.93		
Expense per Meter (use for projections)						
<b>Operating Revenue Per Meter</b>						
<b>GROSS WATER REVENUE</b>						
Revenues- Base Rate & Gallonage Fees	\$ 571,152.28	\$ 546,708.98	\$ 493,114.86	\$ 481,450.03	\$ 479,989.87	\$ 465,828.84
Other (Tap, reconnect, transfer fees, etc)	20,651.60	39,432.86	34,364.30	15,669.61	26,863.92	37,927.50
<b>Gross Income</b>	<b>\$ 591,803.88</b>	<b>\$ 586,141.84</b>	<b>\$ 527,479.16</b>	<b>\$ 497,119.64</b>	<b>\$ 506,853.79</b>	<b>\$ 503,756.34</b>
<b>EXPENSES</b>						
General & Administrative (see schedule)	\$ 232,997.12	\$ 211,681.75	\$ 189,406.84	\$ 171,675.85	\$ 150,462.38	\$ 137,941.27
Operating (see schedule)	865,717.11	1,088,050.41	1,034,922.69	966,839.70	996,523.60	902,385.97
Interest	47,207.38	48,430.26	49,265.30	44,828.30	42,247.89	53,424.18
Other (list)						
<b>NET INCOME</b>	<b>\$ 123,561.06</b>	<b>-\$ 50,705.86</b>	<b>\$ 67,853.41</b>	<b>\$ 56,813.49</b>	<b>\$ 89,481.59</b>	<b>\$ 102,678.55</b>

## **Sales Contract and Purchase Agreement**

This contract of sale and purchase agreement is made between Henry A. Brookshire Jr. ("Seller") and Texas Water Systems Holding, ("Purchaser") concerning the sale and purchase of the property and assets of Seller described below subject to the terms and conditions set forth below. This agreement is effective of the last of the signatures by Seller and Purchaser as parties to this contract.

### **1. Agreement**

Seller agrees to sell to Purchaser and Purchaser agrees to purchase from Seller, the following property free and clear of all liabilities, liens, taxes, and encumbrances, all of Seller's right, title, and interest in and to the following:

Type of entity:

Brookshire's Camp Joy Water Company, PWS ID number 2300015 and all other assets associated with Certificate of Conveyance and Necessity number 12960, including but not limited to:

a. Necessary plant site easements more particularly described in Exhibit "A" attached and incorporated by reference, together with all of Seller's right, title, and interest in and to any easements dedicated for ingress thereto and egress therefrom.

b. All personal property identified in Exhibit "B" attached and incorporated by reference and all other personal property in any manner attached to or imbedded within the real property identified above that is used for an necessary to the provision of water to the customers of Seller's public water system.

c. All water lines and meters employed in connection with the Public Water Systems together with any easements incident thereto, including any existing and future easements that pertain to future utility facilities and distributions.

d. All customer lists of the Public Water Systems.

e. All Seller's contractual right to sell and deliver water to the customers of the Public Water System.

f. All of Sellers' right to take water from the Public Water System for commercial, public and private purposes, with exception to Seller's role as a customer.

g. All that certain tract or parcel of land adjacent to the water plant and further described in Exhibit "C" attached and incorporated by reference herein.

### **2. Purchase Price:**

Ninety Thousand Dollars (\$90,000.00) having been already paid to Seller in escrow.

### 3. Prorations:

There shall be prorations between the parties of the taxes, insurance, and Seller's accrued but unpaid expenses or operations prior to the closing. Seller shall pay all taxes, insurance and expenses incurred prior to the date of closing. If Seller has prepaid insurance premiums, such prepaid insurance premiums allocable to the period after closing shall be paid by Purchaser at closing. Purchaser shall replace all of Seller's deposits with any utility company providing power to the Public Water System at closing. Seller shall convey to Purchaser all accounts receivable. Seller shall deliver to Purchaser all customers' deposit and or escrows at closing and Purchaser shall be solely liable therefore after the date of closing.

### 4. Closing:

The sale and purchase of the property listed in this contract and its execution shall take place at the offices of Texas Water Systems Inc. 7891 US Highway 271, Tyler, Smith County Texas on the following date and time:

---

### 5. Sellers Obligations at Closing

At closing, Seller shall execute and deliver to Purchaser, such deeds, easements and bills of sale and other instruments as may be necessary to transfer to Purchaser the Public Water System listed herein and shall deliver possession of said Public Water System at closing. All bills of sale and other instruments shall contain the usual warranties of title and will effectively transfer to Purchaser full title to the Public Water System, free and clear of all liens and security interests.

### 6. Purchaser's Obligations at Closing

At closing, Purchaser shall deliver to Seller the purchase price in the form of a Cashier's Check, together with Purchaser's written acceptance and assumption of the (i) water system and (ii) all of the seller's obligations to provide water to the customers of the Public Water System.

### 7. Seller's Covenants, Representations **and** Warranties

Seller covenants, warrants, and represents to purchaser as follows:

A. Seller is the lawful owner of and will deliver good and marketable title to all of the assets to be conveyed hereunder, free and clear of any liens or encumbrances.

B. Seller has full requisite power and authority to perform all of the obligations under this agreement.

C. To the best of Seller's knowledge, Seller in the operation of the Public Water System being sold hereunder, has complied with all laws and regulations of the County, State and Federal Government.



D. Seller has not entered into any contract, agreement, or arrangement in relation to the operation of said Public Water System that is not terminable at will without penalty.

E. Seller has paid or will pay in full through the close of business appropriate of the date of closing all wages, withholding, sales, social security and unemployment insurance, taxes to the appropriate City, County, State and Federal Governments.

F. There are not any judgments, actions, claims, liens or proceedings outstanding against or pending against the said Public Water System or against Seller in any court.

G. Seller has not established or participated in any pension or retirement plan or program for the benefit of any present or former employee of the Public Water System transferred to Purchaser.

H. Seller is not insolvent and will not be rendered insolvent by the transfer contemplated by this agreement. Seller is able to meet the business obligations of the Public Water System as they become due.

I. At the time of closing Seller represents and warrants that there is no known major defect in the structural integrity of any of the existing wells that would require immediate well replacement.

J. Purchaser and Purchaser's authorized agents may have full and complete access to the business records of the Public Water System being sold hereunder and to the property governed hereby during normal business hours with prior coordination with the Seller.

#### 8. Conduct of Business

Pending the consummation of the sale and purchase described in this agreement, Seller shall continue to operate the Public Water System in a similar manner as the Public Water System has been operated in the past.

#### 9. Risk of Loss

Except otherwise provided herein, pending consummation of the sale and purchase described in this agreement, Seller shall bear the risk of loss, damage or destruction of the said Public Water System and the assets of said Public Water System and is responsible to deliver the Public Water System to the Purchaser in the agreed condition.

## 10. Notice

Any and all notices or other communications required or permitted by this agreement or by law to be served on or given to either party hereof shall be in writing and shall be deemed duly served on the date personally served as follows:

A. To Seller                      Mr. Henry A. Brookshire Jr.  
   PO Box 397  
   Ore City, Texas 75683

B. To Purchaser                Texas Water Systems Inc.  
   Attn: James K. Brown  
   7891 U. S. Hwy. 271  
   Tyler, Texas 75708

## 11. Indemnity by Purchaser


Purchaser shall indemnify and hold Seller, Seller's officers and agents and the property of Seller free and harmless from any and all claims, losses, damages, injuries, and liabilities arising from or in connection with the operation of the Public Water System after the consummation of the purchase and sale set forth in this agreement.

## 12. Indemnity by Seller

Seller shall indemnify and hold Purchaser, and the property of Purchaser, including the Public Water System free and harmless from any and all claims, losses, damages, injuries and liabilities arising from or on account of Seller's operation of the Public Water System or Seller's ownership of the assets of the Public Water System prior to the consummation of this agreement, except as expressly limited in this agreement.

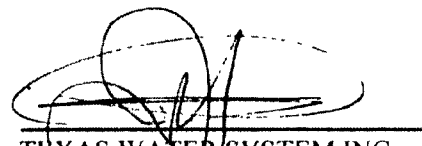
Signed this 2 day of November

, 2018 by Henry A. Brookshire Jr.

  
HENRY A. BROOKSHIRE JR.  
SELLER

Signed this 2 day of November  
behalf of Texas Water Systems Inc.

, 2018 by James K. Brown on

  
TEXAS WATER SYSTEM INC.  
By: JAMES K. BROWN  
PURCHASER

Brookshire Water Company dba Camp Joy Water Company

Real estate is not now , nor never has been part of Henry Brookshire's homestead.

Recorded owner is HENRY A. BROOKSHIRE, JR.

P O BOX 397

Ore City, Texas 75683

Tact #1: All that lot, tract or parcel of land described as follows: a part of the R. M. Watkins HR Survey, Upshur County, Texas, more particularly described as Lot # 6, ~~Block # 3, Unit # 4~~ of Camp Joy Addition, as shown by plat of said addition, Recorded in Volume # 2, ~~page # 224~~ <sup>page # 3</sup> of the plat records of Upshur County, Texas.

Tract # 2: All that lot, tract or parcel of land described as follows: a part of the R. M. Watkins HR Survey, Upshur County, Texas, more particularly described as Lot # 26, Block # 3, Unit # 5, of the Camp Joy Addition, as shown by plat of said addition, recorded in Volume #3, page # 428 of the plat records of Upshur County, Texas.

Conveyance will be made subject to all prior mineral and royalty sales and reservations and easements of record.

**BROOKSHIRE'S CAMP JOY WATER COMPANY**

Real estate: land	\$ 6000.00
Building	4000.00
Wells:     #1 W/3hp pump	5800.00
#2 W/5hp pump	6500.00
Pressure tanks: #1, 2000 gal.	4000.00
#2, 2000 gal.	10000.00
Storage tanks: #1, 12000 gal.	8000.00
#2, 10000 gal.	10000.00
Pressure pumps #1 , 10hp	2400.00
# 2, 7hp	1800.00
#3, 10hp	2400.00
Master meter	250.00
Chlorinators: Superior	1400.00
Regal	1700.00
Chlorinator pumps (2)	500.00
Chlorine scale	200.00
Air compressor	125.00
Generator	450.00
Security fence	2900.00
Misc. : control switches, extra meters, extra meter boxes, hand tools.	500.00
Installed: Mains, meters, valves.	<u>22000.00</u>
	\$90,925.00

Brookshire Water Company dba Camp Joy Water Company

Real property on lot 6 ~~block 3~~ unit ~~4~~  
3 Camp Joy Addition

2 - water wells

1 - 10000 gal. Storage tank

1 - 12000 gal. storage tank

2 - 2000 gal pressure tanks

1 - chlorinator building

1 - tool and supply building

**BUSINESS PERSONAL PROPERTY**

**Brookshire Water Company dba Camp Joy Water Company**

2 -10 hp pressure pumps

1- 7 hp pressure pump

1 - 5 hp well pump

1 - 3 hp well pump

2 - buster pumps for chlorinator

1 - Superior chlorinator

1 - Regal chlorinator

1 - platform scale

1 - air compressor

1 generator

Water mains and meters ( app 135 meters )

Misc supplies and tools

CONTRACT FOR THE OPERATION AND MAINTENANCE OF A PUBLIC  
DRINKING WATER SYSTEM IN UPSHUR COUNTY, TEXAS

MR. HENRY AND MRS. SONYA BROOKSHIRE, JR. (UTILITY OWNERS) AND TEXAS WATER SYSTEMS MANAGEMENT., A TEXAS CORPORATION (CONTRACTOR) ENTER INTO THE FOLLOWING AGREEMENT (CONTRACT) FOR THE OPERATION AND MAINTENANCE OF THE PUBLIC DRINKING WATER SYSTEM THAT UTILITY OWNER HAS BUILT AND IS OPERATING IN UPSHUR COUNTY, TEXAS, AS HEREIN PROVIDED.

Witnesseth:

Whereas UTILITY OWNER has a public drinking system - Brookshire Water Company dba Camp Joy Water Company, PWS #2300015, serving rural Upshur County, Texas, and desires to retain an experienced water utilities service operator, to operate, service, and maintain, said system within the safe drinking water standards and other regulatory rules of the Texas Commission on Environmental Quality (TCEQ).

Whereas, CONTRACTOR is an experienced retail public water utility, knowledgeable and experienced in constructing, operating, maintaining and repairing State-Approved public drinking water systems under state and federal regulatory standards; as well as a State licensed operating company.

Whereas, UTILITY OWNER desires to retain CONTRACTOR to operate, service and maintain the Utility System under the terms and conditions recited herein as UTILITY OWNER'S contract licensed Utility System operator; and

Whereas, "Customers" as referred to herein are persons who will purchase water from UTILITY OWNER or CONTRACTOR; and

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES, THE MUTUAL PROMISES AND COVENANTS HEREIN CONTAINED, AND FOR OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH IS HEREBY ACKNOWLEDGED, UTILITY OWNER AND CONTRACTOR COVENENT, STIPULATE AND DECLARE AS FOLLOWS:

(1) CONTRACTOR shall furnish, deliver, and supply all the work, labor, materials and services necessary to properly operate, in a good and workmanlike manner, UTILITY OWNER'S public water utility system within the Service Area, including providing a supply of safe drinking water acceptable to the TCEQ. CONTRACTOR shall agree to operate the entire Utility System on an independent contractor basis under a Certificate of Convenience and Necessity ("CCN") issued by the state in the name of the UTILITY OWNER, CCN #12960.

(2) UTILITY OWNER shall hold title to the water system and all component parts thereof. Nothing in this agreement shall be interpreted to deprive UTILITY OWNER of its' property ownership rights in the Utility System.

(3) CONTRACTOR shall have UTILITY OWNER'S general power of attorney to represent UTILITY OWNER as its agent in all regulatory matters related to the Utility System before any federal, state, county, municipal or other court, regulatory, agency, and/or department. Notwithstanding anything herein to the contrary, CONTRACTOR shall not have the authority and shall not act on behalf of the UTILITY OWNER in any pending TCEQ enforcement case brought by the Texas Attorney General.

(4) CONTRACTOR is responsible for the work necessary to properly operate the Utility System including, but not limited to, the following:

a. Handling any complaints, and customer relation issues with customer or before the TCEQ or other regulatory authority having jurisdiction over rates and services within the Utility System, (includes recording and reporting)

b. All testing and reporting requirements of applicable regulatory agencies, including public and individual Customer notices.

c. All repairs, including well repairs, and maintenance of the water system, including the provision, at CONTRACTOR'S expense, of all materials and equipment necessary to operate the Utility System in Compliance with the regulatory standards of the TCEQ.

d. All meter readings, Customer billings, banking, and lending institution transactions necessary for the operation of the Utility System, and payment of all operating and regulatory expenses.

(5) UTILITY OWNER, and in consideration of the faithful performance of this contract and the completion and delivery of the above-mentioned work, agrees and is hereby obligated to pay CONTRACTOR



- PC-2 100-0000

all revenues collected from customers for water utility related services, products, taps, meters, and any other fees which may be collected, less a monthly payment of \$1250.00 as described in (5a) below. Such revenues and fees shall be billed and retained by CONTRACTOR.

(5a) CONTRACTOR shall pay Henry A. Brookshire, Jr. and Sonya Brookshire jointly the amount of \$1250.00 per month during the execution of this contract. This sum of the amounts paid monthly is to be deducted from the total payment amount to be paid to the OWNERS (\$90,000.00) for the sale of the UTILITY to the CONTRACTOR. In the event the sale of the UTILITY is not approved by the TCEQ or does not transpire for any reason at the fault of the CONTRACTOR/BUYER the money paid shall be retained by Henry A. Brookshire, Jr. and Sonya Brookshire. Said payment shall be made prior to the 1<sup>st</sup> day of the month following the previous month's billing.

CONTRACTOR shall pay the balance of the funds necessary to operate and maintain the Utility System. CONTRACTOR shall be responsible for and shall bear all costs of operating and maintaining the utility system incurred during the time CONTRACTOR is receiving all water service revenues and fees as compensation for services rendered. Fines, penalties, and attorney's fees related to enforcement cases brought prior to this agreement or resulting from acts prior to this agreement shall not be deemed to be Utility System operation expenses and shall not be paid by CONTRACTOR under this agreement.

Further, it is agreed that the contract is the basis for an interim arrangement, and is in coordination with an existing agreement whereby Texas Water Systems Holdings, Inc. will purchase the subject water system from the UTILITY OWNER, upon approval by the TCEQ.

(6) CONTRACTOR agrees to notify Customers of its office hours and telephone number and agrees to give prompt response to repair calls.

(7) In consideration of CONTRACTOR'S monetary contributions toward the operation and maintenance of the Utility System, CONTRACTOR shall have an exclusive right to the operation and maintenance of the Utility System, under the terms and conditions of this agreement.

(8) This exclusive Contract may be canceled by UTILITY OWNER or CONTRACTOR, their heirs, assigns or successors in title or interest with a minimum of Sixty (60) days written notice. Should the UTILITY OWNER be the party desiring to terminate this Contract; UTILITY OWNER shall pay CONTRACTOR in full, the remaining value of Assets installed or otherwise furnished by the CONTRACTOR to be a part of the Utility System. The value of said assets shall be defined as: The remaining value, which has not been recovered through the Utility Systems rate structure, by TCEQ depreciation guidelines. This is not meant to include items that have been handled as expenses. Such payment of will be made prior to the CONTRACT termination date.

All revenue owed the Utility by those Customers served prior to the termination date, shall be the CONTRACTOR'S property, and the Utility System shall use it's tariff provision to disconnect service, if necessary to collect any outstanding receivables due the CONTRACTOR.

The basis for determining the asset value will be those records used for the TCEQ rate structuring purposes, which will be backed up on an itemized basis by invoices and related payments by check.

(9) The following terms and conditions are further included in this agreement and are agreed to be in full force and effect with the execution of this CONTRACT.

a. All of UTILITY OWNER'S rights to operate, service and maintain the Utility System in the Service Area including inter alia, the right to produce and sell water are conveyed to CONTRACTOR for the terms of this CONTRACT.

b. UTILITY OWNER assigns to CONTRACTOR non-exclusive rights to use utility easements reserved to or held (at law or in equity) by the UTILITY OWNER, it's successors and assigns for the purpose of installation of maintenance of the Utility system, and any appurtenance to the supply lines thereof, including the right to remove or trim trees, shrubs, or plants.

The right-of-way easement rights and privileges herein assigned shall be used for the purposes of placing, constructing, operating, repairing, maintaining, rebuilding, replacing, relocating, and removing the Utility System and its appurtenances. Upon the completion of any such construction and installation, CONTRACTOR may undertake on the easements assigned herein, CONTRACTOR shall replace and restore all fences, walls, or other structures which may have been reallocated or removed during the construction period.

c. CONTRACTOR is responsible for providing sufficient potable water for the Service Area acceptable to the TCEQ. CONTRACTOR shall be authorized to interconnect the Utility System with other public drinking water systems, owned or operated by CONTRACTOR subject to such governmental approvals as may be required by law and as provided herein. If this contract terminates, CONTRACTOR may sever and remove such interconnections without penalty.

d. CONTRACTOR shall comply with current TCEQ rules and regulatory requirements as the same affect the Utility System without

regard to CONTRACTOR'S compliance with such regulations in other water systems owned or operated by CONTRACTOR.

e. CONTRACTOR shall indemnify and save harmless UTILITY OWNER and its agents and employees from all suits, actions, or claims of any character, type, or description brought or made on account of negligence or acts of omission or commission by CONTRACTOR or his representatives, assigns or heirs occurring after the date of this agreement and relating in any way to water service to the Utility System. In the event a claim is made or a lawsuit is filed which would be subject to this indemnity, UTILITY OWNER, its agents or employees, shall have the right to employ counsel, which counsel shall be satisfactory to CONTRACTOR, and CONTRACTOR shall pay the reasonable and necessary attorney's fees incurred in defending such claim at the time fees and billed by the attorney.

f. UTILITY OWNER shall indemnify and save harmless CONTRACTOR and its agents and employees from all suits, actions, or claims of any character, or description brought or made on account of negligence or acts of omission or commission by UTILITY OWNER or his representative, assigns or heirs occurring prior to the date CONTRACT assumes control over the Utility System and relating in any way to water service to the Utility System. In the event a claim is made or a lawsuit is filed which would be subject to this indemnity, CONTRACTOR, its agents or employees, shall have the right to employ counsel, which counsel shall be satisfactory to UTILITY OWNER, and UTILITY OWNER shall pay the reasonable and necessary attorney's fees incurred in defending such claim at the time fees are billed by the attorney.

(10) CONTRACTOR agrees that all material in the construction, repair, and expansion of the Utility System shall conform to the current requirements of the TCEQ.

(11) All parties agree that if any party(ies) should default on any of the conditions and covenants hereunder or threaten to do so, or should it be necessary for any reason for either to hire or retain an attorney to represent in connection with this CONTRACT, the party(ies) found to be responsible agrees to pay the prevailing party(ies) a reasonable amount for costs and attorney's fees. Prior to the commencement of litigation, the parties agree to submit any dispute arising hereunder not resolved by mutual agreement to non-binding arbitration, pursuant to Tex. Civ. Prac. & Rem. Code 154.027, before an impartial third party ("Arbitrator") qualified under Tex. Civ. Prac. & Rem. Code 154.052. The Arbitrator shall be selected by mutual agreement of the parties or by court order absent such agreement. The parties agree that this agreement may be enforceable by specific performance as well as any other remedy available at law or in equity.

Venue over any civil cause of action arising from this agreement shall lie in the courts of Smith County, Texas, the county of residence of CONTRACTOR and his principal place of business where this contract is entered into, and shall be subject to and interpreted by the laws of the State of Texas. Venue over any administrative cause of action

arising from this agreement shall lie with the TCEQ and the courts of Travis County, Texas.

(12) UTILITY OWNER and CONTRACTOR acknowledge receipt of a complete copy of this CONTRACT and further acknowledge that they have carefully examined all terms and conditions and fully understand them.

(13) The official addresses of the parties for purposes of notices, correspondence of other matters arising herefrom shall be the following until written notice to the other parties of any change:

UTILITY OWNER:

Henry A. Brookshire, Jr. & Sonya Brookshire  
PO Box 397  
Ore City, TX 75683

CONTRACTOR:

Texas Water Systems Management  
  
ATTN: James K. Brown  
  
7891 US Highway 271 North  
  
Tyler, TX 75708

With Copies to:

Noel Luper  
  
TCEQ - Region 5  
  
2916 Teague Dr.  
  
Tyler, TX 75701-3756

And:

Texas Water Systems, Inc.  
  
Attn.: Directors  
  
7891 US Highway 271 North  
  
Tyler, TX 75708

(14) This CONTRACT supersedes any and all other agreements, either oral or in writing, between parties hereto with respect to the subject matter hereof, and no other agreement, statement or promise relating to the subject matter of this Contract which is not contained herein shall be valid or binding.

(15) This CONTRACT shall be binding on the heirs, executors, administrators, legal representatives, successors and permitted assigns of the respective parties.

(16) This CONTRACT may be amended by the mutual agreement of the parties herein in a written instrument specifically referencing this Contract.

(17) Wherever the context shall so require, all words herein in the male gender shall be deemed to include the female or neuter gender, all singular words shall include the plural, and all plural words shall include the singular.

(18) Any and all notices or other communications required or permitted by this CONTRACT, or by law to be delivered to, served on or given to either party to this CONTRACT, by the other party to this CONTRACT, shall be in writing and shall be deemed properly delivered, given or served when personally delivered to either party, CONTRACTOR or UTILITY OWNER, to whom it is directed, or in lieu of personal service, when deposited in the United States mail, first-class postage prepaid, certified mail, return receipt requested, at the address for notices set forth in this CONTRACT. CONTRACTOR or UTILITY OWNER may change this address for the purposes of this Paragraph by giving written notice of the change to the other party in the manner provided in this Section.

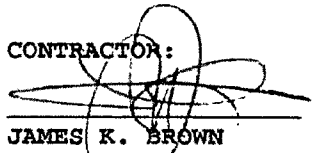
EXECUTED IN SMITH COUNTY, TEXAS, THIS 10<sup>th</sup> DAY OF JUNE, TO BECOME EFFECTIVE JULY 1, 2011

OWNER:

  
HENRY A. BROOKSHIRE

  
SONYA BROOKSHIRE

CONTRACTOR:

  
JAMES K. BROWN  
Texas Water Systems Mgmt  
President

  
DEBBIE PERRYMAN  
Witness

## SECTION 1.0 -- RATE SCHEDULE (Continued)

**METER TEST FEE** ..... \$25.00

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

**RECONNECTION FEE**

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

- a) Non payment of bill (Maximum \$25.00) ..... \$20.00
- b) Customer's request that service be disconnected ..... \$10.00

**TRANSFER FEE** ..... \$10.00

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

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

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

**RETURNED CHECK CHARGE** ..... \$15.00

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

**CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50)** ..... \$25.00**COMMERCIAL & NON-RESIDENTIAL DEPOSIT** ..... 1/6TH OF ESTIMATED ANNUAL BILL**GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE** .....

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

**LINE EXTENSION AND CONSTRUCTION CHARGES:**

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

5/8" 19.00 (includes 2,000 gallons)

2001 - 6000	2.00 / 1,000
6001 - 7000	3.50 / 1,000
7001 - 15000	4.00 / 1,000
15001 +	4.50 / 1,000

RATES LISTED ARE EFFECTIVE ONLY  
IF THIS PAGE HAS TCEQ APPROVAL STAMP

TEXAS COMM. ON ENVIRONMENTAL QUALITY

34 231 G CCN 12960 JUN 01 '03

APPROVED TARIFF BY gymh



## **WATER UTILITY TARIFF**

**Docket Number:** 47091

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

Texas Water Systems, Inc.

7891 US Hwy 271

Tyler, Texas 75708

(903)595-2128

This tariff is effective for utility operations under the following Certificate of Convenience and Necessity: 12473

This tariff is effective in the following counties:  
Smith, Upshur, Gregg and Henderson

This tariff is effective in the following cities or unincorporated towns (if any):  
Chandler, Tyler, Gilmer, Longview, Lindale, Big Sandy

This tariff is effective in the following subdivisions or public water systems:  
Cape Tranquility, Mt Sylvan, Country Club Estates, Friendship,  
Rosewood/Harmony, Stallion Lakes Ranch, Garden Valley Resort, and Garden  
Acres

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

### **TABLE OF CONTENTS**

SECTION 1.0-RATE SCHEDULE	2
SECTION 2.0- SERVICE RULES AND POLICIES	4
SECTION 3.0- EXTENSION POLICY	13
APPENDIX A - DROUGHT CONTINGENCY PLAN	18
APPENDIX B- APPLICATION FOR SERVICE	19

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

**SECTJ:ON 1.0 -- RATE SCHEDULE****Section 1.01 - Rates**

<b>Meter Size</b>	<b>Monthly Minimum Charge</b>	<b>Gallage Charge</b>
5/8" or 3/4"	\$ 42.00 (Includes 0 gallons) \$	3.00 per 1000 gallons,
3/4" full	\$ 63.00	
1"	\$ 104.00	
1 1/2"	\$ 205.00	
2"	\$ 325.00	
3"	\$ 600.00	

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

Cash X Check X Money Order X Credit Card X Other (specify \_\_\_\_\_)

THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH PAYMENTS.

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

**Section 1.02 - Miscellaneous Fee**

**TAP FEE \$800** (except Stallion Lake \$1100) TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL 5/8" or 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

**TAP FEE (Unique Costs)**Actual Cost

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

**TAP FEE (Large Meter)**Actual Cost

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

**METER RELOCATION FEE: Actual Relocation Cost, Not to Exceed Tap Fee**

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

**METER TEST FEE****\$ 25.00**

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



## SECTION 1.0 - RATE SCHEDULE (Continued)

### RECONNECTION FEE

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

a) Nonpayment of bill (Maximum \$25.00)	\$ 25.00	_____	—
b) Customer's request that service be disconnected	\$ 25.00	_____	—

### TRANSFER FEE \$ 30

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

**LATE CHARGE (EITHER \$5.00 OR 100% OF THE BILL)** \$5 or 10% \_\_\_\_\_  
PUC RULES ALLOW A ONE-TIME PENALTY TO BE CHARGED ON DELINQUENT BILLS. A LATE CHARGE MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

**RETURNED CHECK CHARGE** \$ 25 \_\_\_\_\_  
RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

**CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50)** \$50 \_\_\_\_\_

**COMMERCIAL & NON-RESIDENTIAL DEPOSIT** \$100

**GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE** \$ 35

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

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

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

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

### **Section 2.01 - Application for Water Service**

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

### **Section 2.02 - Refusal of Service**

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

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

#### **(A) Customer Deposits**

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

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

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

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

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

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

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

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

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

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

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

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

After the applicant has met all the requirements, conditions and regulations for service, the utility will install tap, meter and utility cut-off valve and/or take all necessary actions to initiate service. The utility will serve each qualified applicant for service within 14 working days unless line extensions or new facilities are required. If construction is required to fill the order and if it cannot be completed within 30 days, the utility will provide the applicant with a written explanation of the construction required and an expected date of service.

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

### **Section 2.05 - Customer Responsibility**

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

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

### **Section 2.06 - Customer Service Inspections**

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

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

### **Section 2.07 - Back Flow Prevention Devices**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### **Section 2.10 - Billing**

#### **(A) Regular Billing**

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

#### **( B) Late Fees**

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

#### **(C) Information on Bill**

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

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

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

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

### **Section 2.11- Payments**

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

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

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

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

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

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

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

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

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



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

### **Section 2.13 - Reconnection of Service**

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

Service will be reconnected within 48 hours after the past due bill, reconnect fees and any other outstanding charges are paid or the conditions which caused service to be disconnected are corrected.

### **Section 2.14 - Service Interruptions**

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

### **Section 2.15 - Quality of Service**

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

### **Section 2.16 - Customer Complaints and Disputes**

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

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

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

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

**Section 2.17 - Customer Liability**

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

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

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

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

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

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

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

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

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

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

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

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

Unless an exception is granted by the TCEQ, the residential service applicant shall not be required to pay for costs of main extensions for the first 200' n diameter for water distribution.

Exceptions may be granted by the TCEQ if:

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

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

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

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

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

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

#### **Section 3.03 - Contributions in Aid of Construction**

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

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

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

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

- Under a contract and only in accordance with the terms of the contract; or
- if service is not being provided to a lot or lots within two years after installation of facilities necessary to provide service to the lots has been completed and if the standby fees are included on the utilities approved tariff after a rate change application has been filed. The fees cannot be billed to the developer or collected until the standby fees have been approved by the commission or executive director.

for purposes of this section, a manufactured housing rental community can only be charged standby fees under a contract or if the utility installs the facilities necessary to provide individually metered service to each of the rental lots or spaces in the community.

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

### **Section 3.04 - Appealing Connection Costs**

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

### **Section 3.05 - Applying for Service**

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

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

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

### **Section 3.06 - Qualified Service Applicant**

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

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

### **Section 3.07 - Developer Requirements**

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

**TEXAS SECRETARY of STATE**  
**ROLANDO B. PABLOS**[UCC](#) | [Business Organizations](#) | [Trademarks](#) | [Notary](#) | [Account](#) | [Help/Fees](#) | [Briefcase](#) | [Logout](#)**BUSINESS ORGANIZATIONS INQUIRY - VIEW ENTITY**

**Filing Number:** 109227500  
**Original Date of Filing:** October 19, 1988  
**Formation Date:** N/A  
**Tax ID:** 17522535883  
**Duration:** Perpetual

**Entity Type:** Domestic For-Profit Corporation  
**Entity Status:** In existence  
**FEIN:**

**Name:** TEXAS WATER SYSTEMS, INC.  
**Address:** 7891 US HIGHWAY 271  
TYLER, TX 75708 USA

<u>REGISTERED AGENT</u>	<u>FILING HISTORY</u>	<u>NAMES</u>	<u>MANAGEMENT</u>	<u>ASSUMED NAMES</u>	<u>ASSOCIATED ENTITIES</u>
<b>Name</b> James Brown	<b>Address</b> 7891 Hwy 271 Tyler, TX 75708 USA				<b>Inactive Date</b>

[Order](#)   [Return to Search](#)Instructions:

- To place an order for additional information about a filing press the 'Order' button.



# Texas Water Systems, Inc. - Utility

## Balance Sheet

Accrual Basis

As of December 31, 2018

	Dec 31, 18
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
Petty Cash	1,000.00
Southside Bank	
Southside TCEQ Tax account	6,443.29
Southside Bank - Other	2,757.54
Total Southside Bank	9,200.83
Texas State Bank	20,416.77
Total Checking/Savings	30,617.60
Accounts Receivable	
Accounts Receivable	20,952.54
Total Accounts Receivable	20,952.54
Other Current Assets	
Undeposited Funds	-1,936.64
Total Other Current Assets	-1,936.64
Total Current Assets	49,633.50
Fixed Assets	
Fixed Assets	
Accumulated Depreciation	-1,228,351.56
Chlorinators	12,572.55
Computer/Software	9,027.63
Ice Machine	1,925.00
Land & Rights	26,976.51
Meters / Fixtures	256,803.98
Miscellaneous	146,367.53
Pipe & Valves	679,976.29
Pumps	113,355.44
Storage & Pressure Tanks	165,817.64
Wells, Fences, Structures	142,480.45
Total Fixed Assets	326,951.46
Vehicles	17,210.03
Total Fixed Assets	344,161.49
Other Assets	
Ameritex Drilling (loan)	15,228.00
Texas Pump & Water Loan	124,228.22
Total Other Assets	139,456.22
<b>TOTAL ASSETS</b>	<b>533,251.21</b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	2,662.84
Total Accounts Payable	2,662.84
Credit Cards	
American Express	1,537.57
Total Credit Cards	1,537.57

**Texas Water Systems, Inc. - Utility**  
**Balance Sheet**

Accrual Basis

As of December 31, 2018

	Dec 31, 18
Other Current Liabilities	
235 Customer deposits	33,515.00
Deposits owed to Texas State Bk	13,098.23
Sales Tax Payable	6,442.87
Total Other Current Liabilities	53,056.10
Total Current Liabilities	57,256.51
Total Liabilities	57,256.51
Equity	
Additional Paid in Capital	344,095.78
Capital Stock	36,000.00
Dividends Paid	-67,416.08
Retained Earnings	-7,140.50
Net Income	170,455.50
Total Equity	475,994.70
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>533,251.21</b>

**Texas Water Systems, Inc. - Utility**  
**Profit & Loss**  
January through December 2018

---

	Jan - Dec 18
Ordinary Income/Expense	
Income	
400 Water Service	611,290.52
408 Tap Fees	7,500.00
410 Other Fees	12,563.49
Total Income	631,354.01
Cost of Goods Sold	
655 Transportation	110.00
Cost of Goods Sold	722.12
labor	
Garden Acres	140.00
Total labor	140.00
Purchases 169	12,896.03
Tools & Equipment (685)	2,500.00
Total COGS	16,368.15
Gross Profit	614,985.86
Expense	
611 Contract Services	186,883.50
621 Employee benefits	238.31
625 Purchased Water	1,373.70
630 Chemicals	
01 Lab Fees	8,167.13
630 Chemicals - Other	11,820.85
Total 630 Chemicals	19,987.98
631 Contract Work	7,270.82
635 Power Expense-prod. only	44,235.74
640 Repairs and Maintenance	
01 Plant repairs	15,719.42
640 Repairs and Maintenance - Other	60,709.20
Total 640 Repairs and Maintenance	76,428.62
650 Rental of Equipment	1,920.00
655 Transportation expenses	12,775.77
657 Office Expense	
01 Office Rent	3,500.00
02 Telecommunications	8,134.54
03 Office Supplies	2,635.20
04 Office power	1,536.46
10 Other office expense	21,640.97
Total 657 Office Expense	37,447.17
659 Other professional services	
01 Tax and other accounting	4,140.00
Total 659 Other professional services	4,140.00
663 Insurance expense	
01 Vehicle	879.21
02 Liability	4,179.00
04 Workers Comp	4,826.00
Total 663 Insurance expense	9,884.21
670 Other regulatory expense	
01 Testing	3,990.00

**Texas Water Systems, Inc. - Utility****Profit & Loss**January through December 2018

---

	Jan - Dec 18
04 Operating training	1,057.65
05 Licenses/permits	136.75
06 Conservation Fee	184.16
06 Water system fee	1,377.74
Total 670 Other regulatory expense	6,746.30
675 Miscellaneous expense	
05 Charitable expense	550.00
05 Other-Goldwater	2,712.04
Equipment Repair	4,584.32
675 Miscellaneous expense - Other	1,868.02
Total 675 Miscellaneous expense	9,714.38
700 Taxes other than income	
02 Franchise taxes	100.00
03 Property taxes	12,577.33
05 Sales tax	11,644.71
Total 700 Taxes other than income	24,322.04
Auto Expense	594.78
Shop tools	573.69
Total Expense	444,537.01
Net Ordinary Income	170,448.85
Other Income/Expense	
Other Income	
800 Interest income	6.65
Total Other Income	6.65
Net Other Income	6.65
Net Income	170,455.50

**BUSINESS PERSONAL PROPERTY**

**Brookshire Water Company dba Camp Joy Water Company**

**2 -10 hp pressure pumps**

**1- 7 hp pressure pump**

**1 - 5 hp well pump**

**1 - 3 hp well pump**

**2 - buster pumps for chlorinator**

**1 - Superior chlorinator**

**1 - Regal chlorinator**

**1 - platform scale**

**1 - air compressor**

**1 generator**

**Water mains and meters ( app 135 meters )**

**Misc supplies and tools**

---

Brookshire Water Company dba Camp Joy Water Company

Real property on lot 6 ~~block 3~~ unit <sup>4</sup>/<sub>3</sub> Camp Joy Addition

- 2 - water wells
- 1 - 10000 gal. Storage tank
- 1 - 12000 gal. storage tank
- 2 - 2000 gal pressure tanks
- 1 - chlorinator building
- 1 - tool and supply building

**BROOKSHIRE'S CAMP JOY WATER COMPANY**

Real estate: land	\$ 6000.00
Building	4000.00
Wells: #1 W/3hp pump	5800.00
#2 W/5hp pump	6500.00
Pressure tanks: #1, 2000 gal.	4000.00
#2, 2000 gal.	10000.00
Storage tanks: #1, 12000 gal.	8000.00
#2, 10000 gal.	10000.00
Pressure pumps #1 , 10hp	2400.00
# 2, 7hp	1800.00
#3, 10hp	2400.00
Master meter	250.00
Chlorinators: Superior	1400.00
Regal	1700.00
Chlorinator pumps (2)	500.00
Chlorine scale	200.00
Air compressor	125.00
Generator	450.00
Security fence	2900.00
Misc. : control switches, extra meters, extra meter boxes, hand tools.	500.00
Installed: Mains, meters, valves.	<u>22000.00</u>
	<b>\$90,925.00</b>

---

Brookshire Water Company dba Camp Joy Water Company

Real estate is not now , nor never has been part of Henry Brookshire's homestead.

Recorded owner is HENRY A. BROOKSHIRE, JR.

P O BOX 397

Ore City, Texas 75683

Tact #1: All that lot, tract or parcel of land described as follows: a part of the R. M. Watkins HR Survey, Upshur County, Texas, more particularly described as Lot # 6, ~~Block # 3, Unit # 4~~ of Camp Joy Addition, as shown by plat of said addition, Recorded in Volume # 2, page # 224 of the plat records of Upshur County, Texas.

Tract # 2: All that lot, tract or parcel of land described as follows: a part of the R. M. Watkins HR Survey, Upshur County, Texas, more particularly described as Lot # 26, Block # 3, Unit # 5, of the Camp Joy Addition, as shown by plat of said addition, recorded in Volume #3, page # 428 of the plat records of Upshur County, Texas.

Conveyance will be made subject to all prior mineral and royalty sales and reservations and easements of record.



[PBCL Summaries](#)  
[Chlorine Summaries](#)  
[Turbidity Summaries](#)  
[ICR Sample Summaries](#)

## Glossary

Water System No.	TX2300015	Federal Type	C
Water System Name	BROOKSHIRES CAMP JOY WATER SYSTEM	Federal Source	GW
Principal County Served	UPSHUR	System Status	A
Principal City Served		Activity Date	01-01-1913

Fed Fiscal Year	Determ. Date	Violation Type	Violation Name	Analyte Group	Analyte Group Name
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Violation No.	Compliance Period	Violation Type Code	Violation Name	Analyte Code	Analyte Name	Has the Violation been Addressed? (On the Path to Compliance)	Has the Violation been Resolved? (Returned to Compliance)
<a href="#">2014-100069401</a>	07-01-2014-09-30-2014	25	MONITORING, ROUTINE (DBP), MAJOR	0999	CHLORINE	Yes - Informal	Yes
<a href="#">2011-100069395</a>	06-01-2011-06-30-2011	24	MONITORING (TCR), ROUTINE MINOR	3100	COLIFORM (TCR)	Yes - Informal	Yes
<a href="#">2011-100069393</a>	05-01-2011-05-31-2011	22	MCL (TCR), MONTHLY	3100	COLIFORM (TCR)	Yes - Informal	Yes
<a href="#">2010-100069391</a>	07-01-2010-09-30-2010	25	MONITORING, ROUTINE (DBP), MAJOR	0999	CHLORINE	Not yet on path to compliance	Yes
<a href="#">2004-104</a>	07-01-2004-03-31-2005	71	OCR REPORT	7000	CONSUMER CONFIDENCE RULE	Yes - Informal	Yes

Total Number of Records Fetched = 5



Water System Detail Information			
Water System No.	TX2300015	Federal Type	C
Water System Name	BROOKSHIRES CAMP JOY WATER SYSTEM	Federal Source	GW
Principal County Served	UPSHUR	System Status	A
Principal City Served		Activity Date	01-01-1913

Enforcement Actions					
E.A. Number	Action Type	PN Due/Proof PN Due PN Done/Proof PN Done	Action Name	Status	Date
<a href="#">2015-224</a>	SOX		ST COMPLIANCE ACHIEVED	T	05-11-2015
<a href="#">2015-223</a>	RTC		RETURN TO COMPLIANCE	T	04-07-2015
<a href="#">2015-222</a>	RTC		RETURN TO COMPLIANCE	T	03-19-2015
<a href="#">2015-221</a>	SIF		ST PUBLIC NOTIF RECEIVED	T	02-06-2015
<a href="#">2015-219</a>	SIA		ST VIOLATION/REMINDER NOTICE	T	01-14-2015
<a href="#">2015-220</a>	SIE	04-14-2015 / 04-24-2015 02-03-2015 / 02-06-2015	ST PUBLIC NOTIF REQUESTED	T	01-14-2015
<a href="#">2011-218</a>	NOE		NOTICE OF ENFORCEMENT	T	09-23-2011
<a href="#">2011-217</a>	SIF		ST PUBLIC NOTIF RECEIVED	T	09-09-2011
<a href="#">2011-215</a>	SIA		ST VIOLATION/REMINDER NOTICE	T	07-25-2011
<a href="#">2011-216</a>	SIE	10-09-2011 / 10-19-2011 09-02-2011 / 06-09-2011	ST PUBLIC NOTIF REQUESTED	T	07-25-2011
<a href="#">2011-211</a>	SIF		ST PUBLIC NOTIF RECEIVED	T	06-09-2011
<a href="#">2011-209</a>	SIA		ST VIOLATION/REMINDER NOTICE	T	05-25-2011
<a href="#">2011-210</a>	SIE	07-11-2011 / 07-21-2011 06-06-2011 / 06-09-2011	ST PUBLIC NOTIF REQUESTED	T	05-25-2011
<a href="#">2011-208</a>	SOX		ST COMPLIANCE ACHIEVED	T	02-16-2011
<a href="#">2005-205</a>	SOX		ST COMPLIANCE ACHIEVED	T	03-31-2005
<a href="#">2005-105</a>	SIA		ST VIOLATION/REMINDER NOTICE	T	01-26-2005

**Oath for Transferor (Transferring Entity)**

STATE OF

Smith Texas

COUNTY OF

Smith

I, Henry A Brookshire, Jr

being duly sworn, file this application for sale,  
transfer,


merger, consolidation, acquisition, lease, or  
rental, as

**Owner**

(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(j) 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).

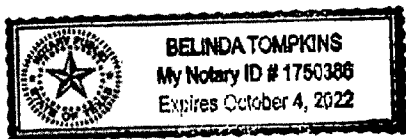
  
**AFFIANT**  
(Utility's Authorized Representative)

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 2 of November, 2018

SEAL





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



**PRINT OR TYPE NAME OF NOTARY**

My commission expires:

10/2022

**OATH FOR SELLER OR FORMER SERVICE PROVIDER**

STATE OF TEXAS

COUNTY OF UPSHUR

I, Henry A. Brookshire, being duly sworn, file this application for sale, lease, rental or merger or consolidation as Utility Owner (indicate relationship to applicant) that is, owner, member of partnership, title as officer of corporation, or other authorized representative of applicant; that, in such capacity, I am qualified and authorized to file and verify such application, am personally familiar with the documents filed with this application, and have complied with all the requirements contained in the application; and, that all such statements made and matters set forth therein with respect to applicant are true and correct. Statements about other parties are made on information and belief. I further state that the application is made in good faith and that this application does not duplicate any filing presently before the Commission.

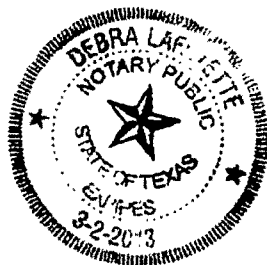
I further state that I have provided to the purchaser or transferee a written disclosure statement about any contributed property as required under Section 13.301(j) and copies of any outstanding Orders of the Commission or Attorney General and have also complied with the notice requirements in Section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

Henry A. Brookshire  
AFFIANT  
(Utility's Authorized Representative)

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

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public in and for the State of Texas,  
day 17th of September 20 12.

SEAL



Debra Lafayette  
NOTARY PUBLIC IN AND FOR THE  
STATE OF TEXAS

Debra Lafayette  
PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES 3-2-2013

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

**Oath for Transferee (Acquiring Entity)**

STATE OF Texas

COUNTY OF Smith

I, James K Brown

merger, consolidation, acquisition, lease, or rental, as


being duly sworn, file this application for sale, transfer,

President

(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.

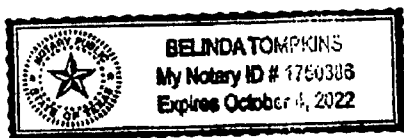
  
AFFIANT  
(Utility's Authorized Representative)

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 2nd of November, 2018

SEAL



Belinda Tompkins

NOTARY PUBLIC IN AND FOR THE  
STATE OF TEXAS

Belinda Tompkins

PRINT OR TYPE NAME OF NOTARY

My commission expires:

10/2022

**OATH FOR PURCHASER OR ACQUIRING ENTITY**

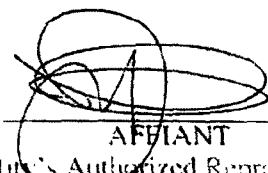
STATE OF TEXAS

COUNTY OF SMITH

I, JAMES K. BROWN, being duly sworn, file this application for

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

I am also authorized and do agree to be bound by and comply with any outstanding orders of the  
Commission 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 or the Applicant, or its attorney,  
a properly verified Power of Attorney must be enclosed.

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

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public in and for the State of Texas,  
day 24th of Sept, 20 12

SEAL



  
\_\_\_\_\_  
NOTARY PUBLIC IN AND FOR THE  
STATE OF TEXAS

Deborah Perryman  
\_\_\_\_\_  
PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES 6-14-16

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



Appendix

## Appendix A: Historical Financial Information (Balance Sheet and Income Schedule)

(Audited financial statements may be substituted for this schedule – see Item 17 of the instructions)

HISTORICAL BALANCE SHEETS (ENTER DATE OF YEAR END)	CURRENT(A) (12.31.17)	A-1 YEAR (12.31.16)	A-2 YEAR (12.31.15)	A-3 YEAR (12.31.14)	A-4 YEAR (12.31.13)	A-5 YEAR (12.31.12)
<b>CURRENT ASSETS</b>						
Cash	-\$ 7,044.98	-\$ 18,683.61	\$ 752.53	-\$ 4,305.83	-\$ 8,662.89	\$ 72,549.20
Accounts Receivable	177,536.04	144,254.52	74,673.78	55,851.64	48,732.25	682,435.79
Inventories						
Other	998,536.71	1,045,322.33	1,400,363.81	1,178,799.29	1,225,701.72	822,900.57
<b>A. Total Current Assets</b>	<b>\$ 1,169,027.77</b>	<b>\$ 1,208,260.49</b>	<b>\$ 1,475,790.12</b>	<b>\$ 1,230,345.10</b>	<b>\$ 1,265,771.08</b>	<b>\$ 1,577,885.56</b>
<b>FIXED ASSETS</b>						
Land	\$ 26,976.51	\$ 26,976.51	\$ 26,976.51	\$ 26,976.51	\$ 26,976.51	\$ 26,588.51
Collection/Distribution System	1,190,358.04	1,120,967.60	1,035,753.18	1,012,786.17	956,072.85	933,739.04
Buildings	142,480.45	142,480.45	142,480.45	142,480.45	123,377.95	211,028.86
Equipment						
Other	402,311.87	293,688.21	349,004.97	320,976.46	350,197.97	219,723.48
Less: Accum. Depreciation or Reserves	-1,297,239.10	-1,202,182.36	-1,174,941.48	-1,071,817.03	-967,346.20	-855,491.05
<b>B. Total Fixed Assets</b>	<b>\$ 464,887.77</b>	<b>\$ 381,930.39</b>	<b>\$ 379,273.63</b>	<b>\$ 431,402.56</b>	<b>\$ 489,279.08</b>	<b>\$ 535,588.83</b>
<b>C. TOTAL Assets (A + B)</b>	<b>\$ 1,633,915.54</b>	<b>\$ 1,590,190.88</b>	<b>\$ 1,855,063.75</b>	<b>\$ 1,661,747.66</b>	<b>\$ 1,755,050.16</b>	<b>\$ 2,113,474.39</b>
<b>CURRENT LIABILITIES</b>						
Accounts Payable	\$ 95,394.64	\$ 127,594.77	\$ 74,738.21	\$ 63,280.37	\$ 31,753.07	\$ 261,325.17
Notes Payable, Current	50,812.35	69,225.26	24,154.73		29,057.13	40,425.66
Accrued Expenses						
Other	92,264.24	101,508.62	197,282.97	97,779.15	73,239.10	82,029.98
<b>D. Total Current Liabilities</b>	<b>\$ 238,471.23</b>	<b>\$ 298,328.65</b>	<b>\$ 296,175.91</b>	<b>\$ 161,059.52</b>	<b>\$ 134,049.30</b>	<b>\$ 383,780.81</b>
<b>LONG TERM LIABILITIES</b>						
Notes Payable, Long-term	\$ 549,664.11	\$ 601,767.65	\$ 651,097.65	\$ 729,882.24	\$ 740,004.16	\$ 779,726.76
Other						
<b>E. Total Long Term Liabilities</b>	<b>\$ 549,664.11</b>	<b>\$ 601,767.65</b>	<b>\$ 651,097.65</b>	<b>\$ 729,882.24</b>	<b>\$ 740,004.16</b>	<b>\$ 779,726.76</b>
<b>F. TOTAL LIABILITIES (D + E)</b>	<b>\$ 788,135.35</b>	<b>\$ 900,096.30</b>	<b>\$ 947,273.56</b>	<b>\$ 890,941.76</b>	<b>\$ 874,053.46</b>	<b>\$ 11,883,507.57</b>
<b>OWNER'S EQUITY</b>						
Paid in Capital	\$ 280,491.95	\$ 280,491.95	\$ 459,633.39	\$ 459,633.39	\$ 459,633.39	\$ 466,248.53
Retained Equity	373,453.56	413,421.84	355,677.38	262,757.72	518,024.79	72,120.18
Other	36,000.00	36,000.00	36,000.00	36,000.00	36,000.00	319,745.06
Current Period Profit or Loss	155,834.68	-39,819.21	56,479.42	12,414.79	-132,661.48	91,853.05
<b>G. TOTAL OWNER'S EQUITY</b>	<b>\$ 845,780.19</b>	<b>\$ 690,094.58</b>	<b>\$ 907,790.19</b>	<b>\$ 770,805.90</b>	<b>\$ 880,996.70</b>	<b>\$ 949,966.82</b>
<b>TOTAL LIABILITIES+EQUITY (F + G) = C</b>	<b>\$ 1,633,915.54</b>	<b>\$ 1,590,190.88</b>	<b>\$ 1,855,063.75</b>	<b>\$ 1,661,747.66</b>	<b>\$ 1,755,050.16</b>	<b>\$ 2,113,474.39</b>
<b>WORKING CAPITAL (A - D)</b>	<b>\$ 930,556.54</b>	<b>\$ 909,931.84</b>	<b>\$ 1,179,614.21</b>	<b>\$ 1,069,285.58</b>	<b>\$ 1,131,721.78</b>	<b>\$ 1,194,104.75</b>
<b>CURRENT RATIO (A / D)</b>	<b>4.9000</b>	<b>4.0500</b>	<b>4.9800</b>	<b>7.6300</b>	<b>9.4400</b>	<b>4.1100</b>
<b>DEBT TO EQUITY RATIO (E / G)</b>	<b>0.6500</b>	<b>0.8700</b>	<b>0.7100</b>	<b>0.9400</b>	<b>0.8400</b>	<b>0.8200</b>

DO NOT INCLUDE ATTACHMENTS A OR B IN FILED APPLICATION IF LEFT BLANK

<b>HISTORICAL NET INCOME INFORMATION</b>						
<b>(ENTER DATE OF YEAR END )</b>	<b>CURRENT(A)</b> <b>(12-31-17)</b>	<b>A-1 YEAR</b> <b>(12-31-16)</b>	<b>A-2 YEAR</b> <b>(12-31-15)</b>	<b>A-3 YEAR</b> <b>(12-31-14)</b>	<b>A-4 YEAR</b> <b>(12-31-13)</b>	<b>A-5 YEAR</b> <b>(12-31-12)</b>
<b>METER NUMBER</b>						
Existing Number of Taps	1,025	1,001	980	970		
New Taps Per Year	39	24	21	10		
<b>Total Meters at Year End</b>	<b>1,064</b>	<b>1,025</b>	<b>1,001</b>	<b>980</b>		
<b>METER REVENUE</b>						
Revenue per Meter (use for projections)	\$ 44.73	\$ 44.45	\$ 41.05	\$ 40.93		
Expense per Meter (use for projections)						
<b>Operating Revenue Per Meter</b>						
<b>GROSS WATER REVENUE</b>						
Revenues- Base Rate & Gallonage Fees	\$ 571,152.28	\$ 546,708.98	\$ 493,114.86	\$ 481,450.03	\$ 479,989.87	\$ 485,828.84
Other (Tap, reconnect, transfer fees, etc)	20,651.60	39,432.86	34,364.30	15,669.61	26,863.92	37,927.50
<b>Gross Income</b>	<b>\$ 591,803.88</b>	<b>\$ 586,141.84</b>	<b>\$ 527,479.16</b>	<b>\$ 497,119.64</b>	<b>\$ 506,853.79</b>	<b>\$ 503,756.34</b>
<b>EXPENSES</b>						
General & Administrative (see schedule)	\$ 232,997.12	\$ 211,681.75	\$ 189,406.84	\$ 171,675.85	\$ 150,462.38	\$ 137,941.27
Operating (see schedule)	865,717.11	1,088,050.41	1,034,922.69	966,839.70	996,523.60	902,385.97
Interest	47,207.38	48,430.26	49,265.30	44,828.30	42,247.89	53,424.18
Other (list)						
<b>NET INCOME</b>	<b>\$ 123,581.06</b>	<b>-\$ 50,705.86</b>	<b>\$ 67,853.41</b>	<b>\$ 56,813.49</b>	<b>\$ 89,481.59</b>	<b>\$ 102,678.55</b>



MAP DETAIL

Upshur County, TX

See 184

See 186

UPSHUR

75683

ONE PRESSURE PLANE





# Public Utility Commission

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