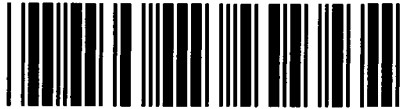




Control Number: 48865



Item Number: 1

Addendum StartPage: 0

**Patterson Water Supply, LLC**  
**P.O. Box 910**  
**9963 U.S. Hwy 377**  
**Collinsville, TX 76233**  
**903-429-3008**

**48865**

November 5, 2018

John Paul Urban, Executive Director  
Public Utility Commission of Texas  
1701 N. Congress Avenue  
P.O. Box 13326  
Austin, TX 78711-3326

RE: Application for Sale, Transfer, or Merger of a Retail Public Utility  
Crazy Horse Ranch Water, PSW ID 1840024, RN 101185189, CN 600632277  
Transferor: Crazy Horse Ranchos POA – CCN No. 11931  
Transferee: Patterson Water Supply, LLC – CCN No. 13248

Dear Mr. Urban,

Please find enclosed our Application for Sale, Transfer, or Merger of a Retail Public Utility (STM) to transfer the Crazy Horse Ranchos Water System (PWS ID 1840024) that is in receivership to Patterson Water Supply, LLC, currently temporary manager of the water system.

Crazy Horse Ranchos Property Owners Association ("Crazy Horse POA") sold a public water system known as Crazy Horse Ranch Water ("Utility") located at 28 Crazy Horse in Weatherford, Parker County, Texas to New Progress Water Supply Corporation ("New Progress"). The Certificate of Convenience and Necessity No. 11931 ("CCN") was not transferred to New Progress and Crazy Horse POA is still the current holder of CCN No. 11931. See attached "Timeline of Events" from August 20, 2014 to October 2, 2017 for details on PUC Orders and TCEQ Orders regarding this system.

Also, we respectfully request a waiver for the Oath for Transferor (Transferring Entity) due to the lack of cooperation from Crazy Horse POA and New Progress WSC (see attached email from Kristen Fancher, Attorney for Patterson Water Supply).

Below is a List of Attachments to accompany our STM Application:

- 1) Water Utility Tariff – Patterson Water Supply, LLC
- 2) Water Utility Tariff – Crazy Horse Ranchos HOA
- 3) Certificate of Filing – Patterson Water Supply, LLC
- 4) Franchise Tax Account Status – Patterson Water Supply, LLC
- 5) Franchise Tax Account Status – Crazy Horse Ranchos POA
- 6) Franchise Tax Account Status – New Progress WSC
- 7) Parker County Appraisal District Tax Summary – New Progress WSC/Crazy Horse
- 8) Patterson Water Supply, LLC – Financials FYE 12/31/17 and as of 10/31/18
- 9) 5 Year Projection of Income/Expense for Crazy Horse Ranch Water
- 10) Inventory List for Crazy Horse Ranch Water System
- 11) List of Neighboring Systems, Landowners, and Cities

RECEIVED  
2018 NOV -9 PM 2:40  
PUBLIC UTILITY COMMISSION  
FILING CLERK

- 12) TCEQ Compliance Investigation Report – 3/17/17
- 13) Maps – Crazy Horse Ranchos CCN No 11931 (4 maps)
- 14) Recorded Patterson Water Supply CCN with Maps
- 15) Temporary Managers Monthly Report
- 16) Site Map & Applications for Service from 2 new Crazy Horse Customers
- 17) Timeline of Events of STM Application and CCN Amendment Application between Crazy Horse POA and New Progress WSC as previously submitted to PUC
- 18) Emails regarding the same from Kristen Fancher, Attorney for Patterson Water Supply
- 19) TCEQ Order Affirming Emergency Order Appointing Mark Patterson as Temporary Manager dated November 9, 2017
- 20) TCEQ Order Affirming Emergency Order Renewing the Appointment of Mark Patterson as Temporary Manager dated May 16, 2018

On behalf of Patterson Water Supply, I thank you for your time and consideration of our STM Application.

Sincerely,



Mark Patterson  
Patterson Water Supply, LLC

## Application Summary

**Transferor:** Crazy Horse Ranchos POA and/or New Progress WSC

(selling entity)

**CCN No.s:** 11931

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

**Transferee:** Patterson Water Supply, LLC

(acquiring entity)

**CCN No.s:** 13248

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

**County(ies):** Parker

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### Please mark the items included in this filing

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



**Part A: General Information**

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

Transfer ownership of Crazy Horse Ranch Water, a retail public utility, and CCN No. 11931 to Patterson Water Supply, LLC (currently Temporary Manager) to ensure that continuous and adequate water service is provided to the customers of the Utility to effectuate the purposes of the Texas Water Code and the Texas Health & Safety Code. Crazy Horse POA (terminated in 2015) is still the current holder of CCN No. 11931 and New Progress WSC operated the water system from 8/14 to 10/17, filed an STM application in April 2015 which was dismissed in September 2015. (Please see Timeline of Events for further details.)

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: Crazy Horse Ranchos POA and/or New Progress WSC  
(individual, corporation, or other legal entity)  
☐ Individual ☐ Corporation ☒ WSC ☒ Other: Property Owners Association

B. Mailing Address: 3604 Oak Dr, Weatherford, TX 76088

Phone: (817) 599-8195

Email: Unknown

- 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: Sandy Trefger

Title: \_\_\_\_\_

Mailing Address: 3604 Oak Dr, Weatherford, TX 76088

Phone: (817) 599-8195

Email: Unknown

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 25, 2005

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: 31334 G

**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 62

☐ # 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: Patterson Water Supply, LLC

(individual, corporation, or other legal entity)

☐ Individual ☒ Corporation ☐ WSC ☐ Other:

B. Mailing Address: P.O. Box 910, Collinsville, Texas 76233

Phone: (903) 429-3008

Email: pattproserv@aol.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: Mark Patterson

Title: President

Address: P.O. Box 910, Collinsville, Texas 76233

Phone: (903) 429-3008

Email: pattproserv@aol.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): 801820571

☐ 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: Mark Patterson

Position: Manager

Ownership % (if applicable): 75.00%

Address: 340 Hogtown Road, Collinsville, TX 76233

Phone: (903) 744-2599

Email: pattproserv@aol.com

Name: David Patterson

Position: Manager

Ownership % (if applicable): 25.00%

Address: 106 Blaine Street, Collinsville, TX 76233

Phone: (903) 821-4590

Email: dpatterson0180@yahoo.com

Name: \_\_\_\_\_

Position: \_\_\_\_\_

Ownership % (if applicable): 0.00%

Address: \_\_\_\_\_

Phone: \_\_\_\_\_

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

Name: \_\_\_\_\_

Position: \_\_\_\_\_

Ownership % (if applicable): 0.00%

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: \$ 0.00

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: \$ 0.00

Accumulated Depreciation: \$ 0.00

Net Book Value: \$ 0.00

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:

Funding will be provided on a loan basis from the Parent company, Patterson Water Supply, LLC. We propose to construct an interconnection between the two wells at the North site to the two wells at the South site for the purpose of blending water to resolve radionuclide and capacity issues. Estimated completion date is March 1, 2019.

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

Funding will be re-paid to Parent company from Crazy Horse Ranch Water revenues.

**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:	\$	0.00	
Accumulated Depreciation of Plant:	\$	0.00	See Financials
Cash:	\$	0.00	
Notes Payable:	\$	0.00	
Mortgage Payable:	\$	0.00	
(Proposed) Acquisition Adjustment*:	\$		
*Acquisition Adjustments will be subject to review under 16 TAC § 24.31(d) and (e)			
Other (NARUC account name & No.):			
Other (NARUC account name & No.):			

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

No proposed billing change at this time. Using the current tariff for Patterson Water Supply for billing the customers of Crazy Horse Ranchos

**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:

No

**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:

Patterson Water Supply, LLC (currently Temporary Manager) will ensure that continuous and adequate water service is provided to the customers of the Utility to effectuate the purposes of the Texas Water Code and the Texas Health & Safety Code.

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.

Patterson Water Supply, LLC currently owns and operates 3 water systems that it has assumed through the Receivership Program 1) Vacation Village in Denton County, 2) Hills of Briar Oaks in Wise County, and 3) Cooley Point in Tarrant County.

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

☒ No ☐ Yes

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

There will be no impact to the environmental integrity of the land as a result of the proposed transaction

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

It will ensure that continuous and adequate water service is provided to the customers of the Utility to effectuate the purposes of the Texas Water Code and the Texas Health & Safety Code.

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:

Peaster Highway WS 12121; Aqua Texas Inc 13201; B&B Water N0001; Blue Ridge Utility Company; Brazos River Authority; Monarch Utilities I, LP; Parker County; Upper Trinity Groundwater Conservation District

**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: 1840024 (7 digit ID)Name of PWS: Crazy Horse Ranch WaterDate of last TCEQ compliance inspection: March 17, 2017 (attach TCEQ letter)Subdivisions served: Crazy Horse Ranchos**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
62	5/8" or 3/4"		3"		Commercial
	1"		4"		Industrial
	1 1/2"		Other		Other
Total Water Connections:			62	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:
Line extension for interconnection to connect wells for the purpose of blending water to resolve radionuclide issues	March 1, 2019	\$ 33,000.00

**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
Mark Patterson	B	WG0008889	Water

### 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:

1. 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: 250.00

Number of customer connections in the requested area: 62

Affected subdivision : Crazy Horse Ranchos Subdivision

The closest city or town: Weatherford

Approximate mileage to closest city or town center: 6

Direction to closest city or town: South on FM 920

The requested area is generally bounded on the North by: Adair Lane

on the East by: Zion Hill Road

on the South by: Johnson Bend Road

on the West by: FM 920

31. A copy of the proposed map will be available at: 9963 US Hwy 377, Collinsville, TX 76233

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





**WATER UTILITY TARIFF**  
**Project Number: 46402**

Patterson Water Supply, LLC  
(Utility Name)

446 Graham Grove Rd.  
(Business Address)

Collinsville, TX 76233  
(City, State, Zip Code)

(903) 744-2599  
(Area Code/Telephone)

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

13248

This tariff is effective in the following counties:

Tarrant, Wise, and Denton

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

None

This tariff is effective in the following subdivision and public water systems:

Cooley Point: PWS #2200117  
Hills of Briar Oaks: PWS #2490049  
Vacation Village: PWS # 0610052

**TABLE OF CONTENTS**

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

SECTION 1.0 RATE SCHEDULE .....	2
SECTION 2.0 SERVICE RULES AND POLICES .....	4
SECTION 3.0 EXTENSION POLICY .....	10
APPENDIX A: DROUGHT CONTINGENCY PLAN	
APPENDIX B: APPLICATION FOR SERVICE	

## SECTION 1.0 – RATE SCHEDULE

Section 1.01 – Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallonge Charge</u>
5/8" or 3/4"	<u>\$42.00</u> (Includes 0 gallons)	<u>\$4.50</u> per 1000 gallons, over the minimum
1"	<u>\$105.00</u>	
1½"	<u>\$210.00</u>	
2"	<u>\$336.00</u>	
3"	<u>\$630.00</u>	
4"	<u>\$1,050.00</u>	
6"	<u>\$2,100.00</u>	

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

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

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

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

Section 1.02 - Miscellaneous Fees

TAP FEE.....\$750.00  
TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL 5/8" or 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

TAP FEE (Unique costs).....Actual Cost  
FOR EXAMPLE, A ROAD BORE FOR CUSTOMERS OUTSIDE OF SUBDIVISIONS OR RESIDENTIAL AREAS.

TAP FEE (Large meter).....Actual Cost  
TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METER SIZE INSTALLED.

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.

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).....\$25.00
- b) Customer's request that service be disconnected.....\$50.00

TRANSFER FEE..... \$50.00

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

LATE CHARGE..... 10%

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

RETURNED CHECK CHARGE ..... \$30.00

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

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50)..... \$50.00

COMMERCIAL & NON-RESIDENTIAL DEPOSIT.. 1/6TH OF ESTIMATED ANNUAL BILL

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE:

WHEN AUTHORIZED IN WRITING BY TCEQ AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [30 TAC 24.21(K)(2)]

LINE EXTENSION AND CONSTRUCTION CHARGES:

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

## SECTION 1.0 – RATE SCHEDULE (Continued)

Section 1.02 – Miscellaneous Fees (Continued)

## TEMPORARY WATER RATE:

Unless otherwise superseded by TCEQ order or rule, if the Utility is ordered by a court or governmental body of competent jurisdiction to reduce its pumpage, production or water sales, the Utility shall be authorized to increase its approved gallonage charge according to the formula:

$$TGC = cgc + \frac{(pr)(cgc)(r)}{(1.0-r)}$$

Where:

- TGC = temporary gallonage charge
- cgc = current gallonage charge
- r = water use reduction expressed as a decimal fraction (the pumping restriction)
- pr = percentage of revenues to be recovered expressed as a decimal fraction, for this tariff pr shall equal 0.5.

To implement the Temporary Water Rate, the utility must comply with all notice and other requirements of 30 TAC 24.21(l).

## PURCHASED WATER AND/OR DISTRICT FEE PASS THROUGH CLAUSE

For utilities subject to changes in cost imposed by any non-affiliated provider of water or sewer or a ground water conservation district having jurisdiction over the Utility, these increases (decreases) shall be passed through as an adjustment to the gallonage charge according to the following formula. These changes shall be passed on to only those customers located in systems(s) receiving service from the wholesale supplier of subject to the jurisdiction of the district in question.

$$\text{Adjusted Gallonage Rate (AG)} = G + [B/(1-L)],$$

Where:

- AG = adjusted gallonage charge, rounded to the nearest one cent;
- G = approved gallonage charge (per 1,000 gallons);
- B = change in fee (per 1,000 gallons);
- L = water or sewer line loss for preceding 12 months not to exceed 0.15

## SECTION 1.0 -- RATE SCHEDULE

### Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u> (Includes 0 gallons)	<u>Gallonage Charge</u>
5/8" or 3/4"	<u>\$20.72</u>	<u>\$1.35</u> per 1000 gallons, 0 to 9,000 gallons
1"	<u>\$20.72</u>	<u>\$1.85</u> per 1000 gallons over 9,000 gallons

### CAPITAL IMPROVEMENT SURCHARGES

Well Escrow for 120 months ..... \$8.44 PER RATEPAYER PER MONTH  
(11/1/14-10/31/24)

Pump Reimbursement for 24 months ..... \$4.34 PER RATEPAYER PER MONTH  
(11/1/14-10/31/16)

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

Cash X, Check X, Money Order X, Credit Card X, Other Web, Auto Draft

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

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

### Section 1.02 - Miscellaneous Fees

TAP FEE ..... \$1600.00  
TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL 5/8" OR 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

TAP FEE (Unique costs) ..... Actual Cost  
FOR EXAMPLE, A ROAD BORE FOR CUSTOMERS OUTSIDE OF SUBDIVISIONS OR RESIDENTIAL AREAS.

TAP FEE (Large meter) ..... Actual Cost  
TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METER SIZE INSTALLED.

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

Non-payment of bill (Maximum \$25.00) .....\$25.00

CUSTOMER REQUEST THAT SERVICE BE DISCONNECTED .....\$25.00

TRANSFER FEE.....\$25.00

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

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

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

RETURNED CHECK CHARGE.....\$27.00

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

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50).....\$50.00

COMMERCIAL & NON-RESIDENTIAL DEPOSIT..1/6TH OF ESTIMATED ANNUAL BILL

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE:

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

LINE EXTENSION AND CONSTRUCTION CHARGES:

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

## SECTION 2.0 -- SERVICE RULES AND POLICIES

The utility will have the most current Public Utility Commission of Texas (PUC or Commission) Rules, Chapter 24, 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 and 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.

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 1.0. A customer requesting service where service has previously been provided must pay a reconnect fee as provided in Section 1.0.

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

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 PUC 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 2.04 - Utility Response to Applications for Service**

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

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

**Section 2.05 - Customer Responsibility**

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

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

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**SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)****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, §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 2.07 - 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.

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.

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

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.

**(D) Prorated Bills**

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

**Section 2.11- Payments**

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

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

**Section 2.12 - Service Disconnection****(A) With Notice**

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

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

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

**SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)****B) Without Notice**

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

**Section 2.13 - Reconnection of Service**

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

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

**Section 2.14 - Service Interruptions**

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

**Section 2.15 - Quality of Service**

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

**Section 2.16 - Customer Complaints and Disputes**

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

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.

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**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 the 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.

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.



## SECTION 3.0 -- EXTENSION POLICY (Continued)

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

Exceptions may be granted by the PUC 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 PUC, 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.

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.

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

Any service extension to a subdivision (recorded or unrecorded) may be subject to the provisions and restrictions of PUC 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 PUC 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.

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 3.04 - 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 3.0 -- EXTENSION POLICY (Continued)

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 3.06 - 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.

**Project Number: 46402**

# WATER UTILITY TARIFF FOR

Crazy Horse Ranchos Homeowner's Association  
(Utility Name)

3604 Oak Drive  
(Business Address)

Weatherford, Texas 76088  
(City, State, Zip Code)

(817) 599-8195  
(Area Code/Telephone)

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

11931

This tariff is effective in the following county:

Parker

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

None

This tariff is effective in the following subdivisions or systems:

Crazy Horse Ranchos (PWS #1840024)

## TABLE OF CONTENTS

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

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APPROVED TARIFF BY SP/SP

## SECTION 1.0 - RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Base Rate</u>	<u>Gallage Charge</u>
5/8" or 3/4"	\$ <u>30.00</u> (INCLUDING <u>1000</u> GALLONS)	\$ <u>1.75</u> per 1000 gallons same for all meter sizes

REGULATORY ASSESSMENT ..... 1.0%  
A REGULATORY ASSESSMENT, EQUAL TO ONE PERCENT OF THE CHARGE FOR RETAIL  
WATER SERVICE ONLY, SHALL BE COLLECTED FROM EACH RETAIL CUSTOMER.

Section 1.02 - Miscellaneous Fees

TAP FEE ..... \$ 300.00  
THE TAP FEE IS BASED ON THE AVERAGE OF THE UTILITY'S ACTUAL COST FOR MATERIALS  
AND LABOR FOR STANDARD RESIDENTIAL CONNECTION OF 5/8" or 3/4" METER.

RECONNECTION FEE  
THE RECONNECT FEE WILL BE CHARGED BEFORE SERVICE CAN BE RESTORED  
TO A CUSTOMER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS:

- a) Non payment of bill (Maximum \$25.00) ..... \$ 10.00
  - b) Customer's request ..... \$ 10.00
- OR OTHER REASONS LISTED UNDER SECTION 2.0 OF THIS TARIFF

LATE CHARGE ..... \$2.00 OR 5%  
A ONE TIME PENALTY MAY BE MADE ON DELINQUENT BILLS BUT MAY NOT BE APPLIED  
TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

RETURNED CHECK CHARGE ..... \$ 7.50

CUSTOMER DEPOSIT (Maximum \$50) ..... \$ 50.00

METER TEST FEE (actual cost of testing the meter up to) ..... \$ 25.00  
THIS FEE 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.

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

TEXAS NATURAL RESOURCE CONSERVATION COMMISSION

31334 GCCN 11731 SEP 25 '96

D.A. APPROVED TARIFF BY K.P. al

**SECTION 2.0 - SERVICE RULES AND REGULATIONS****Section 2.01 - Texas Natural Resource Conservation Commission Rules**

The utility will have the most current Texas Natural Resource Conservation Commission Rules, Chapter 291, Water Rates, 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 2.02 - Application for and Provision of 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) and will be signed by the applicant before water service is provided by the utility. A separate application or contract will be made for each service location.

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

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

The customer will be responsible for furnishing and laying the necessary customer service pipe from the meter location to the place of consumption. Customers may be required to install a customer owned cut-off valve on the customer's side of the meter or connection.

**Section 2.03 - 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 TNRCC 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 a complaint may be filed with the Commission.

**Section 2.04 - 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 of this tariff. The utility will keep records of the deposit and credit interest in accordance with TNRCC Rules.

TEXAS NATURAL RESOURCE CONSERVATION COMMISSION

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**SECTION 2.0 - SERVICE RULES AND REGULATIONS (CONT.)****Section 2.04 - Customer Deposits (cont.)**

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.

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 customer who has paid 18 consecutive billings without being delinquent.

**Section 2.05 - Meter Requirements, Readings, and Testing**

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. One meter is required for each residential, commercial or industrial facility in accordance with the TNRCC Rules.

Service 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.

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.

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D.A. APPROVED TARIFF BY ilp ch

**SECTION 2.0 - SERVICE RULES AND REGULATIONS (CONT.)****Section 2.06 - 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 work day after the due date.

A late penalty of either \$2.00 or 5.0% 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.

Each bill will provide all information required by the TNRCC Rules. For each of the systems it operates, the utility will maintain and note on the monthly bill a telephone number (or numbers) which may be reached by a local call by customers. At the utility's option, a toll-free telephone number or the equivalent may be provided,

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 2.07 - Service Disconnection**

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 TNRCC Rules.

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**SECTION 2.0 - SERVICE RULES AND REGULATIONS (CONT.)**

**Section 2.07 - Service Disconnection (cont.)**

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

Utility personnel must be available to collect payments and to reconnect service on the day of and the day after any disconnection of service unless service was disconnected at the customer's request or due to a hazardous condition.

**Section 2.08 - Reconnection of Service**

Service will be reconnected within 24 hours after the past due bill and any other outstanding charges are paid or correction of the conditions which caused service to be disconnected.

**Section 2.09 - 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.

**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 2.10 - 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 Commission, the utility will maintain facilities as described in the TNRCC Rules or in the Texas Natural Resource Conservation Commission's "Rules and Regulations for Public Water Systems."

**Section 2.11 - 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

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D.A. APPROVED TARIFF BY *VLH*

**SECTION 2.0 - SERVICE RULES AND REGULATIONS (CONT.)****Section 2.11 - Customer Complaints and Disputes (cont.)**

of the investigation. If the complainant is dissatisfied with the utility's response, the utility must advise the complainant that he has recourse through the Texas Natural Resource Conservation Commission complaint process. Pending resolution of a complaint, the commission may require continuation or restoration of service.

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.

**SECTION 2.20 - SPECIFIC UTILITY SERVICE RULES AND REGULATIONS**

This section contains specific utility service rules in addition to the rules previously listed under Section 2.0. It must be reviewed and approved by the Commission and in compliance with TNRCC Rules to be effective.

TEXAS NATURAL RESOURCE CONSERVATION COMMISSION

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**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 customer 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 will bear the full cost of any oversizing 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.

**COST UTILITIES SHALL BEAR.** Within its certificate 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 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.

Developers may be required to provide contributions in aid of construction in amounts to furnish the system with all facilities necessary to comply with the Texas Natural Resource Conservation Commission's "Rules and Regulations for Public Water Systems."

TEXAS NATURAL RESOURCE CONSERVATION COMMISSION

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**SECTION 3.20 - SPECIFIC UTILITY EXTENSION POLICY**

This section contains the utility's specific extension policy which complies with the requirements already stated under Section 3.01. It must be reviewed and approved by the Commission and in compliance with TNRCC Rules to be effective.

Residential customers not covered under Section 3.01 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 full 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.

Developers will 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 Texas Natural Resource Conservation Commission minimum design criteria for facilities used in the production, transmission, pumping, or treatment of water or Texas Natural Resource Conservation Commission 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.

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D.A. APPROVED TARIFF BY Y.P. ad

**SECTION 4.0 -- DROUGHT CONTINGENCY PLAN**  
(Utility must attach copy of TCEQ approved Drought Contingency Plan)

TEXAS COMM. ON ENVIRONMENTAL QUALITY

CCN 11931 JUL 25 '05

APPROVED TARIFF BY

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JUL 08 2005

Model Drought Contingency Plan

WATER RIGHTS PERMITTING

**DROUGHT CONTINGENCY PLAN  
FOR THE  
INVESTOR OWNED UTILITY**

Crazy Horse Water Co. (CHR Property Owners Assoc.)  
(Name of utility)

3604 Oak Dr. Weatherford TX 76088  
(Address, City, Zip Code)

11931

(CCN#)

1840024

(PWS #s)

7-31-00

(Date)

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

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

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

I Sandra C. Trefger (Please print name), being the responsible official  
for Crazy Horse Water Co. (Name of utility), request a minor tariff  
amendment to include the enclosed Drought Contingency Plan.

Sandra C. Trefger  
(Signature)

7-31-00  
(Date)

TEXAS COMM. ON ENVIRONMENTAL QUALITY

Model Drought Contingency Plan for IOUs - 6/15/00

CCN 11931 000 25 '05

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**Section 2 Public Involvement**

Opportunity for the public to provide input into the preparation of the Plan was provided by:  
(check at least one of the following)

☒ scheduling and providing public notice of a public meeting to accept input on the Plan.

The meeting took place at:

Date: July 20, 2000 Time: 7:00 pm Location: 3604 Oak Dr. Weatherford TX

☐ mailed survey with summary of results. (attach survey and results)

☐ bill insert inviting comment. (attach bill insert)

☐ other method \_\_\_\_\_

**Section 3 Public Education**

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

Drought plan information will be provided by:  
(check at least one of the following)

☐ public meeting

☐ press releases

☒ utility bill inserts

☐ other \_\_\_\_\_

**Section 4 Coordination with Regional Water Planning Groups**

The service area of the Crazy Horse Water Co. (name of your utility) is located within:

Regional Water Planning Group (RWPG) North Texas Municipal WATER DISTRICT  
Region C  
P.O. Box 2408  
Wylie TX 75098-2408

Crazy Horse Water Co. (name of your utility) has mailed a copy of this Plan to the RWPG.

## Section 5 Notice Requirements

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

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

The utility must notify the TNRCC by telephone at (512) 239- 6020, or electronic mail at [watermon@tnrcc.state.tx.us](mailto:watermon@tnrcc.state.tx.us) prior to implementing Stage III and must notify in writing the Public Drinking Water Section at MC - 155, P.O. Box 13087, Austin, Texas 78711-3087 within five (5) working days of implementation including a copy of the utility's restriction notice. The utility must file a status report of its restriction program with the TNRCC at the initiation and termination of mandatory water use restrictions (i.e. Stages III and IV).

## Section 6 Violations

1. First violation - The customer will be notified by written notice of their specific violation.
2. Subsequent violations:
  - a. After written notice, the utility may install a flow restricting device in the line to limit the amount of water which will pass through the meter in a 24 hour period. The utility may charge the customer for the actual cost of installing and removing the flow restricting device, not to exceed \$50.00.
  - b. After written notice, the utility may discontinue service at the meter for a period of seven (7) days, or until the end of the calendar month, whichever is LESS. The normal reconnect fee of the utility will apply for restoration of service.

## Section 7 Exemptions or Variances

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



## Section 8 Response Stages

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

### STAGE I - CUSTOMER AWARENESS

Stage I will begin:

Every April 1<sup>st</sup>, the utility will mail a public announcement to its customers.

No notice to TNRCC required.

Stage I will end:

Every September 30<sup>th</sup>, the utility will mail a public announcement to its customers.

No notice to TNRCC required.

#### Utility Measures:

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

#### Voluntary Water Use Restrictions:

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

### STAGE II - VOLUNTARY WATER CONSERVATION:

Goal: 5% reduction in total water use

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

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

- ☐ Well level reaches \_\_\_\_\_ ft. mean sea level (m.s.l.)
- ☒ Overnight recovery rate reaches 10 ft.
- ☐ Reservoir elevation reaches \_\_\_\_\_ ft. (m.s.l.)
- ☐ Stream flow reaches \_\_\_\_\_ cfs at USGS gage # \_\_\_\_\_
- ☐ Wholesale supplier's drought Stage 2 \_\_\_\_\_
- ☐ Other \_\_\_\_\_

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

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

Upon initiation and termination of Stage 2, the utility will mail a public announcement to its customers. No notice to TNRCC required.

Requirements for termination

Stage 2 of the Plan may end when all of the conditions listed as triggering events have ceased to exist for a period of three (3) consecutive days. Upon termination of Stage 2, Stage 1 becomes operative.

Utility Measures:

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

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

The second water source for Crazy Horse Water Co (name of utility) is:  
(check one)

- ☐ Other well  
☐ Inter-connection with other system  
☐ Purchased water  
☒ Other WINE AVAILABLE

Voluntary Water Use Restrictions:

1. Restricted Hours: Outside watering is allowed daily, but only during periods specifically described in the customer notice; between 10:00 PM and 5:00 AM for example; OR
2. Restricted Days/Hours: Water customers are requested to voluntarily limit the irrigation of landscaped areas with hose-end sprinklers or automatic irrigation systems. Customers are requested to limit outdoor water use to Mondays for water customers with a street address ending with the numbers 1, 2, or 3, Wednesdays for water customers with a street address ending with the numbers 4, 5, or 6, and Fridays

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for water customers with a street address ending with the numbers 7, 8, 9, or 0. Irrigation of landscaped areas is further limited to the hours of 12:00 midnight until 10:00 a.m. and between 8:00 p.m. and 12:00 midnight on designated watering days. However, irrigation of landscaped areas is permitted at anytime if it is by means of a hand-held hose, a faucet filled bucket or watering can of five (5) gallons or less, or drip irrigation system.

3. Other uses that waste water such as water running down the gutter.

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

Goal: 10% reduction in total water use

The water utility will implement Stage 3 when any one of the selected triggers is reached:

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

- ☐ Well level reaches \_\_\_\_\_ ft. (m.s.l.)
- ☒ Overnight recovery rate reaches \_\_\_\_\_ 7 ft.
- ☐ Reservoir elevation reaches \_\_\_\_\_ ft. (m.s.l.)
- ☐ Stream flow reaches \_\_\_\_\_ cfs at USGS gage # \_\_\_\_\_
- ☐ Wholesale supplier's drought Stage 3 \_\_\_\_\_
- ☐ Other \_\_\_\_\_

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

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

Upon initiation and termination of Stage 3, the utility will mail a public announcement to its customers. Notice to TNRCC required.

**Requirements for termination**

Stage 3 of the Plan may end when all of the conditions listed as triggering events have ceased to exist for a period of three (3) consecutive days. Upon termination of Stage 3, Stage 2 becomes operative.

**Utility Measures:**

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

TEXAS COMM. ON ENVIRONMENTAL QUALITY

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

**Mandatory Water Use Restrictions:** The following water use restrictions shall apply to all customers.

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

TEXAS COMM. ON ENVIRONMENTAL QUALITY

- a. wash down of any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas;
- b. use of water to wash down buildings or structures for purposes other than immediate fire protection;
- c. use of water for dust control;
- d. flushing gutters or permitting water to run or accumulate in any gutter or street;
- e. failure to repair a controllable leak(s) within a reasonable period after having been given notice directing the repair of such leak(s); and
- f. Any waste of water.

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

Goal: 20% reduction in total water use

The water utility will implement Stage 4 when any one of the selected triggers is reached:

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

- ☐ Well level reaches \_\_\_\_\_ ft. (m.s.l.)
- ☒ Overnight recovery rate reaches 5 ft.
- ☐ Reservoir elevation reaches \_\_\_\_\_ ft. (m.s.l.)
- ☐ Stream flow reaches \_\_\_\_\_ cfs at USGS gage # \_\_\_\_\_
- ☐ Wholesale supplier's drought Stage 4 \_\_\_\_\_
- ☒ Supply contamination.
- ☒ Other Catastrophic Equipment Failure

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

- ☐ Drinking water treatment as % of capacity \_\_\_\_\_ %
- ☐ Total daily demand as % of pumping capacity \_\_\_\_\_ %
- ☐ Total daily demand as % of storage capacity \_\_\_\_\_ %
- ☐ Pump hours per day \_\_\_\_\_ hrs.
- ☒ Production or distribution limitations.
- ☒ System outage.
- ☒ Other Catastrophic Equipment Failure

Upon initiation and termination of Stage 4, the utility will mail a public announcement to its customers. Notice to TNRCC required.

#### Requirements for termination :

Stage 4 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of three (3) consecutive days. Upon termination of Stage 4, Stage 3 becomes operative.

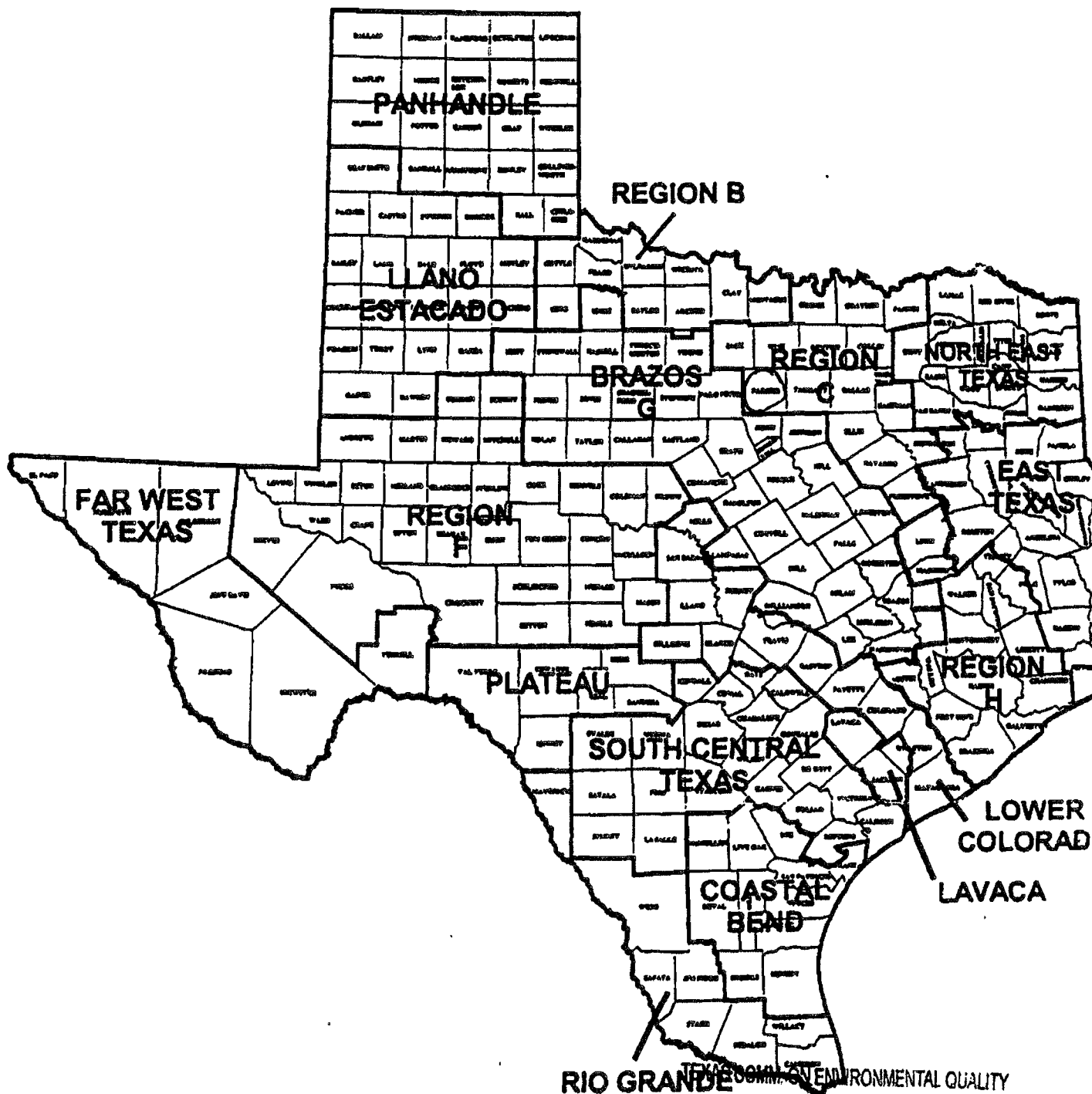
TEXAS COMM. ON ENVIRONMENTAL QUALITY

Operational Measures:

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

Mandatory Water Use Restrictions: All outdoor use of water is prohibited.

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



CCN 11931.0225 '05

# Regional Water Planning Groups

Corporations Section  
P.O.Box 13697  
Austin, Texas 78711-3697



Attachment 3  
John Steen  
Secretary of State

## Office of the Secretary of State

### CERTIFICATE OF FILING OF

PATTERSON WATER SUPPLY, LLC  
File Number: 801820571

The undersigned, as Secretary of State of Texas, hereby certifies that a Certificate of Formation for the above named Domestic Limited Liability Company (LLC) has been received in this office and has been found to conform to the applicable provisions of law.

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

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

Dated: 07/23/2013

Effective: 07/23/2013



A handwritten signature in black ink, appearing to read "John Steen".

John Steen  
Secretary of State



**Form 205**  
**(Revised 05/11)**

This space reserved for office use.



**Certificate of Formation**  
**Limited Liability Company**

Submit in duplicate to:  
Secretary of State  
P.O. Box 13697  
Austin, TX 78711-3697  
512 463-5555  
FAX: 512 463-5709  
**Filing Fee: \$300**

**Article 1 – Entity Name and Type**

The filing entity being formed is a limited liability company. The name of the entity is:

PATTERSON WATER SUPPLY, LLC

The name must contain the words "limited liability company," "limited company," or an abbreviation of one of these phrases.

**Article 2 – Registered Agent and Registered Office**

(See instructions. Select and complete either A or B and complete C.)

☐ A. The initial registered agent is an organization (cannot be entity named above) by the name of:

OR

☒ B. The initial registered agent is an individual resident of the state whose name is set forth below:

<u>MARK</u>		<u>PATTERSON</u>	
<i>First Name</i>	<i>M.I.</i>	<i>Last Name</i>	<i>Suffix</i>

C. The business address of the registered agent and the registered office address is:

<u>446 GRAHAMS GROVE ROAD</u>	<u>COLLINSVILLE</u>	<u>TX</u>	<u>76233</u>
<i>Street Address</i>	<i>City</i>	<i>State</i>	<i>Zip Code</i>

**Article 3—Governing Authority**

(Select and complete either A or B and provide the name and address of each governing person.)

☒ A. The limited liability company will have managers. The name and address of each initial manager are set forth below.

☐ B. The limited liability company will not have managers. The company will be governed by its members, and the name and address of each initial member are set forth below.

**GOVERNING PERSON 1**

**NAME** (Enter the name of either an individual or an organization, but not both )

**IF INDIVIDUAL**

<u>MARK</u>		<u>PATTERSON</u>	
<i>First Name</i>	<i>M.I.</i>	<i>Last Name</i>	<i>Suffix</i>

OR

**IF ORGANIZATION**

Organization Name

**ADDRESS**

<u>446 GRAHAMS GROVE ROAD</u>	<u>COLLINSVILLE</u>	<u>TX</u>	<u>USA</u>	<u>76233</u>
<i>Street or Mailing Address</i>	<i>City</i>	<i>State</i>	<i>Country</i>	<i>Zip Code</i>

<b>GOVERNING PERSON 2</b>				
NAME (Enter the name of either an individual or an organization, but not both.)				
IF INDIVIDUAL				
DAVID		PATTERSON		
<i>First Name</i>	<i>M.I.</i>	<i>Last Name</i>	<i>Suffix</i>	
OR				
IF ORGANIZATION				
<i>Organization Name</i>				
ADDRESS				
446 GRAHAMS GROVE ROAD		COLLINSVILLE	TX	USA 76233
<i>Street or Mailing Address</i>	<i>City</i>	<i>State</i>	<i>Country</i>	<i>Zip Code</i>

<b>GOVERNING PERSON 3</b>				
NAME (Enter the name of either an individual or an organization, but not both.)				
IF INDIVIDUAL				
<i>First Name</i>		<i>M.I.</i>	<i>Last Name</i>	<i>Suffix</i>
OR				
IF ORGANIZATION				
<i>Organization Name</i>				
ADDRESS				
<i>Street or Mailing Address</i>		<i>City</i>	<i>State</i>	<i>Country Zip Code</i>

### Article 4 – Purpose

The purpose for which the company is formed is for the transaction of any and all lawful purposes for which a limited liability company may be organized under the Texas Business Organizations Code.

### Supplemental Provisions/Information

Text Area: [The attached addendum, if any, is incorporated herein by reference.]

**Organizer**

The name and address of the organizer:

JOHN P GRAVES, CPA

*Name*

502 NORTH LOCUST ST

*Street or Mailing Address*

DENTON

*City*

TX 76201

*State Zip Code*

**Effectiveness of Filing** (Select either A, B, or C.)

A. ☒ This document becomes effective when the document is filed by the secretary of state.

B. ☐ This document becomes effective at a later date, which is not more than ninety (90) days from the date of signing. The delayed effective date is: \_\_\_\_\_

C. ☐ This document takes effect upon the occurrence of the future event or fact, other than the passage of time. The 90<sup>th</sup> day after the date of signing is: \_\_\_\_\_

The following event or fact will cause the document to take effect in the manner described below:

**Execution**

The undersigned affirms that the person designated as registered agent has consented to the appointment. The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument and certifies under penalty of perjury that the undersigned is authorized to execute the filing instrument.

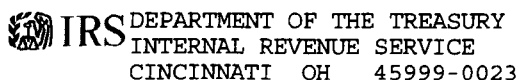
Date: 07-12-2013



*Signature of organizer*

JOHN P GRAVES, CPA

*Printed or typed name of organizer*



Date of this notice: 07-24-2013

Employer Identification Number:  
46-3254209

Form: SS-4

Number of this notice: CP 575 A

PATTERSON WATER SUPPLY LLC  
MARK D PATTERSON MBR  
446 GRAHAM GROVE RD  
COLLINSVILLE, TX 76233

For assistance you may call us at:  
1-800-829-4933

IF YOU WRITE, ATTACH THE  
STUB AT THE END OF THIS NOTICE.

#### WE ASSIGNED YOU AN EMPLOYER IDENTIFICATION NUMBER

Thank you for applying for an Employer Identification Number (EIN). We assigned you EIN 46-3254209. This EIN will identify you, your business accounts, tax returns, and documents, even if you have no employees. Please keep this notice in your permanent records.

When filing tax documents, payments, and related correspondence, it is very important that you use your EIN and complete name and address exactly as shown above. Any variation may cause a delay in processing, result in incorrect information in your account, or even cause you to be assigned more than one EIN. If the information is not correct as shown above, please make the correction using the attached tear off stub and return it to us.

Based on the information received from you or your representative, you must file the following form(s) by the date(s) shown.

Form 941	10/31/2013
Form 940	01/31/2014
Form 1065	04/15/2014

If you have questions about the form(s) or the due date(s) shown, you can call us at the phone number or write to us at the address shown at the top of this notice. If you need help in determining your annual accounting period (tax year), see Publication 538, *Accounting Periods and Methods*.

We assigned you a tax classification based on information obtained from you or your representative. It is not a legal determination of your tax classification, and is not binding on the IRS. If you want a legal determination of your tax classification, you may request a private letter ruling from the IRS under the guidelines in Revenue Procedure 2004-1, 2004-1 I.R.B. 1 (or superseding Revenue Procedure for the year at issue). Note: Certain tax classification elections can be requested by filing Form 8832, *Entity Classification Election*. See Form 8832 and its instructions for additional information.

A limited liability company (LLC) may file Form 8832, *Entity Classification Election*, and elect to be classified as an association taxable as a corporation. If the LLC is eligible to be treated as a corporation that meets certain tests and it will be electing S corporation status, it must timely file Form 2553, *Election by a Small Business Corporation*. The LLC will be treated as a corporation as of the effective date of the S corporation election and does not need to file Form 8832.

If you are required to deposit for employment taxes (Forms 941, 943, 940, 944, 945, CT-1, or 1042), excise taxes (Form 720), or income taxes (Form 1120), you will receive a Welcome Package shortly, which includes instructions for making your deposits electronically through the Electronic Federal Tax Payment System (EFTPS). A Personal Identification Number (PIN) for EFTPS will also be sent to you under separate cover. Please activate the PIN once you receive it, even if you have requested the services of a tax professional or representative. For more information about EFTPS, refer to Publication 966, *Electronic Choices to Pay All Your Federal Taxes*. If you need to make a deposit immediately, you will need to make arrangements with your Financial Institution to complete a wire transfer.

The IRS is committed to helping all taxpayers comply with their tax filing obligations. If you need help completing your returns or meeting your tax obligations, Authorized e-file Providers, such as Reporting Agents (payroll service providers) are available to assist you. Visit the IRS Web site at [www.irs.gov](http://www.irs.gov) for a list of companies that offer IRS e-file for business products and services. The list provides addresses, telephone numbers, and links to their Web sites.

To obtain tax forms and publications, including those referenced in this notice, visit our Web site at [www.irs.gov](http://www.irs.gov). If you do not have access to the Internet, call 1-800-829-3676 (TTY/TDD 1-800-829-4059) or visit your local IRS office.

**IMPORTANT REMINDERS:**

- \* Keep a copy of this notice in your permanent records. **This notice is issued only one time and the IRS will not be able to generate a duplicate copy for you.** You may give a copy of this document to anyone asking for proof of your EIN.
- \* Use this EIN and your name exactly as they appear at the top of this notice on all your federal tax forms.
- \* Refer to this EIN on your tax-related correspondence and documents.

If you have questions about your EIN, you can call us at the phone number or write to us at the address shown at the top of this notice. If you write, please tear off the stub at the bottom of this notice and send it along with your letter. If you do not need to write us, do not complete and return the stub.

Your name control associated with this EIN is PATT. You will need to provide this information, along with your EIN, if you file your returns electronically.

Thank you for your cooperation.



## Franchise Tax Account Status

As of : 08/09/2018 14:26:27

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

### PATTERSON WATER SUPPLY, LLC

**Texas Taxpayer Number** 32051543729

**Mailing Address** 1508 US HIGHWAY 377 COLLINSVILLE, TX  
76233-1114

**② Right to Transact Business in Texas** ACTIVE

**State of Formation** TX

**Effective SOS Registration Date** 07/23/2013

**Texas SOS File Number** 0801820571

**Registered Agent Name** MARK PATTERSON

**Registered Office Street Address** 446 GRAHAMS GROVE RD COLLINSVILLE, TX  
76233

**Franchise Tax Account Status**

As of : 06/28/2018 13:54:41

**This Page is Not Sufficient for Filings with the Secretary of State****CRAZY HORSE RANCHOS PROPERTY OWNERS ASSOCIATION****Texas Taxpayer Number** 17517291120**Mailing Address** 3604 OAK DR WEATHERFORD, TX 76088-4827**Right to Transact Business in Texas** FRANCHISE TAX ENDED**State of Formation** TX**Effective SOS Registration Date** 11/26/1980**Texas SOS File Number** 0054062801**Registered Agent Name** EDWARD C TREFGER**Registered Office Street Address** 3604 OAK DRIVE WEATHERFORD, TX 76088



## Franchise Tax Account Status

As of : 11/01/2018 11:08:45

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

### NEW PROGRESS WATER SUPPLY CORPORATION

**Texas Taxpayer Number** 30118424743

**Mailing Address** 125 DONNA CT HUDSON OAKS, TX 76087-8729

**② Right to Transact Business in Texas** ACTIVE

**State of Formation** TX

**Effective SOS Registration Date** 02/15/1996


**Texas SOS File Number** 0138866901

**Registered Agent Name** STEVEN G TALLON

**Registered Office Street Address** 125 DONNA CT WEATHERFORD, TX 76087



# PARKER COUNTY

[Home](#) [Return to Search](#)  [Print](#)
**PROTEST DEADLINE MAY 15, 2018**
**Property Year 2018** [Tax Summary](#)

Information Updated 11/5/2018

Property ID R000101418 Geo ID. 11620 001.000 00

 < Previous Property 11 / 11 Next Property >

**Property Details**
**Ownership**
**Available Actions**

NEW PROGRESS WATER SUPPLY CORP

 TALLON STEVEN  
 PO BOX 191  
 WEATHERFORD, TX 76086-0191

Ownership Interest 1.0000000

 Map Number. E-17
**Qualified Exemptions**

Not Applicable

**Legal Information**

Legal: Subd: CRAZY HORSE RANCHOS, 3-SANITARY EASEMENTS

Situs Not Applicable

**Property Valuation History**

Values by Year		2018	2017	2016	n/a	n/a	n/a
Improvements	+	\$0	\$0	\$0	\$0	\$0	\$0
Land	+	\$10	\$10	\$10	\$0	\$0	\$0
Production Market	+	\$0	\$0	\$0	\$0	\$0	\$0
Personal	+	\$0	\$0	\$0	\$0	\$0	\$0
Mineral	+	\$0	\$0	\$0	\$0	\$0	\$0
Total Market	=	\$10	\$10	\$10	\$0	\$0	\$0
Agricultural Loss	-	\$0	\$0	\$0	\$0	\$0	\$0
Homestead Cap Loss	-	\$0	\$0	\$0	\$0	\$0	\$0
Total Assessed	=	\$10	\$10	\$10	\$0	\$0	\$0

7-A

Improvement / Buildings	Improvement Value: \$0
-------------------------	------------------------

Group Sequence	Code	Building Description	Year Built	Square Footage	Perimeter Footage
----------------	------	----------------------	------------	----------------	-------------------

Land Details	Market Value: \$10	Production Market Value: \$0	Production Value: \$0
--------------	--------------------	------------------------------	-----------------------

Land Code	Acres	Sq Ft	Front Ft	Rear Ft	Depth	Mkt Value	Prd Value
FLT-LT	0.000	0	0	0		10	0

Deed History
--------------

Sold By	Volume	Page	Deed Date	Instrument
CRAZY HORSE RANCHOS PROPERTY OWNERS ASSOC			12/22/2014	201500242
NO OWNER ON FILE			n/a	

Property Tax Estimation by Entity / Jurisdiction

Code	Description	Taxable Value	Tax Rate per \$100	Tax Factor applied to Taxable Value	Estimated Tax
COL	JR COLLEGE DISTR	10	\$0.11947	0.0011947	\$0.01
ES1	EMERGENCY SERVICES D	10	\$0.10	0.001	\$0.01
HOS	HOSPITAL DISTRICT	10	\$0.11152	0.0011152	\$0.01
LTR	LATERAL ROAD	10	\$0.081488	0.00081488	\$0.01
PAR	PARKER COUNTY	10	\$0.302318	0.00302318	\$0.03
PE	PEASTER I S D	10	\$1.44	0.0144	\$0.14
Total Estimation			\$2.154796	0.02154796	\$0.21

The above property tax estimation is not a tax bill. Do not pay.  
[Click here to view actual Property Tax Bill.](#)

Southwest Data Solutions provides this information "as is" without warranty of any kind  
 Southwest Data Solutions is not responsible for any errors or omissions

9:39 AM

09/21/18

Accrual Basis

**PATTERSON WATER SUPPLY**  
**Balance Sheet**  
 As of December 31, 2017

Attachment 8

	Dec 31, 17
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
Patterson Water Supply	77,566.00
PWS Aero Valley	2,021.26
PWS Crazy Horse Ranch Water	1,713.17
PWS Deposits Acct 4942	24,169.42
PWS Sewer Repair Fund	17,074.75
PWS Water Well Fund	100.62
Total Checking/Savings	122,645.22
Accounts Receivable	
Accounts Receivable	1,257.50
Total Accounts Receivable	1,257.50
Other Current Assets	
A/R - Aero Valley	2,000.00
A/R - PPS	22,138.00
Total Other Current Assets	24,138.00
Total Current Assets	148,040.72
Fixed Assets	
Accumulated Depreciation	-34,059.52
Equipment Improvements	73,000.00
New Well - Briar/Cooley	24,000.00
New Well - Vacation Village	177,600.00
Total Fixed Assets	240,540.48
<b>TOTAL ASSETS</b>	<b>388,581.20</b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Customer Deposits	30,494.13
PWS Aero Valley / PWS	2,000.00
Total Other Current Liabilities	32,494.13
Total Current Liabilities	32,494.13
Total Liabilities	32,494.13
Equity	
Member 1 Draws	-51,165.00
Member 1 Equity	187,769.00
Member 2 Draws	-17,055.00
Member 2 Equity	62,593.41
Net Income	173,944.66
Total Equity	356,087.07
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>388,581.20</b>

**PATTERSON WATER SUPPLY**  
**Profit & Loss**  
January through December 2017

8-A

	Jan - Dec 17
Ordinary Income/Expense	
Income	
Briar/Cooley Sales	144,498.07
Crazy Horse Ranch Sales	7,098.66
PWS Aero Valley Sales	32,265.34
Vacation Village Sales	
Repairs - Customer Damage	1,668.01
Vacation Village Sales - Other	321,660.33
Total Vacation Village Sales	323,328.34
Total Income	507,190.41
Expense	
Admin Labor	0.00
Bad Debt	198.75
Bank Service Charges	867.13
Base Commerce	6,538.30
Chemicals	3,093.72
Computer and Internet Expenses	421.25
Contractors	
Boring	-275.00
Total Contractors	-275.00
Deluxe Checks	278.41
Depreciation Expense	8,676.19
GCD Fees	4,689.28
Insurance Expense	5,499.00
Lab Fees	2,604.03
Legal & Accounting	525.00
Office Supplies	331.72
Operation Expense	79,829.78
Postage & Delivery	2,537.85
PPS - Customer Misc Payclix	0.00
Professional Fees	75.00
Property Taxes Due	1,123.88
Repairs and Maintenance	
Equipment	5,872.58
Labor	41,635.62
Parts	17,471.15
Repairs and Maintenance - Other	374.63
Total Repairs and Maintenance	65,353.98
Sewer Fees - City of Denton	110,527.48
Sewer Maintenance & Repairs	2,736.24
Software Updates	2,970.53
TCEQ-Regulatory Assess Fee	6,252.69
Telephone Expense	1,008.69
Travel Expense	3,888.04
Utilities	23,493.81
Total Expense	333,245.75
Net Ordinary Income	173,944.66
Net Income	173,944.66

9:32 AM

09/21/18

Accrual Basis

**PATTERSON WATER SUPPLY**  
**Profit & Loss by Class**  
 January through December 2017

	Aero Valley	Briar Oaks/Cooley Point	Crazy Horse Ranch Water	Vacation Village	Unclassified	TOTAL
Ordinary Income/Expense						
Income						
Briar/Cooley Sales	0 00	145,916 89	-1,418 82	0 00	0 00	144,498 07
Crazy Horse Ranch Sales	0 00	-1,418 82	8,517 48	0 00	0 00	7,098 66
PWS Aero Valley Sales	32,265 34	0 00	0 00	0 00	0 00	32,265 34
Vacation Village Sales						
Repairs - Customer Damage	0 00	0 00	0 00	1,668 01	0 00	1,668 01
Vacation Village Sales - Other	0 00	0 00	0 00	321,660 33	0 00	321,660 33
Total Vacation Village Sales	0 00	0 00	0 00	323,328 34	0 00	323,328 34
Total Income	32,265 34	144,498 07	7,098 66	323,328 34	0 00	507,190 41
Expense						
Admin Labor	0 00	0 00	0 00	0 00	0 00	0 00
Bad Debt	0 00	0 00	0 00	198 75	0 00	198 75
Bank Service Charges	0 00	369 63	49 78	447 72	0 00	867 13
Base Commerce	0 00	2,412 65	57 50	4,068 15	0 00	6,538 30
Chemicals	65 14	682 77	0 00	2,345 81	0 00	3,093 72
Computer and Internet Expenses	47 81	152 37	0 00	221 07	0 00	421 25
Contractors						
Boring	0 00	0 00	0 00	-275 00	0 00	-275 00
Total Contractors	0 00	0 00	0 00	-275 00	0 00	-275 00
Deluxe Checks	16 25	111 96	37 98	112 22	0 00	278 41
Depreciation Expense	0 00	0 00	0 00	0 00	8,676 19	8,676 19
GCD Fees	0 00	2,157 26	0 00	2,532 02	0 00	4,689 28
Insurance Expense	0 00	1,924 65	0 00	3,574 35	0 00	5,499 00
Lab Fees	980 15	859 01	42 00	722 87	0 00	2,604 03
Legal & Accounting	0 00	262 50	0 00	262 50	0 00	525 00
Office Supplies	0 00	116 10	0 00	215 62	0 00	331 72
Operation Expense	13,399 78	21,600 00	2,830 00	42,000 00	0 00	79,829 78
Postage & Delivery	186 13	956 06	41 14	1,354 52	0 00	2,537 85
PPS - Customer Misc Payclix	0 00	0 00	0 00	0 00	0 00	0 00
Professional Fees	0 00	37 50	0 00	37 50	0 00	75 00
Property Taxes Due	0 00	1,123 88	0 00	0 00	0 00	1,123 88
Repairs and Maintenance						
Equipment	4,063 20	0 00	1,809 38	0 00	0 00	5,872 58
Labor	7,010 62	8,382 50	225 00	26,017 50	0 00	41,635 62
Parts	3,318 81	6,634 56	106 18	7,411 60	0 00	17,471 15
Repairs and Maintenance - Other	0 00	0 00	0 00	374 63	0 00	374 63
Total Repairs and Maintenance	14,392 63	15,017 06	2,140 56	33,803 73	0 00	65,353 98
Sewer Fees - City of Denton	0 00	0 00	0 00	110,527 48	0 00	110,527 48
Sewer Maintenance & Repairs	0 00	0 00	0 00	2,736 24	0 00	2,736 24
Software Updates	0 00	1,154 58	0 00	1,815 95	0 00	2,970 53
TCEQ-Regulatory Assess Fee	548 25	2,205 88	0 00	3,498 56	0 00	6,252 69
Telephone Expense	0 00	240 00	0 00	768 69	0 00	1,008 69
Travel Expense	3,888 04	0 00	0 00	0 00	0 00	3,888 04
Utilities	1,489 14	5,770 68	385 38	15,848 61	0 00	23,493 81
Total Expense	35,013 32	57,154 54	5,584 34	226,817 36	8,676 19	333,245 75
Net Ordinary Income	-2,747 98	87,343 53	1,514 32	96,510 98	-8,676 19	173,944 66
Net Income	-2,747 98	87,343 53	1,514 32	96,510 98	-8,676 19	173,944 66

8-C

**PATTERSON WATER SUPPLY**  
**Statement of Cash Flows**  
January through December 2017

---

	Jan - Dec 17
<b>OPERATING ACTIVITIES</b>	
Net Income	173,944.66
Adjustments to reconcile Net Income to net cash provided by operations:	
Accounts Receivable	-1,058.75
A/R - Aero Valley	-2,000.00
A/R - PPS	48,312.00
Customer Deposits	7,576.43
PWS Aero Valley / PWS	2,000.00
Net cash provided by Operating Activities	228,774.34
<b>INVESTING ACTIVITIES</b>	
Accumulated Depreciation	-48,990.48
Equipment Improvements	17,000.00
New Well - Briar/Cooley	-18,000.00
New Well - Vacation Village	-110,350.00
Net cash provided by Investing Activities	-160,340.48
<b>FINANCING ACTIVITIES</b>	
Member 1 Draws	-24,981.00
Member 1 Equity	142,135.20
Member 2 Draws	-8,331.00
Member 2 Equity	47,382.41
Retained Earnings	-166,758.94
Net cash provided by Financing Activities	-10,553.33
Net cash increase for period	57,880.53
Cash at beginning of period	64,764.69
Cash at end of period	<u>122,645.22</u>

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**PATTERSON WATER SUPPLY**

11/01/18

**Balance Sheet**

Accrual Basis

As of October 31, 2018

	Oct 31, 18
<b>ASSETS</b>	
<b>Current Assets</b>	
Checking/Savings	
Patterson Water Supply	119,848.46
PWS Crazy Horse Ranch Water	11,848.03
PWS Sewer Repair Fund	13,369.75
PWS Water Well Fund	100.62
<b>Total Checking/Savings</b>	<b>145,166.86</b>
Accounts Receivable	
Accounts Receivable	1,257.50
<b>Total Accounts Receivable</b>	<b>1,257.50</b>
<b>Other Current Assets</b>	
A/R - PPS	52,138.00
A/R - PXC	500.00
A/R TWDB	120,780.00
<b>Total Other Current Assets</b>	<b>173,418.00</b>
<b>Total Current Assets</b>	<b>319,842.36</b>
<b>Fixed Assets</b>	
Accumulated Depreciation	-42,418.27
Cooley Point System Improvement	22,500.00
Equipment Improvements	109,680.26
New Well - Briar/Cooley	24,000.00
New Well - Vacation Village	184,688.88
<b>Total Fixed Assets</b>	<b>298,450.87</b>
<b>TOTAL ASSETS</b>	<b>618,293.23</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
Current Liabilities	
Other Current Liabilities	
Customer Deposits	32,646.23
<b>Total Other Current Liabilities</b>	<b>32,646.23</b>
<b>Total Current Liabilities</b>	<b>32,646.23</b>
<b>Total Liabilities</b>	<b>32,646.23</b>
<b>Equity</b>	
Member 1 Draws	-15,750.00
Member 1 Equity	267,062.50
Member 2 Draws	-5,250.00
Member 2 Equity	89,024.57
Net Income	250,559.93
<b>Total Equity</b>	<b>585,647.00</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>618,293.23</b>

1:33 PM  
11/01/18  
Accrual Basis

**PATTERSON WATER SUPPLY**  
**Profit & Loss**  
January through October 2018

	Jan - Oct 18
<b>Ordinary Income/Expense</b>	
Income	
Briar/Cooley Sales	120,525.34
Crazy Horse Ranch Sales	37,573.23
TWDB Principal Forgiveness	138,780.00
Vacation Village Sales	275,986.76
Water Connection Fees	6,300.00
<b>Total Income</b>	<b>579,165.33</b>
Expense	
Bank Service Charges	503.15
Base Commerce	6,366.82
Chemicals	1,807.30
Computer and Internet Expenses	205.00
Continuing Education	345.00
Contract Labor	5,030.00
Deluxe Checks	314.42
Depreciation Expense	8,358.75
GCD Fees	4,632.27
Insurance Expense	4,789.00
Lab Fees	4,619.51
Legal & Accounting	1,384.00
Membership Dues	400.00
Miscellaneous Exp	683.54
Office Supplies	417.87
Operation Expense	63,154.50
Postage & Delivery	2,975.46
Property Taxes Due	615.05
Repairs and Maintenance	
Labor	54,844.20
Parts	15,470.82
<b>Total Repairs and Maintenance</b>	<b>70,315.02</b>
Sewer Fees - City of Denton	98,107.85
Sewer Maintenance & Repairs	6,735.00
Software Updates	766.00
TCEQ-Regulatory Assess Fee	4,685.72
Telephone Expense	674.63
Travel Expense	981.00
Utilities	24,715.16
Well Repair & Maintenance	15,023.38
<b>Total Expense</b>	<b>328,605.40</b>
<b>Net Ordinary Income</b>	<b>250,559.93</b>
<b>Net Income</b>	<b>250,559.93</b>



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11/01/18

Accrual Basis

**PATTERSON WATER SUPPLY**  
**Profit & Loss by Class**  
**January through October 2018**

8-F

	Aero Valley	Briar Oaks/Cooley Point	Crazy Horse Ranch Water	Vacation Village	Unclassified	TOTAL
<b>Ordinary Income/Expense</b>						
Income						
Briar/Cooley Sales	0.00	120,525.34	0.00	0.00	0.00	120,525.34
Crazy Horse Ranch Sales	0.00	0.00	37,573.23	0.00	0.00	37,573.23
TWDB Principal Forgiveness	0.00	138,780.00	0.00	0.00	0.00	138,780.00
Vacation Village Sales	0.00	0.00	0.00	275,986.76	0.00	275,986.76
Water Connection Fees	0.00	750.00	750.00	4,800.00	0.00	6,300.00
<b>Total Income</b>	<b>0.00</b>	<b>260,055.34</b>	<b>38,323.23</b>	<b>280,786.76</b>	<b>0.00</b>	<b>579,165.33</b>
Expense						
Bank Service Charges	0.00	251.54	0.00	251.61	0.00	503.15
Base Commerce	0.00	1,938.88	636.59	3,791.35	0.00	6,366.82
Chemicals	0.00	319.48	253.75	1,234.07	0.00	1,807.30
Computer and Internet Expenses	0.00	102.50	0.00	102.50	0.00	205.00
Continuing Education	0.00	172.50	0.00	172.50	0.00	345.00
Contract Labor	0.00	0.00	5,030.00	0.00	0.00	5,030.00
Deluxe Checks	0.00	149.09	16.25	149.08	0.00	314.42
Depreciation Expense	0.00	7,332.70	0.00	1,026.05	0.00	8,358.75
GCD Fees	0.00	2,097.41	698.26	1,836.60	0.00	4,632.27
Insurance Expense	0.00	1,676.15	0.00	3,112.85	0.00	4,789.00
Lab Fees	0.00	970.48	3,531.67	117.36	0.00	4,619.51
Legal & Accounting	0.00	523.00	169.00	692.00	0.00	1,384.00
Membership Dues	0.00	140.00	0.00	260.00	0.00	400.00
Miscellaneous Exp	0.00	0.00	0.00	683.54	0.00	683.54
Office Supplies	0.00	125.37	41.77	250.73	0.00	417.87
Operation Expense	0.00	18,135.00	10,019.50	35,000.00	0.00	63,154.50
Postage & Delivery	0.00	1,063.58	226.14	1,685.74	0.00	2,975.46
Property Taxes Due	0.00	615.05	0.00	0.00	0.00	615.05
Repairs and Maintenance						
Labor	0.00	8,809.70	3,467.50	42,567.00	0.00	54,844.20
Parts	0.00	4,593.85	1,256.94	9,620.03	0.00	15,470.82
<b>Total Repairs and Maintenance</b>	<b>0.00</b>	<b>13,403.55</b>	<b>4,724.44</b>	<b>52,187.03</b>	<b>0.00</b>	<b>70,315.02</b>
Sewer Fees - City of Denton	0.00	0.00	0.00	98,107.85	0.00	98,107.85
Sewer Maintenance & Repairs	0.00	0.00	0.00	6,735.00	0.00	6,735.00
Software Updates	0.00	459.60	76.60	229.80	0.00	766.00
TCEQ-Regulatory Assess Fee	193.71	1,881.23	0.00	2,610.78	0.00	4,685.72
Telephone Expense	0.00	0.00	0.00	674.63	0.00	674.63
Travel Expense	0.00	0.00	981.00	0.00	0.00	981.00
Utilities	0.00	5,253.29	1,950.84	17,511.03	0.00	24,715.16
Well Repair & Maintenance	0.00	14,991.07	0.00	32.31	0.00	15,023.38
<b>Total Expense</b>	<b>193.71</b>	<b>71,601.47</b>	<b>28,355.81</b>	<b>228,454.41</b>	<b>0.00</b>	<b>328,605.40</b>
<b>Net Ordinary Income</b>	<b>-193.71</b>	<b>188,453.87</b>	<b>9,967.42</b>	<b>52,332.35</b>	<b>0.00</b>	<b>250,559.93</b>
<b>Net Income</b>	<b>-193.71</b>	<b>188,453.87</b>	<b>9,967.42</b>	<b>52,332.35</b>	<b>0.00</b>	<b>250,559.93</b>

8-G

**PATTERSON WATER SUPPLY**  
**Statement of Cash Flows**  
January through October 2018

---

	Jan - Oct 18
<b>OPERATING ACTIVITIES</b>	
Net Income	250,559.93
Adjustments to reconcile Net Income to net cash provided by operations:	
A/R - Aero Valley	2,000.00
A/R - PPS	-30,000.00
A/R - PXC	-500.00
A/R TWDB	-120,780.00
Customer Deposits	2,152.10
PWS Aero Valley / PWS	-2,000.00
Net cash provided by Operating Activities	101,432.03
<b>INVESTING ACTIVITIES</b>	
Accumulated Depreciation	8,358.75
Cooley Point System Improvement	-22,500.00
Equipment Improvements	-36,680.26
New Well - Vacation Village	-7,088.88
Net cash provided by Investing Activities	-57,910.39
<b>FINANCING ACTIVITIES</b>	
Member 1 Draws	35,415.00
Member 1 Equity	79,293.50
Member 2 Draws	11,805.00
Member 2 Equity	26,431.16
Retained Earnings	-173,944.66
Net cash provided by Financing Activities	-21,000.00
Net cash increase for period	22,521.64
Cash at beginning of period	122,645.22
Cash at end of period	<u><u>145,166.86</u></u>

# CRAZY HORSE RANCH WATER

## 5 Year Projection of Income & Expense

Attachment 9

	<u>Jan-Oct 2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b>Ordinary Income/Expense</b>						
<b>Income</b>						
Crazy Horse Ranch Sales	37,573.23	46,000.00	46,000.00	46,000.00	46,000.00	46,000.00
Water Connection Fees	<u>750.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<b>Total Income</b>	<u>38,323.23</u>	<u>46,000.00</u>	<u>46,000.00</u>	<u>46,000.00</u>	<u>46,000.00</u>	<u>46,000.00</u>
<b>Expense</b>						
Bank Service Charges	0.00	50.00	50.00	50.00	50.00	50.00
Base Commerce	636.59	775.00	775.00	775.00	775.00	775.00
Chemicals	253.75	300.00	300.00	300.00	300.00	300.00
Computer/Internet	0.00	120.00	120.00	120.00	120.00	120.00
Contract Labor	5,030.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00
Deluxe Checks	16.25	25.00	25.00	25.00	25.00	25.00
Depreciation Expense	0.00	0.00	0.00	0.00	0.00	0.00
GCD Fees	698.26	850.00	850.00	850.00	850.00	850.00
Insurance Expense	0.00	700.00	700.00	700.00	700.00	700.00
Lab Fees	3,531.67	3,500.00	3,500.00	3,500.00	3,500.00	3,500.00
Legal & Accounting	169.00	175.00	175.00	175.00	175.00	175.00
Office Supplies	41.77	150.00	150.00	150.00	150.00	150.00
Operation Expense	10,019.50	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
Postage & Delivery	226.14	275.00	275.00	275.00	275.00	275.00
Property Taxes Due	0.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Repairs & Maintenance						
Labor	3,467.50	4,200.00	4,200.00	4,200.00	4,200.00	4,200.00
Parts	1,256.94	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00
Software Updates	76.60	100.00	100.00	100.00	100.00	100.00
TCEQ-Regulatory Fee	0.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00
Telephone Expense	0.00	120.00	120.00	120.00	120.00	120.00
Travel Expense	981.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00
Utilities	1,950.84	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00
Well Repair & Maintenance	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<b>Total Expense</b>	<u>28,355.81</u>	<u>34,790.00</u>	<u>34,790.00</u>	<u>34,790.00</u>	<u>34,790.00</u>	<u>34,790.00</u>
<b>Net Ordinary Income</b>	<u>9,967.42</u>	<u>11,210.00</u>	<u>11,210.00</u>	<u>11,210.00</u>	<u>11,210.00</u>	<u>11,210.00</u>
<b>Net Income</b>	<u><u>9,967.42</u></u>	<u><u>11,210.00</u></u>	<u><u>11,210.00</u></u>	<u><u>11,210.00</u></u>	<u><u>11,210.00</u></u>	<u><u>11,210.00</u></u>

## **Crazy Horse Ranch Water System – PWS ID 1840024**

### **Inventory:**

#### **South Pump Station: Fence & Tin Building**

- 1 - G1840024A Well – 460' – 14 gpm
- 1 - G1840024B Well – 460' – 13 gpm
- 1 - 2,000 gallon Hydro Tank
- 2 – 22,500 gallon Galvanized Ground Storage Tanks
- 2 – 60 gpm Booster Pumps
- 1 – Air Compressor
- 1 – Stenner Chlorine Pump with Tank

#### **North Pump Station: Fence & Tin Building**

- 1 – G1840024C Well – 220' – 9 gpm
- 1 – G1840024D Well – 200' – 13 gpm
- 1 – 560 gallon Hydro Tank (rusted hole)
- 1 – 10,000 gallon Ground Storage Tank (floor rusted out)
- No Booster Pumps
- No Chlorine Equipment
- No Air Compressor
- Electric at North Pump Station (disconnected – unusable)

DOCKET NO. 46095  
NEW PROGRESS WATER SUPPLY CORPORATION  
AFFIDAVIT OF NOTICE  
NEIGHBORING SYSTEMS, LANDOWNERS, AND CITIES

Peaster Highway Water  
2904 FM 920  
Weatherford TX 76088

Aqua Texas  
12501 Morris Dido Newark Road  
Fort Worth TX 76179

Upper Trinity Groundwater Conservation District  
1250 E Highway 199  
Springtown TX 76082

Parker County  
500 Brock Spur  
Millsap TX 76066

Brazos River Authority  
PO Box 7555  
Waco TX 76174

B&B  
1501 N 45<sup>th</sup> Street  
Corsicana TX 75110

Blue Ridge  
White Settlement Road  
Fort Worth TX 76088

**Texas Commission on Environmental Quality  
Investigation Report**

The TCEQ is committed to accessibility. If you need assistance in accessing this document, please contact oce@tceq.texas.gov

**Customer: Crazy Horse Ranchos Property Owners Association**  
**Customer Number: CN600632277**

**Regulated Entity Name: CRAZY HORSE RANCH WATER**

**Regulated Entity Number: RN101185189**

**Investigation # 1403801**

**Incident Numbers**

**Investigator: MEGAN DAVIDSON**

**Site Classification GW 51-250 CONNECTION**

**Conducted: 03/17/2017 -- 03/17/2017**

**SIC Code: 4941**

**Program(s): PUBLIC WATER SYSTEM/SUPPLY**

**Investigation Type: Compliance Investigation**

**Location:**

**Additional ID(s): 1840024**

**Address: 28 CRAZY HORSE,  
WEATHERFORD, TX , 76088**

**Local Unit: REGION 04 - DFW METROPLEX**

**Activity Type(s): PWSCIGWCM - CCI GW PURCHASE  
- COMMUNITY MANDATORY**

**Principal(s):**

**Role**

**Name**

RESPONDENT  
RESPONDENT

CRAZY HORSE RANCHOS PROPERTY OWNERS ASSOCI  
NEW PROGRESS WSC

**Contact(s):**

Role	Title	Name	Phone
PARTICIPATED IN	SECRETARY/TREASUR ER	MS Lisa Franklin	Work (817) 504-9014
NOTIFIED	CONTRACT OPERATOR	MR JULIAN GARCIA	Work (817) 694-0511
PARTICIPATED IN	CONTRACT OPERATOR	MR JULIAN GARCIA	Work (817) 694-0511
PARTICIPATED IN	PRESIDENT	MR STEVEN G TALLON	Work (817) 706-1692 Work (817) 504-9014
REGULATED ENTITY MAIL CONTACT	PRESIDENT	MR STEVEN G TALLON	Work (817) 504-9014 Work (817) 706-1692

**Other Staff Member(s):**

**Role**

**Name**

QA Reviewer  
Supervisor

CHARLES MARSHALL  
CHARLES MARSHALL

## CRAZY HORSE RANCH WATER WEATHERFORD

3/17/2017 Inv. # - 1403801

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**Associated Check List**

<u>Checklist Name</u>	<u>Unit Name</u>
PWS EMERGENCY POWER INITIATIVE	EPI 1840024
PWS INVESTIGATION - EQUIPMENT	EMS 1840024
MONITORING AND SAMPLING revised 06/2013	
PWS STANDARD FIELD	CCI 1840024

**Investigation Comments:****INTRODUCTION**

On March 17, 2017, Ms. Megan Davidson, Texas Commission on Environmental Quality (TCEQ) Environmental Investigator, conducted a comprehensive compliance investigation (CCI) at Crazy Horse Ranch Water ("Crazy Horse"). The purpose of the investigation was to determine compliance with applicable public water system regulations.

Ms. Davidson contacted Mr. Julian Garcia, Contract Operator, on March 9, 2017, to schedule the investigation. In addition, a records request form was sent to the water system which listed the documents to be reviewed during the investigation.

On March 17, 2017, Ms. Davidson arrived at the water system office and met with Mr. Garcia, Mr. Steven Tallon, President, and Ms. Lisa Franklin, Secretary/Treasurer, to begin the investigation. At the conclusion of the investigation, an exit interview was conducted and an Exit Interview Form, Customer Satisfaction Survey, and Texas Water Development Board Financial Assistance Program Information Sheet were provided to Mr. Garcia. The Area of Concern policy was discussed with the water system official at this time.

Several violations and an Additional Issue were noted on the exit interview form at the time of the investigation. Since ownership of the system is in question, these violations are being noted as Additional Issues and will be handled when an owner is established for the system.

**GENERAL FACILITY AND PROCESS INFORMATION**

Crazy Horse is a community groundwater system, which serves 59 connections and an approximate population of 177 individuals based upon three persons per connection. The public water system consists of four groundwater wells that supply two water plants, and one pressure plane.

Water Plant 1, which is located at the corner of Oak Circle and Fir Drive, consists of two groundwater wells, two ground storage tanks, two service pumps, and one pressure tank. At the plant, water is pumped from the groundwater wells and is disinfected with liquid hypochlorite solution before entering the ground storage tanks. Two service pumps send water from storage to the distribution system. A hydro-pneumatic tank provides the necessary pressure maintenance for the system.

Water Plant Two, which is located at the corner of Oak Drive and Cedar, consists of two groundwater wells, one ground storage tank, two service pumps, and one pressure tank. At the plant, water is pumped from the groundwater wells and is disinfected with liquid hypochlorite solution before entering a ground storage tank. Two service pumps send water from storage to the distribution system. A hydro-pneumatic tank provides the necessary pressure maintenance for the system.

Specific facility information such as tank volumes, pump capacities, etc.; can be found in the Water System Diagram, Water System Summary Sheet, and PWS Database Printout included in the investigation attachments.

**Exception**

On April 20, 2004, the water system was granted an exception to the sanitary control easement rule contingent on the collection and submission of one raw water bacteriological sample per month from each well for bacteriological analysis. The system is also required to take these raw water samples to remain compliant with 30 TAC 290.46(n)(3) for all well completion data.

**BACKGROUND**

The previous CCI, Investigation Number 1159517, was conducted on March 27, 2014. No alleged violations were noted, and a general compliance letter was mailed to the water system on May 22, 2014.

No complaints have been filed against the water system during the last five years.

**ADDITIONAL INFORMATION****Ownership Changes**

Crazy Horse was previously owned and operated by Crazy Horse Ranchos Property Owner Association (POA), CN600632277. Crazy Horse Ranchos POA voluntarily dissolved and New Progress Water Supply Corporation (WSC), CN600670459, began operating the system. A Sale-Transfer-Merger (STM) application, Application Number 44604, was submitted to the Public Utility Commission (PUC) on April 1, 2015, however, it was dismissed on September 2, 2015 for being incomplete. On June 23, 2016, a second STM application, Application Number 46095, was submitted to the PUC, however, on March 20, 2017, this application was withdrawn by New Progress WSC. At this time, ownership of Crazy Horse is in question.

**Record Review**

During the investigation, the following records were requested for review: well completion data, plant operations manual, drought contingency plan, monitoring plan, distribution map, customer service agreement, customer service inspection forms, tank inspection forms, equipment calibration records, monthly operating reports, disinfectant level quarterly operating reports and monitoring records, flushing records, and bacteriological sampling records for the previous twelve months.

At this time, the following items were noted:

- ✓ 1) The public water system failed to maintain an up-to-date monitoring plan. This was noted as an alleged violation on the exit interview form.
- ✓ 2) The public water system failed to maintain an up-to-date plant operations manual. This was noted as an alleged violation on the exit interview form.
- 3) The public water system failed to inspect all ground storage tanks, and hydro-pneumatic tanks annually. This was noted as an alleged violation on the exit interview form.
- 4) The public water system failed to inspect the interior of the hydro-pneumatic tanks every five years. This was noted as an alleged violation on the exit interview form.
- 5) The public water system failed to verify the accuracy of the colorimeter every 90 days. This was noted as an alleged violation on the exit interview form.
- 6) The public water system failed to provide the well meter calibration records for all wells. This was noted as a record request with a 14 day compliance timeframe on the exit interview form. The system did not submit this documentation and an alleged violation was noted.
- ✓ 7) The public water system failed to provide the NSF certification for the liquid hypochlorite solution used for disinfection. A record request with a 14 day compliance timeframe was noted on the exit interview form. The system did not submit this documentation and an alleged violation was noted.
- ✓ 8) The public water system did not provide a Revised Total Coliform (RTCR) sample siting plan. This was noted as an additional issue.

**Operation and Maintenance**

Based on the number of connections, the water system is required to employ a water works operator who holds a Class "D" or higher license. The water system employs the following licensed individuals:

Class C Water Operator - 1

Class D Water Operator - 1

The public water system is, therefore, compliant with the operator licensing requirements.



An evaluation of the water production and distribution facilities was conducted next. At this time, the following items were noted:

- 1) The public water system failed to seal the wellhead on all wells. This was noted as an alleged violation on the exit interview form.
- 2) Failure to provide a well casing vent screen on Well 1. This was noted as an alleged violation on the exit interview form.
- 3) The public water system failed to keep Ground Storage Tank 1 at Water Plant 1 locked. This was noted as an alleged violation on the exit interview form.
- 4) The public water system failed to provide a water-air volume indicator for the hydro-pneumatic tank at Water Plant 1. This was noted as an alleged violation on the exit interview form.
- 5) The public water system failed to properly maintain all electrical wiring at water plant two and Wells 3 and 4. This was noted as an alleged violation on the exit interview form.

#### Capacity

During the investigation, the water system capacities were evaluated. At this time Well 2, Well 3, and Well 4 were all offline. Well 2 was taken offline due to radionuclide concerns. Wells 3 and 4 were down to replace a hydro-pneumatic tank and the electrical in the water plant. During the investigation, it was noted that the public water system serves 59 connections. Well 1 was found to provide 14.4 gallons per minute (gpm). Based on the number of connections, a minimum of 35.4 gpm production capacity must be provided. The water system is therefore approximately 59% deficient of this requirement. This was noted as an alleged violation on the exit interview form.

See attachments for a copy of the Water System Diagram, Water System Summary Sheet, and PWS Database Printout for further information.

#### Field Monitoring Activities

During the investigation, the disinfectant residual and distribution pressure were monitored at 3676 Willow, with the following results:

1.3 milligrams per liter (mg/L) free chlorine and a pressure of 90 pounds per square inch (psi)

#### Attachments

- 1) Water System Diagram, Water System Summary Sheet, and PWS Database Printout
- 2) Exit Interview Form

**No Violations Associated to this Investigation**

#### Additional Issues

##### Description Item 1

##### Additional Comments

Failure to maintain an up-to-date monitoring plan.

During the comprehensive compliance investigation, it was noted that the water system did not have an up-to-date monitoring plan. The monitoring plan was from 2012 and contained contact information from the previous owner.

30 TAC 290.121(a) states that all public water systems shall maintain an up-to-date chemical and microbiological monitoring plan. Monitoring plans are subject to the review and approval of the executive director. A copy of the monitoring plan must be maintained at each water treatment plant and at a central location.

##### Description Item 2

##### Additional Comments

4 hrs

3/17/2017 Inv. # - 1403801

Page 5 of 8

Failure to maintain an up-to-date plant operations manual.

4 hrs

During the comprehensive compliance investigation, it was noted that the water system did not have an up-to-date plant operations manual. The plant operations manual was from 2006 and contained contact information from the previous owner.

30 TAC 290.42(l) states that a thorough plant operations manual must be compiled and kept up-to-date for operator review and reference. This manual should be of sufficient detail to provide the operator with routine maintenance and repair procedures, with protocols to be utilized in the event of a natural or man-made catastrophe, as well as provide telephone numbers of water system personnel, system officials, and local/state/federal agencies to be contacted in the event of an emergency.

**Description** Item 3

**Additional Comments**

Failure to inspect the ground storage tanks and exterior of the hydro-pneumatic tanks annually.

During the comprehensive compliance investigation, it was noted that the ground storage tanks and the exterior of the hydro-pneumatic tank had not been inspected annually. No documentation was provided for the hydro-pneumatic tank, and the ground storage tanks were last inspection in 2015.

30 TAC 290.46(m)(1) Each of the system's ground, elevated, and pressure tanks shall be inspected annually by water system personnel or a contracted inspection service.

30 TAC 290.46(m)(1)(A) Ground and elevated storage tank inspections must determine that the vents are in place and properly screened, the roof hatches closed and locked, flap valves and gasketing provide adequate protection against insects, rodents, and other vermin, the interior and exterior coating systems are continuing to provide adequate protection to all metal surfaces, and the tank remains in a watertight condition.

**Description** Item 4

**Additional Comments**

Failure to inspect the interior of the pressure tank at least once every five years.

During the comprehensive compliance investigation, it was noted that the interior of the pressure tank had not been inspected at least once every five years. No tank inspection documentation was provided for the hydro-pneumatic tanks.

30 TAC 290.46(m)(1)(B) states that pressure tank inspections must determine that the pressure release device and pressure gauge are working properly, the air-water ratio is being maintained at the proper level, the exterior coating systems are continuing to provide adequate protection to all metal surfaces, and the tank remains in watertight conditions. Pressure tanks provided with an inspection port must have the interior surface inspected every five years.

**Description** Item 5

**Additional Comments**

Failure to verify the accuracy of the colorimeter every 90 days.

During the comprehensive compliance investigation, it was noted that colorimeter had not been verified every 90 days. No documentation was provided to show any calibrations.

30 TAC 290.110(d)(1) The free chlorine or chloramine residual (measured as total chlorine) must be measured to a minimum accuracy of plus or minus 0.1 mg/L. Color comparators may be used for distribution system samples only. When used, a color comparator must have current reagents, an unfaded and clear color comparator, a sample cell that is not discolored or stained, and must be properly stored in a cool, dark location where it is not subjected to conditions that would result in staining. The color comparator must be used in the correct range. If a sample reads at the top of the range, the sample must be diluted with chlorine-free water, then a reading taken and the resulting residual calculated.

**Description** Item 6

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**Additional Comments**

Failure to calibrate well meters every three years.

During the comprehensive compliance investigation, it was noted that the well meters had not been calibrated within three years. The water system stated they had replaced two of the four well meters, but provided no documentation.

30 TAC 290.46(s)(1) states that well meters required by §290.41(c)(3)(N) of this title (relating to Water Sources) shall be calibrated at least once every three years.

**Description** Item 7**Additional Comments**

Failure to provide NSF certification for the liquid hypochlorite solution used for disinfection. 2 hrs + PPS Cert

During the comprehensive compliance investigation, it was noted that the water system did not provide NSF certification for the liquid hypochlorite solution used for disinfection.

30 TAC 290.42(j) states that all chemicals and any additional or replacement process media used in treatment of water supplied by public water systems must conform to ANSI/NSF Standard 60 for Drinking Water Treatment Chemicals and ANSI/NSF Standard 61 for Drinking Water System Components. Conformance with these standards must be obtained by certification of the product by an organization accredited by ANSI.

**Description** Item 8**Additional Comments**

Failure to maintain the seal on all wellheads.

During the comprehensive compliance investigation, it was noted that the wellhead was not properly maintained or sealed on all wells.

30 TAC 290.41(c)(3)(K) states that wellheads and pump bases shall be sealed by a gasket or sealing compound and properly vented to prevent the possibility of contaminating the well water.

**Description** Item 9**Additional Comments**

Failure to provide a well casing vent screen on the Well 1.

During the comprehensive compliance investigation, it was noted that a well vent screen was not on the Well 1. The vent screen was laying on the ground next to the wellhead.

30 TAC 290.41(c)(3)(K) states that wellheads and pump bases shall be sealed by a gasket or sealing compound and properly vented to prevent the possibility of contaminating the well water. A well casing vent shall be provided with an opening that is covered with 16-mesh or finer corrosion-resistant screen, facing downward, elevated and located so as to minimize the drawing of contaminants into the well.

**Description** Item 10**Additional Comments**

Failure to keep Ground Storage Tank 1 at Water Plant 1 locked.

During the comprehensive compliance investigation, it was noted that Ground Storage Tank 1 at Water Plant 1 was unlocked.

30 TAC 290.46(m)(1)(A) Ground and elevated storage tank inspections must determine that the vents are in place and properly screened, the roof hatches closed and locked, flap valves and gasketing provide adequate protection against insects, rodents, and other vermin, the interior and exterior coating systems are continuing to provide adequate protection to all metal surfaces, and the tank remains in a watertight condition.

**Description** Item 11

**Additional Comments**

Failure to provide an air-water volume indication for the hydro-pneumatic tank at Water Plant 1.

During the comprehensive compliance investigation, it was noted that the hydro-pneumatic tank at Water Plant 1 did not have an air-water volume indicator.

30 TAC 290.43(d)(3) Facilities shall be provided for maintaining the air-water-volume at the design water level and working pressure. Air injection lines must be equipped with filters or other devices to prevent compressor lubricants and other contaminants from entering the pressure tank. A device to readily determine air-water-volume must be provided for all tanks greater than 1,000 gallon capacity.

**Description**      Item 12**Additional Comments**

Failure to have electrical installed in conduit at Well 3 and Well 4.

During the comprehensive compliance investigation, it was noted that the water system did not have the electrical wiring for Well 3 and Well 4 properly installed in conduit.

30 TAC 290.46(v) states that all water system electrical wiring must be securely installed in compliance with a local or national electrical code.

**Description**      Item 13**Additional Comments**

Failure to provide a minimum production capacity of 0.6 gallons per minute (gpm) per connection.

During the investigation, it was noted that the public water system serves 59 connections. Well 1 was found to provide 14.4 gallons per minute (gpm), and Well 2, Well 3, and Well 4 were offline. Based on the number of connections, a minimum of 35.4 gpm production capacity must be provided. The water system is therefore approximately 59% deficient of this requirement.

30 TAC 290.45(b)(1) states groundwater supplies must meet the following requirements.

30 TAC 290.45(b)(1)(C) states for 50 to 250 connections, the system must meet the following requirements.

30 TAC 290.45(b)(1)(C)(i) states a well capacity of 0.6 gpm per connection.

**Description**      Item 14**Additional Comments**

On the day of the investigation, it was noted that the water system did not have a Revised Total Coliform Rule (RTCR) sample siting plan available for review and had not submitted a plan to the TCEQ Water Supply Division (WSD). Please submit the RTCR sample siting plan to the TCEQ WSD as soon as possible.

**Description**      Item 15**Additional Comments**

The water system was granted an exception to the sanitary control easement rule contingent on the collection and submission of one raw water bacteriological sample per month from each online well for bacteriological analysis. The system is also required to take these raw water samples to remain compliant with 30 TAC 290.46(n)(3) for all well completion data.

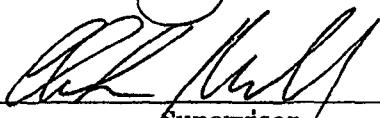
4 hrs

3/17/2017 Inv. # - 1403801

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Signed   
Environmental Investigator

Date 5/22/17

Signed   
Supervisor

Date 5/23/17

**Attachments: (in order of final report submittal)**

\_\_\_ Enforcement Action Request (EAR)

\_\_\_ Letter to Facility (specify type) : \_\_\_\_\_

Investigation Report

\_\_\_ Sample Analysis Results

\_\_\_ Manifests

\_\_\_ Notice of Registration

☒ Maps, Plans, Sketches

☒ Photographs

\_\_\_ Correspondence from the facility

☒ Other (specify) :

exit interview forms, water  
system summary sheet, PWS  
database printout

# Summary of Investigation Findings

12-H

CRAZY HORSE RANCH WATER

Investigation #

28 CRAZY HORSE

1403801

Investigation Date: 03/17/2017

WEATHERFORD, PARKER COUNTY, TX 76088

Additional ID(s): 1840024

No Violations Associated to this Investigation

## ADDITIONAL ISSUES

### Description

### Additional Comments

Item 1

Failure to maintain an up-to-date monitoring plan.

During the comprehensive compliance investigation, it was noted that the water system did not have an up-to-date monitoring plan. The monitoring plan was from 2012 and contained contact information from the previous owner.

30 TAC 290.121(a) states that all public water systems shall maintain an up-to-date chemical and microbiological monitoring plan. Monitoring plans are subject to the review and approval of the executive director. A copy of the monitoring plan must be maintained at each water treatment plant and at a central location.

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Failure to maintain an up-to-date plant operations manual.

During the comprehensive compliance investigation, it was noted that the water system did not have an up-to-date plant operations manual. The plant operations manual was from 2006 and contained contact information from the previous owner.

30 TAC 290.42(i) states that a thorough plant operations manual must be compiled and kept up-to-date for operator review and reference. This manual should be of sufficient detail to provide the operator with routine maintenance and repair procedures, with protocols to be utilized in the event of a natural or man-made catastrophe, as well as provide telephone numbers of water system personnel, system officials, and local/state/federal agencies to be contacted in the event of an emergency.

**CRAZY HORSE RANCH WATER****Investigation # 1403801****Item 3**

Failure to inspect the ground storage tanks and exterior of the hydro-pneumatic tanks annually.

During the comprehensive compliance investigation, it was noted that the ground storage tanks and the exterior of the hydro-pneumatic tank had not been inspected annually. No documentation was provided for the hydro-pneumatic tank, and the ground storage tanks were last inspection in 2015.

30 TAC 290.46(m)(1) Each of the system's ground, elevated, and pressure tanks shall be inspected annually by water system personnel or a contracted inspection service.

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**Item 4**

Failure to inspect the interior of the pressure tank at least once every five years.

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30 TAC 290.46(m)(1)(B) states that pressure tank inspections must determine that the pressure release device and pressure gauge are working properly, the air-water ratio is being maintained at the proper level, the exterior coating systems are continuing to provide adequate protection to all metal surfaces, and the tank remains in watertight conditions. Pressure tanks provided with an inspection port must have the interior surface inspected every five years.

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Item 6

Failure to calibrate well meters every three years.

During the comprehensive compliance investigation, it was noted that the well meters had not been calibrated within three years. The water system stated they had replaced two of the four well meters, but provided no documentation.

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During the comprehensive compliance investigation, it was noted that the water system did not provide NSF certification for the liquid hypochlorite solution used for disinfection.

30 TAC 290.42(j) states that all chemicals and any additional or replacement process media used in treatment of water supplied by public water systems must conform to ANSI/NSF Standard 60 for Drinking Water Treatment Chemicals and ANSI/NSF Standard 61 for Drinking Water System Components. Conformance with these standards must be obtained by certification of the product by an organization accredited by ANSI.



**CRAZY HORSE RANCH WATER****Investigation # 1403801****Item 8****Failure to maintain the seal on all wellheads.**

During the comprehensive compliance investigation, it was noted that the wellhead was not properly maintained or sealed on all wells.

30 TAC 290.41(c)(3)(K) states that wellheads and pump bases shall be sealed by a gasket or sealing compound and properly vented to prevent the possibility of contaminating the well water.

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**Item 11****Failure to provide an air-water volume indication for the hydro-pneumatic tank at Water Plant 1.**

During the comprehensive compliance investigation, it was noted that the hydro-pneumatic tank at Water Plant 1 did not have an air-water volume indicator.

30 TAC 290.43(d)(3) Facilities shall be provided for maintaining the air-water-volume at the design water level and working pressure. Air injection lines must be equipped with filters or other devices to prevent compressor lubricants and other contaminants from entering the pressure tank. A device to readily determine air-water-volume must be provided for all tanks greater than 1,000 gallon capacity.

Item 12	<p>Failure to have electrical installed in conduit at Well 3 and Well 4.</p> <p>During the comprehensive compliance investigation, it was noted that the water system did not have the electrical wiring for Well 3 and Well 4 properly installed in conduit.</p> <p>30 TAC 290.46(v) states that all water system electrical wiring must be securely installed in compliance with a local or national electrical code.</p>
Item 13	<p>Failure to provide a minimum production capacity of 0.6 gallons per minute (gpm) per connection.</p> <p>During the investigation, it was noted that the public water system serves 59 connections. Well 1 was found to provide 14.4 gallons per minute (gpm), and Well 2, Well 3, and Well 4 were offline. Based on the number of connections, a minimum of 35.4 gpm production capacity must be provided. The water system is therefore approximately 59% deficient of this requirement.</p> <p>30 TAC 290.45(b)(1) states groundwater supplies must meet the following requirements.</p> <p>30 TAC 290.45(b)(1)(C) states for 50 to 250 connections, the system must meet the following requirements.</p> <p>30 TAC 290.45(b)(1)(C)(i) states a well capacity of 0.6 gpm per connection.</p>
Item 14	<p>On the day of the investigation, it was noted that the water system did not have a Revised Total Coliform Rule (RTCR) sample siting plan available for review and had not submitted a plan to the TCEQ Water Supply Division (WSD). Please submit the RTCR sample siting plan to the TCEQ WSD as soon as possible.</p>
Item 15	<p>The water system was granted an exception to the sanitary control easement rule contingent on the collection and submission of one raw water bacteriological sample per month from each online well for bacteriological analysis. The system is also required to takes these raw water samples to remain compliant with 30 TAC 290.46(n)(3) for all well completion data.</p>

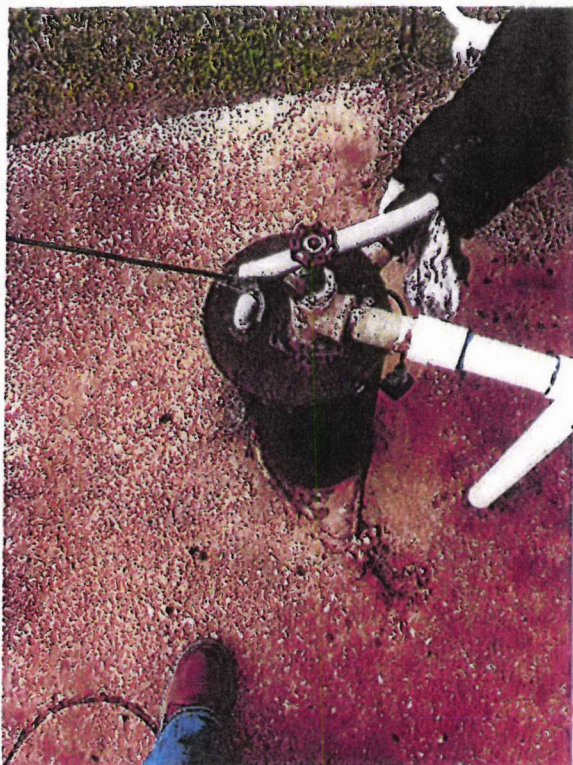
## PHOTOGRAPHIC DOCUMENTATION

Facility: Crazy Horse Ranch Water	Facility County: Parker	Investigator: Megan Davidson
Investigation Number: 1403801	PWS ID Number: 1840024	Investigation Date: 3/17/2017
		Photograph 1 shows the wellhead on Well 1 improperly sealed.
		Photograph 2 shows the well vent screen detached from Well 1.



## PHOTOGRAPHIC DOCUMENTATION

Facility: Crazy Horse Ranch Water	Facility County: Parker	Investigator: Megan Davidson
Investigation Number: 1403801	PWS ID Number: 1840024	Investigation Date: 3/17/2017



Photograph 3 shows the wellhead on Well 2 improperly sealed.



Photograph 4 shows the wellhead on Well 3 improperly sealed, and electrical wiring without conduit.

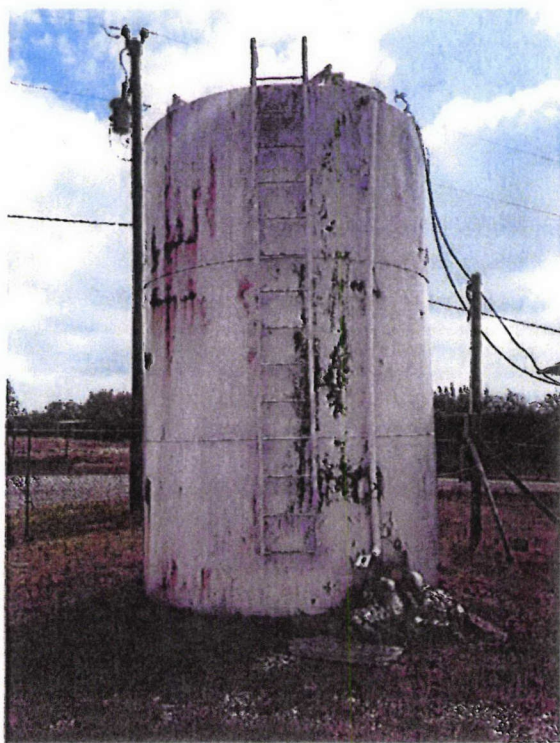


## PHOTOGRAPHIC DOCUMENTATION

Facility: Crazy Horse Ranch Water	Facility County: Parker	Investigator: Megan Davidson
Investigation Number: 1403801	PWS ID Number: 1840024	Investigation Date: 3/17/2017



Photograph 5 shows the wellhead on Well 4 improperly sealed.

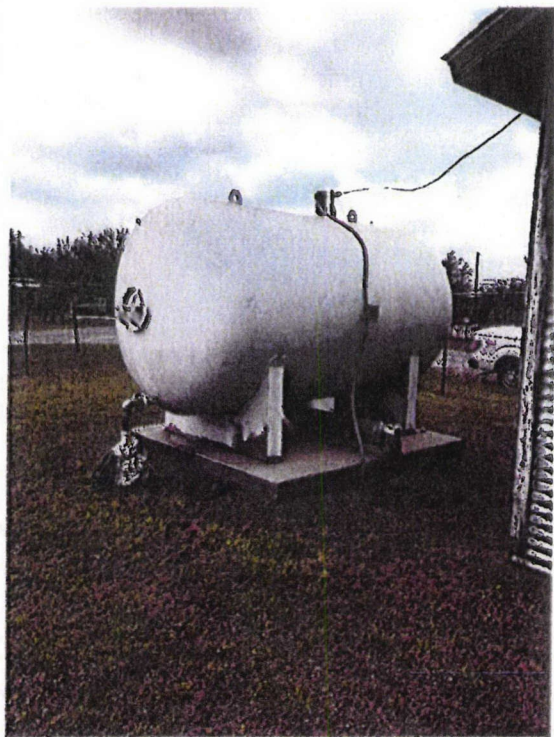


Photograph 6 shows the ground storage tank at Water Plant 2.

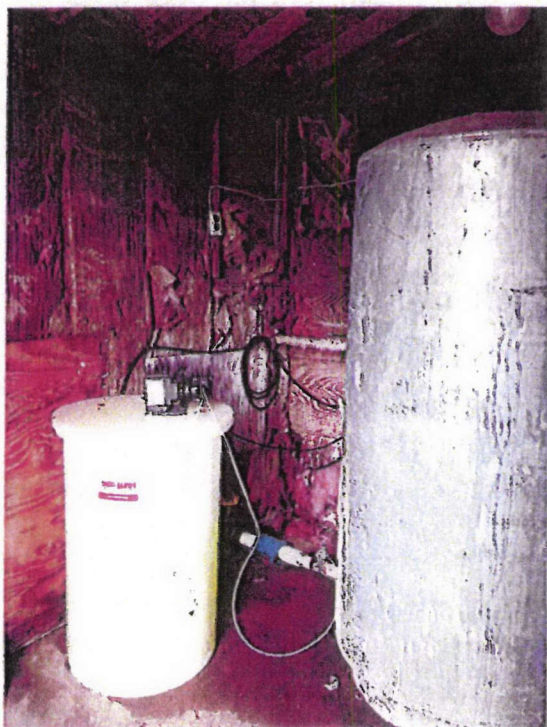


## PHOTOGRAPHIC DOCUMENTATION

Facility: Crazy Horse Ranch Water	Facility County: Parker	Investigator: Megan Davidson
Investigation Number: 1403801	PWS ID Number: 1840024	Investigation Date: 3/17/2017



Photograph 7 shows the hydro-pneumatic tank at Water Plant 1.



Photograph 8 shows the leaking hydro-pneumatic tank at Water Plant 2.



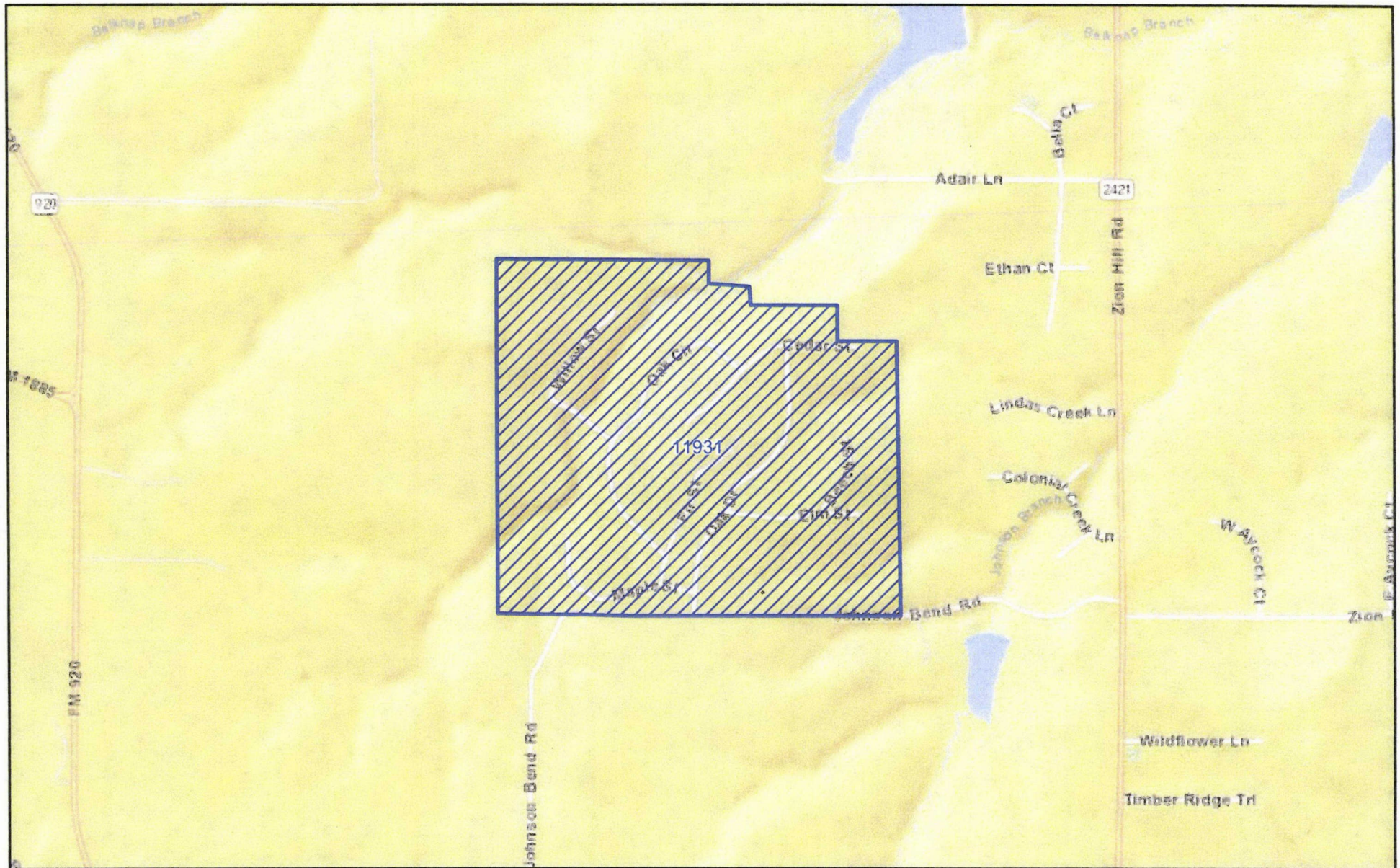


## TxDOT Counties





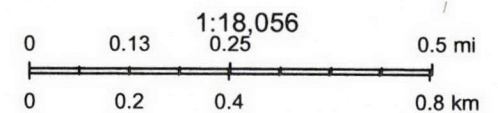
# Crazy Horse Ranchos CCN No. 11931



June 28, 2018

 Water CCN Service Areas

 TxDOT Counties

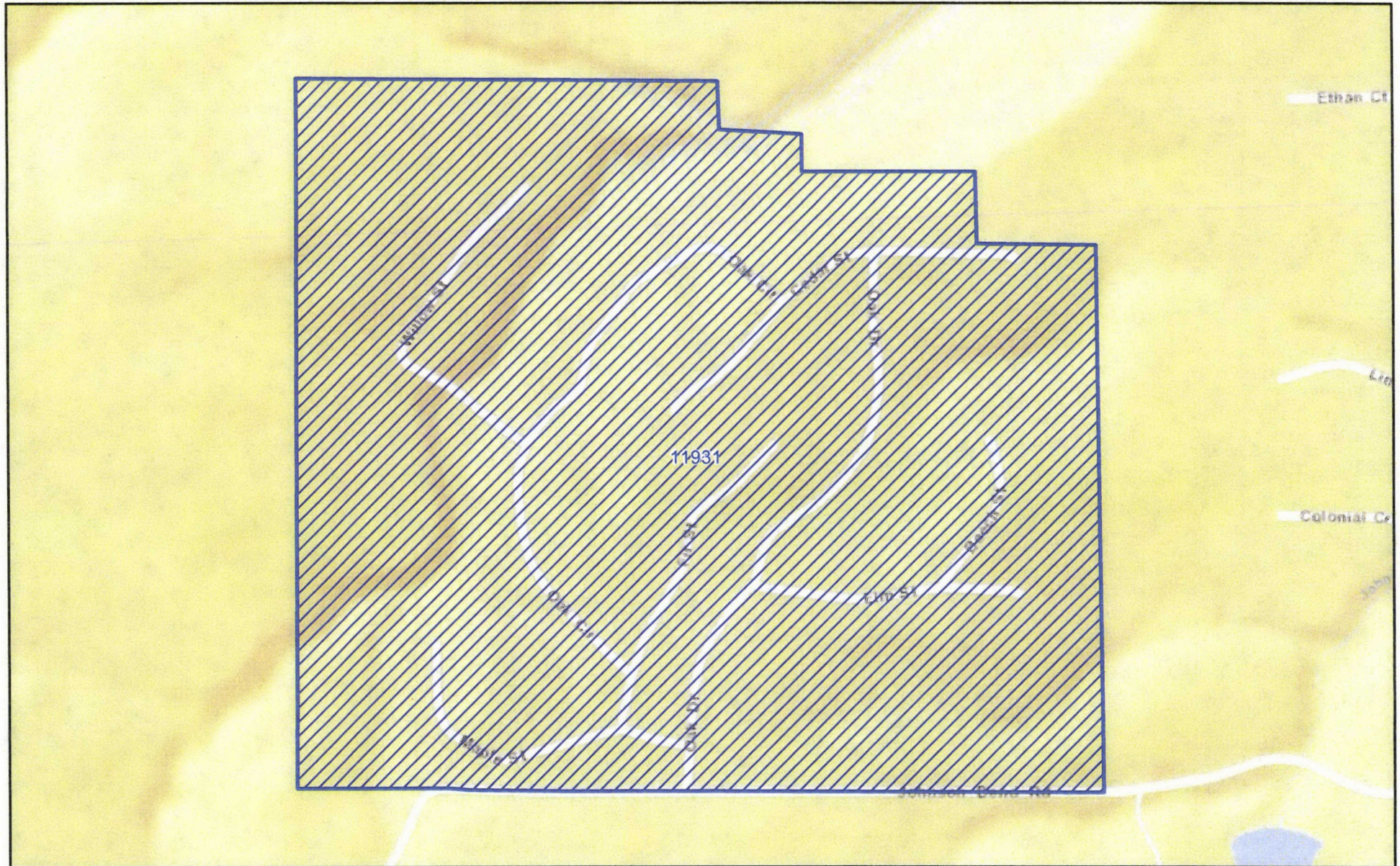


Esri, HERE, Garmin, INCREMENT P, NGA, USGS



# Crazy Horse Ranchos CCN No. 11931

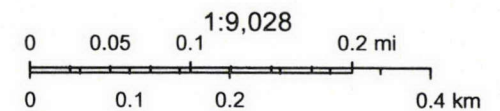
13 B



June 28, 2018

 Water CCN Service Areas

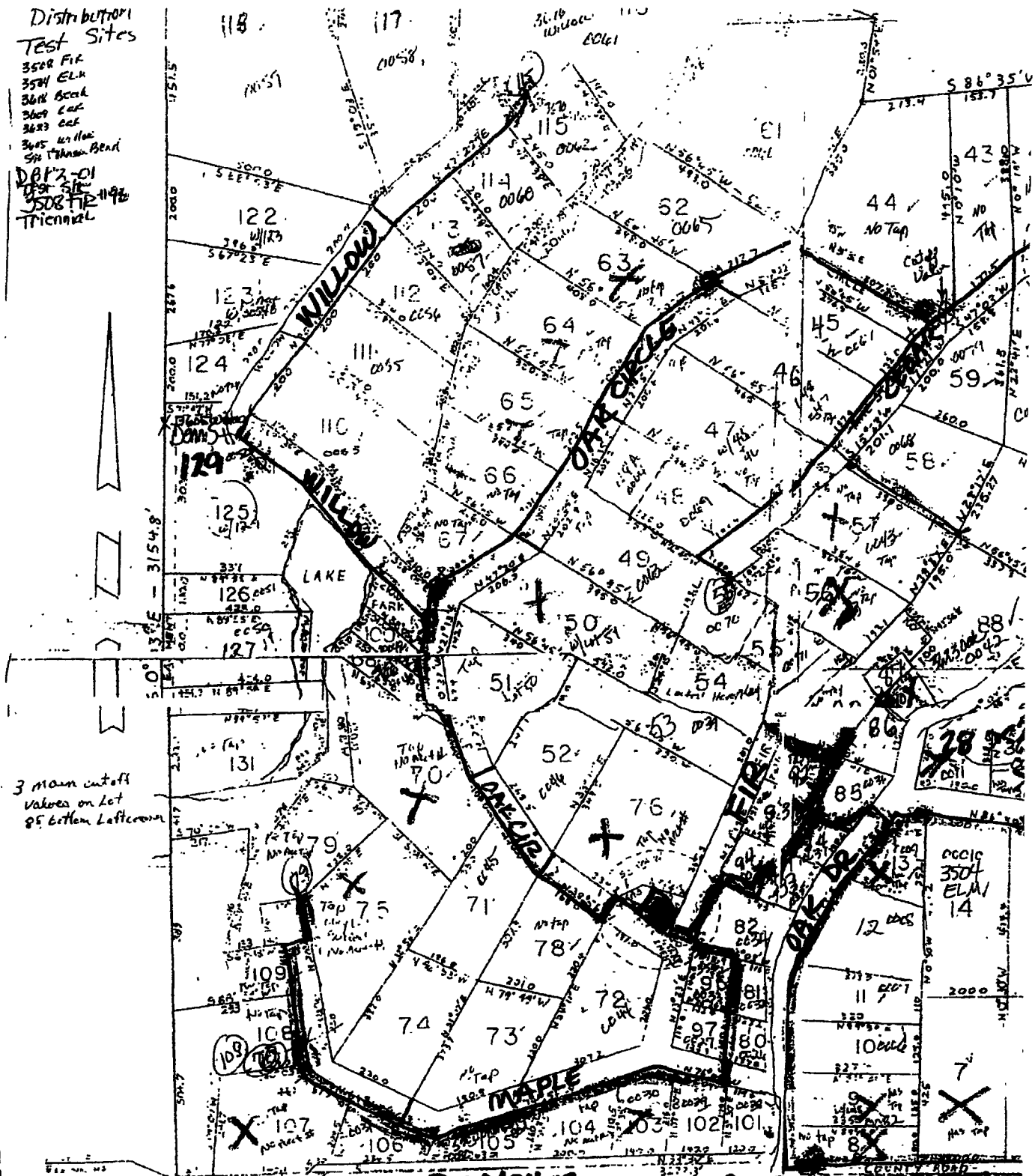
 TxDOT Counties



Esri, HERE, Garmin, INCREMENT P, NGA, USGS



Distribution  
Test Sites  
3508 Fir  
3504 Elm  
3608 Birch  
3609 Oak  
3603 Oak  
3605 Willow  
Site Unknown Bend  
DAP-2-01  
DAP-2-02  
3508 Fir 1193  
Triennial



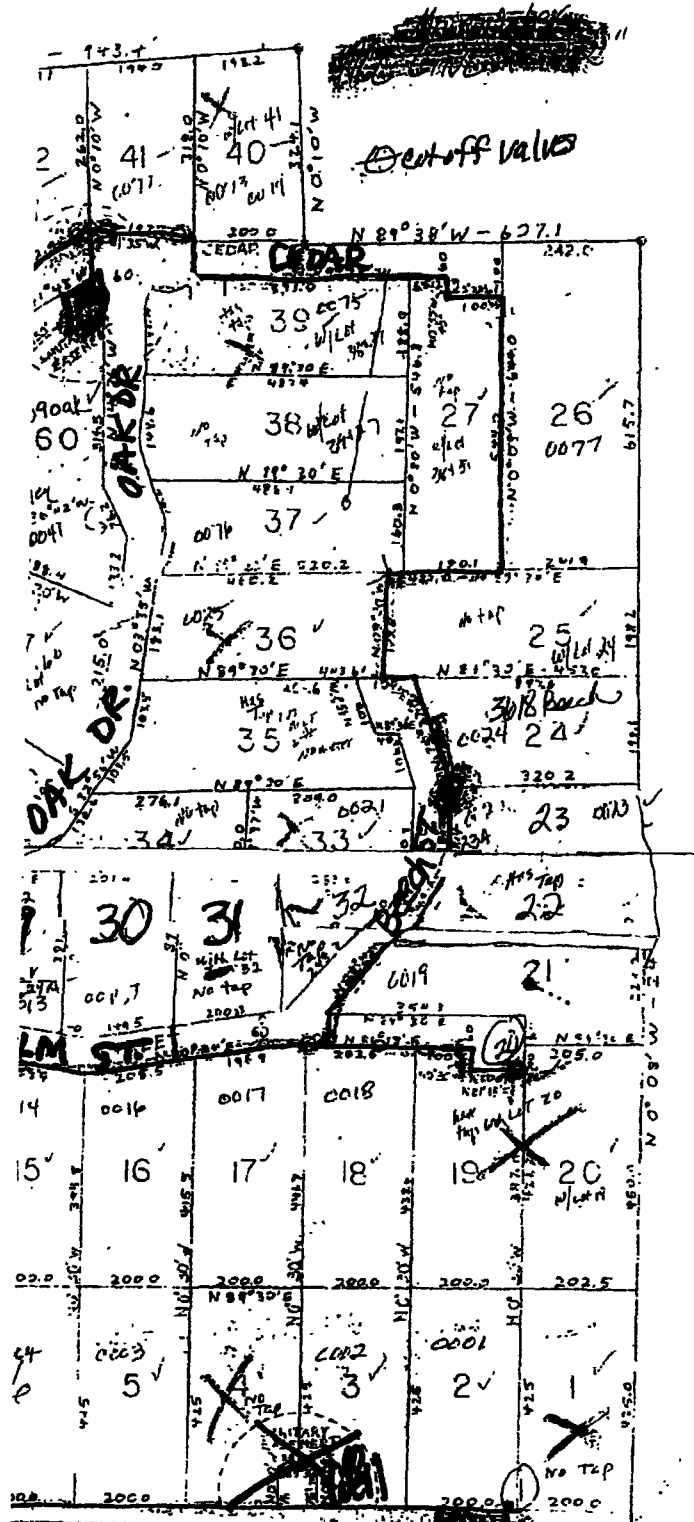
CRAZY HORSE RANCHES

ID# 1340024  
Crazy Horse Water Co.  
817-599-8195  
CCN# 11931

Well site 1 (Soot)

Well site 2 (Nor)

13-D



Lead ends / Flushed Monthly # 1, 20, 54, 90, 115, 108 (A)

Well 1 G1840024 A  
Well 2 G1840024 B

Well 3 G1840024 C  
Well 4 G1840024 D

NOTE #20 will not allow water in on property cause it water has w/dle b  
X Private Well

**Patterson Water Supply**  
**1508 Hwy 377 North**  
**Collinsville, TX 76233**  
**903-429-3008**

February 15, 2017

Irene Montelongo, Director, Docket Management  
Public Utility Commission of Texas  
1701 N. Congress Avenue  
P.O. Box 13326  
Austin, TX 78711-3326

**RE: Project No. 46402 – Notice Revising CCN Number – Recorded w/Denton County**

Dear Ms. Montelongo,


Please find attached the “Filed for Record” copy of the Notice Revising CCN Number for Patterson Water Supply – Project No. 46402.


Even though this “Notice” did not require recording in the Public Property Records in Denton County, I thought it prudent to record it as it changed the CCN number and boundary maps.

After two attempts to record these documents in the Public Property Records, the Denton County Clerk would only file them in the Administrative Office as an “Administrative Filing” keeping the original documents and providing me with a copy.

I believe I have done my due diligence and ask that you accept these documents as record of compliance.

Respectfully,

  
**Vanessa Price**  
**Office Manager**  
**Patterson Water Supply**

BY: Amir Medin   
DATE: 12-30-2016

PROJECT NO. 46402

RECEIVED

PETITION FOR CORRECTION OF  
CERTIFICATE ASSIGNMENT IN  
DOCKET NO. 42985 RELATING TO  
PATTERSON WATER SUPPLY LLC

§  
§  
§  
§

PUBLIC UTILITY COMMISSION

OF TEXAS  
FILING CLERK

FILED FOR PETITION  
DENTON COUNTY CLERK

JAN 10 2017

JULI LUKE  
DEPUTY

### NOTICE REVISING CCN NUMBER

This Order addresses the joint petition of Commission Staff and Patterson Water Supply LLC (Patterson) filed October 4, 2016, for correction of the water certificate of convenience and necessity (CCN) assigned to Patterson in Docket No. 42985.<sup>1</sup> Commission Staff supplemented the petition to recognize that Patterson's CCN was subsequently amended in Docket No. 43080.<sup>2</sup> The joint petition is granted.

### Background

Effective September 1, 2014, the Commission began the economic regulation of water and sewer utilities. Several hundred cases formerly pending at the Texas Commission on Environmental Quality (TCEQ) were transferred to the Commission on September 1, 2014. Among them was an application by Lass Water Company and Patterson for approval of a sale of facilities from Lass to Patterson and for Patterson to obtain a CCN. The facilities acquired in this transaction are known as the Cooley Point system and the Hills of Briar Oaks system. The application was approved on December 19, 2014 and Patterson was issued a new CCN, map, and tariff bearing the number 13225. However, it was recently discovered that a CCN with the number 13225 had been issued to the City of Grandview by the TCEQ only weeks before the transfer.<sup>3</sup>

In a separate application also transferred from the TCEQ, Patterson sought and was granted approval to acquire facilities from Vacation Village Water Utility System in Denton County. In this more recent case, the facilities acquired are known as the Vacation Village system. Patterson

<sup>1</sup> Application of Lass Water Company and Patterson Water Supply LLC for Sale, Transfer, or Merger of Facilities and to Obtain a Certificate of Convenience and Necessity in Wise and Tarrant Counties (37693-S), Docket No. 42985, Notice of Approval (Dec. 19, 2014).

<sup>2</sup> Application of Patterson Water Supply LLC and Vacation Village Water Utility System for Sale, Transfer, or Merger of Facilities and Certificate Rights in Denton County, Docket No. 43080, Notice of Approval (Jul. 12, 2016).

<sup>3</sup> Application of the City of Grandview to Obtain a Water Certificate of Convenience and Necessity in Johnson County, Texas, Application No. 34475-C, Docket No. 2004-0659-UCR, Order (Aug. 6, 2014).

4

received a certificate with the number 13225, a map of the area in Denton County to be served, and a tariff which showed the addition of the Vacation Village system.

***Petition and Revision***

Petitioners request that the Commission revise the CCN, map, and tariff issued to Patterson to reflect a new certificate number. Joint Petitioners stated that there are no changes to Patterson's approved service areas or the tariff and request that notice not be required in this instance. Petitioners attached a certificate, along with the maps reflecting the service areas granted to Patterson in Docket Nos. 42985 and 43080, and a tariff that governs the three systems described above, with new CCN number 13248.

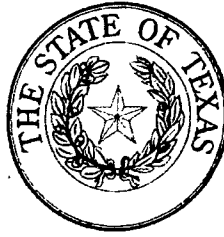
The petition, as supplemented, is granted. Since this proceeding involves an administrative correction of Commission records, notice is not necessary. Effective immediately, Patterson is deemed to hold CCN No. 13248 (Attachment A) and authorization to continue serving the areas shown in the updated maps (Attachments B1 and B2) provided with this Notice continues in effect. The rates, terms, and conditions previously approved for Patterson also continue in effect and are reflected in the updated tariff (Attachment C) provided with this Notice.

**SIGNED AT AUSTIN, TEXAS the 25th day of October 2016.**

**PUBLIC UTILITY COMMISSION OF TEXAS**



**IRENE MONTELONGO  
DIRECTOR, DOCKET MANAGEMENT**



# Public Utility Commission of Texas

**By These Presents Be It Known To All That**

## **Patterson Water Supply, LLC**

having obtained certification to provide water utility service for the convenience and necessity of the public, and it having been determined by this Commission that the public convenience and necessity would in fact be advanced by the provision of such service, Patterson Water Supply, LLC, is entitled to this

## **Certificate of Convenience and Necessity No. 13248**

to provide continuous and adequate water utility service to that service area or those service areas in Denton, Tarrant and Wise Counties as by final Order or Orders duly entered by this Commission, which Order resulting from Docket Nos. 42985 and 43080, and Project No. 46402 are on file at the Commission offices in Austin, Texas and are a matter of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty of Patterson Water Supply LLC, to provide such utility service in accordance with the laws of this State and Rules of this Commission, subject only to any power and responsibility of this Commission to revoke or amend this Certificate in whole or in part upon a subsequent showing that the public convenience and necessity would be better served thereby.

Issued at Austin, Texas, the 25<sup>th</sup> day of October 2016.

14-D

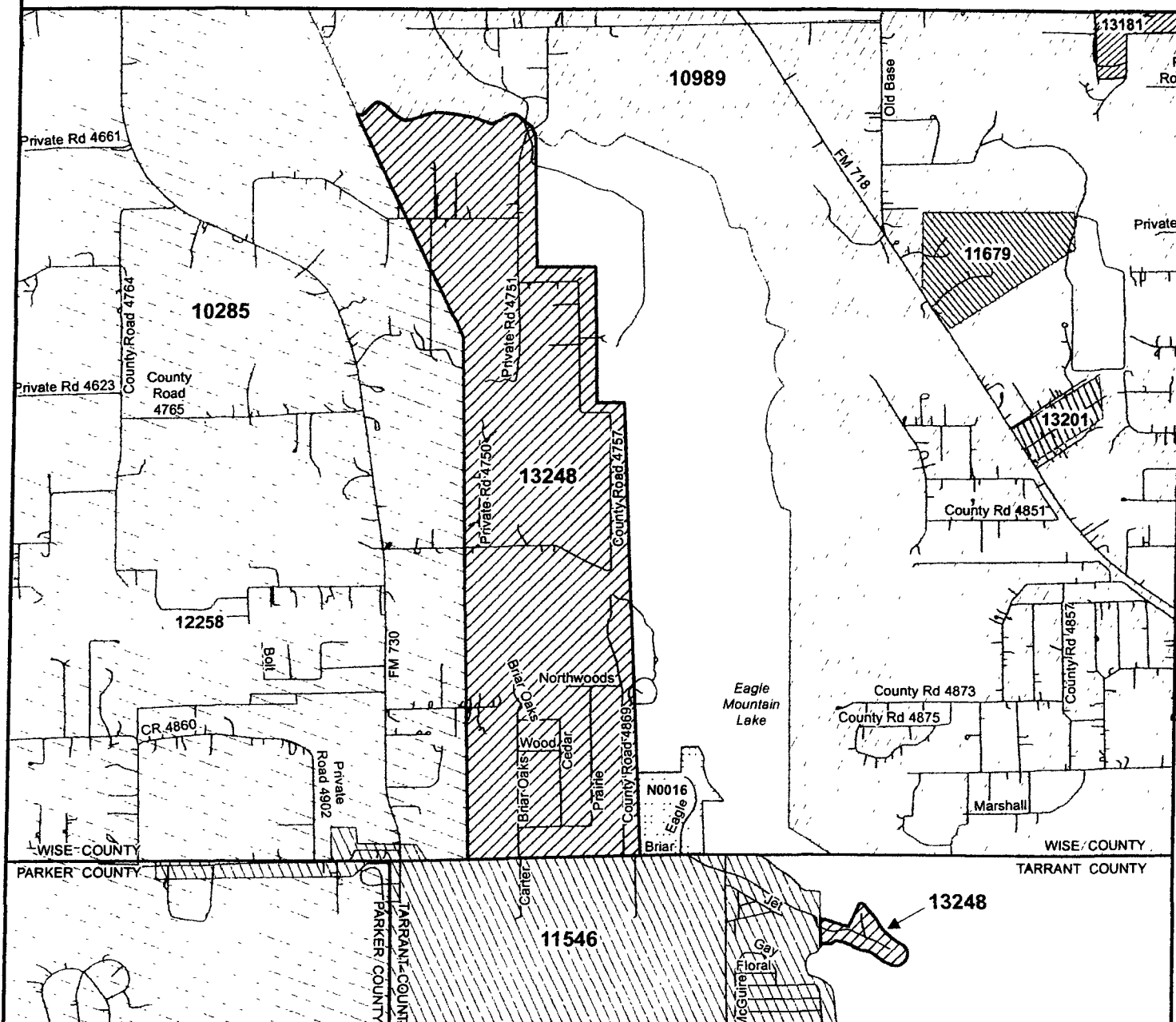
## Patterson Water Supply LLC

Water Service Area

CCN No. 13248

PUC Project No. 46402

Transferred a Portion of Lonzo Gale dba Lass Water Company, CCN No. 12258  
to Patterson Water Supply LLC, CCN No. 13248 in Tarrant and Wise Counties (Docket No. 42985)

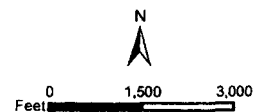


## Water CCN Service Areas

- |  |                                    |  |                            |
|--|------------------------------------|--|----------------------------|
|  | 13248 - Patterson Water Supply LLC |  | 13181 - City of Aurora     |
|  | 10285 - Walnut Creek SUD           |  | 13201 - Aqua Texas Inc     |
|  | 10989 - City of Rhome              |  | N0016 - Eagle Pointe Water |
|  | 11546 - Community WSC              |  |                            |
|  | 11679 - Jones Acres Water          |  |                            |
|  | 12258 - Lass Water Company         |  |                            |



Public Utility Commission of Texas  
1701 N. Congress Ave  
Austin, TX 78701



Map by: Suzanne Jaster  
Updated by: Kristy Nguyen (10/25/16)  
Date created: October 4, 2016

Project path: n:/gis/projects/applications/42985\_46402.mxd