



Control Number: 49311



Item Number: 26

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PUC DOCKET NO. 49311

APPLICATION OF PARK WATER	§	PUBLIC UTILITY COMMISSION
COMPANY TO OBTAIN	§	
CERTIFICATES OF CONVENIENCE	§	OF TEXAS
AND NECESSITY IN MIDLAND	§	
COUNTY	§	

**PARK WATER COMPANY'S RESPONSES TO COMMISSION STAFF'S THIRD
REQUEST FOR INFORMATION
QUESTION NOS. STAFF 3-1 THROUGH 3-7**

Pursuant to P.U.C. Substantive Rule 16 T.A.C. § 22.144, Park Water Company files its Response to Commission Staff's Third Request for Information, which was received on October 1, 2019. Pursuant to 16 T.A.C. § 22.144(c), Park Water Company's responses are timely filed within 20 days after receipt of the request. Park Water Company stipulates that these responses can be treated by all parties as if the answers were filed under oath.

Respectfully submitted,

Richard Hamala

Richard Hamala
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ATTORNEYS FOR PARK WATER COMPANY

CERTIFICATE OF SERVICE

I certify that a copy of this document was served on all parties of record in this proceeding on October 18, 2019, by regular mail, facsimile transmission, or hand delivery.

Richard Hamala

Richard Hamala

Statement Concerning Confidential Materials

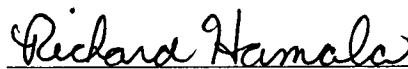
1. Park Water Company asserts that the following information and documents filed in this docket are confidential material and is protected from public disclosure for the reasons set forth below:

- Ownership and investment information for Permian Basin Water Resources, LLC listed in the Response to Staff RFI 3-4.
- Summary balance sheet of Permian Basin Water Resources, LLC.

2. The submitted information and documents contain the personal and private financial information of the owners of Permian Basin Water Resources, LLC. This information is protected from disclosure by Section 552.101 of the Texas Public Information Act and the doctrine of common law privacy. The personal and private financial information and the ownership and investment information is protected from disclosure under Section 552.110 of the Texas Public Information Act, which exempts commercial or financial information from disclosure when disclosure would cause competitive harm to the person from whom the information was obtained. The specific disclosures stated in enclosed documents are competitively sensitive. Therefore, personal and private financial information and the ownership and investment information contained in the submitted documents is exempted from disclosure by §552.110.

3. The undersigned counsel for Park Water Company has reviewed the information contained in the enclosed documents sufficiently to state in good faith that the information is exempt from public disclosure under Sections 552.101 and 552.110 the Texas Public Information Act and merits designation as confidential materials. Accordingly, Park Water Company requests that the submitted materials be treated as confidential materials pursuant to P.U.C. PROC. R. 22.71 and the Protective Order in this docket and maintained at the Commission as exempt from public disclosure.

Dated: October 18, 2019



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PUC DOCKET NO. 49311

**COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION
TO PARK WATER COMPANY QUESTION NOS. STAFF 3-1 THROUGH 3-7**

STAFF 3-1: In reference to Response to Second RFI Staff's 2-2, dated September 17, 2019, please provide quotes for the itemized list of the cost for the water treatment facility totaling \$1,180,000, plus the water wells totaling \$511,600, and wastewater treatment facility totaling \$1,839,000.

RESPONSE: Water Treatment Facility Total of \$1,180,000

Item No.	Description	Quantity	Unit	Unit Cost	Total	Source of Cost Data
16	75k Ground Storage Tank (GST) – Black Poly NSF61 Raw Water Dosing Tank	75,000	Gal.	\$1.25	\$93,750.00	Phone quote from Sandia Sprayers
17	250k GST – Treated Water Tank (welded steel)	250,0000	Gal.	\$1.25	\$312,500.00	Phone quote by D&R Tank-Albuquerque, NM
18	75K GST – Concentrate Water Tank (welded steel)	75,000	Gal.	\$1.25	\$93,750.00	Phone quote by D&R Tank-Albuquerque, NM
19	10k Hydropneumatics Pressure Tank & Air Compressor Controls	1	LS	\$35,300.00	\$35,300.00	Tank: Physical quote from Bulldog Steel Products-Clyde, TX Compressor: Previous project costs for similar equipment/online quote verification
20	Duplex Booster Pumps w/ Variable Frequency Drives (VFD) (feeding Hydro tank)	1	LS	\$32,000.00	\$32,000.00	Physical quote from Gicon Pumps and Equipment, Ltd.- Lubbock, TX
21	Sch 80 PVC Reverse Osmosis piping, fittings, valves, static mixers, etc.	1	Job	\$22,000.00	\$22,000.00	Previous project costs for similar equipment
22	Uni-Strut Frame Piping Support & Brackets	1	Job	\$2,500.00	\$2,500.00	Previous project costs for similar equipment

Item No.	Description	Quantity	Unit	Unit Cost	Total	Source of Cost Data
23	pH Inline Probe for Caustic Adjustment	1	LS	\$3,500.00	\$3,500.00	Previous project costs for same equipment/ GF Signet online quote
24	Flow Meter	2	EA	\$6,500.00	\$13,000.00	Previous project costs for same equipment/ GF Signet online quote
25	Oncor Electrical Extension & Drop	1	Job	\$50,000.00	\$50,000.00	Previous project costs for similar utility needs
26	Electrical Wiring	1	LS	\$30,000.00	\$30,000.00	Previous project costs for similar material
27	Pump Control Valves	2	EA	\$3,500.00	\$7,000.00	Previous project work/Phone quote by contractor
28	Booster Pump Piping	1	LS	\$20,000.00	\$20,000.00	Previous project costs for similar material
29	Building for Booster Station & Reverse Osmosis Treatment	1,200	SF	\$36.00	\$43,200.00	Previous project costs for similar material/ Phone quote
30	Tank Controls	2	EA	\$9,000.00	\$18,000.00	Previous project work/Phone quote by contractor
31	Standby Generator w/ Auto Switch	1	LS	\$30,000.00	\$30,000.00	Internet quote- Cummins RS Series CAT quote from Caterpillar distributor
32	Chlorine Cylinders (150lb bottles)	3	EA	\$1,000.00	\$3,000.00	Physical quote from Global Treat
33	Chlorine Gas System (Leak Detector, Pump, Switchover, Ejector Set-up)	1	LS	\$5,000.00	\$5,000.00	Physical quote from Global Treat/Internet quote Regal Chlorinator
34	Fiberglass Chlorine Building	1	LS	\$16,000.00	\$16,000.00	Physical quote from Global Treat
35	JM Eagle Containment Pallet	3	EA	\$100.00	\$300.00	Online Quote from Manufacturer
36	Grundfos Chemical Pump (Antiscalant & Caustic)	2	EA	\$3,500.00	\$7,000.00	Previous physical quote from previous project work utilizing same equipment
37	55-Gallon Drum of Treatment Chemical (Antiscalant and Caustic)	2	EA	\$1,600.00	\$3,200.00	Previous project costs for similar equipment and chemicals
38	8-Inch Water Header Line into Treatment	1,500	FT	\$16.00	\$24,000.00	Previous project contractor quote

Item No.	Description	Quantity	Unit	Unit Cost	Total	Source of Cost Data
39	Treatment Facility Concrete Foundation Pad (Included in Bldg. Cost)	-	LS	-	-	
40	SCADA Control System	1	LS	\$25,000.00	\$25,000.00	Previous project contractor quote for similar sized project specs & equipment
41	Reverse Osmosis Water Treatment Unit (200gpm) – Toray Membranes	2	EA	\$130,000.00	\$260,000.00	Quote from distributor/previous project with similar equipment
42	Plant Piping	1	Job	\$30,000.00	\$30,000.00	Previous project costs for similar material
				Subtotal	\$1,180,000.00	

Cost for Well Development Total of \$511,600

Item No.	Description	Quantity	Unit	Unit Cost	Total	Source of Cost Data
4	Well Drilling (16-in bore, 10-in casing, stainless steel screen)	2	EA	\$100,000.00	\$200,000.00	Contractor physical quote- Mark's Water Well
5	Well Pumps (submersible)	2	EA	\$17,500.00	\$35,000.00	Physical quote from Gicon Pumps and Equipment, Ltd.- Lubbock, TX
6	Discharge Ductile Iron Flange Fittings, Piping, Valves	2	EA	\$14,100.00	\$28,200.00	Previous project contractor pricing for same material
7	Flow Meter	2	EA	\$10,000.00	\$20,000.00	Previous project contractor pricing- mag meter
8	6-inch Well Discharge Piping to Header Line	600	FT	\$22.00	\$13,200.00	Previous project contractor pricing for same material
9	Well Fencing (chain link)	1,500	FT	\$15.00	\$22,500.00	Previous project contractor pricing for same material
10	Access Road to Wells (Strip-Paved Double Seal Coat)	-	-	-	-	
11	Access Road to Wells (Caliche Base)	1,000	CY	\$75.00	\$75,000.00	Previous project contractor pricing for same material
12	Oncor Electrical Drops from Power Company	2	EA	\$25,000.00	\$50,000.00	Estimate via phone from utility company
13	Electrical- Well Panels	2	EA	\$16,000.00	\$32,000.00	Previous project contractor pricing for same equipment
14	Chlorinated Gravel Pack	14	CY	\$550.00	\$7,700.00	Contractor physical quote- Mark's Water Well
15	Concrete Foundation Pad	2	LS	\$14,000.00	\$28,000.00	Contractor physical quote- Mark's Water
				Subtotal	\$511,600.00	

Wastewater Treatment Facility Total of \$1,839,000.00

Item No.	Description	Quantity	Unit	Unit Cost	Total	Source of Cost Data
3	Smith & Loveless Membrane Bioreactor (Phase I-0.065 MGD)	2	EA	\$617,000.00	\$1,234,000.00	Manufacturer/Distributor quote-Smith & Loveless
4	Oncor Electric Extension & Drop	1	Job	\$50,000.00	\$50,000.00	Estimate from Utility Company-Oncor
5	Electrical Disconnect & Panel (sized for all phases)	1	LS	\$25,000.00	\$25,000.00	Manufacturer/Distributor phone quote-Gicon Pumps & Equipment, Ltd.
6	Fencing	3,000	FT	\$15.00	\$45,000.00	Previous project quote for similar material
7	Flow Meters (influent and effluent)	1	EA	\$22,500.00	\$22,500.00	Previous project costs for same equipment/GF Signet online quote
8	Wet Well 12-foot Diameter Fiberglass	1	LS	\$50,000.00	\$50,000.00	Previous project costs from manufacturer/distributor-Smith & Loveless
9	Main Lift Station (Smith & Loveless revised 2 pump)	1	LS	\$48,000.00	\$48,000.00	Manufacturer/Distributor quote-Smith & Loveless
10	UV Disinfection In-Line	1	LS	\$30,000.00	\$30,000.00	Manufacturer/Distributor physical quote-Trojan UV Fit
11	150K GST Reuse (Polytank Temporary)	150,000	Gal.	\$1.50	\$225,000.00	Previous project quote for similar equipment
12	Wet Well Reuse Packaged Pumps Gicon (for movement to pressure tank for irrigation)	1	LS	\$50,000.00	\$50,000.00	Manufacturer/Distributor quote- Gicon Pumps & Equipment, Ltd.
13	In Plant Lift Station Force Main 6-Inch PVC (Lift Station to Inlet of Treatment Unit)	1,500	FT	\$15.00	\$22,500.00	Previous project contractor pricing for similar equipment/material
14	Sludge Pump & Piping for Disposal	1	LS	\$15,000.00	\$15,000.00	Previous project contractor pricing for similar equipment/material
15	10-Inch Piping to Discharge Point @ Draw	1,100	FT	\$22.00	\$22,000.00	Previous project contractor pricing for similar equipment/material
16	Duplex Booster Pumps w/ VFD's (Temp Tank and Discharge)	2	EA	\$32,000.00	\$64,000.00	Manufacturer/Distributor quote- Gicon Pumps & Equipment, Ltd.
				Subtotal	\$1,839,000.00	

STAFF 3-1

Prepared by: Rich Oller, PE

Sponsored by: Rich Oller, PE



STAFF 3-2: For Phase 1 of Vander Ranch development, please add a column to the same list in Staff 3-1 designating used/useful (in percent) for the assets in the water treatment facility.

RESPONSE:

Water Treatment Facility Used and Useful Percentage

Item No.	Description	Quantity	Unit	Unit Cost	Total	Used/Useful (in percent)
16	75k Ground Storage Tank (GST) – Black Poly NSF61 Raw Water Dosing Tank	75,000	Gal.	\$1.25	\$93,750.00	<p>The size of the Raw Water Storage tanks is determined by the Average Annual Demand with due consideration on the well pumping rate so as to minimize pump starts, the RO treatment capacity and some buffer for potential emergencies. As there is little cost difference between the minimum and full build-out requirements, the most economical choice is to expend the delivery, installation mobilization and commissioning costs once.</p> <p>This tank will be 100% used and useful from the time of installation.</p>
17	250k GST – Treated Water Tank (welded steel)	25,0000	Gal.	\$1.25	\$312,500.00	<p>The Treated Water tank by rule must be capable of supplying the Maximum Day Demand plus an allowance for fire flow. With Park Water's fire flow requirements established under NFPA for fire areas of less than 3,600 sq. ft. (1,000 GPM for 2 hours), this tank is largely sized for that purpose.</p> <p>Again, incurring the delivery, commissioning, mobilization costs once, and ensuring that there is sufficient water storage for emergencies, this tank is 100% used and useful from the date of installation.</p>

Item No.	Description	Quantity	Unit	Unit Cost	Total	Used/Useful (in percent)
18	75K GST – Concentrate Water Tank (welded steel)	75,000	Gal.	\$1.25	\$93,750.00	Concentrate Tanks are sized as part of the RO system, and must be capable of handling the reject water during a peak day scenario. This tank will be in constant use during all phases of the development.
19	10k Hydropneumatics Pressure Tank & Air Compressor Controls	1	LS	\$35,300.00	\$35,300.00	TCEQ requires a minimum of 20 gallons per connection to a maximum of 30,000 gallons. In this case, Park Water opted to provide an HPT of off-the-shelf size that would meet these requirements. This tank will be in continuous use during all phases of development.
20	Duplex Booster Pumps w/ Variable Frequency Drives (VFD) (feeding Hydro tank)	1	LS	\$32,000.00	\$32,000.00	These pumps are designed to meet the TCEQ requirement of 2 GPM per connection while allowing for turn-down control (VFDs) to optimize delivery at all phases of the development.
21	Sch 80 PVC Reverse Osmosis piping, fittings, valves, static mixers, etc.	1	Job	\$22,000.00	\$22,000.00	These facilities are required by the RO plant and will be 100% used and useful from the commissioning date.
22	Uni-Strut Frame Piping Support & Brackets	1	Job	\$2,500.00	\$2,500.00	These facilities are required by the RO plant and will be 100% used and useful from the commissioning date.
23	pH Inline Probe for Caustic Adjustment	1	LS	\$3,500.00	\$3,500.00	These facilities are required by the RO plant and will be 100% used and useful from the commissioning date.
24	Flow Meter	2	EA	\$6,500.00	\$13,000.00	These facilities are required to monitor consumption and will be 100% used and useful from the commissioning date.

Item No.	Description	Quantity	Unit	Unit Cost	Total	Used/Useful (in percent)
25	Oncor Electrical Extension & Drop	1	Job	\$50,000.00	\$50,000.00	This is the minimum power drop available from Oncor. It is 100% used and useful from the start.
26	Electrical Wiring	1	LS	\$30,000.00	\$30,000.00	These facilities are required by the plant and will be 100% used and useful from the commissioning date.
27	Pump Control Valves	2	EA	\$3,500.00	\$7,000.00	These facilities are required by the plant and will be 100% used and useful from the commissioning date.
28	Booster Pump Piping	1	LS	\$20,000.00	\$20,000.00	These facilities are required by the plant and will be 100% used and useful from the commissioning date.
29	Building for Booster Station & Reverse Osmosis Treatment	1,200	SF	\$36.00	\$43,200.00	These facilities are required by the plant and will be 100% used and useful from the commissioning date.
30	Tank Controls	2	EA	\$9,000.00	\$18,000.00	These facilities are required by the plant and will be 100% used and useful from the commissioning date.
31	Standby Generator w/ Auto Switch	1	LS	\$30,000.00	\$30,000.00	This is a one-time investment to ensure emergency power for the water supply in the event of power failure. It is the minimum economical size and will be available for use from the date of commissioning.
32	Chlorine Cylinders (150lb bottles)	3	EA	\$1,000.00	\$3,000.00	These facilities are required by the plant and will be 100% used and useful from the commissioning date.

Item No.	Description	Quantity	Unit	Unit Cost	Total	Used/Useful (in percent)
33	Chlorine Gas System (Leak Detector, Pump, Switchover, Ejector Set-up)	1	LS	\$5,000.00	\$5,000.00	These facilities are required by the plant and will be 100% used and useful from the commissioning date.
34	Fiberglass Chlorine Building	1	LS	\$16,000.00	\$16,000.00	This building is a requirement of the disinfection system and will be in use from the date of commissioning.
35	JM Eagle Containment Pallet	3	EA	\$100.00	\$300.00	These facilities are required by the plant and will be 100% used and useful from the commissioning date.
36	Grundfos Chemical Pump (Antiscalant & Caustic)	2	EA	\$3,500.00	\$7,000.00	These facilities are required by the plant and will be 100% used and useful from the commissioning date.
37	55-Gallon Drum of Treatment Chemical (Antiscalant and Caustic)	2	EA	\$1,600.00	\$3,200.00	These facilities are required by the plant and will be 100% used and useful from the commissioning date.
38	8-Inch Water Header Line into Treatment	1,500	FT	\$16.00	\$24,000.00	This component is based on the RO production and to meet the requirements of Max Day + Fire Flow.
39	Treatment Facility Concrete Foundation Pad (Included in Bldg. Cost)	-	LS	-	-	These facilities are required by the plant and will be 100% used and useful from the commissioning date.
40	SCADA Control System	1	LS	\$25,000.00	\$25,000.00	These facilities are required by the plant and will be 100% used and useful from the commissioning date.

Item No.	Description	Quantity	Unit	Unit Cost	Total	Used/Useful (in percent)
41	Reverse Osmosis Water Treatment Unit (200gpm) – Toray Membranes	2	EA	\$130,000.00	\$260,000.00	This system provides for redundant production capacity at Maximum Day Demand. At 100 units, 25% of this capacity will be used and useful. At 322 units, 100% of this capacity is required. However, by providing a larger available capacity, Park Water saves on delivery, installation, set-to-work and commissioning. In addition, a smaller building is required, and fewer supply and delivery pumps are necessary.
42	Plant Piping	1	Job	\$30,000.00	\$30,000.00	These facilities are required by the plant and will be 100% used and useful from the commissioning date.
				Subtotal	\$1,180,000.00	

STAFF 3-2

Prepared by: Graham Symmonds

Sponsored by: Rich Oller, PE

STAFF 3-3: For Phase 1 of Vander Ranch development, please add a column to the same list in Staff 3-1 designating used/useful (in percent) with respect to annual customer counts for the assets in the wastewater treatment and wastewater reuse facilities.

RESPONSE: Wastewater Treatment Facility Used and Useful Percentage

Item No.	Description	Quantity	Unit	Unit Cost	Total	Used/Useful (in percent)
3	Smith & Loveless Membrane Bioreactor (Phase I-0.065 MGD)	2	EA	\$617,000.00	\$1,234,000.00	Approximately 75% of this facility is used and useful from the commissioning date, with increases in capacity achieved through the augmentation of membrane modules.
4	Oncor Electric Extension & Drop	1	Job	\$50,000.00	\$50,000.00	This is the minimum power drop available from Oncor. It is 100% used and useful from the start.
5	Electrical Disconnect & Panel (sized for all phases)	1	LS	\$25,000.00	\$25,000.00	This panel is sized for all phases to provide for orderly expansion of facilities as required.
6	Fencing	3,000	FT	\$15.00	\$45,000.00	These facilities are required by the plant and will be 100% used and useful from the commissioning date.
7	Flow Meters (influent and effluent)	1	EA	\$22,500.00	\$22,500.00	These facilities are required by the plant and will be 100% used and useful from the commissioning date.

Item No.	Description	Quantity	Unit	Unit Cost	Total	Used/Useful (in percent)
8	Wet Well 12-foot Diameter Fiberglass	1	LS	\$50,000.00	\$50,000.00	<p>This is the most economical selection for an in-ground lift-station, minimizing delivery, installation, set-to-work and commissioning costs.</p> <p>It also provides for emergency storage in the event of a problem.</p>
9	Main Lift Station (Smith & Loveless -revised 2 pump)	1	LS	\$48,000.00	\$48,000.00	These facilities are required by the plant and will be 100% used and useful from the commissioning date.
10	UV Disinfection In-Line	1	LS	\$30,000.00	\$30,000.00	These facilities are required by the plant and will be 100% used and useful from the commissioning date.
11	150K GST Reuse (Polytank Temporary) (Polytank Temporary)	150,000	Gal.	\$1.50	\$225,000.00	<p>This tank is sized to allow for approximately 2-days storage at build-out in order to maximize the re-use opportunities for Type 1 reclaimed water.</p> <p>This tank will be in continuous use upon commissioning.</p>
12	Wet Well Reuse Packaged Pumps Gicon (for movement to pressure tank for irrigation)	1	LS	\$50,000.00	\$50,000.00	These facilities are required by the plant and will be 100% used and useful from the commissioning date.

Item No.	Description	Quantity	Unit	Unit Cost	Total	Used/Useful (in percent)
13	In Plant Lift Station Force Main 6-Inch PVC (Lift Station to Inlet of Treatment Unit)	1,500	FT	\$15.00	\$22,500.00	These facilities are required by the plant and will be 100% used and useful from the commissioning date.
14	Sludge Pump & Piping for Disposal	1	LS	\$15,000.00	\$15,000.00	These facilities are required by the plant and will be 100% used and useful from the commissioning date.
15	10-Inch Piping to Discharge Point @ Draw	1,100	FT	\$22.00	\$22,000.00	These facilities are required by the plant and will be 100% used and useful from the commissioning date.
16	Duplex Booster Pumps w/ VFD's (Temp Tank and Discharge)	2	EA	\$32,000.00	\$64,000.00	These facilities are required by the plant and will be 100% used and useful from the commissioning date.
				Subtotal	\$1,839,000.00	

STAFF 3-3

Prepared by: Graham Symmonds

Sponsored by: Rich Oller, PE

STAFF 3-4: In reference to number 11.D, page 5 of 18 of the application, please provide the following:

- a) list of names of the owners of Park Water Company;
- b) percentage share of equity of each owner; and
- c) initial capital investment by each owner.

RESPONSE: a) Park Water Company is wholly owned by Permian Basin Water Resources, LLC; thus, Permian Basin Water Resources, LLC owns a 100% share of the equity of Park Water Company. The initial capital investment by Permian Basin Water Resources, LLC in Park Water Company was \$2,394.00 made on January 1, 2018.

The owners of Permian Basin Water Resources, LLC are listed in the table below:

Name	% Equity	Initial Investment
Intrepid Texas Holdings, LLC	Filed as Protected Materials	Filed as Protected Materials ¹
ENRPI-PBWR, LLC		Filed as Protected Materials
Equity National Real Property Investments Texas, LLC		Filed as Protected Materials
Blue Denim Ventures, LLC		Filed as Protected Materials
Graham S. Symmonds		Filed as Protected Materials
Debra D. Commandeur DDC Irrevocable Trust Dated December 12, 2012		Filed as Protected Materials
IDIM Construction, LLC		Filed as Protected Materials

¹ Will continue to increase as needed and this member also provided financial assurance.

Prepared by: Cindy Bowers

Sponsored by: Rich Oller, PE

STAFF 3-5: Please provide a copy of the articles of partnership or articles of incorporation for the Applicant.

RESPONSE: A copy of the Certificate of Formation of Park Water Company is attached to this response.

Prepared by: Richard Hamala

Sponsored by: Bret Fenner, PE

Form 201

Secretary of State
P.O. Box 13697
Austin, TX 78711-3697
FAX: 512/463-5709

Filing Fee: \$300



**Certificate of Formation
For-Profit Corporation**

Filed in the Office of the
Secretary of State of Texas
Filing #: 802526497 08/23/2016
Document #: 686239060002
Image Generated Electronically
for Web Filing

Article 1 - Entity Name and Type

The filing entity being formed is a for-profit corporation. The name of the entity is:

Park Water Company

The name must contain the word "corporation," "company," "incorporated," "limited," or an abbreviation of one of these terms. The name must not be the same as, deceptively similar to or similar to that of an existing corporate, limited liability company, or limited partnership name on file with the secretary of state. A preliminary check for "name availability" is recommended.

Article 2 - Registered Agent and Registered Office

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

Registered Agents Inc.

OR

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

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

Street Address:

700 Lavaca, STE 1401 Austin TX 78701

Consent of Registered Agent

☐ A. A copy of the consent of registered agent is attached.

OR

☒ B. The consent of the registered agent is maintained by the entity.

Article 3 - Directors

The number of directors constituting the initial board of directors and the names and addresses of the person or persons who are to serve as directors until the first annual meeting of shareholders or until their successors are elected and qualified are set forth below:

Director 1: **Michael Zipprich**

Address: **7144 East Stetson Dr Suite c-200 Scottsdale AZ, USA 85251**

Article 4 - Authorized Shares

The total number of shares the corporation is authorized to issue and the par value of each of such shares, or a statement that such shares are without par value, is set forth below.

Number of Shares	Par Value (must choose and complete either A or B)	Class	Series
1000	<input checked="" type="checkbox"/> A. has a par value of \$.01 <input type="checkbox"/> B. without par value.		

If the shares are to be divided into classes, you must set forth the designation of each class, the number of shares of each class, and the par value (or statement of no par value), of each class. If shares of a class are to be issued in series, you must provide the designation of each series. The preferences, limitations, and relative rights of each class or series must be stated in space provided for supplemental information.

Article 5 - Purpose

The purpose for which the corporation is organized is for the transaction of any and all lawful business for which corporations may be organized under the Texas Business Organizations Code.

Supplemental Provisions / Information

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

Consent to Use form Park Water Company.pdf

Effectiveness of Filing

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

OR

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

Organizer

The name and address of the organizer is set forth below.

Michael Zipprich 7144 East Stetson Dr Suite c-200 Scottsdale AZ 85251

Execution

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

Michael Zipprich

Signature of organizer

FILING OFFICE COPY

Form 509
(Revised 06/15)

Submit with relevant filing
instrument.

Filing Fee: None



**Consent to Use
of Similar Name**

- (1) The Park/Waters Recreation Association, Inc. Filing #156343101

Name and file number of the entity or individual who holds the existing name on file with the secretary of state

consents to the use of

- (2) Park Water Company

Proposed name

as the name of a filing entity or foreign filing entity in Texas for the purpose of submitting a filing instrument to the secretary of state.

- (3) The undersigned certifies to being authorized by the holder of the existing name to give this consent. The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument.

Date:

8/17/16

Kenneth P. Wolf
Signature of Authorized Person

KENNETH P. WOLF
Name of Authorized Person (type or print)

PRESIDENT
Title of Authorized Person, if any (type or print)

State of Texas

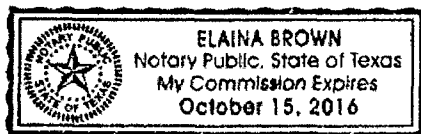
County of Bexar

This instrument was acknowledged before me on

8-19-16
(date)

by Kenneth P. Wolf
(name of authorized person)

(Seal)



Elaina Brown
Notary Public's signature

STAFF 3-6: In accordance with 16 Texas Administrative Code (TAC) § 24.11(e)(5)(B), please provide a copy of “loan approval documents or firm capital commitments affirming funds are available to install plant equipment necessary to serve customers in the first two years of projections...”

RESPONSE: Included with the application that was originally filed in this docket is a Statement of Financial Capability confirming that the majority equity owner of the parent company of the Applicant (Permian Basin Water Resources, LLC) has currently available financial resources to fund 100% of the cost of the proposed water and wastewater plant and equipment necessary to serve projected customers in the first two years of projections.

Prepared by: Richard Hamala

Sponsored by: Bret Fenner, PE

STAFF 3-7: In accordance with 16 TAC § 24.11(e)(3), please provide a written guarantee of coverage of temporary cash shortages, if any, for operations and maintenance for the first five years.

RESPONSE: As shown in the following schedule, if depreciation expense is excluded, Park Water Company's projected financial information (included in the application) shows that no operations and maintenance shortages are projected during the first five years of operations.

Park Water Company is a wholly owned subsidiary of Permian Basin Water Resources, LLC. Included with this response is Permian Basin Water Resources, LLC's written guarantee for payment of any operations and maintenance expense shortages of Park Water Company for the first five years of operations. Permian Basin Water Resources, LLC has a debt to equity ratio of less than one and satisfies the leverage test stated in 16 TAC §24.11(e) as shown in the summary balance sheet filed as protected materials with this response.

Water	Year 1	Year 2	Year 3	Year 4	Year 5
Net Income with Depreciation Expense	\$ (10,112)	\$ 35,585	\$ (8,626)	\$ 80,370	\$217,860
Depreciation	\$ 53,988	\$ 53,988	\$ 53,988	\$ 53,988	\$ 53,988
Net Income without Depreciation Expense	\$ 43,876	\$ 89,573	\$ 45,362	\$ 134,358	\$271,848
Sewer					
Net Income with Depreciation Expense	\$ (6,700)	\$ 46,876	\$ 10,544	\$ 107,418	\$ 256,253
Depreciation	\$ 66,333	\$ 66,333	\$ 66,333	\$ 66,333	\$ 66,333
Net Income without Depreciation Expense	\$ 59,633	\$113,209	\$ 76,877	\$173,751	\$ 322,586

Prepared by: Richard Hamala

Sponsored by: Bret Fenner, PE

PARENT GUARANTY (the "Guaranty")

Permian Basin Water Resources, LLC, Inc. (the "Guarantor"), for and in consideration of the Public Utility Commission of Texas granting a certificate of convenience and necessity to Park Water Company (the "Company"), a subsidiary of Guarantor, such that this Guaranty may reasonably be expected to benefit Guarantor, hereby, guarantee to the Public Utility Commission of Texas and the Company, any and all obligations for operating and maintenance expenses of the Company arising from or related to the operation of a water and wastewater utility in Midland County, Texas, of every kind and character, irrespective of the amount of said obligations, whether now existing or hereafter arising, including interest on any of the obligations and any and all costs, attorney's fees, and expenses arising by reason of Company's or Guarantor's default in payment of any of the foregoing obligations. Guarantor hereby agrees to pay the bona fide creditors of the Company promptly on demand any sum that may become owed by the Company for operating and maintenance expenses whenever the Company shall fail to pay the same. It is understood that this Guaranty shall be a continuing, unconditional, and irrevocable guaranty and indemnity for such obligations of the Company for the period beginning on the date of set forth below and extending five (5) years after the effective date of the certificate of convenience and necessity granted to the Company in Public Utility Commission of Texas Docket No. 49311, after which this Guaranty shall automatically terminate and be of no force or effect. During its term, this Guaranty is binding on Guarantor and Guarantor's successors and assigns. If any provision of this Guaranty or the application thereof to any person or circumstance shall, for any reason and to any extent, be invalid or unenforceable, neither the remainder of this Guaranty nor the application of such provision to any other person or circumstances shall be affected thereby, but rather the same shall be enforced to the greatest extent permitted by law.

Date: October 17, 2019

Permian Basin Water Resources, LLC

By: Cindy M. Bowers

Name: Cindy M. Bowers

Title: Chief Financial Officer