

Control Number: 48897



Item Number: 1

Addendum StartPage: 0



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

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

Sale, Transfer, or Merger (STM) Application Instructions

- I. **COMPLETE:** In order for the Commission to find the application sufficient for filing, the Applicant should:
 - i. Provide an answer to every question and submit any required attachment applicable to the STM request (i.e., agreements or contracts).
 - ii. Use attachments or additional pages to answer questions as necessary. If you use attachments or additional pages, reference their inclusion in the form.
 - iii. Provide all mapping information as detailed in Part G: Mapping & Affidavits.
- II. **FILE:** Seven (7) copies of the completed application with numbered attachments. One copy should be filed with no permanent binding, staples, tabs, or separators; and 7 copies of the portable electronic storage medium containing the digital mapping data.
 - i. **SEND TO:** Public Utility Commission of Texas, Attention: Filing Clerk, 1701 N. Congress Avenue, P.O. Box 13326, Austin, Texas 78711-3326 (**NOTE: Electronic documents may be sent in advance of the paper copy, however they will not be processed and added to the Commission's on-line Interchange until the paper copy is received and file-stamped in Central Records.**)
- III. The application will be assigned a docket number, and an administrative law judge (ALJ) will issue an order requiring Commission Staff to file a recommendation on whether the application is sufficient. The ALJ will issue an order after Staff's recommendation has been filed:
 - i. **DEFICIENT (Administratively Incomplete):** Applicants will be ordered to provide information to cure the deficiencies by a certain date, usually 30 days from ALJ's order. **Application is not accepted for filing.**
 - ii. **SUFFICIENT (Administratively Complete):** Applicants will be ordered by the ALJ to give appropriate notice of the application using the notice prepared by Commission Staff. **Application is accepted for filing.**
- IV. Once the Applicants issue notice, a copy of the actual notice sent and an affidavit attesting to notice should be filed in the docket assigned to the application. Recipients of notice may request a hearing on the merits.
HEARING ON THE MERITS: An affected party may request a hearing within 30 days of notice. In this event, the application may be referred to the State Office of Administrative Hearings (SOAH) to complete this request.
- V. **TRANSACTION TO PROCEED:** at any time following the provision of notice, or prior to 120 days from the last date that proper notice was given, Commission Staff will file a recommendation for the transaction to proceed as proposed or recommend that the STM be referred to SOAH for further investigation. The Applicants will be required to file an update in the docket to the ALJ every 30 days following the approval of the transaction. The transaction must be completed within six (6) months from the ALJ's order (Note: The Applicants may request an extension to the 6 month provision for good cause).
- VI. **FILE:** Seven (7) copies of completed transaction documents and documentation addressing the transfer or disposition of any outstanding deposits. After receiving all required documents from the Applicants, the application will be granted a procedural schedule for final processing. The Applicants are requested to consent in writing to the proposed maps and certificates, or tariff if applicable.
- VII. **FINAL ORDER:** The ALJ will issue a final order issuing or amending the applicable CCNs.

FAQ:

Who can use this form?

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

Who is required to use this form?

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

Terms

Transferor: Seller

Transferee: Purchaser

CCN: Certificate of Convenience and Necessity

STM: Sale, Transfer, or Merger

IOU: Investor Owned Utility

PUBLIC UTILITY COMMISSION
 FILING CLERK
 2018 NOV 20 PM 1:56
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Application Summary

Transferor: Kerrville South Water Company, Inc.

(selling entity)

CCN No.s: 11484

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

Transferee: Aqua Texas, Inc.

(acquiring entity)

CCN No.s: 13254

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

County(ies): Kerr County

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Please mark the items included in this filing

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

Part A: General Information

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

See Attachment 1 – Overview. Also, please see Attachment 2 – Approval Documents, which contain the Unanimous Consent of Sole Shareholder, Unanimous Consent of Directors, and Plan and Agreement of Asset Transfer for the proposed Kerrville South Water Company, Inc. to Aqua Texas, Inc. transaction.

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: Kerrville South Water Company, Inc.
(individual, corporation, or other legal entity)

☐ Individual ☒ Corporation ☐ WSC ☐ Other: _____

- B. Mailing Address: 1106 Clayton Lane, Suite 400W, Austin, TX 78723

Phone: (512) 990-4400 Email: N/A

- 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: Geoffrey P. Kirshbaum Title: Attorney

Mailing Address: Terrill & Waldrop - 810 West 10th Street, Austin, TX 78701

Phone: (512) 474-9100 Email: gkirshbaum@terrillwaldrop.com

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

- A. Effective date for most recent rates: May 1, 2018

- 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: PUC Docket No. 48197

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 1,190

☒ # of customers with deposits held by the transferor* 108

*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: Aqua Texas, Inc.

(individual, corporation, or other legal entity)

☐ Individual ☒ Corporation ☐ WSC ☐ Other:

B. Mailing Address: 1106 Clayton Lane, Suite 400W, Austin, Texas 78723

Phone: (512) 990-4400

Email: N/A

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: Geoffrey P. Kirshbaum

Title: Attorney

Address: Terrill & Waldrop - 810 West 10th Street, Austin, Texas 78701

Phone: (512) 474-9100

Email: gkirshbaum@terriillwaldrop.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): 32014405503

☐ 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: Aqua Texas

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: Please see Attachment 4

Position: _____ Ownership % (if applicable): 0.00%

Address: _____

Phone: _____ Email: _____

Name: _____

Position: _____ Ownership % (if applicable): 0.00%

Address: _____

Phone: _____ Email: _____

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.

See Attachment 5 - Excerpts from 2017 Annual Report for Aqua America, Inc. and its subsidiaries.

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

Not applicable.

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: \$ _____ N/A - See Attachment 6 - Accounting Entry Explanation and Asset Listing.

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

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

☐ No ☒ Yes ☐ N/A

Total Original Cost of Plant in Service: \$ _____

Accumulated Depreciation: \$ _____

Net Book Value: \$ _____

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

☒ No ☐ Yes

Total Customer CIAC: \$ _____

Accumulated Amortization: \$ _____

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

☒ No ☐ Yes

Total developer CIAC: \$ _____

Accumulated Amortization: \$ _____

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

☒ No ☐ Yes

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

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

The transaction will serve the public interest by facilitating efficient operation and regulation of all the Aqua Texas systems currently operated in Texas by consolidating them under a single corporate entity, Aqua Texas, Inc., possessing regional water and wastewater CCN numbers. Additionally, recent changes to PUC annual reporting requirements call for filing CCN-specific reports. PUC Staff has specifically expressed a preference that Aqua Texas, Inc. complete this consolidation process started several years ago when CCNs were administered by the TCEQ to facilitate this reporting and to simplify future rate cases. This transaction will bring Aqua Texas, Inc. closer to having its CCNs, systems, and service areas aligned with regional CCN numbers, but does not request a change to existing rates applicable to customers proposed for transfer.

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: | \$ _____ | N/A - See Attachment 6 - Accounting |
| Accumulated Depreciation of Plant: | \$ _____ | Entry Explanation and Asset Listing. |
| Cash: | \$ _____ | |
| Notes Payable: | \$ _____ | |
| Mortgage Payable: | \$ _____ | |
| (Proposed) Acquisition Adjustment*: | \$ _____ | |
| Other (NARUC account name & No.): | _____ | |
| Other (NARUC account name & No.): | _____ | |

*Acquisition Adjustments will be subject to review under 16 TAC § 24.31(d) and (e)

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 billing change is proposed to take place as a result of the proposed transaction.

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:

Transferee does not intend to file an application to change rates for any customers as a result of the proposed transaction. Other factors would drive any decision regarding rate changes.

Part E: CCN Obtain or Amend Criteria Considerations

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

The quality of service will remain at a high level due to the experienced operators employed by Aqua Texas, Inc. and will meet or exceed current levels. Aqua Texas, Inc. will deal promptly with any service issues which may arise.

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.

See Attachment 1 - Overview. A report describing the compliance status for Kerrville South Water Company system is included as Attachment 7. A TCEQ Compliance History Report for Aqua Texas, Inc. dated August 30, 2018 is included as Attachment 8. Aqua Texas, Inc. will provide additional system detail information to the Commission upon request. However, the Commission should bear in mind that the same personnel will manage and operate the systems after the proposed transfer to Aqua Texas, Inc. as before.

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 change with respect to environmental integrity or land impact/disruption as a result of the proposed transaction.

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

The transaction will serve the public interest by facilitating efficient operation and regulation of all the Aqua Texas systems currently operated in Texas by consolidating them under a single corporate entity, Aqua Texas, Inc., possessing regional water and wastewater CCN numbers. Additionally, recent changes to PUC annual reporting requirements call for filing CCN-specific reports. PUC Staff has specifically expressed a preference that Aqua Texas, Inc. complete this consolidation process started several years ago when CCNs were administered by the TCEQ to facilitate this reporting and to simplify future rate cases. This transaction will bring Aqua Texas, Inc. closer to having its CCNs, systems, and service areas aligned with regional CCN numbers, but does not request a change to existing rates applicable to customers proposed for transfer.

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:

Please see Attachment 9.

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: _____ (7 digit ID)

Name of PWS: Please see Attachment 7 for 22-27.

Date of last TCEQ compliance inspection: _____ (attach TCEQ letter)

Subdivisions served: _____

B. For Sewer service:

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

Name of Wastewater Facility: _____

Name of Permittee: _____

Date of last TCEQ compliance inspection: _____ (attach TCEQ letter)

Subdivisions served: _____

Date of application to transfer permit submitted to TCEQ: _____**23. List the number of existing connections, by meter/connection type, to be affected by the proposed transaction:**

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

24. A. Are any improvements required to meet TCEQ or Commission standards?☐ No ☐ Yes**B. Provide details on each required major capital improvement necessary to correct deficiencies to meet the TCEQ or Commission standards (attach any engineering reports or TCEQ approval letters):**

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

C. Is there a moratorium on new connections?☐ No ☐ Yes:**25. Does the system being transferred operate within the corporate boundaries of a municipality?**☐ No ☐ Yes: _____ (name of municipality)

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

Water: _____ Sewer: _____

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

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

Capacity is purchased from: _____

Water: _____

Sewer: _____

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

☐ No ☐ Yes

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

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

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

☐ No ☐ Yes:

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

☐ No ☐ Yes:

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

| Name (as it appears on license) | Class | License No. | Water or Sewer |
|---------------------------------|-------|-------------|----------------|
| Please see Attachment 10. | | | |
| | | | |
| | | | |
| | | | |

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: 3,671.00

Number of customer connections in the requested area: _____

Affected subdivision : See Attachment 14 for service area descriptions.

The closest city or town: _____

Approximate mileage to closest city or town center: _____

Direction to closest city or town: _____

The requested area is generally bounded on the North by: _____

on the East by: _____

on the South by: _____

on the West by: _____

31. A copy of the proposed map will be available at: Aqua Texas, Inc. - 1106 Clayton Ln., Ste. 400W, Austin, Texas 78723

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

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

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

☐ higher monthly bill ☐ lower monthly bill

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

☐ higher monthly bill ☐ lower monthly bill

Oath for Transferor (Transferring Entity)

STATE OF TEXAS

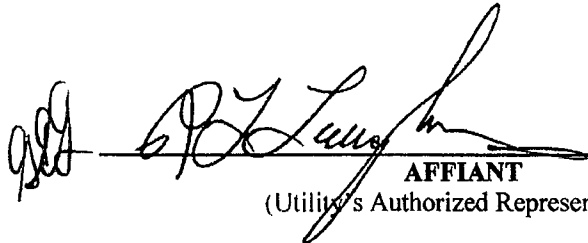
COUNTY OF TRAVIS

I, Robert L. Laughman being duly sworn, file this application for sale,
merger, consolidation, acquisition, lease, or transfer,
rental, as President, Kerrville South Water Company, Inc.

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

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

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

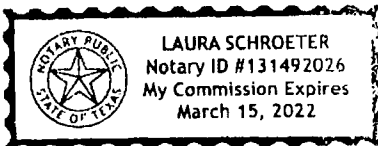


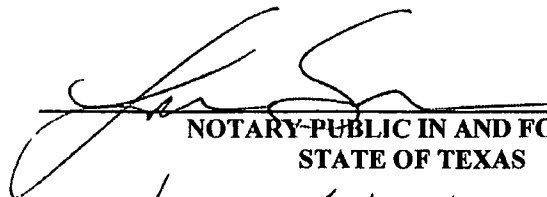
AFFIANT
(Utility's Authorized Representative)

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

SUBSCRIBED AND SWORN BEFORE ME, a Notary Public in and for the State of Texas
this day the 15 of November, 2018

SEAL





**NOTARY-PUBLIC IN AND FOR THE
STATE OF TEXAS**
Laura Schroeter

PRINT OR TYPE NAME OF NOTARY

My commission expires: March 15, 2022

Oath for Transferee (Acquiring Entity)

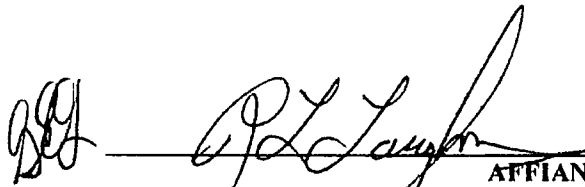
STATE OF TEXAS

COUNTY OF TRAVIS

I, Robert L. Laughman being duly sworn, file this application for sale, transfer, merger, consolidation, acquisition, lease, or rental, as President, Aqua Texas, Inc.
(owner, member of partnership, title as officer of corporation, or authorized representative)

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

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

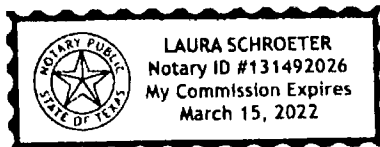


AFFIANT
(Utility's Authorized Representative)

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

SUBSCRIBED AND SWORN BEFORE ME, a Notary Public in and for the State of Texas
this day the 15 of November, 2018

SEAL




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

Laura Schroeter
PRINT OR TYPE NAME OF NOTARY

My commission expires: March 15, 2022

Aqua Texas' Application for Sale, Transfer, or Merger of a Retail Public Utility – Kerrville South Water

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ATTACHMENT 1**OVERVIEW****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(s) affected by the proposed transaction. Attach all supporting documentation, such as a contract, a lease, or proposed purchase agreement.

The proposed transaction that this application requests approval for involves an asset purchase and acquisition by Aqua Texas, Inc. of the water system assets owned by Kerrville South Water Company, Inc. and operated within Aqua Texas' Southwest Region. Kerrville South Water Company, Inc. is a subsidiary of Aqua Utilities, Inc., which is a subsidiary of Aqua America, Inc. The transaction strictly involves an asset sale/acquisition/transfer between Aqua America, Inc. subsidiaries. While legal ownership and responsibility for the assets will be placed under a different corporate entity, day-to-day utility operations and applicable retail public utility rates will not change as a result of the proposed transaction or this Application.

To complete the consolidation of all Aqua Southwest Region systems and service areas under Aqua Texas, Inc. and its water and sewer CCN numbers, additional applications will be necessary under separate cover. Yet, if approved, the transaction proposed in this Application will contribute to consolidation of Aqua Texas' Southwest Region systems under regional water CCN numbers.

Aqua Texas, Inc. recently obtained water CCN No. 13254 in PUC Docket No. 46077. Aqua Texas, Inc. requests that all the water systems and service areas covered by this Application under CCN No. 11484 be transferred to Aqua Texas, Inc. for future operation under water CCN No. 13254. For future Southwest Region water system or service area acquisitions or amendments, Aqua Texas, Inc. plans to use water CCN No. 13254. Kerrville South Water Company, Inc.'s water CCN No. 11484 may be canceled following approval of this transaction.

The executed documents that support the proposed transaction are included in **Attachment 2**. Final documents evidencing closing of the transaction will be prepared if the Commission provides approval for the transaction to close. Existing land uses in the areas affected by the application are mostly residential, but also include some commercial uses. Existing land uses are not anticipated to change as a result of the proposed transaction in this Application.

Aqua's experience in providing continuous and adequate service:

Aqua Texas, Inc. is a subsidiary of Aqua America, Inc., one of the largest publicly traded water utilities in America. Aqua Texas, Inc. currently holds CCN Nos. 13201 and 21059 applicable to its North Region systems, 13203 and 21065 applicable to its Southeast Region systems, and CCN No. 13254 applicable to the only water system already possessed by Aqua Texas, Inc. in the Aqua Texas Southwest Region (Brushy Bend Park). Aqua Texas, Inc., Aqua Utilities, Inc., Kerrville South Water Company, Inc., Harper Water Company, Inc., and Aqua Development, Inc., (collectively, "Aqua") currently operate more than 375 water and sewer systems in Texas. While Aqua Texas, Inc. is a distinct Aqua America, Inc. subsidiary from Aqua Utilities, Inc. and its subsidiaries, Aqua Texas, Inc. will use the same experienced management and staff after the proposed transfer. Aqua Texas, Inc. will continue to possess the financial ability to make all necessary repairs and improvements to the transferred water and wastewater systems needed to keep them in compliance with PUC and TCEQ requirements.

In addition to implementing action items under an extensive Agreed Compliance Order inherited in 2003 from Aqua predecessors, Aqua has diligently worked to implement other needed improvements for systems it has acquired over the years. Aqua has also acquired systems from prior owners who did not fully implement needed improvements with the aim of resolving those issues and improving the quality of service for customers. While Aqua has made good faith efforts to proactively address such issues, Aqua entities have occasionally received notices of violation from TCEQ before an issue was addressed. In these instances, Aqua has worked with TCEQ to resolve the issue and will continue that practice following the proposed transaction.

KERRVILLE SOUTH WATER COMPANY, INC
Unanimous Consent of Sole Shareholder
October 1, 2017

THE UNDERSIGNED, being the sole shareholder ("Shareholder") of **Kerrville South Water Company, Inc.** (the "Company"), a Texas corporation, in accordance with the authority contained in the Bylaws of the Company and the laws of the State of Texas, hereby consents in writing that the following Resolution shall have the same force and effect as if adopted at a Special Meeting of the Shareholders of the Company, duly called and held in accordance with the law and such Bylaws of the Company:

WHEREAS, the Shareholder, after due consideration, believes it is in the best interests of the Company to transfer all of the Company's Texas based assets that are used and useful in the provision of regulated water services ("Assets") to its affiliate, **Aqua Texas, Inc.**; and

WHEREAS, Aqua Texas agrees to accept the Assets and to assume sole and complete responsibility for delivering the regulated water services now provided by the Company;

NOW, THEREFORE, BE IT

RESOLVED, the Plan and Agreement of Asset Transfer between the Company and Aqua Texas, Inc. which is attached hereto as **Exhibit A** as a "Plan of Reorganization" within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, and the regulations there under, is approved and the Company is authorized to take such action that will cause the transfer to qualify as a reorganization under Section 368(a) (1) (A) of the Code.

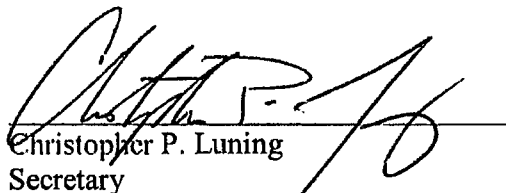
IN WITNESS WHEREOF, this Unanimous Consent of the Sole Shareholder has been executed as of the day and year set forth above.

AQUA UTILITIES, INC.

By: 

Christopher H. Franklin
Chief Executive Officer

FILED with the undersigned as Secretary of the Company as of the day and year set forth above.


Christopher P. Luning
Secretary

AQUA TEXAS, INC
Unanimous Consent of Sole Shareholder
October 1, 2017

THE UNDERSIGNED, being the sole shareholder ("Shareholder") of **Aqua Texas, Inc.** (the "Company"), a Texas corporation, in accordance with the authority contained in the Bylaws of the Company and the laws of the State of Texas, hereby consents in writing that the following Resolutions shall have the same force and effect as if adopted at a Special Meeting of the Shareholders of the Company, duly called and held in accordance with the law and such Bylaws of the Company:

WHEREAS, Shareholder, after due consideration, believes it is in the best interests of the Company to accept the transfer of all of the Texas based assets of its affiliate, **Kerrville South Water Company, Inc.**, that are used and useful in the provision of regulated water services ("Assets"); and

WHEREAS, the Company agrees to accept the Assets and to assume sole and complete responsibility for delivering the regulated water services now provided by the Kerrville South Water Company, Inc.;

NOW, THEREFORE, BE IT

RESOLVED, the Plan and Agreement of Asset Transfer between the Company and Kerrville South Water Company, Inc. which is attached hereto as **Exhibit A** as a "Plan of Reorganization" within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, and the regulations there under, is approved and the Company is authorized to take such action that will cause the transfer to qualify as a reorganization under Section 368(a) (1) (A) of the Code; and it is

FURTHER RESOLVED, that the Officers of Company are hereby authorized and empowered to do all things necessary to carry out the actions authorized by these Resolutions, including but not limited to the execution of all necessary and required

documents including without limitation the Plan and Agreement of Asset Transfer and a Bill of Sale;

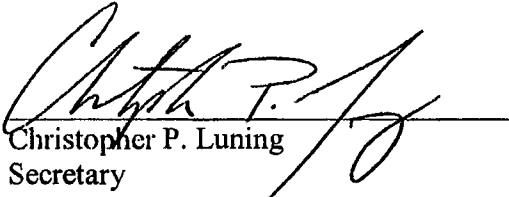
IN WITNESS WHEREOF, this Unanimous Consent of the Sole Shareholder has been executed as of the day and year set forth above.

AQUA AMERICA, INC.

By: 

Christopher H. Franklin
Chief Executive Officer

FILED with the undersigned as Secretary of the Company as of the day and year set forth above.


Christopher P. Luning
Secretary

KERRVILLE SOUTH WATER COMPANY, INC.
Unanimous Consent of Directors
October 1, 2017

THE UNDERSIGNED, the members of the Board of Directors of **Kerrville South Water Company, Inc.** (the "Company"), a Texas corporation, in accordance with the authority contained in the Bylaws of the Company and the laws of the State of Texas, do hereby consent in writing that the following Resolutions shall have the same force and effect as if adopted at a Special Meeting of the Board of Directors of the Company, duly called and held in accordance with the law and such Bylaws of the Company:

WHEREAS, the Directors, after due consideration, believe that it is in the best interests of the Company to cease its regulated operations and to transfer all its assets within the State of Texas that are used and useful in the provision of regulated water services ("Assets") to its affiliate company, **Aqua Texas, Inc.**; and

WHEREAS, Aqua Texas, Inc. agrees to assume sole and complete responsibility for the provision of regulated water utility services now provided by the Company;

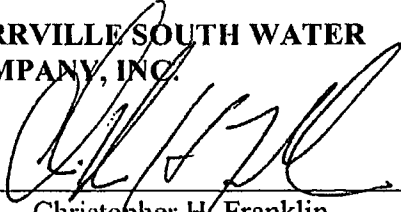
NOW, THEREFORE, BE IT

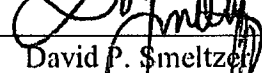
RESOLVED, the Plan and Agreement of Asset Transfer between the Company and Kerrville South Water Company, Inc. which is attached hereto as **Exhibit A** as a "Plan of Reorganization" within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, and the regulations there under, is approved and the Company is authorized to take such action that will cause the transfer to qualify as a reorganization under Section 368(a) (1) (A) of the Code;

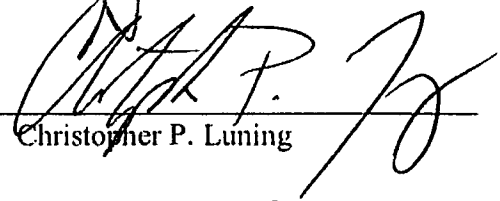
FURTHER RESOLVED, that the Officers of Company are hereby authorized and empowered to do all things necessary to carry out the actions authorized by these Resolutions, including but not limited to the execution of all necessary and required documents including without limitation the execution of the Plan and Agreement of Asset Transfer and a Bill of Sale.

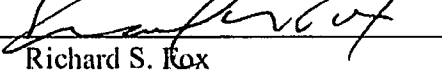
IN WITNESS WHEREOF, this Unanimous Consent of the Directors has been executed as of the day and year set forth above.

**KERRVILLE SOUTH WATER
COMPANY, INC.**

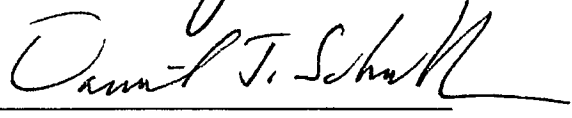
By: 
Christopher H. Franklin

By: 
David P. Smeltzer

By: 
Christopher P. Luning

By: 
Richard S. Rox

By: 
Robert L. Laughman

By: 
Daniel J. Schuller

FILED with the undersigned as Secretary of Kerrville South Water Company, Inc. as of the day and year set forth above.

Christopher P. Luning, Secretary

AQUA TEXAS, INC.
Unanimous Consent of Directors
October 1, 2017

THE UNDERSIGNED, the members of the Board of Directors of **Aqua Texas, Inc.** (the "Company"), a Texas corporation, in accordance with the authority contained in the Bylaws of the Company and the laws of the State of Texas, do hereby consent in writing that the following Resolutions shall have the same force and effect as if adopted at a Special Meeting of the Board of Directors of the Company, duly called and held in accordance with the law and such Bylaws of the Company:

WHEREAS, the Directors, after due consideration, believe that it is in the best interest of the Company to accept a transfer from its affiliate, **Kerrville South Water Company, Inc.**, of all of affiliate's assets within the State of Texas and that are used and useful in the provision of regulated water services ("Assets"); and

WHEREAS, Aqua Texas, Inc. wishes to assume sole and complete responsibility for the provision of water utility services now provided by then Kerrville South Water Company, Inc.;

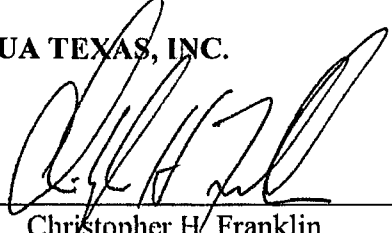
NOW, THEREFORE, BE IT

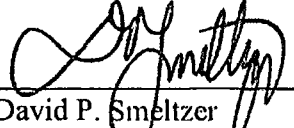
RESOLVED, the Plan and Agreement of Asset Transfer between the Company and Kerrville South Water Company, Inc. which is attached hereto as **Exhibit A** as a "Plan of Reorganization" within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, and the regulations there under, is approved and the Company is authorized to take such action that will cause the transfer to qualify as a reorganization under Section 368(a) (1) (A) of the Code; and it is

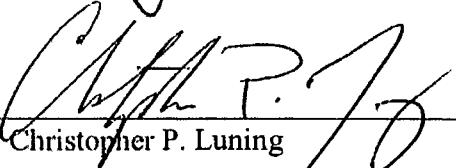
FURTHER RESOLVED, that the Officers of Company are hereby authorized and empowered to do all things necessary to carry out the actions authorized by these Resolutions, including but not limited to the execution of all necessary and required documents including without limitation the execution of the Plan and Agreement of Asset Transfer and a Bill of Sale.

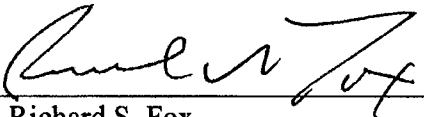
IN WITNESS WHEREOF, this Unanimous Consent of the Directors has been executed as of the day and year set forth above.

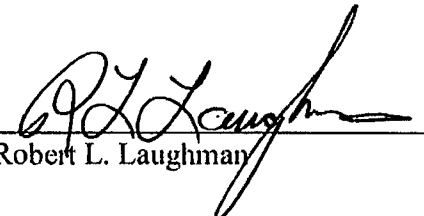
AQUA TEXAS, INC.

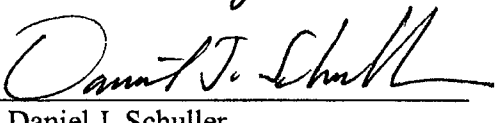
By: 
Christopher H. Franklin

By: 
David P. Smeltzer

By: 
Christopher P. Luning

By: 
Richard S. Fox

By: 
Robert L. Laughman

By: 
Daniel J. Schuller

FILED with the undersigned as Secretary of Aqua Texas, Inc. as of the day and year set forth above.

Christopher P. Luning, Secretary

PLAN AND AGREEMENT OF ASSET TRANSFER
between
KERRVILLE SOUTH WATER COMPANY, INC.
and
AQUA TEXAS, INC.

This Plan and Agreement of Asset Transfer ("Plan of Transfer"), dated as of the 1st day of October, 2017 is made by and between, **Kerrville South Water Company, Inc.**, a Texas corporation (the "Company"), and **Aqua Texas, Inc.**, a Texas corporation ("Aqua Texas")(collectively the "Parties").

WITNESSETH:

WHEREAS, the Company is a wholly owned subsidiary of Aqua Utilities, Inc. and Aqua Utilities, Inc. and Aqua Texas are wholly owned subsidiaries of Aqua America, Inc., ("Ultimate Parent"), a Pennsylvania Corporation;

WHEREAS, the Company desires to transfer to Aqua Texas, and Aqua Texas desires to acquire from the Company, all of the Company's assets that are used or useful in the provision of regulated water service ("Water Service Business") within the State of Texas (the "Water Service Territory"); and

WHEREAS, Aqua Texas will assume all of the liabilities, rights and obligations of the Water Service Business ("Assumed Obligations") in exchange for the transfer of all of Company's regulated assets within the Water Service Territory;

NOW THEREFORE, in consideration of the covenants made herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto, intending to be legally bound hereby, agree as follows:

1. In consideration of Aqua Texas' assuming all of the Assumed Obligations related to the Water Service Business, the Company will grant, convey, assign, transfer and deliver to Aqua Texas all of the assets (whether real or personal, tangible or intangible) which are located within the State of Texas and which are used or useful in the Water Service Business, as further described in a Bill of Sale, Assignment and Assumption Agreement and Quitclaim Deeds to be executed by the Company.

2. Aqua Texas hereby agrees to acquire from the Company all of the assets that are used and useful in Water Service Business within the Water Service Territory, to assume all Assumed Obligations incurred in connection with such Water Service Business and to fully perform all of the obligations of the Company related to the Water Service Business.

3. Each party shall execute and deliver, upon request, any further documentation

and instruments, including but not limited to the Bill of Sale, Assignment and Assumption Agreement and the quitclaim deeds ("Closing Documents"), and shall do and perform any such acts, as may be reasonably necessary to give full effect to the intent of this Plan of Transfer.

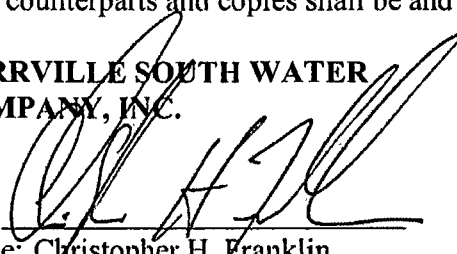
4. This transaction shall be effective upon the date of its execution, but shall be contingent upon; 1) final approval of transactions covered within this Plan of Transfer by the Public Utility Commission of Texas; 2) the approval of the Board of Directors of both Parties to this Plan of Transfer; and 3) the consent of the Sole Shareholder of both Parties to this Plan of Transfer.

5. The transactions necessary to execute this Plan of Transfer shall not become effective until after: (1) the Public Utility Commission of Texas ("PUC") provides approval to complete the transactions in accordance with TEX. WATER CODE § 13.301; and (2) the Closing Documents are finally executed. The effective date of the transactions shall be the date the Closing Documents are finally executed, but all the transactions shall be contingent upon final PUC approval in accordance with TEX. WATER CODE § 13.301. Further, the effectiveness of the transactions necessary to execute this Plan of Transfer shall be contingent upon Aqua Texas' receipt of all appropriate regulatory approvals required by law and necessary to effectively transfer the Company's permits and all assets that are used and useful in the Water Service Business.

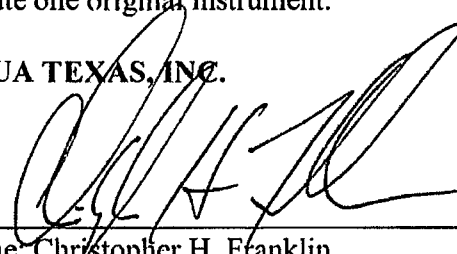
6. This Plan of Transfer shall be governed by the laws of the State of Texas and shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns.

7. This Plan of Transfer may be executed in any number of counterparts, and all such counterparts and copies shall be and constitute one original instrument.

**KERRVILLE SOUTH WATER
COMPANY, INC.**

By: 
Name: Christopher H. Franklin
Title: Chief Executive Officer

AQUA TEXAS, INC.

By: 
Name: Christopher H. Franklin
Title: Chief Executive Officer

| Company | Customer | Premises | Deposit Date | Deposit Balance | Interest Balance | Deposit and Interest Balance | Transfer |
|---------|----------|----------|--------------|-----------------|------------------|------------------------------|-----------------|
| 1317074 | 1410531 | 1056390 | 8/15/2012 | 50.00 | 0.66 | 50.66 | Kerrville South |
| 1317074 | 1438933 | 1056102 | 2/28/2018 | 50.00 | 0.19 | 50.19 | Kerrville South |
| 1317074 | 1438946 | 1056115 | 3/1/2018 | 50.00 | 0.19 | 50.19 | Kerrville South |
| 1317074 | 1438974 | 1056142 | 3/7/2014 | 50.00 | 2.64 | 52.64 | Kerrville South |
| 1317074 | 1438974 | 1056142 | 3/7/2014 | 50.00 | 2.64 | 52.64 | Kerrville South |
| 1317074 | 1438974 | 1056142 | 5/5/2014 | 50.00 | 2.39 | 52.39 | Kerrville South |
| 1317074 | 1438974 | 1056142 | 10/29/2014 | 50.00 | 1.11 | 51.11 | Kerrville South |
| 1317074 | 1439010 | 1056178 | 5/16/2018 | 50.00 | 0.04 | 50.04 | Kerrville South |
| 1317074 | 1439011 | 1056179 | 6/30/2017 | 50.00 | 0.39 | 50.39 | Kerrville South |
| 1317074 | 1439048 | 1056216 | 4/26/2016 | 50.00 | 0.55 | 50.55 | Kerrville South |
| 1317074 | 1439050 | 1056708 | 12/13/2016 | 50.00 | 0.52 | 50.52 | Kerrville South |
| 1317074 | 1439053 | 1056221 | 1/24/2014 | 50.00 | 3.38 | 53.38 | Kerrville South |
| 1317074 | 1439184 | 1056352 | 8/31/2017 | 50.00 | 0.34 | 50.34 | Kerrville South |
| 1317074 | 1439186 | 1056354 | 10/31/2017 | 50.00 | 0.30 | 50.30 | Kerrville South |
| 1317074 | 1439255 | 1056423 | 10/4/2017 | 50.00 | 0.32 | 50.32 | Kerrville South |
| 1317074 | 1439340 | 1056508 | 1/5/2011 | 50.00 | 0.66 | 50.66 | Kerrville South |
| 1317074 | 1439346 | 1056514 | 12/22/2017 | 50.00 | 0.27 | 50.27 | Kerrville South |
| 1317074 | 1439350 | 1056518 | 11/2/2016 | 50.00 | 0.52 | 50.52 | Kerrville South |
| 1317074 | 1439424 | 1056592 | 3/31/2017 | 50.00 | 0.44 | 50.44 | Kerrville South |
| 1317074 | 1439427 | 1056595 | 7/24/2014 | 50.00 | 1.90 | 51.90 | Kerrville South |
| 1317074 | 1439436 | 1056604 | 10/1/2009 | 50.00 | 0.66 | 50.66 | Kerrville South |
| 1317074 | 1439460 | 1056628 | 10/18/2016 | 50.00 | 0.52 | 50.52 | Kerrville South |
| 1317074 | 1439491 | 1056659 | 7/13/2006 | 50.00 | 0.66 | 50.66 | Kerrville South |
| 1317074 | 1439556 | 1056724 | 10/1/2013 | 50.00 | 0.66 | 50.66 | Kerrville South |
| 1317074 | 1439564 | 1056732 | 2/1/2018 | 50.00 | 0.23 | 50.23 | Kerrville South |
| 1317074 | 1439655 | 1056823 | 6/27/2012 | 50.00 | 0.66 | 50.66 | Kerrville South |
| 1317074 | 1439707 | 1056875 | 4/30/2018 | 50.00 | 0.11 | 50.11 | Kerrville South |
| 1317074 | 1439744 | 1056912 | 7/29/2016 | 50.00 | 0.53 | 50.53 | Kerrville South |
| 1317074 | 1439775 | 1056943 | 10/5/2017 | 50.00 | 0.32 | 50.32 | Kerrville South |
| 1317074 | 1439846 | 1057015 | 2/14/2007 | 50.00 | 0.66 | 50.66 | Kerrville South |
| 1317074 | 1439874 | 1057043 | 2/1/2017 | 50.00 | 0.48 | 50.48 | Kerrville South |
| 1317074 | 1439883 | 1057052 | 6/28/2017 | 50.00 | 0.39 | 50.39 | Kerrville South |
| 1317074 | 1440021 | 1057190 | 11/5/2015 | 50.00 | 0.59 | 50.59 | Kerrville South |
| 1317074 | 1440036 | 1057205 | 12/31/2009 | 50.00 | 0.66 | 50.66 | Kerrville South |
| 1317074 | 1440104 | 1057273 | 5/31/2017 | 50.00 | 0.40 | 50.40 | Kerrville South |
| 1317074 | 1440167 | 1057336 | 10/1/2014 | 50.00 | 0.95 | 50.95 | Kerrville South |
| 1317074 | 1440176 | 1057345 | 6/4/2012 | 50.00 | 0.66 | 50.66 | Kerrville South |
| 1317074 | 1440192 | 1057361 | 1/26/2011 | 50.00 | 0.66 | 50.66 | Kerrville South |
| 1317074 | 1440202 | 1057371 | 1/31/2017 | 50.00 | 0.49 | 50.49 | Kerrville South |
| 1317074 | 1440212 | 1057381 | 2/2/2018 | 50.00 | 0.23 | 50.23 | Kerrville South |
| 1317074 | 1443095 | 1057375 | 4/27/2018 | 50.00 | 0.12 | 50.12 | Kerrville South |
| 1317074 | 1464799 | 1056131 | 11/16/2015 | 50.00 | 0.59 | 50.59 | Kerrville South |
| 1317074 | 1486186 | 1056847 | 10/31/2013 | 50.00 | 0.66 | 50.66 | Kerrville South |
| 1317074 | 1509700 | 1057271 | 1/24/2013 | 50.00 | 0.66 | 50.66 | Kerrville South |
| 1317074 | 1544294 | 1056694 | 5/29/2009 | 50.00 | 0.66 | 50.66 | Kerrville South |
| 1317074 | 1578861 | 1056779 | 9/30/2010 | 50.00 | 0.66 | 50.66 | Kerrville South |
| 1317074 | 1601344 | 1057177 | 6/5/2012 | 50.00 | 0.66 | 50.66 | Kerrville South |
| 1317074 | 1625801 | 1057327 | 6/27/2018 | 1.98 | - | 1.98 | Kerrville South |
| 1317074 | 1631831 | 1056949 | 4/4/2018 | 50.00 | 0.15 | 50.15 | Kerrville South |
| 1317074 | 1676827 | 1056298 | 12/4/2015 | 50.00 | 0.59 | 50.59 | Kerrville South |
| 1317074 | 1677215 | 1057168 | 6/7/2017 | 50.00 | 0.40 | 50.40 | Kerrville South |
| 1317074 | 1732501 | 1057042 | 5/29/2013 | 50.00 | 0.66 | 50.66 | Kerrville South |

Aqua Texas Customer Deposit Report - July 1, 2018

| Company | Customer | Premises | Deposit Date | Deposit Balance | Interest Balance | Deposit and Interest Balance | Transfer |
|---------|----------|----------|--------------|-----------------|------------------|------------------------------|-----------------|
| 1317074 | 1740585 | 1056409 | 7/17/2013 | - | 0.04 | 0.04 | Kerrville South |
| 1317074 | 1742787 | 1056643 | 12/28/2016 | 50.00 | 0.51 | 50.51 | Kerrville South |
| 1317074 | 1745927 | 1057185 | 10/2/2012 | - | (0.12) | (0.12) | Kerrville South |
| 1317074 | 1794372 | 1057027 | 2/29/2012 | 50.00 | 0.66 | 50.66 | Kerrville South |
| 1317074 | 1794996 | 1056481 | 9/26/2014 | 50.00 | 1.19 | 51.19 | Kerrville South |
| 1317074 | 1979402 | 1056853 | 11/4/2014 | 50.00 | 0.67 | 50.67 | Kerrville South |
| 1317074 | 1991317 | 1056526 | 6/24/2014 | 50.00 | 2.16 | 52.16 | Kerrville South |
| 1317074 | 2009277 | 1056693 | 5/28/2014 | 50.00 | 2.17 | 52.17 | Kerrville South |
| 1317074 | 2011037 | 1056636 | 7/28/2016 | 50.00 | 0.53 | 50.53 | Kerrville South |
| 1317074 | 2016150 | 1056888 | 5/3/2013 | 50.00 | 0.66 | 50.66 | Kerrville South |
| 1317074 | 2019613 | 1056218 | 6/29/2018 | 2.19 | - | 2.19 | Kerrville South |
| 1317074 | 2043173 | 1056100 | 6/5/2015 | 50.00 | 0.60 | 50.60 | Kerrville South |
| 1317074 | 2066245 | 1056288 | 10/15/2015 | 50.00 | 0.58 | 50.58 | Kerrville South |
| 1317074 | 2080079 | 1056716 | 3/30/2017 | 50.00 | 0.44 | 50.44 | Kerrville South |
| 1317074 | 2088033 | 1056576 | 10/5/2017 | 50.00 | 0.32 | 50.32 | Kerrville South |
| 1317074 | 2107825 | 1056406 | 10/31/2017 | 50.00 | 0.34 | 50.34 | Kerrville South |
| 1317074 | 2116581 | 1056697 | 5/26/2016 | 50.00 | 0.56 | 50.56 | Kerrville South |
| 1317074 | 2123462 | 1056237 | 3/1/2018 | 50.00 | 0.19 | 50.19 | Kerrville South |
| 1317074 | 2125850 | 1057192 | 1/5/2015 | 50.00 | 0.63 | 50.63 | Kerrville South |
| 1317074 | 2129491 | 1057189 | 1/28/2016 | 50.00 | 0.58 | 50.58 | Kerrville South |
| 1317074 | 2155669 | 1057314 | 11/15/2017 | 50.00 | 0.32 | 50.32 | Kerrville South |
| 1317074 | 2158857 | 1056454 | 3/4/2016 | 50.00 | 0.56 | 50.56 | Kerrville South |
| 1317074 | 2181949 | 1056674 | 12/30/2016 | 50.00 | 0.50 | 50.50 | Kerrville South |
| 1317074 | 2183756 | 1056097 | 12/30/2015 | 50.00 | 0.58 | 50.58 | Kerrville South |
| 1317074 | 2190047 | 1057313 | 3/6/2018 | 50.00 | 0.18 | 50.18 | Kerrville South |
| 1317074 | 2234416 | 1057156 | 12/29/2016 | 50.00 | 0.51 | 50.51 | Kerrville South |
| 1317074 | 2236112 | 1057186 | 3/2/2018 | 50.00 | 0.19 | 50.19 | Kerrville South |
| 1317074 | 2256180 | 1057011 | 12/1/2017 | 50.00 | 0.30 | 50.30 | Kerrville South |
| 1317074 | 2256194 | 1408348 | 3/3/2017 | 50.00 | 0.46 | 50.46 | Kerrville South |
| 1317074 | 2266143 | 1056213 | 6/1/2018 | 50.00 | 0.07 | 50.07 | Kerrville South |
| 1317074 | 2267029 | 1056788 | 5/4/2018 | 50.00 | 0.11 | 50.11 | Kerrville South |
| 1317074 | 2267809 | 1057182 | 7/13/2017 | 50.00 | 0.37 | 50.37 | Kerrville South |
| 1317074 | 2277716 | 1056262 | 9/14/2017 | 50.00 | 0.33 | 50.33 | Kerrville South |
| 1317074 | 2280230 | 1056781 | 12/29/2016 | 50.00 | 0.49 | 50.49 | Kerrville South |
| 1317074 | 2294229 | 1056248 | 11/4/2016 | 50.00 | 0.52 | 50.52 | Kerrville South |
| 1317074 | 2305201 | 1057075 | 1/13/2017 | 50.00 | 0.48 | 50.48 | Kerrville South |
| 1317074 | 2307947 | 1056723 | 10/30/2017 | 50.00 | 0.30 | 50.30 | Kerrville South |
| 1317074 | 2324429 | 1057035 | 6/30/2017 | 50.00 | 0.35 | 50.35 | Kerrville South |
| 1317074 | 2330148 | 1056477 | 10/6/2017 | 50.00 | 0.32 | 50.32 | Kerrville South |
| 1317074 | 2335231 | 1056438 | 4/19/2017 | 50.00 | 0.43 | 50.43 | Kerrville South |
| 1317074 | 2335881 | 1057181 | 5/2/2017 | 50.00 | 0.42 | 50.42 | Kerrville South |
| 1317074 | 2345497 | 1056942 | 6/1/2017 | 50.00 | 0.40 | 50.40 | Kerrville South |
| 1317074 | 2352573 | 1433431 | 10/27/2017 | 50.00 | 0.31 | 50.31 | Kerrville South |
| 1317074 | 2359174 | 1056762 | 11/15/2017 | 50.00 | 0.32 | 50.32 | Kerrville South |
| 1317074 | 2369618 | 1057174 | 3/1/2018 | 50.00 | 0.19 | 50.19 | Kerrville South |
| 1317074 | 2386831 | 1056746 | 12/28/2017 | 50.00 | 0.27 | 50.27 | Kerrville South |
| 1317074 | 2388370 | 1057653 | 6/28/2018 | 1.73 | - | 1.73 | Kerrville South |
| 1317074 | 2393400 | 1056114 | 1/26/2018 | 50.00 | 0.23 | 50.23 | Kerrville South |
| 1317074 | 2395026 | 1056858 | 5/4/2018 | 30.89 | 0.06 | 30.95 | Kerrville South |
| 1317074 | 2411514 | 1057229 | 6/12/2018 | 1.85 | - | 1.85 | Kerrville South |
| 1317074 | 2421530 | 1056681 | 6/1/2018 | 18.27 | 0.05 | 18.32 | Kerrville South |
| 1317074 | 2422068 | 1057041 | 6/1/2018 | 50.00 | 0.07 | 50.07 | Kerrville South |

Aqua Texas Customer Deposit Report - July 1, 2018

| Company | Customer | Premises | Deposit Date | Deposit Balance | Interest Balance | Deposit and Interest Balance | Transfer |
|---------|----------|----------|--------------|-----------------|------------------|------------------------------|-----------------|
| 1317074 | 2428543 | 1056156 | 7/3/2018 | 1.38 | - | 1.38 | Kerrville South |
| 1317074 | 2431139 | 1441580 | 6/28/2018 | 6.12 | - | 6.12 | Kerrville South |
| 1317078 | 1439208 | 1056376 | 11/30/2010 | 50.00 | 0.66 | 50.66 | Kerrville South |
| 1317078 | 1440154 | 1057323 | 12/21/2012 | 50.00 | 0.66 | 50.66 | Kerrville South |
| | | | | 4,964.41 | 59.50 | 5,023.91 | |

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OFFICERS OF AQUA TEXAS, INC.

| | |
|-------------------------|----------------------------------------------------|
| Christopher H. Franklin | Chief Executive Officer |
| Richard S. Fox | EVP, Chief Operating Officer, Regulated Operations |
| Matthew Rhodes | EVP, Strategy and Corporate Development |
| David P. Smeltzer | EVP, Chief Financial Officer |
| Christopher P. Luning | SVP, General Counsel and Secretary |
| William C. Ross | SVP, Engineering and Environmental Affairs |
| Robert A. Rubin | SVP, CAO, Controller and Assistant Treasurer |
| Susan F. Haindl | SVP, Chief Administrative Officer |
| Christine Kelly | SVP, Chief Human Resources Officer |
| Robert L. Laughman | President |
| Daniel Rimann | VP, Operations |
| Crandal McDougall | Controller - Texas |
| Colleen M. Arnold | VP, Deputy Chief Operating Officer |
| Christopher S. Crockett | VP, Chief Environmental Officer |
| William B. Davis | VP, Corporate Development |
| Brian J. Dingerdisen | VP, Chief of Staff and Investor Relations |
| William J. Jerdon | VP, Tax Director |
| Kimberley Joyce | VP, Regulatory, Government & External Affairs |
| Whitney S. Kellett | VP, Chief Information Officer |
| Frances P. Orth | VP, Senior Managing Counsel, Assistant Secretary |
| William C. Packer | VP, Controller |
| Charles Stevenson | VP, Fleet and Supply Chain Management |
| Stan F. Szczygiel | VP, Treasurer |
| James C. Barbato | Director, Corporate Engineering |
| Joseph G. Thurwanger | Director, Planning & Engineering |
| Elizabeth Taylor | Assistant Secretary |
| Teresa M. McGonigle | Assistant Secretary |
| Pamela Polnick | Assistant Secretary |

2017

Annual Report

AQUASM

Attachment

5

Proud to be part of our nation's water and wastewater infrastructure solution.

AQUA AMERICA, INC. AND SUBSIDIARIES
Management's Report On Internal Control Over Financial Reporting

Management of Aqua America, Inc. (the "Company") is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) under the Securities Exchange Act of 1934. The Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America. The Company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

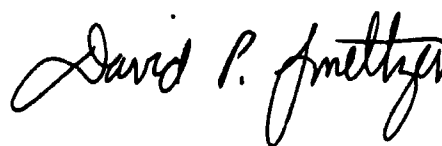
Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In assessing the effectiveness of internal control over financial reporting, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in *Internal Control-Integrated Framework* (2013). As a result of management's assessment and based on the criteria in the framework, management has concluded that, as of December 31, 2017, the Company's internal control over financial reporting was effective.

The effectiveness of our internal control over financial reporting as of December 31, 2017 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which is included herein.



Christopher H. Franklin
Chairman, President and Chief Executive Officer



David P. Smeltzer
Executive Vice President and Chief Financial Officer

February 28, 2018

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Aqua America, Inc.:

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets and statements of capitalization of Aqua America Inc. and its subsidiaries as of December 31, 2017 and 2016, and the related consolidated statements of net income, of comprehensive income, of equity and of cash flows for each of the three years in the period ended December 31, 2017, including the related notes (collectively referred to as the “consolidated financial statements”). We also have audited the Company's internal control over financial reporting as of December 31, 2017, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2017 and 2016, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2017 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2017, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with

generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

A handwritten signature in black ink, reading "PricewaterhouseCoopers LLP". The signature is written in a cursive, flowing style.

Philadelphia, Pennsylvania

February 28, 2018

We have served as the Company's auditor since 2000.

AQUA AMERICA, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands of dollars, except per share amounts)

| | December 31, | |
|---------------------------------------------------------------------------------------------------------------------|--------------|--------------|
| | 2017 | 2016 |
| Assets | | |
| Property, plant and equipment, at cost | \$ 7,003,993 | \$ 6,509,117 |
| Less: accumulated depreciation | 1,604,133 | 1,507,502 |
| Net property, plant and equipment | 5,399,860 | 5,001,615 |
| Current assets: | | |
| Cash and cash equivalents | 4,204 | 3,763 |
| Accounts receivable and unbilled revenues, net | 98,596 | 97,394 |
| Inventory, materials and supplies | 14,361 | 12,961 |
| Prepayments and other current assets | 12,542 | 12,804 |
| Assets held for sale | 1,543 | 1,728 |
| Total current assets | 131,246 | 128,650 |
| Regulatory assets | 713,971 | 948,647 |
| Deferred charges and other assets, net | 38,485 | 30,845 |
| Investment in joint venture | 6,671 | 7,026 |
| Goodwill | 42,230 | 42,208 |
| Total assets | \$ 6,332,463 | \$ 6,158,991 |
| Liabilities and Equity | | |
| Aqua America stockholders' equity: | | |
| Common stock at \$.50 par value, authorized 300,000,000 shares, issued 180,700,251 and 180,311,345 in 2017 and 2016 | \$ 90,350 | \$ 90,155 |
| Capital in excess of par value | 807,135 | 797,513 |
| Retained earnings | 1,132,556 | 1,032,844 |
| Treasury stock, at cost, 2,986,308 and 2,916,969 shares in 2017 and 2016 | (73,280) | (71,113) |
| Accumulated other comprehensive income | 860 | 669 |
| Total stockholders' equity | 1,957,621 | 1,850,068 |
| Long-term debt, excluding current portion | 2,029,358 | 1,759,962 |
| Less: debt issuance costs | 21,605 | 22,357 |
| Long-term debt, excluding current portion, net of debt issuance costs | 2,007,753 | 1,737,605 |
| Commitments and contingencies (See Note 9) | | |
| Current liabilities: | | |
| Current portion of long-term debt | 113,769 | 150,671 |
| Loans payable | 3,650 | 6,535 |
| Accounts payable | 59,165 | 47,256 |
| Book overdraft | 21,629 | 12,616 |
| Accrued interest | 21,359 | 18,367 |
| Accrued taxes | 23,764 | 25,607 |
| Other accrued liabilities | 41,152 | 40,484 |
| Total current liabilities | 284,488 | 301,536 |
| Deferred credits and other liabilities: | | |
| Deferred income taxes and investment tax credits | 769,073 | 1,269,253 |
| Customers' advances for construction | 93,186 | 91,843 |
| Regulatory liabilities | 541,910 | 250,635 |
| Other | 107,341 | 115,583 |
| Total deferred credits and other liabilities | 1,511,510 | 1,727,314 |
| Contributions in aid of construction | 571,091 | 542,468 |
| Total liabilities and equity | \$ 6,332,463 | \$ 6,158,991 |

See accompanying notes to consolidated financial statements.

AQUA AMERICA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF NET INCOME

(In thousands of dollars)

| | Years ended December 31, | | |
|------------------------------------------------------|--------------------------|------------|------------|
| | 2017 | 2016 | 2015 |
| Operating revenues | \$ 809,525 | \$ 819,875 | \$ 814,204 |
| Operating expenses: | | | |
| Operations and maintenance | 287,206 | 304,897 | 309,310 |
| Depreciation | 136,302 | 130,987 | 125,290 |
| Amortization | 422 | 2,021 | 3,447 |
| Taxes other than income taxes | 56,628 | 56,385 | 55,057 |
| Total operating expenses | 480,558 | 494,290 | 493,104 |
| Operating income | 328,967 | 325,585 | 321,100 |
| Other expense (income): | | | |
| Interest expense, net | 88,341 | 80,594 | 76,536 |
| Allowance for funds used during construction | (15,211) | (8,815) | (6,219) |
| Gain on sale of other assets | (484) | (378) | (468) |
| Gain on extinguishment of debt | - | - | (678) |
| Equity (earnings) loss in joint venture | (331) | (976) | 35,177 |
| Income before income taxes | 256,652 | 255,160 | 216,752 |
| Provision for income taxes | 16,914 | 20,978 | 14,962 |
| Net income | \$ 239,738 | \$ 234,182 | \$ 201,790 |
| Net income per common share: | | | |
| Basic | \$ 1.35 | \$ 1.32 | \$ 1.14 |
| Diluted | \$ 1.35 | \$ 1.32 | \$ 1.14 |
| Average common shares outstanding during the period: | | | |
| Basic | 177,612 | 177,273 | 176,788 |
| Diluted | 178,175 | 177,846 | 177,517 |
| Cash dividends declared per common share | \$ 0.7920 | \$ 0.7386 | \$ 0.6860 |

See accompanying notes to consolidated financial statements.

AQUA AMERICA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In thousands of dollars)

| | Years ended December 31, | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|-------------------|-------------------|
| | 2017 | 2016 | 2015 |
| Net income | \$ 239,738 | \$ 234,182 | \$ 201,790 |
| Other comprehensive income, net of tax: | | | |
| Unrealized holding gain (loss) on investments, net of tax expense (benefit) of \$102, \$21, and \$(53) for the years ended December 31, 2017, 2016, and 2015, respectively | 191 | 39 | (101) |
| Reclassification of gain on sale of investment to net income, net of tax expense of \$30 for the twelve months ended December 31, 2016 (1) | - | (57) | - |
| Comprehensive income | <u>\$ 239,929</u> | <u>\$ 234,164</u> | <u>\$ 201,689</u> |

See accompanying notes to consolidated financial statements.

(1) Amount of pre-tax gain of \$87 reclassified from accumulated other comprehensive income to gain on sale of other assets on the consolidated statement of net income for the year ended December 31, 2016.

AQUA AMERICA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CAPITALIZATION
(In thousands of dollars, except per share amounts)

| | December 31, | |
|---------------------------------------------------------------------------------|---------------------|---------------------------|
| | 2017 | 2016 |
| Aqua America stockholders' equity: | | |
| Common stock, \$.50 par value | \$ 90,350 | \$ 90,155 |
| Capital in excess of par value | 807,135 | 797,513 |
| Retained earnings | 1,132,556 | 1,032,844 |
| Treasury stock, at cost | (73,280) | (71,113) |
| Accumulated other comprehensive income | 860 | 669 |
| Total stockholders' equity | 1,957,621 | 1,850,068 |
| Long-term debt of subsidiaries (substantially collateralized by utility plant): | | |
| Interest Rate Range | Maturity Date Range | |
| 0.00% to 0.99% | 2023 to 2033 | 4,196 4,661 |
| 1.00% to 1.99% | 2019 to 2035 | 12,914 15,539 |
| 2.00% to 2.99% | 2019 to 2033 | 19,254 19,668 |
| 3.00% to 3.99% | 2019 to 2056 | 475,232 381,944 |
| 4.00% to 4.99% | 2020 to 2057 | 631,599 487,318 |
| 5.00% to 5.99% | 2019 to 2043 | 205,578 213,078 |
| 6.00% to 6.99% | 2018 to 2036 | 44,000 52,985 |
| 7.00% to 7.99% | 2022 to 2027 | 32,335 33,066 |
| 8.00% to 8.99% | 2021 to 2025 | 6,092 6,565 |
| 9.00% to 9.99% | 2018 to 2026 | 25,700 26,400 |
| 10.00% to 10.99% | 2018 | 6,000 6,000 |
| | | 1,462,900 1,247,224 |
| Notes payable to bank under revolving credit agreement, variable rate, due 2021 | | 60,000 25,000 |
| Unsecured notes payable: | | |
| Bank notes at 1.975% and 2.48% due 2018 and 2019 | | 100,000 100,000 |
| Notes at 3.01% and 3.59% due 2027 and 2041 | | 245,000 245,000 |
| Notes ranging from 4.62% to 4.87%, due 2018 through 2024 | | 122,800 133,600 |
| Notes ranging from 5.20% to 5.95%, due 2018 through 2037 | | 152,427 159,809 |
| Total long-term debt | | 2,143,127 1,910,633 |
| Current portion of long-term debt | | 113,769 150,671 |
| Long-term debt, excluding current portion | | 2,029,358 1,759,962 |
| Less: debt issuance costs | | 21,605 22,357 |
| Long-term debt, excluding current portion, net of debt issuance costs | | 2,007,753 1,737,605 |
| Total capitalization | | \$ 3,965,374 \$ 3,587,673 |

See accompanying notes to consolidated financial statements.

AQUA AMERICA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EQUITY
(In thousands of dollars)

| | Common stock | Capital in excess of par value | Retained earnings | Treasury stock | Accumulated Other Comprehensive Income | Noncontrolling Interest | Total |
|----------------------------------------------------------------------------|-----------------|--------------------------------------|----------------------|-------------------|-------------------------------------------------|----------------------------|--------------|
| Balance at December 31, 2014 | \$ 89,296 | \$ 758,145 | \$ 849,952 | \$ (42,838) | \$ 788 | \$ 40 | \$ 1,655,383 |
| Net income | - | - | 201,790 | - | - | - | 201,790 |
| Other comprehensive loss, net of income tax benefit of \$53 | - | - | - | - | (101) | - | (101) |
| Dividends | - | - | (121,248) | - | - | - | (121,248) |
| Sale of stock (26,295 shares) | 13 | 664 | - | - | - | - | 677 |
| Repurchase of stock (981,585 shares) | - | - | - | (25,247) | - | - | (25,247) |
| Equity compensation plan (321,402 shares) | 161 | (161) | - | - | - | - | - |
| Exercise of stock options (424,709 shares) | 212 | 7,328 | - | - | - | - | 7,540 |
| Stock-based compensation | - | 5,860 | (433) | - | - | - | 5,427 |
| Employee stock plan tax benefits | - | 2,602 | - | - | - | - | 2,602 |
| Other | - | (853) | - | - | - | (40) | (893) |
| Balance at December 31, 2015 | 89,682 | 773,585 | 930,061 | (68,085) | 687 | - | 1,725,930 |
| Net income | - | - | 234,182 | - | - | - | 234,182 |
| Other comprehensive loss, net of income tax benefit of \$9 | - | - | - | - | (18) | - | (18) |
| Dividends | - | - | (130,923) | - | - | - | (130,923) |
| Stock issued for acquisition (439,943 shares) | 220 | 12,625 | - | - | - | - | 12,845 |
| Sale of stock (47,478 shares) | 24 | 1,364 | - | - | - | - | 1,388 |
| Repurchase of stock (97,400 shares) | - | - | - | (3,028) | - | - | (3,028) |
| Equity compensation plan (231,502 shares) | 115 | (115) | - | - | - | - | - |
| Exercise of stock options (228,762 shares) | 114 | 4,146 | - | - | - | - | 4,260 |
| Stock-based compensation | - | 5,390 | (476) | - | - | - | 4,914 |
| Employee stock plan tax benefits | - | 1,329 | - | - | - | - | 1,329 |
| Other | - | (811) | - | - | - | - | (811) |
| Balance at December 31, 2016 | 90,155 | 797,513 | 1,032,844 | (71,113) | 669 | - | 1,850,068 |
| Net income | - | - | 239,738 | - | - | - | 239,738 |
| Other comprehensive income, net of income tax of \$102 | - | - | - | - | 191 | - | 191 |
| Dividends | - | - | (140,660) | - | - | - | (140,660) |
| Sale of stock (45,121 shares) | 23 | 1,430 | - | - | - | - | 1,453 |
| Repurchase of stock (69,339 shares) | - | - | - | (2,167) | - | - | (2,167) |
| Equity compensation plan (169,258 shares) | 85 | (85) | - | - | - | - | - |
| Exercise of stock options (174,527 shares) | 87 | 2,786 | - | - | - | - | 2,873 |
| Stock-based compensation | - | 6,342 | (348) | - | - | - | 5,994 |
| Cumulative effect of change in accounting principle - windfall tax benefit | - | - | 982 | - | - | - | 982 |
| Other | - | (851) | - | - | - | - | (851) |
| Balance at December 31, 2017 | \$ 90,350 | \$ 807,135 | \$ 1,132,556 | \$ (73,280) | \$ 860 | \$ - | \$ 1,957,621 |

See accompanying notes to consolidated financial statements.

AQUA AMERICA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands of dollars)

| | Years ended December 31, | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|------------|------------|
| | 2017 | 2016 | 2015 |
| Cash flows from operating activities: | | | |
| Net income | \$ 239,738 | \$ 234,182 | \$ 201,790 |
| Adjustments to reconcile net income to net cash flows from operating activities: | | | |
| Depreciation and amortization | 136,724 | 133,008 | 128,737 |
| Deferred income taxes | 13,780 | 17,250 | 16,506 |
| Provision for doubtful accounts | 4,986 | 5,505 | 5,765 |
| Stock-based compensation | 6,342 | 5,390 | 5,860 |
| (Gain) loss on sale of utility system and market-based business unit | 774 | (744) | - |
| Gain on sale of other assets | (484) | (378) | (468) |
| Gain on extinguishment of debt | - | - | (678) |
| Equity (earnings) loss in joint venture | (331) | (976) | 35,177 |
| Net change in receivables, inventory and prepayments | (6,458) | (3,974) | (6,520) |
| Net change in payables, accrued interest, accrued taxes and other accrued liabilities | (763) | 4,756 | (3,469) |
| Pension and other postretirement benefits contributions | (16,240) | (9,505) | (16,184) |
| Other | 3,250 | 11,649 | 4,278 |
| Net cash flows from operating activities | 381,318 | 396,163 | 370,794 |
| Cash flows from investing activities: | | | |
| Property, plant and equipment additions, including the debt component of allowance for funds used during construction of \$3,578, \$2,220, and \$1,598 | (478,089) | (382,996) | (364,689) |
| Acquisitions of utility systems and other, net | (5,860) | (9,423) | (28,989) |
| Release of funds previously restricted for construction activity | - | - | 47 |
| Net proceeds from the sale of utility systems and other assets | 1,342 | 7,746 | 648 |
| Other | 2,223 | 1,464 | (1,079) |
| Net cash flows used in investing activities | (480,384) | (383,209) | (394,062) |
| Cash flows from financing activities: | | | |
| Customers' advances and contributions in aid of construction | 7,312 | 7,263 | 5,904 |
| Repayments of customers' advances | (6,536) | (3,763) | (3,977) |
| Net repayments of short-term debt | (2,885) | (10,186) | (1,677) |
| Proceeds from long-term debt | 591,024 | 503,586 | 560,544 |
| Repayments of long-term debt | (359,068) | (373,087) | (400,407) |
| Change in cash overdraft position | 9,012 | (8,076) | (739) |
| Proceeds from issuing common stock | 1,453 | 1,388 | 677 |
| Proceeds from exercised stock options | 2,873 | 4,260 | 7,540 |
| Share-based compensation windfall tax benefits | - | 1,332 | 1,842 |
| Repurchase of common stock | (2,167) | (3,028) | (25,247) |
| Dividends paid on common stock | (140,660) | (130,923) | (121,248) |
| Other | (851) | (1,186) | (853) |
| Net cash flows (used in) from financing activities | 99,507 | (12,420) | 22,359 |
| Net increase (decrease) in cash and cash equivalents | 441 | 534 | (909) |
| Cash and cash equivalents at beginning of year | 3,763 | 3,229 | 4,138 |
| Cash and cash equivalents at end of year | \$ 4,204 | \$ 3,763 | \$ 3,229 |
| Cash paid during the year for: | | | |
| Interest, net of amounts capitalized | \$ 81,771 | \$ 72,662 | \$ 74,724 |
| Income taxes | 3,177 | 2,739 | 6,902 |
| Non-cash investing activities: | | | |
| Property, plant and equipment additions purchased at the period end, but not yet paid | \$ 45,385 | \$ 35,145 | \$ 25,612 |
| Non-cash customer advances for construction | 39,220 | 26,234 | 27,992 |

See accompanying notes to consolidated financial statements.

See Note 2 – *Acquisitions*, Note 10 – *Long-term Debt and Loans Payable*, and Note 14 – *Employee Stock and Incentive Plan* for a description of non-cash activities.

Accounting Entry Explanation and Asset Listing as of Dec. 31, 2017

All assets proposed for transfer have already been purchased by Kerrville South Water Company, Inc., a subsidiary of Aqua Utilities, Inc. Aqua Utilities, Inc. is a Texas Aqua America, Inc. subsidiary. The transaction simply proposes to transfer the assets to a different Aqua America, Inc. subsidiary, Aqua Texas, Inc., at current values as reflected on the consolidated Aqua Texas books.

| asset_id | Water/Sewer | Transfer From | Transfer To | gl_account | NARUC Acct | asset_description |
|----------|-------------|-------------------------|--------------------|------------------------------|------------|--------------------------------------------------------------------|
| 7913140 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 2" Water Valves |
| 7919140 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 303.40 | Easements, Loma Vista, 4/10 |
| 7911177 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 311.40 | Valve associated with 10HP Booster Pump |
| 7911182 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 311.40 | Valve associated with 7.5HP Booster Pump |
| 23316681 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 307.20 | 1/4" Spyglass Well Air Line; Spyglass Plant; Loma Vista; 4/13/2015 |
| 7913295 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 8" Water Valves |
| 7913175 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 3" Water Valves |
| 7911449 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 330.40 | Air Compressor-Loma Vista Plant |
| 7913215 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 4" Water Valves |
| 7913145 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 2" Water Valves |
| 7913260 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 6" Water Valves |
| 7913160 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 2" Water Valves |
| 7913150 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 2" Water Valves |
| 34677515 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 307.20 | 670' Airline |
| 7913180 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 4" Water Valves |
| 7910554 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 2" Piping |
| 7910584 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 3" Piping |
| 22205122 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 330.40 | Repair Yard Pipe Riser; Spyglass Plant; Loma Vista; 4/9/15 |
| 7913285 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 6" Water Valves |
| 7911421 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 330.40 | Air Compressor |
| 7913200 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 4" Water Valves |
| 7913230 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 6" Water Valves |
| 7911202 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 311.40 | Booster Pump Piping/Valves-Spyglass Water Plant |
| 7913120 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 2" Gate Valves w/Box |
| 7913210 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 4" Water Valves |
| 7921449 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | Main Break Repair, Loma Vista, 4/10 |
| 7913170 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 2" Water Valves |
| 7913205 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 4" Water Valves |
| 10414262 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 311.20 | Pump:Horsepower Unspecified: |
| 7923739 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 304.50 | Site Work, Loma Vista, 5/09 |
| 21211621 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 307.20 | Rplc 84' Horizon Well 3" GalvPipe, LomaVista |
| 7913155 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 2" Water Valves |
| 7913270 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 6" Water Valves |
| 7913265 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 6" Water Valves |
| 12038091 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 304.20 | Rpld Door on Pump House,LomaVista,7/9/12 |
| 7910336 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 335.40 | Fire Hydrant |
| 14262521 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 311.20 | Miscellaneous Equipment |
| 7911192 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 311.40 | Booster Pump Piping/Valves-Horizon Plant |
| 11617439 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 334.40 | Meter:5/8" |
| 7913135 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 2" Water Valves |
| 7912029 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 304.50 | 112 s.f. of Concrete Steps - Spyglass Water Plant |
| 7913165 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 2" Water Valves |
| 7913220 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 6" Water Valves |
| 7911804 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 311.40 | 7.5HP Booster Pump-Loma Vista Plant |
| 7913235 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 6" Water Valves |

Attachment

6

Accounting Entry Explanation and Asset Listing as of Dec. 31, 2017

| asset_id | Water/Sewer | Transfer From | Transfer To | gl_account | NARUC Acct | asset_description |
|----------|-------------|-------------------------|--------------------|------------------------------|------------|--------------------------------------------------------------------------|
| 7911435 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 330.40 | Air Compressor - Wood Hill Water Plant |
| 11252889 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 311.40 | Booster Pump Repair, Loma Vista 3/6/12 |
| 21211627 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 307.20 | 3" Flo-Matic Check Valves, Loma Vista |
| 29311452 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | Mains:Unspecified size/type: |
| 18401684 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 311.40 | Booster Pump Starters, Loma Vista, 4/18/14 |
| 7910589 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 3" Piping |
| 15020181 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 334.40 | Meter:3/4" |
| 22205125 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 311.40 | 3" Cla-Val Wafer Style Silent Check Valves; Loma Vista; 9/11/14 |
| 33856321 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 307.20 | 475' airline |
| 7913125 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 4" Gate Valves w/Box |
| 24899306 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 333.40 | Service Line:2" |
| 7912773 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 320.30 | Polyphosphate Injection System - Wood Hill Water Plant |
| 11617234 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 309.20 | Mains:Plastic, PVC, or HDPE (4" & under) |
| 7911484 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 330.40 | Yard Piping/Valves-Loma Vista Plant |
| 14561706 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 333.40 | Service Line:2" |
| 17052539 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | Mains:Unspecified size/type: |
| 24054722 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 333.40 | Service Line:2" |
| 24054727 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 333.40 | Service Line:3" |
| 24498588 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | Valve & Valve Vault |
| 26269033 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | Mains:Valves (4" & under) |
| 29311683 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 333.40 | Service Line:1 1/2" |
| 7910208 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 304.40 | 164 s.f. Chain Link Fencing-Rock Ridge Pumping Station |
| 16771121 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | Mains:Unspecified size/type: |
| 11252884 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 311.40 | 2 Turner Controls, Loma Vista, 3/21/12 |
| 15323409 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | Mains:Valves (4" & under) |
| 24054329 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | Mains:Unspecified size/type: |
| 7911207 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 311.40 | Yard Piping/Valves-Rock Ridge Pumping Station |
| 7913280 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 6" Water Valves |
| 7910286 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 335.40 | Fire Hydrant |
| 7912778 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 320.30 | Polyphosphate injection System-Horizon Plant |
| 7913190 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 4" Water Valves |
| 7937391 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 320.30 | Installed New Single Cylinder Scale, Loma Vista, 10/17/08 |
| 16771031 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 320.30 | 2 CL2 Pumps, Loma Vista, 11/18/13 |
| 36354603 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 333.40 | Service Line:2" |
| 7911794 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 311.40 | 10HP Booster Pump |
| 24498780 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 311.40 | 2HP 3/4" Booster Pump #1; Woodhill/Ridge Grove Plant; Loma Vista; 8/2015 |
| 12329341 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 311.40 | 2HP Booster Pump, Loma Vista, 7/13/12 |
| 7910203 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 304.40 | Chain Link Fencing |
| 7910321 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 335.40 | Fire Hydrant |
| 16201500 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 311.20 | 3" Check Valve, Loma Vista, 9/18/13 |
| 33856334 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 307.20 | 2" check valves |
| 7913195 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 4" Water Valves |
| 7911470 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 330.40 | Yard Piping/Valves - Wood Hill Water Plant |
| 7910466 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 303.20 | 0.75 Acre of Land-Horizon Plant |
| 22205128 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 304.50 | 25' x 8' Wood Board Fence; Horizon Plant; Loma Vista; 3/24/15 |
| 7910446 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 303.20 | 0.34 Acres of Land |
| 7910456 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 303.20 | 0.1148 Acres of Land - Spyglass Water Plant |
| 7910461 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 303.20 | 0.14 Acres of Land - Wood Hill Water Plant |

Accounting Entry Explanation and Asset Listing as of Dec. 31, 2017

| asset_id | Water/Sewer | Transfer From | Transfer To | gl_account | NARUC Acct | asset_description |
|----------|-------------|-------------------------|--------------------|------------------------------|------------|-------------------------------------------------------------------------------------------------------------------|
| 7910471 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 303.20 | 0.77 Acres Land - Loma Vista Plant |
| 17715626 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 320.30 | 5/8x3/4Model1500SamplingStation,LomaVista |
| 7910306 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 335.40 | Fire Hydrant |
| 7937365 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 330.40 | Additional Charges:Installed 1,000 gallon Hydro Tank w/Slab, Loma Vista, 7/29/09 |
| 36354596 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 333.40 | Service Line:1 1/2" |
| 21211630 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 307.20 | Video Well #4, Loma Vista, 08/2014 600v Disconnect Panel & ESP200 Size-2 Well #5 Starter; Woodhill/Ridge Grove |
| 24498769 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 311.40 | Plant; Loma Vista; 9/2015 |
| 24898877 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 307.20 | Piping - Other |
| 7909961 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 304.40 | 75 s.f. Booster Pump Building-Rock Ridge Pumping Station |
| 34677518 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 307.20 | 84' 3" glav pipe |
| 7910227 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 304.20 | 335 l.f. Chain Link Fencing-Loma Vista Plant |
| 12795761 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 333.40 | Service Line:5/8" |
| 7910564 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 2" Piping |
| 7910281 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 335.40 | Fire Hydrant |
| 7919135 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 303.40 | Easements, Loma Vista, 1/15/10 |
| 7909899 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 304.40 | 100 s.f. Booster Pump Building-Loma Vista Plant |
| 24054323 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | Mains:Lock Joint (6, 8, & 10") |
| 7910311 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 335.40 | Fire Hydrant |
| 24498585 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | Valve & Valve Vault |
| 7913245 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 6" Water Valves |
| 23316690 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 307.20 | 3" Spyglass Well Check Valve; Spyglass Plant; Loma Vista; 4/13/2015 |
| 24054326 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | Mains:Plastic, PVC, or HDPE (4" & under) |
| 7911982 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 311.40 | Electrical Control System/Loma Vista Plant |
| 7909887 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 304.40 | Booster Pump Building |
| 7910451 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 303.40 | 0.1 Acres of Land-Rock Ridge Pumping Station |
| 7912564 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 303.40 | 325 Gallon Pressure/Hydro Tank-Loma Vista Plant |
| 15923229 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 333.40 | Service Line:1" |
| 7910301 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 335.40 | Fire Hydrant |
| 12038088 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 330.40 | 2 Air Compressors, Loma Vista, 6/8/12 |
| 21211624 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 307.20 | 4" CLA-VAL Silent Check Valve, Loma Vista |
| 7913130 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 6" Gate Valves w/Box |
| 26269159 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | Mains:Plastic, PVC, or HDPE (6, 8, & 10") |
| 7924121 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 320.30 | Replaced LMI Chemical Feed Pump, West Creek, 6/21/10 |
| 7909909 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 304.30 | 16 s.f. Chlorine Room-Horizon Plant |
| 15684682 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 304.20 | FenceRepair,RimRockPlnt,LomaVista 8/19/13 |
| 7918745 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 320.30 | Installed CL2 System, Woodhill Plant, Loma Vista, 10/20/08 |
| 7918705 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 320.30 | Installed CL2 System, Spyglass Plant, Loma Vista, 10/08 |
| 7910296 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 335.40 | Fire Hydrant |
| 7937386 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 320.30 | Installed New Chlorinator, Loma Vista, 10/20/08 |
| 18401866 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 311.20 | Size 1 Starter ESP200 12Amp 3ph, Westcreek |
| 21211678 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 320.30 | Hydro Series 800 Single CL2 10 PPD System |
| 23317060 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 311.40 | 7.5HP F&W 2-Stage 3Phase Booster Pump; Westcreek Estates; 2/20/2015 |
| 21211675 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 330.40 | Replace 16' GST Ladder, Westcreek, 7/2014 |
| 7909923 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 304.40 | 36 s.f. Booster Pump Building - Spyglass Water Plant |
| 7910291 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 335.40 | Fire Hydrant |
| 7911987 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 311.40 | Electrical Control System/Rock Ridge Pumping Station |

Accounting Entry Explanation and Asset Listing as of Dec. 31, 2017

| asset_id | Water/Sewer | Transfer From | Transfer To | gl_account | NARUC Acct | asset_description |
|----------|-------------|-------------------------|--------------------|------------------------------|------------|----------------------------------------------------------------------------------------------------------------------------|
| 9387203 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 330.40 | Installed Tank Air Charging System, 8/13/11, Westcreek |
| 24498766 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 309.20 | Repair 4" Well #6 Header; Spyglass Plant; Loma Vista; 8/2015 |
| 22205117 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 311.40 | Seimans Size 3 Starter & 777 Pump Saver; Spyglass Plant; Loma Vista; 9/24/14 |
| 7909935 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 304.30 | 39 s.f. Chemical Storage Bldg. - Spyglass Water Plant |
| 7913250 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 6" Water Valves |
| 23316670 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 309.20 | 4" Galv Piping; Spyglass Plant; Loma Vista; 2/11/2015 |
| 14262438 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 333.40 | Service Line:1" |
| 7937360 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 334.40 | Installed 3" Master Meter, Plant #1, Loma Vista, 7/09 |
| 24498774 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 311.40 | ESP200 Size-2 Booster Pump Starters; Horizon Plant; Loma Vista; 7/2015 |
| 7918710 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 303.40 | Easement for Distribution Main, Loma Vista, 2/09-4/09 |
| 21211616 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 307.20 | Rplc720' HorizonWell 0.25" AirLine,LomaVista Repaired Pump House and added 3'X8' chlorine concrete block room, Woodhill |
| 7918740 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 304.40 | Plant, Loma Vista, 7/08 Replaced roof on existing 8 X 8 Storage Bldg, painted and cleaned up facia and |
| 7918700 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 304.40 | plywood, Spyglass Plant, Loma Vista, 7/28/08 |
| 18401679 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 334.40 | Elster AMCO 3" EvoQ4usg Well Meter, 6/14 |
| 7910594 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 3" Piping |
| 7918725 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 334.40 | Replaced 4" Well Meter @ Plant #4 (Horizons), Loma Vista, 8/09 |
| 7910234 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 304.50 | 490 s.f. of Concrete Steps and CMU Retaining Wall - Wood Hill Water Plant |
| 23316684 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 307.20 | 3" Galv Spyglass Well Pipe; Spyglass Plant; Loma Vista; 4/13/2015 |
| 25869941 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | Mains:Plastic, PVC, or HDPE (6, 8, & 10") |
| 7913225 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 6" Water Valves |
| 15405935 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 311.40 | 7.5HP Booster Pump,Loma Vista, 6/18/13 |
| 7910654 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 4" Piping |
| 26269036 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | Mains:Valves (6, 8, & 10") Rebuild Well #5 Header w/ 1.25" Check Valves; Woodhill Plant; Loma Vista; |
| 24498786 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 307.20 | 5/2015 |
| 7909916 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 304.30 | 24 s.f. Chlorine Room - Spyglass Water Plant |
| 7909949 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 304.40 | 64 s.f. Booster Pump Building - Wood Hill Water Plant |
| 7911463 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 330.40 | Yard Piping/Valves - Spyglass Water Plant |
| 7912768 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 320.30 | Chlorination System-Horizon Plant |
| 7911962 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 311.40 | Electrical Controls Constructed a chlorine room 3'X8' with 5' Double metal doors, Spyglass Plant, |
| 7918678 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 304.30 | Loma Vista, 7/28/08 |
| 10204716 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | Mains:Plastic, PVC, or HDPE (4" & under) |
| 29311349 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | Mains:Galvanized Steel (4" & under) |
| 7910634 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 4" Piping Rewire Controls & ESP200 Size-0 Booster #1 Starter; Woodhill/Ridge Grove Plant; |
| 24498777 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 311.40 | Loma Vista; 8/2015 |
| 7909954 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 304.30 | 70 s.f. Chemical Storage Bldg. - Wood Hill Water Plant |
| 8077349 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 330.40 | Replace Air Compressor, Loma Vista #3, 7/11 |
| 7918715 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 335.40 | Replaced 1 Fire Hydrant, Loma Vista, 8/09 Grundfos MP204 Motor Protector Pump Saver; Spyglass Plant; Loma Vista; |
| 23316678 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 311.20 | 4/20/2015 |
| 7910539 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 2" Piping |
| 7910276 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 335.40 | Fire Hydrant |

Accounting Entry Explanation and Asset Listing as of Dec. 31, 2017

| asset_id | Water/Sewer | Transfer From | Transfer To | gl_account | NARUC Acct | asset_description |
|----------|-------------|-------------------------|--------------------|------------------------------|------------|----------------------------------------------------------------------------------------------------------------------------------------|
| 24498761 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 334.40 | Elster 3" AMCO evoQ4-usg Electronic Mag Well #5 Master Meter; Woodhill Plant; Loma Vista; 5/2015 |
| 24498576 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | Mains:Plastic, PVC, or HDPE (4" & under) |
| 36354606 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 333.40 | Service Line:3/4" |
| 11617419 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 330.40 | Lbr to instl PressureTnk,Westcreek,4/5/12 |
| 7911694 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 311.40 | 15HP Booster Pumps-Horizon Plant |
| 7921454 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | Main Break Repairs 2/11 - 5/11, Loma Vista Rebuild Well #7 Header w/ 3" & 4" Check Valves; Horizon Plant; Loma Vista; 4/2015 |
| 24498789 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 307.20 | |
| 7910739 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 6" Piping |
| 12402410 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 304.40 | Concrete Pad for Hydro,Westcreek,12/13/11 |
| 7909892 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 304.30 | Chlorine Room |
| 7910341 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 335.40 | Fire Hydrant |
| 28408598 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | Mains:Blow Off |
| 17052104 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | Mains:Unspecified size/type: |
| 7911477 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 330.40 | Yard Piping/Valves-Horizon Plant |
| 11751451 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 320.30 | Series 800 Chlorinator,Loma Vista, 1/14/11 |
| 7910220 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 304.20 | 332 l.f. of Chain Link Fencing - Wood Hill Water Plant |
| 14261744 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 333.40 | Service Line:Unspecified size: Added 24'X3' Concrete stairs to lower tank with 2" pipe railing, Spyglass Plant, Loma Vista, 7/28/08 |
| 7918695 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 304.40 | |
| 7909928 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 304.30 | 38 s.f. Chlorine Room - Wood Hill Water Plant |
| 11617445 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 333.40 | Service Line:Unspecified size: Constructed a 30' X 18' Concrete Driveway @ the Spyglass Plant, Loma Vista, 7/28/08 |
| 7918685 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 304.50 | |
| 7909942 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 304.30 | 40 s.f. Chlorine Room- Loma Vista Plant |
| 7910213 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 304.20 | 304 l.f. of Chain Link Fencing - Spyglass Water Plant |
| 11751445 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 303.40 | Utility Easement, Loma Vista, 3/10-9/11 |
| 7913305 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | Flush Valves |
| 7912508 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 330.40 | 25,000 Gallon GST-Bolted Steel |
| 7911972 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 311.40 | Electrical Control System - Wood Hill Water Plant |
| 7912550 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 330.40 | 200 Gallon Pressure/Hydro Tanks - Wood Hill Water Plant |
| 24054632 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 333.40 | Service Line:1" |
| 24054643 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 333.40 | Service Line:2" |
| 11252624 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 330.40 | Instl New Pressure Tank, Westcreek, 3/28/12 |
| 24498783 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 311.40 | 15HP 3/4" Berkley B73093 Booster Pump #1; Horizon Plant; Loma Vista; 7/2015 |
| 7911699 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 311.40 | 15HP Booster Pumps-Spyglass Water Plant |
| 11823136 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 307.20 | Set Well, Loma Vista, 5/15/12 |
| 15019451 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 307.20 | RprWellPiping,LomaVista, 4/18/13 |
| 7913300 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | Air Release Valves |
| 7924116 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 320.30 | Installed Gas Chlorinator, West Creek Estates, 4/09 |
| 20422090 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | Mains:Valves (6, 8, & 10") |
| 19530832 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | Mains:Lock Joint (4" & under) |
| 7912515 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 330.40 | 32,000 Gallon GST-Bolted Steel |
| 7910614 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 4" Piping Installed 1 Cylinder Scale each @ plants 1-3 and 2 Scales @ Plant #4, Loma Vista, 4/09 |
| 7918730 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 320.30 | |
| 11252595 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 320.30 | New CL2 System, 2/23/12, Loma Vista |

Accounting Entry Explanation and Asset Listing as of Dec. 31, 2017

| asset_id | Water/Sewer | Transfer From | Transfer To | gl_account | NARUC Acct | asset_description |
|----------|-------------|-------------------------|--------------------|------------------------------|------------|-----------------------------------------------------------------------------------|
| 7910689 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 6" Piping |
| 7912522 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 330.40 | 525 Gallon Pressure Tanks |
| | | | | | | Added 12'X9'X4' concrete pad at meter loop w/36" concrete stairs and 2' pipe |
| 7918690 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 304.40 | railing, Spyglass Plant, Loma Vista, 7/28/08 |
| 7910316 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 335.40 | Fire Hydrant |
| 7913255 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 6" Water Valves |
| | | | | | | Replaced Roof on Pump House and Added 3' X 8' CL2 Concrete Block Room, Loma |
| 7937379 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 304.20 | Vista, 7/08 |
| 28408609 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | Mains:Lock Joint (6, 8, & 10") |
| 7910239 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 304.20 | Chain Link Fencing-Horizon Plant |
| 7913290 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 8" Water Valves |
| 24498569 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | Mains:Lock Joint (6, 8, & 10") |
| 21211670 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 330.40 | Replace Sight Glass, Westcreek, 7/2014 |
| 7910764 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 8" Piping |
| 7921469 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | Main Break Repairs, Loma Vista, 6/09 |
| 19530837 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | Mains:Plastic, PVC, or HDPE (4" & under) |
| 7910629 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 4" Piping |
| 33856328 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 307.20 | 462' 3" galv pipe |
| 7937353 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 304.20 | Constructed 300 l.f. of 6" X 42" Retaining Wall, Loma Vista, 7/08 |
| 7910659 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 4" Piping |
| 31380012 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 307.20 | 462' 3" galv pipe |
| 7919458 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | Main Break Repair, 5/10-6/10, Loma Vista |
| 7910574 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 2" Piping |
| 24498579 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | Mains:Plastic, PVC, or HDPE (6, 8, & 10") |
| 25869936 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | Mains:Plastic, PVC, or HDPE (4" & under) |
| 17715621 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 330.40 | 3x6" Sight Glass, Loma Vista, 3/10/14 |
| 17052007 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 333.40 | Service Line:3/4" |
| 7910699 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 6" Piping |
| 13765706 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | Mains:Plastic, PVC, or HDPE (4" & under) |
| 13765712 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 333.40 | Service Line:1" |
| 7910709 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 6" Piping |
| 7912585 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 330.40 | 60,000 Gallon GST-Concrete-Loma Vista Plant |
| 7911977 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 311.40 | Electrical Control System/Horizon Plant |
| 7910569 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 2" Piping |
| 7924131 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 320.30 | Installed new CL2 System w/Gas Chlorinator @ Well #2, Loma Vista, 4/09 |
| 24054312 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | Mains:Lock Joint (4" & under) |
| 23317055 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 309.20 | 120 l.f. of Supply Main from Well to Tank |
| | | | | | | Installed concrete stairs to lower level and a 3'X6' retaining concrete retaining |
| 7918735 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 304.50 | wall, Woodhill Plant, Loma Vista, 7/08 |
| 24899299 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 333.40 | Service Line:1" |
| 11974291 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | Main Break Repairs, 6/12 |
| 7909904 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 304.40 | 120 s.f. Booster Pump Building-Horizon Plant |
| 7910544 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 2" Piping |
| 7910326 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 335.40 | Fire Hydrant |
| 29311690 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 333.40 | Service Line:1" |
| 7910534 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 2" Piping |
| 7912592 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 330.40 | 85,000 Gallon GST-Bolted Steel-Loma Vista Plant |
| 7946229 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 311.20 | Replaced 50HP Well Pump & Motor, Horizon Plant, Loma Vista, 6/09-7/09 |

Accounting Entry Explanation and Asset Listing as of Dec. 31, 2017

| asset_id | Water/Sewer | Transfer From | Transfer To | gl_account | NARUC Acct | asset_description |
|----------|-------------|-------------------------|--------------------|------------------------------|------------|------------------------------------------------------------------------------------------------------------------|
| 31380016 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 311.20 | 40hp 430S400 13 Grundfos Sub Pump |
| 7910694 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 6" Piping |
| 7910599 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 3" Piping |
| 7912578 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 330.40 | 60,000 Gallon GST-Bolted Steel-Rock Ridge Pumping Station |
| 23316675 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 311.20 | 50HP Grundfos Spyglass Well Pump Motor; Spyglass Plant; Loma Vista; 4/13/2015 |
| 23316687 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 311.20 | 50HP Grundfos Spyglass Well Pump End; Spyglass Plant; Loma Vista; 4/13/2015 |
| 7921474 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | Main Break Repairs, Loma Vista, 7/09 |
| 7910724 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 6" Piping |
| 7913275 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 6" Water Valves |
| 26269150 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | Mains:Lock Joint (4" & under) |
| 7910549 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 2" Piping |
| 18401053 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 333.40 | Service Line:1" |
| 7910619 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 4" Piping Replaced 62' X 18' Concrete Retaining Wall in Drainage Ditch to secure 6" Main, Loma Vista, 4/09 |
| 7834803 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 304.40 | Loma Vista, 4/09 |
| 29311712 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 333.40 | Service Line:1" |
| 7937372 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 330.40 | Installed 1,000 gallon Hydro Tank w/Slab, Loma Vista, 12/22/08 |
| 7918720 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | Installed 380 l.f. of 3" Distribution Main, Loma Vista, 8/31/09 |
| 7921464 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | Main Break Repairs, Loma Vista, 5/09 |
| 34677521 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 311.20 | 50hp 460v 3ph Grundfos Sub Motor |
| 29311364 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 333.40 | Service Line:3/4" |
| 13966324 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 311.20 | Well Pump End, Loma Vista, 1/31/13 |
| 24054646 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 333.40 | Service Line:3/4" |
| 7910559 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 2" Piping |
| 7919463 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | Main Break Repairs, 12/10, Loma Vista |
| 33856331 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 311.20 | 20hp 230v 3ph Grundfos pump/motor |
| 7921444 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | Main Break Repair, Loma Vista, 11/09-12/-09 |
| 7912571 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 330.40 | 4,100 Gallon Pressure/Hydro Tank-Spyglass Water Plant |
| 7946243 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 303.40 | Utility Easement, Loma Vista, 5/03/10-8/16/10 |
| 7919174 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 335.40 | Replaced 2 - 3' - 6" Hydrants, Loma Vista, 1/09-4/09 |
| 7910649 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 4" Piping |
| 7910744 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 6" Piping |
| 7912557 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 330.40 | 3,150 Gallon Pressure/Hydro Tank-Horizon Plant |
| 17052250 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 333.40 | Service Line:Unspecified size: |
| 7910644 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 4" Piping |
| 31081293 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 307.20 | Wells,Springs,Intakes |
| 24498556 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | Mains:Lock Joint (4" & under) |
| 7910579 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 3" Piping |
| 18079503 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | Mains:Plastic, PVC, or HDPE (4" & under) |
| 18692303 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | Mains:Plastic, PVC, or HDPE (6, 8, & 10") |
| 24498582 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 333.40 | Service Line:3/4" |
| 7913548 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 307.20 | Well (215 GPM)-Loma Vista Plant |
| 10204606 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | Mains:Plastic, PVC, or HDPE (4" & under) |
| 15323403 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | Mains:Plastic, PVC, or HDPE (6, 8, & 10") |
| 24898882 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 311.20 | Pump:20+ Horsepower |
| 15323406 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | Mains:Unspecified size/type: |

Accounting Entry Explanation and Asset Listing as of Dec. 31, 2017

| asset_id | Water/Sewer | Transfer From | Transfer To | gl_account | NARUC Acct | asset_description |
|----------|-------------|-------------------------|--------------------|------------------------------------|------------|-----------------------------------------------------------------------------------------------|
| 7910604 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 4" Piping |
| 7910759 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 6" Piping |
| 11751442 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | Main Break Repairs, 12/10-4/12,Loma Vista |
| 13766017 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 333.40 | Service Line:Unspecified size: |
| 7921479 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | Main Break Repairs, Materials, Loma Vista, 9/08 - 12/08 |
| 7910714 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 6" Piping |
| 7910729 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 6" Piping |
| 7910749 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 6" Piping |
| 7921489 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | Main Break Repairs,8/09-10/09, Loma Vista |
| 7910639 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 4" Piping |
| 7921439 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | Main Break Repair, Loma Vista, 1/10-3/10 |
| 7912543 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 330.40 | 125,000 Gallon GST-Bolted-Wood Hill Water Plant |
| 25869929 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | Mains:Lock Joint (4" & under) |
| 7910609 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 4" Piping |
| 7910529 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 2" Piping |
| 7921459 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | Main Break Repairs, Loma Vista, 1/09-4/09 |
| 36354244 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | Mains:Lock Joint (4" & under) |
| 17715341 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | Mains:Lock Joint (4" & under) |
| 15323396 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | Mains:Plastic, PVC, or HDPE (4" & under) |
| 7910624 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 4" Piping |
| 7912536 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 330.40 | 125,000 Gallon GST-Bolted Steel-Spyglass Water Plant |
| 7913534 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 307.20 | Well (125 GPM) Upgraded 137 meters with AMR Meters, Erts, and Registers, West Creek, 3/08- |
| 7930263 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 334.40 | 12/08 |
| 7910514 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 2" Mains |
| 7946252 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | Main Break Repairs, 5/10-11/10, Loma Vista |
| 7910524 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 4" Mains |
| 7912529 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 330.40 | 125,000 Gallon GST-Bolted Steel-Horizon Plant |
| 7910684 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 6" Mains |
| 18692300 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | Mains:Lock Joint (6, 8, & 10") |
| 7910331 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 335.40 | Fire Hydrant |
| 7910754 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 6" Piping |
| 7910719 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 6" Piping |
| 7913541 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 307.20 | Well (160 GPM) - Wood Hill Water Plant |
| 7913555 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 307.20 | Well (230 GPM)-Spyglass Water Plant |
| 7913562 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 307.20 | Well (275 GPM)-Horizon Plant |
| 11751434 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | Main Break Repairs, 12/10-4/12,Loma Vista |
| 7910734 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 6" Piping |
| 7910704 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 6" Piping Upgraded 1093 meters with AMR Meters, Erts, and Registers, Loma Vista, 3/08- |
| 7930268 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 334.40 | 12/08 |
| 7910769 | Water | Kerrville South (11484) | Aqua Texas (13254) | 101-Utility Plant in Service | 331.40 | 8" Piping |
| 26269428 | Water | Kerrville South (11484) | Aqua Texas (13254) | 106-Completed const not classified | 334.40 | (B)New Water Tap Install, Loma Vista |
| 26269424 | Water | Kerrville South (11484) | Aqua Texas (13254) | 106-Completed const not classified | 333.40 | (B)New Water Tap Install, Loma Vista |
| 22654640 | Water | Kerrville South (11484) | Aqua Texas (13254) | 106-Completed const not classified | 320.30 | (B)WtrTreatPlnts,All Above Grade |
| 31855590 | Water | Kerrville South (11484) | Aqua Texas (13254) | 106-Completed const not classified | 334.40 | (B)New Water Tap Install, Loma Vista |
| 31855587 | Water | Kerrville South (11484) | Aqua Texas (13254) | 106-Completed const not classified | 333.40 | (B)New Water Tap Install, Loma Vista |
| 31482679 | Water | Kerrville South (11484) | Aqua Texas (13254) | 106-Completed const not classified | 320.30 | (B)WtrTreatPlnts,All Above Grade |

Accounting Entry Explanation and Asset Listing as of Dec. 31, 2017

| asset_id | Water/Sewer | Transfer From | Transfer To | gl_account | NARUC Acct | asset_description |
|-----------------|-------------|-------------------------|--------------------|----------------------------------------|------------|--------------------------------------|
| <u>26269418</u> | Water | Kerrville South (11484) | Aqua Texas (13254) | 106-Completed const not classified | 333.40 | (B)Service Line Repairs, Loma Vista |
| <u>29311524</u> | Water | Kerrville South (11484) | Aqua Texas (13254) | 106-Completed const not classified | 320.30 | (B)WtrTreatPlnts,All Above Grade |
| <u>27456763</u> | Water | Kerrville South (11484) | Aqua Texas (13254) | 106-Completed const not classified | 331.40 | (B)Distr.Sys Rprs/Main Rpr/Rpl |
| <u>25870013</u> | Water | Kerrville South (11484) | Aqua Texas (13254) | 106-Completed const not classified | 320.30 | (B)WtrTreatPlnts,All Above Grade |
| <u>31482763</u> | Water | Kerrville South (11484) | Aqua Texas (13254) | 106-Completed const not classified | 333.40 | (B)Service Line Repairs, Loma Vista |
| <u>31482655</u> | Water | Kerrville South (11484) | Aqua Texas (13254) | 106-Completed const not classified | 320.30 | (B)WtrTreatPlnts,All Above Grade |
| <u>31482567</u> | Water | Kerrville South (11484) | Aqua Texas (13254) | 106-Completed const not classified | 331.40 | (B)Distr.Sys Rprs/Main Rpr/Rpl |
| <u>21788575</u> | Water | Kerrville South (11484) | Aqua Texas (13254) | 271.10 - CIAC (Customer Contributions) | 333.40 | Contributions in Aid of Construction |
| <u>31482808</u> | Water | Kerrville South (11484) | Aqua Texas (13254) | 271.10 - CIAC (Customer Contributions) | 333.40 | Contributions in Aid of Construction |
| <u>33274679</u> | Water | Kerrville South (11484) | Aqua Texas (13254) | 271.10 - CIAC (Customer Contributions) | 333.40 | Contributions in Aid of Construction |
| <u>11924642</u> | Water | Kerrville South (11484) | Aqua Texas (13254) | 271.10 - CIAC (Customer Contributions) | 333.40 | Contributions in Aid of Construction |
| <u>25870207</u> | Water | Kerrville South (11484) | Aqua Texas (13254) | 271.10 - CIAC (Customer Contributions) | 333.40 | Contributions in Aid of Construction |
| <u>14262178</u> | Water | Kerrville South (11484) | Aqua Texas (13254) | 271.10 - CIAC (Customer Contributions) | 333.40 | Contributions in Aid of Construction |
| <u>15923671</u> | Water | Kerrville South (11484) | Aqua Texas (13254) | 271.10 - CIAC (Customer Contributions) | 333.40 | Contributions in Aid of Construction |

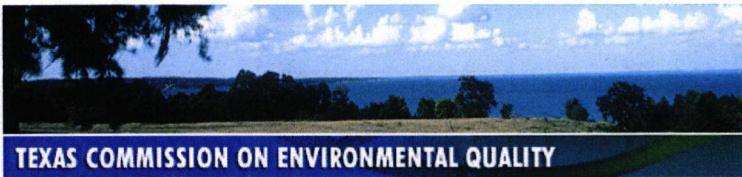
| PWS ID | PWS Name | Enforcement 2013- present | Enf. Comment | Last CCI | Imp Req for TCEQ | Outstanding Requirements | Improve Desc | Conn. Moratorium | Capital Improvements | Schedule | Cost | Within Corp limit | If yes # cust within limit | Purch. water | Water/ Sewer | Basis (Reg, Sea, Or Em.) | Source | % Purc. | \$5% rule | If \$5 list imp. |
|---------|-----------------------------------|------------------------------|--------------|------------|---------------------|-----------------------------|--------------|---------------------|----------------------|----------|------|----------------------|-------------------------------------|-----------------|-----------------|-----------------------------------|--------|---------|-----------|------------------|
| 1330041 | LOMA VISTA WATER SYSTEM | N | | 12/11/2014 | N | | | N | | | | Y - Partial | 90 (7.6%) | N | | | | | N | |
| 1330028 | WESTCREEK ESTATES WATER SYSTEM | N | | 1/4/2017 | N | | | N | | | | N | | N | | | | | N | |

Attachment

7

Customer Count

| System Name | PWS | Water | | | | | | | | | | WT |
|-----------------------------------|---------|-------|-----|----|-------|---|---|---|---|---|----|-------|
| | | 5/8 | 3/4 | 1 | 1 1/2 | 2 | 3 | 4 | 6 | 8 | 10 | Total |
| WESTCREEK ESTATES WATER SYSTEM | 1330028 | 133 | | 3 | | | | | | | | 136 |
| LOMA VISTA WATER SYSTEM | 1330041 | 1062 | | 14 | | 1 | | 1 | | | | 1078 |
| LOMA VISTA WATER SYSTEM (In City) | 1330041 | 70 | | 6 | 4 | 3 | | 1 | | | | 84 |



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

SITE SEARCH:
 please enter search phrase

SUBJECT INDEX
[Air](#) [Water](#) [Waste](#)
[Search TCEQ Data](#)
[Agency Organization Map](#)

Attachment

8

| Customer | Site Associated with This Customer | | | | | Compliance History for Customer at this Site (If no Site appears in the same row, this is the Customer's overall compliance history.) | | | |
|----------------|------------------------------------|----------------------|--------|-------------|-----------------|------------------------------------------------------------------------------------------------------------------------------------------|----------------|------------|-------------|
| | Name | City or Nearest City | County | TCEQ Region | Related Numbers | Rating | Classification | Date Rated | Date Posted |
| AQUA TEXAS INC | N/A | N/A | N/A | N/A | ▪ N/A | 4.10 | SATISFACTORY | 09/01/2017 | 08/30/2018 |

What's a "site"?

A "site" (sometimes called a "regulated entity") is any person or thing that is of environmental interest to the TCEQ. At a "site", one or more regulatory activities of interest to us occur or have occurred in the past. Some examples of sites are:

- Industrial plants, such as the Exxon Baytown Facility
- Small businesses, such as Texaco Gas Station #200 or Elroy's Dry Cleaning & Laundry
- Public facilities, such as the City of Austin's Hornsby Bend Wastewater Treatment Plant

What's a "customer"?

A "customer" owns, operates, is responsible for, or is affiliated with a regulated entity. Examples include:

- Major industrial corporations, such as Exxon USA, Exxon Inc, or Texaco Inc
- Small businesses, such as Karl Redmond dba Karl's Kleaners, which owns several dry-cleaner locations
- Governmental bodies, such as the City of Austin, the United States Air Force, or a municipal utility district
- Individuals, such as Karl A. Redmond, owner of Karl Redmond dba Karl's Kleaners

[Return to top](#)

[Get a list of compliance histories](#)

Learn more [about compliance histories](#)

Questions? E-mail comphist@tceq.texas.gov

[Return to search form](#)

**Aqua Texas, Inc. Application to Transfer Kerrville South Water
Company, Inc., CCN No. 11484 to Southwest Region**

Proposed Water CCN area for transfer is within:

County – Kerr

GCD – Headwaters GCD

Districts – Upper Guadalupe River Authority

City Limits – City of Kerrville (partially)

ETJ – City of Kerrville

Attachment

9

Entities within 2 Miles/Notice list:

SWWC Utilities Inc. (CCN 11106)

City of Kerrville (CCN 12928)

The Woods WSC (CCN 11879)

Fremont Water Co. (CCN 12821)

Oak Grove MHP Inc. / TXKE Oaks MHP (N0042)

Harper Water Co., Inc. (CCN 11421) –Aqua Texas

Upper Guadalupe River Authority

Headwaters GCD

Kerr County Judge

Addresses for Notice List

SWWC Utilities Inc.
12535 Reed Rd
Sugar Land, TX 77478

City of Kerrville
800 Junction Hwy
Kerrville, TX 78028

The Woods WSC
117 Timberwood Rd
Kerrville, TX 78028

Fremont Water Co.
938 Saddle Club Dr
Kerrville, TX 78028

Oak Grove MHP, Inc. / TXKE Oaks MHP
312 Wood Dr
Kerrville, TX 78028

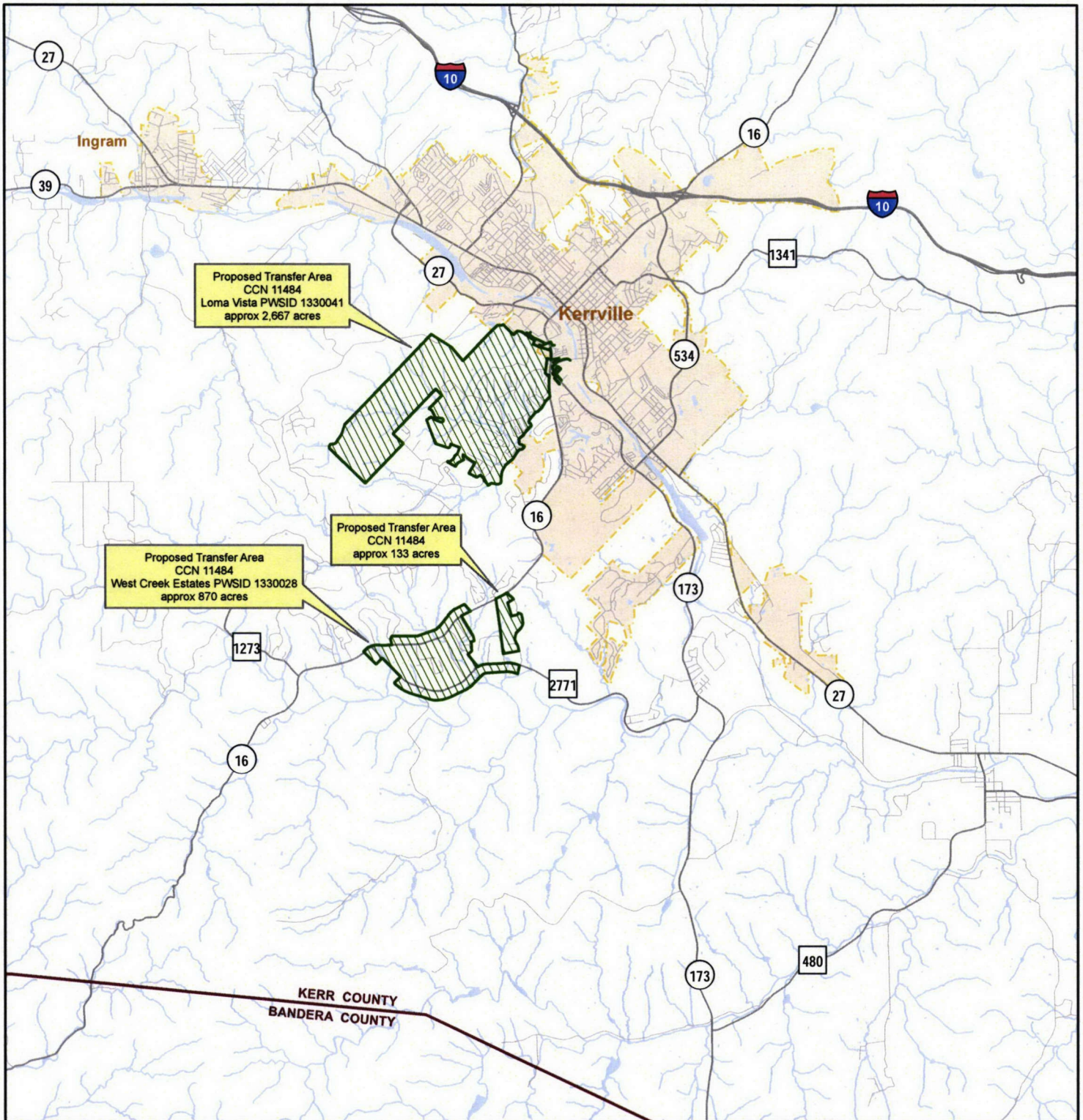
Upper Guadalupe River Authority
125 LehmannDr Suite 100
Kerrville, TX 78028

Headwaters GCD
125 Lehmann Dr Suite 202
Kerrville, TX 78028

Kerr County Judge Tom Pollard
700 E. Main St
Kerrville, TX 78028

Attachment 10 - Operators



| Name | Position | Certification # | Certification Description | Certification Level | Achieved Date | Expiration Date |
|-------------------|----------------------|-----------------|---------------------------------|---------------------|---------------|-----------------|
| ERLUND, JESS | Facility Operator II | WG0008236 | GROUND WATER TREATMENT OPERATOR | B | 07/16/2015 | 08/19/2018 |
| ERLUND, JESS | Facility Operator II | WW0040186 | WASTEWATER TREATMENT OPERATOR | D | 07/23/2015 | 08/26/2018 |
| GRIFFIN, ANGELIA | Facility Operator I | WG0007624 | GROUND WATER TREATMENT OPERATOR | C | 06/15/2016 | 07/11/2019 |
| GRIFFIN, ANGELIA | Facility Operator I | WW0016932 | WASTEWATER COLLECTION OPERATOR | II | 08/18/2016 | 10/26/2019 |
| LAING, JAMES A JR | Facility Operator II | WG0009906 | GROUND WATER TREATMENT OPERATOR | B | 05/22/2015 | 05/15/2018 |
| MCDANIEL, JEREMY | Field Supervisor | WG0014140 | GROUND WATER TREATMENT OPERATOR | B | 03/02/2016 | 04/10/2019 |
| MCDANIEL, JEREMY | Field Supervisor | WW0054201 | WASTEWATER TREATMENT OPERATOR | B | 11/05/2015 | 11/05/2018 |
| RECTOR, RILEY | Facility Operator I | WG0008445 | GROUND WATER TREATMENT OPERATOR | C | 08/24/2015 | 08/25/2018 |



General Location

Aqua Texas, Inc.
 Application to Transfer Kerrville South Water Company, Inc., CCN No. 11484 to Aqua Texas, Inc., CCN No. 13254
 Approximately 3,670 acres in Kerr County

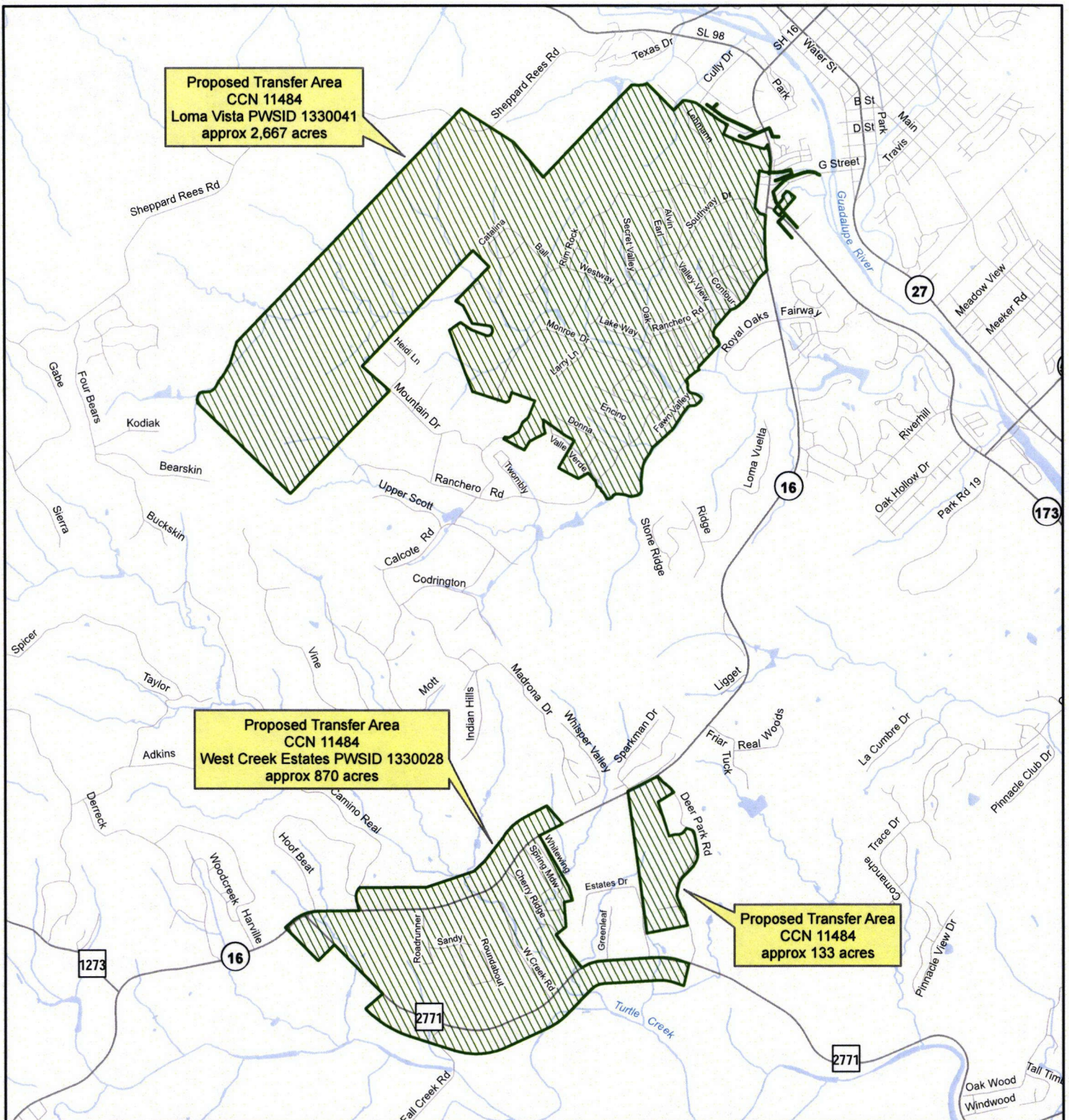
Existing Water CCN Proposed for Transfer

-  11484 - Kerrville South Water Co., Inc.
-  11484 - Kerrville South Water Co., Inc. (Facilities Only)

Attachment

11

Map by: S. Burt, ASBGI
 Date: February 24, 2018
 Base: TxDOT 2015 Roadways, City_TxDOT
 Project: Kerr County Gen Location



Large Scale Map



Aqua Texas, Inc.

Application to Transfer Kerrville South Water Company, Inc., CCN No. 11484 to Aqua Texas, Inc., CCN No. 13254
Approximately 3,670 acres in Kerr County



0 2,000 4,000
Feet

Existing Water CCN Proposed for Transfer

-  11484 - Kerrville South Water Co., Inc.
-  11484 - Kerrville South Water Co., Inc. (Facilities Only)

Map by: S. Burt, ASBGi
Date: February 24, 2018
Base: TxDOT 2015 Roadways
Project: Kerr County Large Scale

ATTACHMENT 12 – TARIFF

Please see the Aqua Texas Southwest Region – Water tariff in Tariff Control No. 48197; *Application of Aqua Texas, Inc., Aqua Utilities, Inc., and Aqua Development, Inc. dba Aqua Texas for a Minor Tariff Change (Federal Tax Credit Rider)*. The Joint Motion to Admit Evidence and Proposed Notice of Approval was filed with the Commission on August 20, 2018, but a Notice of Approval has not yet been issued.

Aqua Texas also has a tariff applicable to in-City customers for Kerrville South Water systems being transferred.

Bryan W. Shaw, Ph.D., P.E., *Chairman*
Toby Baker, *Commissioner*
Zak Covar, *Commissioner*
Richard A. Hyde, P.E., *Executive Director*



1050027 SR
Chaparral

Attachment

13

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

November 19, 2014

RECEIVED
NOV 21 2014

BY:

Mr. Scot Foltz, Regulatory and Compliance Manager
Aqua Utilities, Inc.
1109 Clayton Lane
Austin, Texas 78723

Re: Notice of Compliance with Agreed Order
Aqua Utilities, Inc.; RN102682341
Docket No. 2014-0511-PWS-E; Enforcement Case No. 48526

Dear Mr. Foltz:

This letter is to inform you that a review of Texas Commission on Environmental Quality (TCEQ) records concerning the above-referenced enforcement matter indicates that Aqua Utilities, Inc. has fulfilled the requirements of the Agreed Order effective on September 22, 2014. Specifically, Aqua Utilities, Inc. has fulfilled the technical requirements and has paid the administrative penalty assessed in the Agreed Order. Based upon this, we conclude that your response has been satisfactory and no further action is necessary at this time with respect to this enforcement matter. The Order will terminate on September 22, 2019, provided Aqua Utilities, Inc. maintains compliance with all terms and conditions of the Order.

We appreciate your cooperation, and if we can be of any further assistance, please contact Mr. Michael Tucker at (512) 239-6924.

Sincerely,

A handwritten signature in cursive script, appearing to read "Carmen Pedraza".

Carmen Pedraza, Work Leader
Enforcement Division

Bryan W. Shaw, Ph.D., *Chairman*
Toby Baker, *Commissioner*
Zak Covar, *Commissioner*
Richard A. Hyde, P.E., *Executive Director*

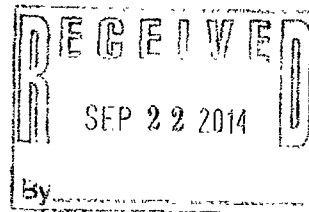


Chaparral - 1050029
P. 1000

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

September 19, 2014



CERTIFIED MAIL RETURN RECEIPT REQUESTED

Mr. Scot Foltz, Regulatory and Compliance Manager
Aqua Utilities Inc.
1109 Clayton Lane
Austin, Texas 78723

Re: TCEQ Enforcement Action
Aqua Utilities Inc.
Docket No. 2014-0511-PWS-E

Dear Mr. Foltz:

Enclosed for your records is a fully-executed copy of the Agreed Order for the above-referenced matter.

Please review the enclosed Agreed Order, particularly the "Ordering Provisions" section, to determine if further action will be required of you, such as the completion of technical requirements to achieve compliance. When technical requirements are listed (usually Ordering Provision No. 2 or 3), a deadline will be provided based on a specific number of days after the effective date. The effective date of this Agreed Order is three days after the date printed at the top of this letter.

Should you have any questions, please contact Raymond Mejia, the Enforcement Coordinator assigned to this matter, at (512) 239-5460.

Sincerely,

Candice Garrett

Candice Garrett
Enforcement Division

Enclosure

cc: Raymond Mejia, Enforcement Division
Public Water Supply Section Manager, Region 11

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
AQUA UTILITIES INC.
RN102682341

§ BEFORE THE
§
§ TEXAS COMMISSION ON
§
§ ENVIRONMENTAL QUALITY

AGREED ORDER
DOCKET NO. 2014-0511-PWS-E

I. JURISDICTION AND STIPULATIONS

On SEP 17 2014, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Aqua Utilities Inc. (the "Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 341. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent together stipulate that:

1. The Respondent owns and operates a public water supply located off Bliss Spillar Road, southwest of Manchaca, Hays County, Texas (the "Facility") that has approximately 146 service connections and serves at least 25 people per day for at least 60 days per year.
2. The Executive Director and the Respondent agree that the Commission has jurisdiction to enter this Agreed Order, and that the Respondent is subject to the Commission's jurisdiction.
3. The Respondent received notice of the violations alleged in Section II ("Allegations") on or about March 26, 2014.
4. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
5. An administrative penalty in the amount of One Thousand Five Hundred Twenty-Three Dollars (\$1,523) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid One Thousand Two Hundred Nineteen Dollars (\$1,219) of the administrative penalty and Three Hundred Four Dollars (\$304) is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full

compliance with the terms of this Agreed Order. If the Respondent fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require the Respondent to pay all or part of the deferred penalty.

6. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
7. The Executive Director and the Respondent agree on a settlement of the matters alleged in this enforcement action, subject to final approval in accordance with 30 TEX. ADMIN. CODE § 70.10(a).
8. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
9. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
10. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

II. ALLEGATIONS

As owner and operator of the Facility, the Respondent is alleged to have:

1. Failed to provide the results of the triennial synthetic organic chemical contaminants (methods 504, 515.4, and 531.1) sampling to the Executive Director and failed to provide public notification regarding the failure to provide triennial synthetic organic chemical monitoring results for the January 1, 2010 to December 31, 2012 monitoring period, in violation of 30 TEX. ADMIN. CODE §§ 290.107(e) and 290.122(c)(2)(A), as documented during a record review conducted on March 10, 2014.
2. Failed to collect the triennial metal and mineral samples and provide the results to the Executive Director and failed to provide public notification regarding the failure to collect triennial metal and mineral samples for the January 1, 2010 to December 31, 2012 monitoring period, in violation of 30 TEX. ADMIN. CODE §§ 290.106(c)(4) and (e) and 290.122(c)(2)(A), as documented during a record review conducted on March 10, 2014.
3. Failed to provide the results of the annual nitrate sampling to the Executive Director and failed to provide public notification regarding the failure to provide annual nitrate results for the 2012 monitoring period, in violation of 30 TEX. ADMIN. CODE §§ 290.106(e) and 290.122(c)(2)(A), as documented during a record review conducted on March 10, 2014.

III. DENIALS

The Respondent generally denies each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that the Respondent pay an administrative penalty as set forth in Section I, Paragraph 5 above. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Aqua Utilities Inc., Docket No. 2014-0511-PWS-E" to:

Financial Administration Division, Revenue Operations Section
Attention: Cashier's Office, MC 214
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088

2. It is further ordered that the Respondent shall undertake the following technical requirements:
 - a. Within 30 days after the effective date of this Agreed Order:
 - i. Ensure that all delinquent drinking water chemical analysis results are reported to the Executive Director or demonstrate that a compliance schedule has been established, in accordance with 30 TEX. ADMIN. CODE §§ 290.106 (Inorganic Contaminants) and 290.107 (Organic Contaminants);
 - ii. Implement improvements to the Facility's process procedures, guidance, training, and/or oversight to ensure that future drinking water chemical sample results are collected, analyzed by the Facility's laboratories, and reported to the Executive Director within ten days of Executive Director request or of their receipt by the Facility, whichever is later, in accordance with 30 TEX. ADMIN. CODE §§ 290.106 (Inorganic Contaminants) and 290.107 (Organic Contaminants); and
 - iii. Implement procedures to ensure that all necessary public notifications are provided in a timely manner to persons served by the Facility, including but not limited to providing public notification regarding the failure to provide triennial synthetic organic chemical monitoring results, collect triennial metal and mineral samples, and provide annual nitrate results, in accordance with 30 TEX. ADMIN. CODE § 290.122.
 - b. Within 45 days after the effective date of this Agreed Order, submit written certification as described below, and include detailed supporting documentation

including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provisions Nos. 2.a.i through 2.a.iii. The certification shall be notarized by a State of Texas Notary Public and include the following certification language:

"I certify under penalty of law that I have personally examined and am familiar with the information submitted and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment for knowing violations."

The certification shall be submitted to:

Order Compliance Team
Enforcement Division, MC 149A
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

with a copy to:

Public Drinking Water Section Manager
Water Supply Division, MC 155
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

3. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Facility operations referenced in this Agreed Order.
4. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
5. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
6. This Agreed Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Agreed Order may be

copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Agreed Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms "electronic transmission", "owner", "person", "writing", and "written" shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.

7. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to the Respondent, or three days after the date on which the Commission mails notice of the Order to the Respondent, whichever is earlier.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

Bryan Sinclair

For the Executive Director

9/17/2014

Date

I, the undersigned, have read and understand the attached Agreed Order. I am authorized to agree to the attached Agreed Order on behalf of the entity indicated below my signature, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I also understand that failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.

Signature
Robert Laughman

Name (Printed or typed)
Authorized Representative of
Aqua Utilities Inc.

6/26/2014

Date
President

Title

Instructions: Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenue Operations Section at the address in Section IV, Paragraph 1 of this Agreed Order.

Bryan W. Shaw, Ph.D., Chairman
Carlos Rubinstein, Commissioner
Toby Baker, Commissioner
Zak Covar, Executive Director



jay
PWS/1330036 /CO

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

April 9, 2013

Mr. Larry E. Mitchell
Aqua Texas, Inc.
1106 Clayton Lane, Suite 400W
Austin, Texas 78723

Re: Erlund Subdivision - Public Water System ID No. 1330036
85% Planning Report
Engineer Contact Telephone: (512) 990-4400
Plan Review Log No. P-02192013-081
Kerr County, Texas

CN602787509; RN102677820

RECEIVED
APR 13 2013

BY:.....

Dear Mr. Mitchell:

On February 19, 2013, the Texas Commission on Environmental Quality (TCEQ) received your letter dated February 15, 2013 submitting a 85% planning report for the above referenced public water system. Based on the information submitted, the water system has generally complied with 30 Texas Administrative Code (TAC) Chapter 291.93(3), Subchapter F.

The water system currently has 246 active connections and, according to your letter, all required capacities, except well capacity are below 85% of its existing capacity. Currently, the well capacity is 160 gallon per minute (gpm) and the required capacity for this system is 147 gpm, which is at 92% of its current existing capacity. Your letter indicated the water system is built out and is not planning to make any improvements in the water system.

Please refer to the TCEQ Utilities Technical Review Team's Log Number P-02192013-081 in all correspondence for this project.

Please complete a copy of the most current Public Water System Plan Review Submittal form for any future submittals. Every blank on the form must be completed to minimize any delays in the review of your project. The document is available on TCEQ's website at the address shown below.

<http://www.tceq.texas.gov/utilities/planrev.html>

Mr. Larry E. Mitchell
Page 2
April 9, 2013

For future reference, you can review part of the Utilities Technical Review Team's database to see if we have received your project. This is available on the TCEQ's homepage on the Internet at the following address:

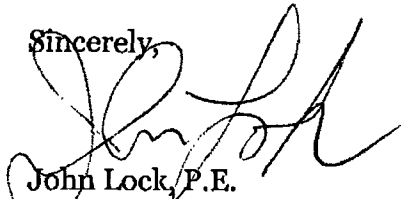
<http://www.tceq.texas.gov/utilities/planrev.html#status>

You can download most of the well construction checklists and the latest revision of Chapter 290 "Rules and Regulations for Public Water Systems" from this site.

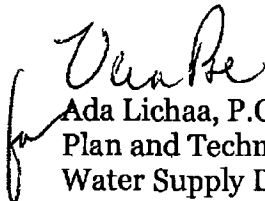
If you have any questions concerning this letter or need further assistance, please contact Pritesh Tripathi at (512)239-3794 or by email at "priteshtripathi@tceq.texas.gov" or by correspondence at the following address:

Utilities Technical Review Team, MC-159
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

Sincerely,



John Lock, P.E.
Utilities Technical Review Team, MC-159
Plan and Technical Review Section
Water Supply Division
Texas Commission on Environmental Quality



Ada Lichaa, P.G., Manager
Plan and Technical Review Section
Water Supply Division
Texas Commission on Environmental Quality

PT/JL/AL/av

cc: TCEQ Central Records PWS File 1330036
TCEQ Region No.13 Office - San Antonio

Bryan W. Shaw, Ph.D., P.E., Chairman
Toby Baker, Commissioner
Zak Covar, Commissioner
Richard A. Hyde, P.E., Executive Director



Jailene W. H.
June 26

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
Protecting Texas by Reducing and Preventing Pollution

June 26, 2014

CERTIFIED MAIL

R. L. Laughman, President
Larry Mitchell, Compliance Manager
Aqua Utilities, Inc.
1106 Clayton Lane, Suite 400W
Austin, Texas 78723-2476

RECEIVED
JUN 27 2014
BY:

RE: Aqua Utilities, Inc.
TCEQ Docket No. 2013-2043-PWS-E; Registration No. 1330154
Agreed Order Assessing Administrative Penalties and Requiring Certain Action

Enclosed is a copy of an order issued by the Commission.

Questions regarding the order should be directed to the Enforcement Coordinator or the Staff Attorney. If there are questions pertaining to the mailing of the order, then please contact Leslie Gann of the Texas Commission on Environmental Quality's Office of the Chief Clerk (MC 105) at (512) 239-3319.

Sincerely,

Bridget C. Bohac

Bridget C. Bohac
Chief Clerk

BCB/lg

Enclosure

cc: Lisa Westbrook, Staff Attorney, TCEQ Litigation Division

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
AQUA UTILITIES, INC.
RN102678950

§ BEFORE THE
§
§ TEXAS COMMISSION ON
§
§ ENVIRONMENTAL QUALITY

AGREED ORDER
DOCKET NO. 2013-2043-PWS-E

At its JUN 18 2014 agenda, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Aqua Utilities, Inc. (the "Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 341. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent presented this agreement to the Commission.

The Respondent understands that it has certain procedural rights at certain points in the enforcement process, including, but not limited to, the right to formal notice of violations, notice of an evidentiary hearing, the right to an evidentiary hearing, and a right to appeal. By entering into this Agreed Order, the Respondent agrees to waive all notice and procedural rights.

It is further understood and agreed that this Order represents the complete and fully-integrated settlement of the parties. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable. The duties and responsibilities imposed by this Agreed Order are binding upon the Respondent.

The Commission makes the following Findings of Fact and Conclusions of Law:

I. FINDINGS OF FACT

1. The Respondent owns and operates a public water supply located five miles west of Comfort on United States Highway 87 in Kerr County, Texas (the "Facility") that has approximately 101 service connections and serves at least 25 people per day for at least 60 days per year.

2. During a record review conducted on September 30, 2013, TCEQ staff documented that the running annual average concentration for combined radium-226 and radium-228 was 6 picoCuries per liter ("pCi/L") for the first quarter 2012 and 6 pCi/L for the first quarter of 2013 at entry point No. 1, and the running annual average concentration for the combined radium-226 and radium-228 was 6 pCi/L for the fourth quarter of 2012 and 6 pCi/L for the first quarter of 2013 at entry point No. 2.
3. The Respondent received notice of the violations on October 21, 2013.
4. The Executive Director recognizes that on September 5, 2012, the Respondent gained conditional approval from the TCEQ for a pilot study to remove the combined radium-226 and radium-228 from the entry point No. 1 and entry point No. 2.

II. CONCLUSIONS OF LAW

1. The Respondent is subject to the jurisdiction of the TCEQ pursuant to TEX. HEALTH & SAFETY CODE ch. 341 and the rules of the Commission.
2. As evidenced by Findings of Fact No. 2, the Respondent failed to comply with the maximum contaminant level ("MCL") of 5 pCi/L for combined radium-226 and radium-228, based on the running annual average, in violation of 30 TEX. ADMIN. CODE § 290.108(f)(1) and TEX. HEALTH & SAFETY CODE § 341.0315(c).
3. Pursuant to TEX. HEALTH & SAFETY CODE § 341.049, the Commission has the authority to assess an administrative penalty against the Respondent for violations of the Texas Water Code and the Texas Health and Safety Code within the Commission's jurisdiction; for violations of rules adopted under such statutes; or for violations of orders or permits issued under such statutes.
4. An administrative penalty in the amount of Nine Hundred Ninety Dollars (\$990) is justified by the facts recited in this Agreed Order, and considered in light of the factors set forth in TEX. HEALTH & SAFETY CODE § 341.049(b). Nine Hundred Ninety Dollars (\$990) of the administrative penalty is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Agreed Order and shall be waived only upon full compliance with all the the terms and conditions contained in this Agreed Order. If the Respondent fails to timely and satisfactorily comply with any requirement contained in this Agreed Order, the deferred amount of the administrative penalty shall become immediately due and payable without demand or notice, and the Executive Director may request the Respondent to pay all or part of the deferred administrative penalty.

III. ORDERING PROVISIONS

NOW, THEREFORE, THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY ORDERS that:

1. The Respondent is assessed an administrative penalty in the amount of Nine Hundred Ninety Dollars (\$990) as set forth in Section II, Paragraph 4 above, for violations of TCEQ rules and state statutes. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order completely resolve the violations set forth by this Agreed Order in this action. However, the Commission shall not be constrained in any manner from requiring corrective actions or penalties for other violations that are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Aqua Utilities, Inc., Docket No. 2013-2043-PWS-E" to:

Financial Administration Division, Revenue Operations Section
Attention: Cashier's Office, MC 214
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088

2. The Respondent shall undertake the following technical requirements:
 - a. Within 180 days after the effective date of this Agreed Order, submit an acceptable written plan, including a proposed schedule, to the Executive Director that provides for the completion of an alternate water source or treatment technology to the addresses listed in Ordering Provision No. 2.e.;
 - b. Within 180 days after the effective date of this Agreed Order, and on a semi-annual basis thereafter, submit progress reports to the addresses listed in Ordering Provision No. 2.e. below. These reports shall include information regarding actions taken to provide water which meets the MCL for combined radium-226 and radium-228;
 - c. Within 195 days after the effective date of this Agreed Order, submit written certification as described in Ordering Provision No. 2.e. below to demonstrate compliance with Ordering Provision No. 2.a.;
 - d. Within 1,095 days after the effective date of this Agreed Order, return to compliance with the MCL for combined radium-226 and radium-228, in accordance with 30 TEX. ADMIN. CODE § 290.108; and
 - e. Within 1,110 days after the effective date of this Agreed Order, submit written certification as described below, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision No. 2.d. The certification shall be notarized by a State of Texas Notary Public and include the following certification language:

"I certify under penalty of law that I have personally examined and am familiar with the information submitted and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment for knowing violations."

The certification shall be submitted to:

Order Compliance Team
Enforcement Division, MC 149A
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

with a copy to:

Public Drinking Water Section Manager
Water Supply Division, MC 155
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

and to:

Technical Review and Oversight Team
Water Supply Division, MC 159
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

3. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Facility operations referenced in this Agreed Order.
4. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
5. The Executive Director may refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings without notice to the Respondent if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.

6. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
7. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
8. This Agreed Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Agreed Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Agreed Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms "electronic transmission", "owner", "person", "writing", and "written" shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.
9. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties. By law, the effective date of this Agreed Order is the third day after the mailing date, as provided by 30 TEX. ADMIN. CODE § 70.10(b) and TEX. GOV'T CODE § 2001.142.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Bryan W. Shaw
For the Commission

Pamela Martin
For the Executive Director

5/2/14
Date

I, the undersigned, have read and understand the attached Agreed Order in the matter of Aqua Utilities, Inc. I am authorized to agree to the attached Agreed Order on behalf of Aqua Utilities, Inc., and do agree to the specified terms and conditions. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I understand that by entering into this Agreed Order, Aqua Utilities, Inc., waives certain procedural rights, including, but not limited to, the right to formal notice of violations addressed by this Agreed Order, notice of an evidentiary hearing, the right to an evidentiary hearing, and the right to appeal. I agree to the terms of the Agreed Order in lieu of an evidentiary hearing. This Agreed Order constitutes full and final adjudication by the Commission of the violations set forth in this Agreed Order.

I also understand that failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.

LM B.L. Laughman
Signature

February 6, 2014
Date

B.L. Laughman
Name (Printed or typed)
Authorized Representative of
Aqua Utilities, Inc.

President
Title

Instructions: Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenue Operations Section at the address in Section III, Paragraph 1 of this Agreed Order.

Bryan W. Shaw, Ph.D., P.E., *Chairman*
Toby Baker, *Commissioner*
Zak Covar, *Commissioner*
Richard A. Hyde, P.E., *Executive Director*



Fallen of water - 89

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

August 20, 2014

Mr. R. L. Laughman, President
Aqua Utilities, Inc.
1106 Clayton Lane, Suite 400W
Austin, Texas 78723-2476

Re: Notice of Compliance with Agreed Order
Aqua Utilities, Inc.; RN102678950
Docket No. 2013-2043-PWS-E; Enforcement Case No. 47915

Dear Mr. Laughman:

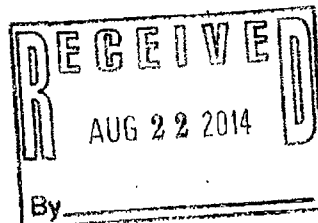
This letter is to inform you that a review of Texas Commission on Environmental Quality (TCEQ) records concerning the above-referenced enforcement matter indicates that Aqua Utilities, Inc. has fulfilled the requirements of the Agreed Order effective on June 29, 2014. Specifically, Aqua Utilities, Inc. has fulfilled the technical requirements of the Agreed Order. Based upon this, we conclude that your response has been satisfactory and no further action is necessary at this time with respect to this enforcement matter. The Order will terminate on June 29, 2019, provided Aqua Utilities, Inc. maintains compliance with all terms and conditions of the Order.

We appreciate your cooperation, and if we can be of any further assistance, please contact Mr. Ryan Byer at (512) 239-2571.

Sincerely,

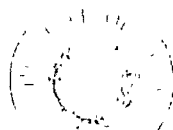
A handwritten signature in cursive script, appearing to read "Carmen Pedraza".

Carmen Pedraza, Work Leader
Enforcement Division



cc: Manager, Water Section, San Antonio Regional Office, TCEQ
Mr. Larry Mitchell, Compliance Manager, Aqua Utilities, Inc., 1106 Clayton Lane,
Suite 400W, Austin, Texas 78723-2476

Bryan W. Shaw, Ph.D., P.E., *Chairman*
Toby Baker, *Commissioner*
Jon Niermann, *Commissioner*
Richard A. Hyde, P.E., *Executive Director*



PWS_0100047_CO_20160624_Plan Ltr

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

June 24, 2016

Mr. Scot W. Foltz
Aqua Utilities, Inc.
1106 Clayton Ln., Ste. 400W
Austin, TX 78723

RECEIVED

JUN 27 2016

Re: Lakewood Water - Public Water System ID No. 0100047
85% Rule Planning Report
Engineer Contact Telephone: (512) 990-4400
Plan Review Log No. P-04252016-134
Bandera County, Texas

TX ADMIN-AUSTIN

CN602787509; RN102674728

Dear Mr. Foltz:

On April 25, 2016, the Texas Commission on Environmental Quality (TCEQ) received your 85% planning report. Your report indicates that, based on 224 connections, the provided existing pressure tank capacity (91%) has exceeded the 85% Rule. **Your action plan consists of the following:**

- Add additional pressure tank capacity prior to reaching 250 connections (100%), which is anticipated to be five years out.

Please submit plans and specifications prior to construction.

The Lakewood Water public water supply system provides treatment.

An appointed engineer must notify the TCEQ's Region 13 Office in San Antonio at (210) 490-3096 when construction will start. Please keep in mind that upon completion of the water works project, the engineer or owner will notify the commission's Water Supply Division, in writing, as to its completion and attest to the fact that the completed work is substantially in accordance with the plans and change orders on file with the commission as required in 30 TAC §290.39(h)(3).

Please refer to the Plan Review Team's Log No. **P-04252016-134** in all correspondence for this project.

Please Note: In order to determine if a new source of water or a new treatment process results in corrosive or aggressive finished water that may endanger human health, we are requesting additional sampling and analysis of lead, alkalinity (as calcium carbonate), calcium (as calcium carbonate) and sodium in addition to the required chemical test results for public water system new sources. We are requiring these additional sampling results as listed in our currently revised checklists (Public Well Completion Data Checklist for Interim Use - Step 2 and Membrane Use Checklist - Step 2) which can be found on TCEQ's website at the following address:

Mr Scott W. Foltz
Page 2
June 24, 2016

<https://www.tceq.texas.gov/drinkingwater/udpubs.html>

Please include these additional sampling results in well completion submittals, membrane use submittals, and other treatment process submittals.

New surface water sources will need to also include lead, total dissolved solids, pH, alkalinity (as calcium carbonate), chloride, sulfate, calcium (as calcium carbonate) and sodium with the analysis required in 30 TAC Section 290.41(e)(1)(F).

Please complete a copy of the most current Public Water System Plan Review Submittal form for any future submittals to TCEQ. Every blank on the form must be completed to minimize any delays in the review of your project. The document is available on TCEQ's website at the address shown below. You can also download the most current plan submittal checklists and forms from the same address.

<https://www.tceq.texas.gov/drinkingwater/udpubs.html>

For future reference, you can review part of the Plan Review Team's database to see if we have received your project. This is available on TCEQ's website at the following address:

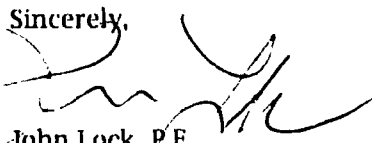
<https://www.tceq.texas.gov/drinkingwater/planrev.html/#status>

You can download the latest revision of 30 TAC Chapter 290 - Rules and Regulations for Public Water Systems from this site.


If you have any questions, please contact John Lock at (512)239-4710 or by email at john.lock@tceq.texas.gov or by correspondence at the following address:

Plan Review Team, MC-159
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

Sincerely,



John Lock, P.E.
Plan Review Team
Plan and Technical Review Section
Water Supply Division
Texas Commission on Environmental Quality



Vera Poe, P.E., Team Leader
Plan Review Team
Plan and Technical Review Section
Water Supply Division
Texas Commission on Environmental Quality

VP/JL/av

Bryan W. Shaw, Ph.D., *Chairman*
Carlos Rubinstein, *Commissioner*
Toby Baker, *Commissioner*
Zak Covar, *Executive Director*



PWS 2270043
Beauchamp PR
Main

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

RECEIVED
FEB 6 8 2013
AQUA TEXAS

February 6, 2013

Mr. Robert Laughman
President
Aqua Utilities, Inc.
1106 Clayton Lane, Suite 400 West
Austin, Texas 78723-2476

Re: Aqua Utilities, Inc. dba AquaTexas, Inc.; RN101721702
Docket No. 2012-1296-PWS-E; Case No. 44405

Dear Mr. Laughman:

This letter is a courtesy notice to inform you that the above-referenced Agreed Order issued by the Texas Commission on Environmental Quality ("TCEQ") has been transferred to the Enforcement Division's Compliance Monitoring Section.

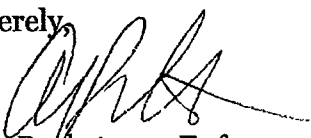
Please review the ordering provisions to ensure you comply with the requirements of the Order in a timely manner. The deadline for the first technical requirement is February 13, 2013. Please be aware that most orders require a notarized certification of compliance. The TCEQ may initiate additional enforcement action should compliance documentation be deficient or delinquent.

Compliance documentation should be submitted by mail to:

Compliance Monitoring Section, Enforcement Division
Attn: Anne Ruthstrom, MC 149A
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

Please reference Docket No. 2012-1296-PWS-E in your correspondence. If you have any questions, please contact me by phone at (512) 239-0855 or by fax at (512) 239-0134.

Sincerely,


Anne Ruthstrom, Enforcement Coordinator
Enforcement Division

cc: Manager, Water Section, Austin Regional Office, TCEQ
Mr. Larry Mitchell, Environmental Coordinator, Aqua Texas, Inc., 1106 Clayton Lane, Suite 400 W, Austin, Texas 78723-2476

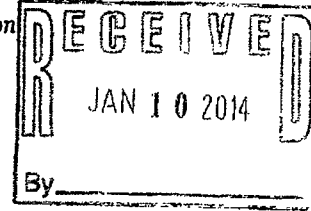
Bryan W. Shaw, Ph.D., Chairman
Toby Baker, Commissioner
Zak Covar, Executive Director



Bear Creek - 2270043
Pr...

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution



January 8, 2013

Mr. Robert Laughman, President
Aqua Utilities, Inc.
1106 Clayton Lane, Suite 400 West
Austin, Texas 78723-2476

Re: Notice of Compliance with Agreed Order
Aqua Utilities, Inc. dba Aqua Texas, Inc.; RN101721702
Docket No. 2012-1296-PWS-E; Enforcement Case No. 44405

Dear Mr. Laughman:

This letter is to inform you that a review of Texas Commission on Environmental Quality (TCEQ) records concerning the above-referenced enforcement matter indicates that Aqua Utilities, Inc. dba Aqua Texas, Inc. has fulfilled the requirements of the Agreed Order effective on February 3, 2013. Specifically, Aqua Utilities, Inc. dba Aqua Texas, Inc. has fulfilled the technical requirements and has paid the administrative penalty assessed in the Agreed Order. Based upon this, we conclude that your response has been satisfactory and no further action is necessary at this time with respect to this enforcement matter. The Order will terminate on February 3, 2018, provided Aqua Utilities, Inc. dba Aqua Texas, Inc. maintains compliance with all terms and conditions of the Order.

We appreciate your cooperation, and if we can be of any further assistance, please contact Ms. Anne Ruthstrom at (512) 239-0855.

Sincerely,

A handwritten signature in cursive script, appearing to read "Carmen Pedraza".

Carmen Pedraza, Work Leader
Enforcement Division

cc: Manager, Water Section, Austin Regional Office, TCEQ
Mr. Larry E. Mitchell, Environmental Compliance Coordinator, Aqua Texas, Inc.,
1106 Clayton Lane, Suite 400 West, Austin, Texas 78723-2476
Mr. Steve Blackhurst, P.E., Regulatory and Compliance Manager, Aqua Utilities,
Inc., 1106 Clayton Lane, Suite 400 West, Austin, Texas 78723-2476



December 8, 2014

Order Compliance Team
Enforcement Division, MC 149A
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

Re: Aqua Texas, Inc. TCEQ Docket No. 2013-2123-PWS-E; Registration No. 1780019; Agreed order Assessing Administrative Penalties and Requiring Certain Actions

Dear Sir or Madam:

As required in the referenced Agreed Order, Aqua Texas has begun the process of negotiating a water purchase contract to help ensure the facility can maintain compliance with the TTHM MCL.

The following documents to meet ordering provisions 2.a.:

- Email from Mr. Brent Reeh, Area Operations Manager – Aqua Texas, to Nueces WSC requesting a contract.
- Nueces WSC Board Agenda where the request was discussed and approved for further negotiation.

Provision 2.b. states within 105 days after the effective date of this Agreed Order, submit written certification with the above order.

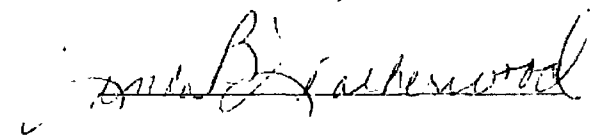
"I certify under penalty of law that I have personally examined and am familiar with the Information submitted and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment for knowing violations."

For Aqua Texas


Scot W. Foltz, Environmental Compliance Manager

State of Texas
County of Travis

This instrument was acknowledge before me this 8th day of December 2014 by
Scot W. Foltz, Environmental Compliance Manager.





Should you have any questions or need additional documentation, please call me at
512-990-4400, extension 56101, or contact me by e-mail at
swfoltz@AquaAmerica.com.

Sincerely,


Scot W. Foltz
Environmental Compliance Manager

SWF
Attachments

cc: Public Drinking Water Section Manager, TCEQ
Technical Review and Oversight Team, TCEQ
Brian Robinson, Field Supervisor, Central Texas Region
Brent Reeh, Area Manager, Central Texas Region
Mike Pickel, Senior Engineer and Environmental Compliance, Aqua America,
Inc

Foltz, Scot W.

From: Reeh, Brent C.
Sent: Monday, December 08, 2014 8:23 AM
To: Foltz, Scot W.
Subject: FW: Golden Acres - Wholesale Water Contract - Renewal

From: Carola Serrato [<mailto:cserrato@stwa.org>]
Sent: Monday, November 03, 2014 4:12 PM
To: Reeh, Brent C.
Subject: RE: Golden Acres - Wholesale Water Contract - Renewal

Brent,

Unfortunately, we are finalizing an agenda for this Friday as I write this response. But, we will be meeting again before the end of the year to adopt a FY 15 budget and amend the current FY 14 budget.

It appears that there are three (3) items that would need to be placed on the agenda.

The Board will likely be willing to renew the current contract for the next 10 years after reviewing the current rates.

With regards to the last item pertaining to purchasing the system, I don't believe that their opinion will have changed from the previous one that they have expressed, which is that they are not interested in purchasing the system unless Aqua Utilities makes the necessary upgrades.

I am not certain about your comment on the disinfection byproducts. The last quarter's TTHM results exceeded the 80 ppb but not enough to exceed the running quarterly average. We have taken samples since and the levels are below the 80 ppb. Precisely what do you mean by "how would you like Aqua to have these items addressed"? Do you not have your own results that are being collected and do those coincide exactly with the same dates as NWSC? You can view NWSC's results on the TCEQ website to see that the Corporation had not experienced problems in quite some time.

Carola G. Serrato
NWSC General Manager

From: Reeh, Brent C. [<mailto:BCReeh@aquaamerica.com>]
Sent: Monday, November 03, 2014 3:44 PM
To: Carola G. Serrato
Subject: Golden Acres - Wholesale Water Contract - Renewal

Carola,

I was going through all my contracts for wholesale water and saw that our contract with Nueces Water Supply Corp expired, February 20, 2014. Aqua would like to extend the contract for an additional 10 years. Attached is the expired water contract for your review.

FYI –

We have noticed there have been several months of lab results for TTHM and chloramines that have not been to TCEQ regulations. In the future how would you like Aqua to have these items addressed?

Also, Aqua is once again wanting to see if there is any interest in NWSC purchasing the Golden Acres water system. What does Aqua need to do to have this placed on the next Board agenda? And when is the next NWSC Board meeting, time and date?

Thanks,
Brent

AQUA.

Brent C. Reeh
CTX Area Manager
3209 Hillbilly Lane
Austin, Texas 78746
512.330.9904 - Office
512.330.9784 - FAX

NUECES WATER SUPPLY CORPORATION

MEMORANDUM

TO: Nueces Water Supply Corporation Board of Directors
FROM: William Staff, President
DATE: November 17, 2014
SUBJECT: Nueces Water Supply Corporation Meeting Notice and Agenda

A Regular Meeting of the Nueces Water Supply Corporation Board of Directors is scheduled for:

Friday, November 21, 2014

10:00 a.m.

South Texas Water Authority Boardroom
111 Sage Road
Kingsville, Texas

to consider and act upon any lawful subject which may come before it, including among others, the following:

Agenda

1. Call to order.
2. Citizen comments.
3. Approval of Minutes. (Attachment 1)
4. Treasurer's Report/Payuent of Bills. (Attachment 2)
5. Fiscal Year 2014 Budget Amendments. (Attachment 3)
6. Proposed Fiscal Year 2015 Budget and retail water rates. (Attachment 4)
7. **Resolution 14-04.** Resolution adopting the recommended Fiscal Year 2015 Budget. (Attachment 5)
8. Management Contract with South Texas Water Authority.
9. TCEQ Enforcement Action and Wholesale Water Supply Contract with South Texas Water Authority. (Attachment 6)
10. All matters pertaining to TxDOT Upgrades to Hwy 77 to I-69 standard from Driscoll to Kingsville and from Robstown to Driscoll. (Attachment 7)
11. NWSC Election Procedures for Members' Meetings. (Attachment 8)

P.O. BOX 415
KINGSVILLE, TEXAS 78364-0415

NWSC Agenda 11/21/2014
Page 1 of 2

(361)592-1720
TOLL FREE # 1-866-543-5333
FAX (361)692-0338 or (361)592-5965

12. TCEQ Notice of Lead and Copper Rule Monitoring Violation. (Attachment 9)

13. Extension of contract with Aqua Utilities for service to Golden Acres and purchase of Golden Acres Water System. (Attachment 10)

14. Adjournment.

The Board may go into closed session at any time when permitted by Chapter 551, Government Code. Before going into closed session a quorum of the Board must be assembled in the meeting room, the meeting must be convened as an open meeting pursuant to proper notice, and the presiding officer must announce that a closed session will be held and must identify the sections of Chapter 551, Government Code, authorizing the closed session.

WS/CGS/tvr
Attachment

Bryan W. Shaw, Ph.D., P.E., *Chairman*
Toby Baker, *Commissioner*
Zak Covar, *Commissioner*
Richard A. Hyde, P.E., *Executive Director*

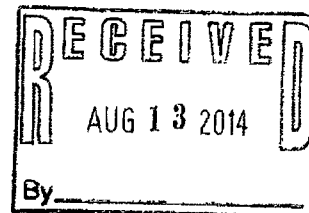


Yellina Gann
Pro. on

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

August 12, 2014



CERTIFIED MAIL

Robert L. Laughman, President
Larry Mitchell, Compliance Manager
Aqua Utilities, Inc.
1106 Clayton Lane, Suite 400W
Austin, Texas 78723-2476

RE: Aqua Utilities, Inc.
TCEQ Docket No. 2013-2123-PWS-E; Registration No. 1780019
Agreed Order Assessing Administrative Penalties and Requiring Certain Action

Enclosed is a copy of an order issued by the Commission.

Questions regarding the order should be directed to the Enforcement Coordinator or the Staff Attorney. If there are questions pertaining to the mailing of the order, then please contact Leslie Gann of the Texas Commission on Environmental Quality's Office of the Chief Clerk (MC 105) at (512) 239-3319.

Sincerely,

Bridget C. Bohac

Bridget C. Bohac
Chief Clerk

BCB/lg

Enclosure

cc: Jim Fisher, Enforcement Coordinator, TCEQ Enforcement Division

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



AUG 12 2014

IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
AQUA UTILITIES, INC.
RN102671880

§ BEFORE THE
§
§ TEXAS COMMISSION ON
§
§ ENVIRONMENTAL QUALITY

AGREED ORDER
DOCKET NO. 2013-2123-PWS-E

At its AUG 06 2014 agenda, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Aqua Utilities, Inc. (the "Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 341. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent presented this agreement to the Commission.

The Respondent understands that it has certain procedural rights at certain points in the enforcement process, including, but not limited to, the right to formal notice of violations, notice of an evidentiary hearing, the right to an evidentiary hearing, and a right to appeal. By entering into this Agreed Order, the Respondent agrees to waive all notice and procedural rights.

It is further understood and agreed that this Order represents the complete and fully-integrated settlement of the parties. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable. The duties and responsibilities imposed by this Agreed Order are binding upon the Respondent.

The Commission makes the following Findings of Fact and Conclusions of Law:

I. FINDINGS OF FACT

1. The Respondent owns and operates a public water supply at 779 County Road 77 in Nueces County, Texas (the "Facility") that has approximately 60 service connections and serves at least 25 people per day for at least 60 days per year.

2. During a record review conducted on October 28, 2013, TCEQ staff documented that the locational running annual average concentrations of total trihalomethanes ("TTHM") for Stage 2 Disinfectant Byproducts at Site 1 were 0.107 milligrams per liter ("mg/L") for the fourth quarter of 2012, 0.148 mg/L for the first quarter of 2013, 0.135 mg/L for the second quarter of 2013, and 0.117 mg/L for the third quarter of 2013.
3. The Respondent received notice of the violations on or about November 19, 2013.

II. CONCLUSIONS OF LAW

1. The Respondent is subject to the jurisdiction of the TCEQ pursuant to TEX. HEALTH & SAFETY CODE ch. 341 and the rules of the Commission.
2. As evidenced by Findings of Fact No. 2, the Respondent failed to comply with the maximum contaminant level ("MCL") of 0.080 mg/L for TTHM, based on the locational running annual average, in violation of 30 TEX. ADMIN. CODE § 290.115(f)(1) and TEX. HEALTH & SAFETY CODE § 341.0315(c).
3. Pursuant to TEX. HEALTH & SAFETY CODE § 341.049, the Commission has the authority to assess an administrative penalty against the Respondent for violations of the Texas Water Code and the Texas Health and Safety Code within the Commission's jurisdiction; for violations of rules adopted under such statutes; or for violations of orders or permits issued under such statutes.
4. An administrative penalty in the amount of Three Hundred Sixty-Six Dollars (\$366) is justified by the facts recited in this Agreed Order, and considered in light of the factors set forth in TEX. HEALTH & SAFETY CODE § 341.049(b). Three Hundred Sixty-Six Dollars (\$366) of the administrative penalty is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Agreed Order and shall be waived only upon full compliance with all the terms and conditions contained in this Agreed Order. If the Respondent fails to timely and satisfactorily comply with any requirement contained in this Agreed Order, the deferred amount of the administrative penalty shall become immediately due and payable without demand or notice, and the Executive Director may require the Respondent to pay all or part of the deferred administrative penalty.

III. ORDERING PROVISIONS

NOW, THEREFORE, THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY ORDERS that:

1. The Respondent is assessed an administrative penalty in the amount of Three Hundred Sixty-Six Dollars (\$366) as set forth in Section II, Paragraph 4 above, for violations of TCEQ rules and state statutes. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order

completely resolve the violations set forth by this Agreed Order in this action. However, the Commission shall not be constrained in any manner from requiring corrective actions or penalties for other violations that are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Aqua Utilities, Inc., Docket No. 2013-2123-PWS-E" to:

Financial Administration Division, Revenue Operations Section
Attention: Cashier's Office, MC 214
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088

2. The Respondent shall undertake the following technical requirements:
 - a. Within 90 days after the effective date of this Agreed Order, begin negotiating a water purchase contract that will enable the Facility to comply with the MCL for TTHM within 1,095 days of the effective date of this Agreed Order, in accordance with 30 TEX. ADMIN. CODE § 290.45;
 - b. Within 105 days after the effective date of this Agreed Order, submit written certification as described in Ordering Provision 2.k. below to demonstrate compliance with Ordering Provision No. 2.a.;
 - c. Within 1,095 days after the effective date of this Agreed Order, return to compliance with the MCL for TTHM, in accordance with 30 TEX. ADMIN. CODE § 290.115; and
 - d. Within 1,110 days after the effective date of this Agreed Order, submit written certification as described in Ordering Provision No. 2.k. below, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision No. 2.c.

In lieu of Ordering Provision Nos. 2.a. through 2.d.:

- e. Within 120 days after the effective date of this Agreed Order, complete a feasibility study, or update an existing feasibility study, and submit a written report or engineering study conducted by a Texas registered professional engineer regarding the results of the feasibility study to evaluate the necessary corrective actions designed to achieve compliance with the MCL for TTHM. The report shall include a tentative schedule describing additional studies, tests, or other methods that may be utilized for the completion of necessary corrective actions within 1,095 days after the effective date of this Agreed Order. If the Respondent purchases or sells water, a copy of the purchase water contract must be submitted with the feasibility study report or engineering study. The evaluation shall be sent to the addresses listed in Ordering Provision No. 2.k.;

- f. Within 135 days after the effective date of this Agreed Order, submit written certification as described in Ordering Provision No. 2.k. below to demonstrate compliance with Ordering Provision No. 2.e.;
- g. Within 180 days after the effective date of this Agreed Order, submit an acceptable written plan, including a proposed schedule, to the Executive Director that provides for the completion of an alternate water source or treatment technology to the addresses listed in Ordering Provision No. 2.k.;
- h. Within 180 days after the effective date of this Agreed Order, and on a semi-annual basis thereafter, submit progress reports to the addresses listed in Ordering Provision No. 2.k. below. These reports shall include information regarding actions taken to provide water which meets the MCL for TTHM;
- i. Within 195 days after the effective date of this Agreed Order, submit written certification as described in Ordering Provision No. 2.k. below to demonstrate compliance with Ordering Provision No. 2.g.;
- j. Within 1,095 days after the effective date of this Agreed Order, return to compliance with the MCL for TTHM, in accordance with 30 TEX. ADMIN. CODE § 290.115; and
- k. Within 1,110 days after the effective date of this Agreed Order, submit written certification as described below, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision No. 2.j. The certification shall be notarized by a State of Texas Notary Public and include the following certification language:

"I certify under penalty of law that I have personally examined and am familiar with the information submitted and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment for knowing violations."

The certification shall be submitted to:

Order Compliance Team
Enforcement Division, MC 149A
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

with a copy to:

Public Drinking Water Section Manager
Water Supply Division, MC 155
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

and to:

Technical Review and Oversight Team
Water Supply Division, MC 159
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

3. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Facility operations referenced in this Agreed Order.
4. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
5. The Executive Director may refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings without notice to the Respondent if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
6. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
7. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
8. This Agreed Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Agreed Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and may be transmitted by digital or electronic transmission,

including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Agreed Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms "electronic transmission", "owner", "person", "writing", and "written" shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.

9. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties. By law, the effective date of this Agreed Order is the third day after the mailing date, as provided by 30 TEX. ADMIN. CODE § 70.10(b) and TEX. GOV'T CODE § 2001.142.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Bryan W. Shaw
For the Commission

Pam Noveck
For the Executive Director

6/4/14
Date

I, the undersigned, have read and understand the attached Agreed Order in the matter of Aqua Utilities, Inc. I am authorized to agree to the attached Agreed Order on behalf of Aqua Utilities, Inc., and do agree to the specified terms and conditions. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I understand that by entering into this Agreed Order, Aqua Utilities, Inc. waives certain procedural rights, including, but not limited to, the right to formal notice of violations addressed by this Agreed Order, notice of an evidentiary hearing, the right to an evidentiary hearing, and the right to appeal. I agree to the terms of the Agreed Order in lieu of an evidentiary hearing. This Agreed Order constitutes full and final adjudication by the Commission of the violations set forth in this Agreed Order.

I also understand that failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.

Robert L. Laughman
Signature

1/7/2014
Date

Robert L. Laughman
Name (Printed or typed)
Authorized Representative of
Aqua Utilities, Inc.

President
Title

Instructions: Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenue Operations Section at the address in Section III, Paragraph 1 of this Agreed Order.

Bryan W. Shaw, Ph.D., P.E., *Chairman*
Toby Baker, *Commissioner*
Jon Niermann, *Commissioner*
Richard A. Hyde, P.E., *Executive Director*



PWS_2270173_CO_20171025_Plan Ltr

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

October 25, 2017

Mr. Joe W. Lane, P.E.
Collier Consulting, Inc.
590 East Southloop
Stephenville, Texas 76401

Re: Hill Country Northwest Cherry Hollow - Public Water System ID No. 2270173
Proposed Radionuclide Treatment System - West Plant
Engineer Contact Telephone: (254) 966-8741
Plan Review Log No. P-10032017-014
Travis County, Texas

CN602787509; RN101502730

Dear Mr. Lane:

On October 3, 2017, the Texas Commission on Environmental Quality (TCEQ) received planning material with your letter dated August 31, 2017 for the proposed radionuclide treatment system for the above referenced public water system. Additional and revised planning materials were received on October 16, 2017 via email. Based on our review of the information submitted, the project generally meets the minimum requirements of Title 30 Texas Administrative Code (TAC) Chapter 290 - Rules and Regulations for Public Water Systems and is **conditionally approved for construction** if the project plans and specifications meet the following requirement:

1. All the conditions stated in TCEQ letter dated July 21, 2017 granting an exception request to innovative/alternative treatment shall still be met by this project.
2. This submittal constitutes notification of the change in treatment as required by 30 TAC Section 290.117(i)(9)(B). In accordance with 30 TAC Section 290.117(d)(2)(E), systems that change treatment or have the addition or deletion of a source of water may be required by the TCEQ to conduct additional monitoring to ensure that the system maintains minimal levels of corrosion. Based upon this change in treatment, the TCEQ is removing any previous approvals for reduced Lead and Copper Rule monitoring frequency and requiring your system to return to routine sampling for two consecutive six-month periods. The new two consecutive six-month sampling schedule will be changed to the next viable sampling period by a TCEQ lead and copper program coordinator. If you have any questions or concerns about the new sampling schedule please contact the lead and copper program at 512-239-4691. Required monitoring is:
 - a) **Routine Tap Sampling:** Lead and copper tap sampling during two consecutive six-month periods [290.117(c)(2)(A)(ii)].
 - b) **Water Quality Parameter Sampling:** Water quality parameters (WQPs) monitoring at the frequency and locations in the following table and during the same timeframe as the two consecutive 6-month lead and copper tap sampling noted above.

| WQP List | Location | Frequency |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|-----------|
| <ul style="list-style-type: none">• pH• Total Alkalinity (as CaCO₃)• Calcium• Calcium (as CaCO₃)• Chloride• Iron• Manganese• Sodium• Sulfate• Conductivity• TDS• temperature• orthophosphate or silica | Routine number of distribution sites and all entry points | Quarterly |

Note: Orthophosphate (measured as phosphate-phosphorous (PO₄-P)) must be measured only when an inhibitor containing a phosphate compound is used; inhibitors that contain phosphate include orthophosphate and polyphosphate. Silica must be measured only when an inhibitor containing silicate compound is used.

After successful monitoring with no Action Levels Exceedances you will eligible to have a reduced monitoring schedule again if new sources or new treatment are not added.

As stated above, WQPs will be required for all entry points and distributions sites during four quarters during the two consecutive 6-month lead and copper tap sampling. Please provide a signed and sealed engineering report (see attached engineering report outline guidance) within 7 months of the start date of the first six month period on the results of the first two quarter of WQP samples and the first six-month tap sample results and a discussion on the corrosiveness of the treated water from the change in treatment. The report shall be submitted to:

Vera Poe, P.E.
Plan Review Team, MC-159
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

The submittal consisted of five sheets of engineering drawings and technical specifications. The approved project consists of:

- Two (2) WRT treatment skids utilizing Z-88* and Z-92* (if needed) to treat total flow of 200 gallons per minute (gpm) from water wells (Well Nos. 1, 2 and 7);
- New pump building to house new treatment and existing gas chlorination system;
- Relocation and modifications of the existing yard piping and disinfection feed systems to accommodate new treatment system;
- Electrical controls; and
- Various valves, fittings and related appurtenances.

This approval is for the construction of the above listed items only. Any wastewater components contained in this design were not considered.

The Hill Country Northwest Cherry Hollow public water supply system provides water treatment.

The project is located at existing water plant site located at approximately 580 feet northwest of the intersection of Sandy Ridge Lane and Lindeman Loop in Travis County, Texas.

An appointed engineer must notify the TCEQ's Region 11 Office in Austin at (512) 339-2929 when construction will start. Please keep in mind that upon completion of the water works project, the engineer or owner will notify the commission's Water Supply Division, in writing, as to its completion and attest to the fact that the completed work is substantially in accordance with the plans and change orders on file with the commission as required in 30 TAC Section 290.39(h)(3).

Please refer to the Plan Review Team's Log No. P-10032017-014 in all correspondence for this project.

Please note for future submittals: In order to determine if a new source of water or a new treatment process results in corrosive or aggressive finished water that may endanger human health, we are requesting additional sampling and analysis of lead, alkalinity (as calcium carbonate), calcium (as calcium carbonate) and sodium in addition to the required chemical test results for public water system new sources. We are requiring these additional sampling results as listed in our currently revised checklists (Public Well Completion Data Checklist for Interim Use - Step 2 and Membrane Use Checklist - Step 2) which can be found on TCEQ's website at the following address:

<https://www.tceq.texas.gov/drinkingwater/udpubs.html>

Please include these additional sampling results in well completion submittals, membrane use submittals, and other treatment process submittals.

New surface water sources will need to also include lead, total dissolved solids, pH, alkalinity (as calcium carbonate), chloride, sulfate, calcium (as calcium carbonate) and sodium with the analysis required in 30 TAC Section 290.41(e)(1)(F).

Please complete a copy of the most current Public Water System Plan Review Submittal form for any future submittals to TCEQ. Every blank on the form must be completed to minimize any delays in the review of your project. The document is available on TCEQ's website at the address shown below. You can also download the most current plan submittal checklists and forms from the same address.

<https://www.tceq.texas.gov/drinkingwater/udpubs.html>

For future reference, you can review part of the Plan Review Team's database to see if we have received your project. This is available on TCEQ's website at the following address:

<https://www.tceq.texas.gov/drinkingwater/planrev.html/#status>

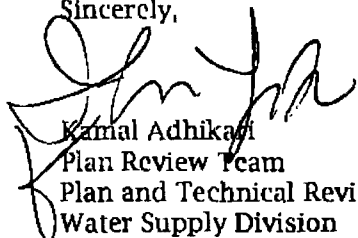
You can download the latest revision of 30 TAC Chapter 290 - Rules and Regulations for Public Water Systems from this site.

Mr. Joe W. Lane, P.E.
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If you have any questions concerning this letter or need further assistance, please contact Kamal Adhikari at (512)239-0680 or by email at kamal.adhikari@tceq.texas.gov or by correspondence at the following address:

Plan Review Team, MC-159
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

Sincerely,



Kamal Adhikari
Plan Review Team
Plan and Technical Review Section
Water Supply Division
Texas Commission on Environmental Quality



Vera Poe, P.E., Team Leader
Plan Review Team
Plan and Technical Review Section
Water Supply Division
Texas Commission on Environmental Quality

VP/JL/KA/db

cc: Hill Country Northwest Cherry Hollow - Attn: Water Utilities Official, 1106 Clayton Lane,
Suite 400W, Austin, TX 78723-2476

Mr. Joe W. Lane, P.E.
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bcc: TCEQ Central Records PWS File 2270173 P-10032017-014
TCEQ Region No. 11 Office - Austin
TCEQ PWSINV, MC-155
TCEQ Plan Review Team - Attn.: Troy Richardson