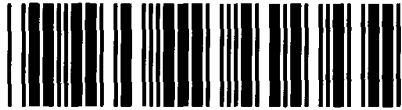


Control Number: 50057



Item Number: 1

Addendum StartPage: 0

Application Summary

Transferor: BILLY FRANK SPARKS

(selling entity)

CCN No.s: 12139

- Sale
 Transfer
 Merger
 Consolidation
 Lease/Rental

Transferee: RJR WATER CO INC

(acquiring entity)

CCN No.s: 12139

- Water
 Sewer
 All CCN
 Portion CCN
 Facilities transfer

County(ies): PARKER AND PALO PINTO

Table of Contents

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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 type="checkbox"/> Financial Audit | Part C: Question 10 |
| <input checked="" type="checkbox"/> Application Attachment A & B | Part C: Question 10 |
| <input type="checkbox"/> Disclosure of Affiliated Interests | Part C: Question 10 |
| <input type="checkbox"/> Capital Improvement Plan | Part C: Question 10 |
| <input 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 type="checkbox"/> Detailed (large scale) Map | Part G: Question 29 |
| <input type="checkbox"/> General Location (small scale) Map | Part G: Question 29 |
| <input type="checkbox"/> Digital Mapping Data | Part G: Question 29 |
| <input 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:

Mountain River Estates was purchased in July 1974 by Mr. Dan Peters. It is south of the city of Millsap, TX. The Brazos River winds through out the property. It is a rural area with 250 lots, some in Parker Co and some in Palo Pinto Co. The roads were started in 1981 with a 50 foot easements. The water lines were installed in 1981 in a twenty foot easements. Mountain River Water was the name of the water company. Mr. Frank Sparks was the first owner and RJR Water bought his business 7-1-2019.

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: Billy Frank Sparks Mountain River Water
(individual, corporation, or other legal entity)
 Individual Corporation WSC Other: _____

B. Mailing Address: 392 Live Oak Santo, TX 76472

Phone: (940) 659-8068 Email: _____

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

Name: Mr. Billy Frank Sparks Title: owner

Mailing Address: 392 Live Oak Santo, TX 76472

Phone: (940) 659-8068 Email: _____

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

A. Effective date for most recent rates: March 28, 2005 SEE A

- 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: 34852GCCN12139

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 132

of customers with deposits held by the transferor* 0

*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: RJR Water Co, INC

(individual, corporation, or other legal entity)

Individual Corporation WSC Other:

B. Mailing Address: PO BOX 616 Millsap, TX 76066

Phone: (940) 682-4200

Email: robbiedevans68@gmail.com

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

Name: Robbie D Evans

Title: Secretary/treasury

Address: 451 Red Bluff Cir Millsap, TX 76066

Phone: (940) 682-4200

Email: robbiedevans68@gmail.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): 803371238

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): Well number 1 is in Parker Co, well number 2 is in Palo Pinto

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

Name: NA

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: Richard L. Wilkins
 Position: President Ownership % (if applicable): 3,330.00%
 Address: 130 Riverview RD Millsap, TX 76066
 Phone: (817) 304-9655 Email: rwilkins19@yahoo.com

Name: John D Evans
 Position: Vice President Ownership % (if applicable): 3,330.00%
 Address: 451 Red Bluff Cir Millsap, TX 76066
 Phone: (940) 682-6435 Email: robbedevans68@gmail.com

Name: Robbie D Evans
 Position: Secretary/Treasurer Ownership % (if applicable): 3,340.00%
 Address: 451 Red Bluff Cir Millsap, TX 76066
 Phone: (940) 682-4200 Email: robbedevans68@gmal.com

Name: _____
 Position: _____ Ownership % (if applicable): 0.00%
 Address: _____
 Phone: _____ Email: _____

10. **Financial Information**

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

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

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

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

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

Part D: Proposed Transaction Details

11. A. Proposed Purchase Price: \$ _____

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: \$ 57,000.00

Accumulated Depreciation: \$ 20,000.00

Net Book Value: \$ 37,000.00

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

No Yes

Total Customer CIAC: \$ _____

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:

Private Funds, Bank Credit Cards

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

NA

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:	\$	85,800.00
Accumulated Depreciation of Plant:	\$	-59,880.00
Cash:	\$	2,000.00
Notes Payable:	\$	-7,200.00
Mortgage Payable:	\$	- 20,720.00
(Proposed) Acquisition Adjustment*:	\$	0.00

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

Other (NARUC account name & No.): _____

Other (NARUC account name & No.): _____

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

No Billing changes now.

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:

We will apply through the PUC within the next 12 months when the SMT is accepted.

SEE B. PAGE 7, ITEM 15.B.

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 three owners live in the community, we expect quicker response times, quality water, we will answer our phones, call our customers back, and be available to go to HOA meetings if needed. We will read the meters and work with the customers with billing issues. We want our neighbors to have good quality water. We realize that NO ONE can do without water.

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.

RJR hired an operator, Connie Fluhart, with a class B licenses. She is operating the wells, until Richard and John get their class D licenses. Richard worked for MR. Frank Sparks, the owner of Mountain River Water, for several years and is familar with the Mountian River Water system. John has mechanical knowledge. He worked for Miller Brewery for 33 years. Robbie has lots of administration knowledge, having worked for 30 years with AT&T. She managed an office with 700 employees. Connie is running 5 water system now.

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:

We expect no disruption or environment problems on our land. The water is as good as it was in 2002, when the wells were dug.

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

RJR has already installed two chlorine pumps in August 2019. Mountain River Water has been on a boil water notice since 2-2019. We are no longer on a boil notice. The citizens of Mountain are very happy. RJR has higher water pressure, quality water with a professional operator, personnel, and a experience bookkeeper. We are here in the community for immediately repairs.

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:

There is no public water system within two miles of RJR Water Co. The city of Millsap has cnn11240 and is the closes, and it is ten miles from cnn12139, RJR Water.

SEE: C PAGE 8, item 21

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: 1840077 (7 digit ID)

Name of PWS: Mountain River Water Co.

Date of last TCEQ compliance inspection: August 14, 2019 (attach TCEQ letter)

Subdivisions served: Moungtain River Estates Millsap, TX

B. For Sewer service:

TCEQ Water Quality (WQ) Discharge Permit Number: WQ - NA (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		
<u>9</u>	Non-metered		2"		Residential
	5/8" or 3/4"		3"		Commercial
<u>63</u>	1"		4"		Industrial
<u>63</u>	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):

SEE: D 24B PAGE 1 & 2

Description of the Capital Improvement:	Estimated Completion Date:	Estimated Cost:
two new chlorine pumps installed	August 7, 2019	\$ 1,000.00
two Water measure pumps well 1 first, well 2 in October	September 6, 2019	\$ 600.00
replace non-working water meter some have over a million gallons	January 15, 2020	\$ 27,000.00

C. Is there a moratorium on new connections?

No Yes:

25. Does the system being transferred operate within the corporate boundaries of a municipality?

No Yes: _____ (name of municipality)

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

Water: _____ Sewer: _____

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

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

Capacity is purchased from: _____

Water: _____

Sewer: _____

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

No Yes

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

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

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

No Yes:

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

No Yes:

28. List the name, class, and TCEQ license number of the operator that will be responsible for the operations of the water or sewer utility service: *SEE: E PAGE 1*

Name (as it appears on license)	Class	License No.	Water or Sewer
Consuelo A Fluharty	B	WS0005287	Water Treatment
John D Fluharty	A	W00040203	Water Operator

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.

SEE: C PAGE 1 ; F. 29A, F. 29A #1, G 29A

- 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.

NA

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: _____

Number of customer connections in the requested area: _____

Affected subdivision :

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: Court House in Parker and Palo Pinto

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 Palo Pinto

I, Billy Frank Sparks, being duly sworn, file this application for sale, merger, consolidation, acquisition, lease, or rental, as

transfer,

Richard L Wilkins, President, John Evans, Vice President, Robbie Evans, Secretary and Treasure

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

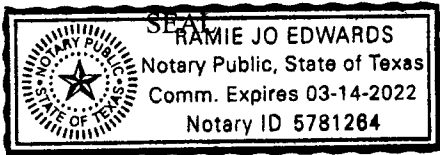
I attest that, in such capacity, I am qualified and authorized to file and verify such application, am personally familiar with the documents filed with this application, and have complied with all the requirements contained in the application; and, that all such statements made and matters set forth 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).

Billy Frank Sparks
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 19 of September, 20 19



Ramie Jo Edwards
NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS

Ramie Jo Edwards
PRINT OR TYPE NAME OF NOTARY

My commission expires: 3-14-2022

Oath for Transferee (Acquiring Entity)

STATE OF TEXAS

COUNTY OF Parker

I, Richard L Wilkins, President, John Evans, Vic President, Robbie Evans, Secretary and Treasure being duly sworn, file this application for sale, transfer, merger, consolidation, acquisition, lease, or rental, as RJR Water Co, 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.

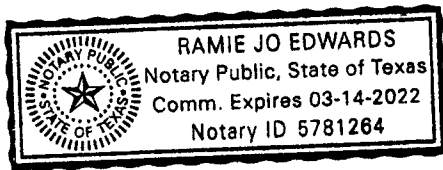
Robbie D. Evans

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 19 of September, 2019

SEAL



Ramie Jo Edwards
NOTARY PUBLIC IN AND FOR THE STATE OF TEXAS

Ramie Jo Edwards
PRINT OR TYPE NAME OF NOTARY

My commission expires: 3-14-2022

Appendix B: Projected Information

HISTORICAL BALANCE SHEETS (ENTER DATE OF YEAR END)	CURRENT(A) 20 - -19) 6 mo	A-1 YEAR 20 - -20)	A-2 YEAR 20 - -21)	A-3 YEAR 20 - -22)	A-4 YEAR 20 - -23)	A-5 YEAR 20 - -24)
CURRENT ASSETS						
Cash	\$ 2,000.00	\$ 2,400.00	\$ 2,880.00	\$ 3,456.00	\$ 4,000.00	\$ 4,200.00
Accounts Receivable	29,000.00	58,000.00	58,000.00	58,000.00	58,000.00	58,000.00
Inventories	2,000.00	2,000.00	2,200.00	2,600.00	2,700.00	2,800.00
Income Tax Receivable						
Other						
A. Total Current Assets	\$ 33,000.00	\$ 62,400.00	\$ 63,080.00	\$ 64,056.00	\$ 64,100.00	\$ 65,000.00
FIXED ASSETS						
Land	\$ 1,600.00	\$ 3,200.00	\$ 3,200.00	\$ 3,200.00	\$ 3,200.00	\$ 3,200.00
Collection/Distribution System	20,000.00	40,000.00	40,000.00	40,000.00	40,000.00	40,000.00
Buildings	500.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Equipment	7,500.00	15,000.00	15,600.00	15,800.00	1,600.00	16,500.00
Other						
Less: Accum. Depreciation or Reserves	5,920.00	11,840.00	11,960.00	1,200.00	1,204.00	1,214.00
B. Total Fixed Assets	\$ 23,680.00	\$ 47,360.00	\$ 47,840.00	\$ 58,800.00	\$ 58,996.00	\$ 59,486.00
C. TOTAL Assets (A + B)	\$ 56,680.00	\$ 109,760.00	\$ 110,920.00	\$ 122,856.00	\$ 123,696.00	\$ 124,486.00
CURRENT LIABILITIES						
Accounts Payable	\$ 1,950.00	\$ 4,100.00	\$ 4,300.00	\$ 4,600.00	\$ 4,800.00	\$ 5,000.00
Notes Payable, Current	3,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00
Accrued Expenses	2,900.00	5,800.00	6,100.00	6,500.00	6,700.00	6,800.00
Other						
D. Total Current Liabilities	\$ 7,850.00	\$ 15,900.00	\$ 16,400.00	\$ 17,100.00	\$ 17,500.00	\$ 17,800.00
LONG TERM LIABILITIES						
Notes Payable, Long-term						
Other						
E. Total Long Term Liabilities						
F. TOTAL LIABILITIES (D + E)	\$ 7,850.00	\$ 15,900.00	\$ 16,400.00	\$ 17,100.00	\$ 17,500.00	\$ 17,800.00
OWNER'S EQUITY						
Paid in Capital	\$ 3,000.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Retained Equity	56,680.00	109,760.00	110,920.00	122,856.00	123,696.00	124,486.00
Other						
Current Period Profit or Loss	-2,000.00	-1,500.00	-1,500.00	-1,500.00	-1,500.00	-1,500.00
G. TOTAL OWNER'S EQUITY	\$ 49,830.00	\$ 92,360.00	\$ 94,520.00	\$ 105,756.00	\$ 106,196.00	\$ 106,686.00
TOTAL LIABILITIES+EQUITY (F + G) = C	\$ 57,680.00	\$ 108,260.00	\$ 127,320.00	\$ 139,956.00	\$ 141,196.00	\$ 142,286.00
WORKING CAPITAL (A - D)	\$ 25,150.00	\$ 46,500.00	\$ 46,680.00	\$ 49,956.00	\$ 47,200.00	\$ 47,200.00
CURRENT RATIO (A / D)	4.2000	3.9240	3.8460	3.7450	3.6970	3.6510
DEBT TO EQUITY RATIO (F / G)	6.3470	5.8080	5.7630	6.1840	6.0680	5.9930

PROJECTED NET INCOME INFORMATION

(ENTER DATE OF YEAR END)	CURRENT(A) 20-19) 6mo	A-1 YEAR 20-20-)	A-2 YEAR 20-21-)	A-3 YEAR 20-22-)	A-4 YEAR 20-23-)	A-5 YEAR 20-24-)
METER NUMBER						
Existing Number of Taps	135	135	135	140	140	140
New Taps Per Year	0	0	5	0	0	0
Total Meters at Year End	135	135	140	140	140	140
METER REVENUE						
Revenue per Meter (use for projections)	\$ 45.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00
Expense per Meter (use for projections)	10.00	10.00	10.00	10.00	10.00	10.00
Operating Revenue Per Meter	\$ 35.00	\$ 40.00	\$ 40.00	\$ 40.00	\$ 40.00	\$ 40.00
GROSS WATER REVENUE						
Revenues- Base Rate & Gallonage Fees	\$ 28,350.00	\$ 64,800.00	\$ 64,800.00	\$ 67,200.00	\$ 67,200.00	\$ 67,200.00
Other (Tap, reconnect, transfer fees, etc)	450.00	450.00	1,000.00	400.00	200.00	300.00
Gross Income	\$ 28,800.00	\$ 65,250.00	\$ 65,800.00	\$ 67,600.00	\$ 67,400.00	\$ 67,500.00
EXPENSES						
General & Administrative (see schedule)	\$ 9,700.00	\$ 17,100.00	\$ 23,000.00	\$ 23,400.00	\$ 23,900.00	\$ 23,900.00
Operating (see schedule)	10,900.00	22,800.00	24,000.00	23,900.00	23,800.00	23,800.00
Interest						
Other (list)						
NET INCOME	\$ 8,200.00	\$ 25,350.00	\$ 18,800.00	\$ 20,600.00	\$ 19,700.00	\$ 19,500.00

PROJECTED EXPENSE DETAIL	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
GENERAL/ADMINISTRATIVE EXPENSES						
Salaries			\$ 6,000.00	\$ 6,000.00	\$ 7,000.00	\$ 19,000.00
Office						
Computer		500.00		400.00		900.00
Auto						
Insurance	3,000.00	6,000.00	6,000.00	6,000.00	6,000.00	27,000.00
Telephone						
Utilities	1,500.00	3,000.00	3,500.00	3,600.00	3,600.00	15,200.00
Depreciation	1,000.00	1,200.00	1,000.00	900.00	800.00	4,900.00
Property Taxes	400.00	400.00	500.00	500.00	500.00	2,300.00
Professional Fees	800.00					800.00
Interest						
Other	3,000.00	6,000.00	6,000.00	6,000.00	6,000.00	27,000.00
Total	\$ 9,700.00	\$ 17,100.00	\$ 23,000.00	\$ 23,400.00	\$ 23,900.00	\$ 97,100.00
% Increase Per projected Year	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
OPERATIONAL EXPENSES						
Salaries						
Auto	5,400.00	10,800.00	10,800.00	10,800.00	10,800.00	48,600.00
Utilities	1,500.00	3,000.00	3,600.00	3,600.00	3,600.00	12,600.00
Depreciation	500.00	1,000.00	900.00	800.00	700.00	3,900.00
Repair & Maintenance	1,000.00	2,000.00	2,100.00	2,100.00	2,100.00	9,300.00
Supplies	3,000.00	6,000.00	6,600.00	6,600.00	6,600.00	28,800.00
Interest						
Other						
Total	\$ 11,400.00	\$ 22,800.00	\$ 24,000.00	\$ 23,900.00	\$ 23,800.00	\$ 105,900.00

PROJECTED SOURCES AND USES OF CASH STATEMENTS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
SOURCES OF CASH						
Net Income	\$ 11,400.00	\$ 25,350.00	\$ 18,800.00	\$ 20,600.00	\$ 19,700.00	\$ 95,850.00
Depreciation (If funded by revenues of system)						
Loan Proceeds	7,200.00					7,200.00
Other						
Total Sources	\$ 18,600.00	\$ 25,350.00	\$ 18,800.00	\$ 20,600.00	\$ 19,700.00	\$ 103,050.00
USES OF CASH						
Net Loss	-\$ 2,000.00	-\$ 1,500.00	-\$ 1,500.00	-\$ 1,500.00	-\$ 1,500.00	\$ 80,000.00
Principle Portion of Pmts.	1,500.00	5,700.00	0.00	0.00	0.00	7,200.00
Fixed Asset Purchase		9,000.00	9,000.00	9,000.00		27,000.00
Reserve	5,900.00	11,840.00	11,960.00	1,200.00	1,204.00	32,104.00
Other						
Total Uses	5,400.00	25,040.00	19,460.00	8,700.00	-296.00	58,304.00
NET CASH FLOW	\$ 13,200.00	\$ 310.00	\$ 660.00	\$ 11,900.00	\$ 19,404.00	\$ 44,746.00
DEBT SERVICE COVERAGE						
Cash Available for Debt Service (CADS)						
A: Net Income (Loss)	\$ 8,200.00	\$ 25,350.00	\$ 18,800.00	\$ 20,600.00	\$ 19,700.00	\$ 92,650.00
B: Depreciation, or Reserve Interest						
C: Total CADS (A + B = C)	\$ 8,200.00	\$ 25,350.00	\$ 18,800.00	\$ 20,600.00	\$ 19,700.00	\$ 92,650.00
D: DEBT SERVICE (DS)						
Principle Plus Interest	\$ 1,500.00	\$ 5,700.00	\$ 5,700.00	\$ 1,800.00	\$ 1,800.00	\$ 16,500.00
E: DEBT SERVICE COVERAGE RATIO						
CADS Divided by DS (E = C / D)	5.4000	4.4400	3.2900	11.4400	10.9400	5.6000

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallonage Charge</u>
5/8" or 3/4"	<u>\$25.00</u> (Includes 0 gallons)	<u>\$5.10</u> per 1000 gallons
1"	<u>\$50.00</u>	
1½"	<u>\$100.00</u>	

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

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

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

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

Section 1.02 - Miscellaneous Fees

TAP FEE \$500.00
TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL 5/8" or 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

ROAD BORE \$1,500.00

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

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

METER RELOCATION FEE Actual Relocation Cost, Not to Exceed Tap Fee
THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS THAT AN EXISTING METER BE RELOCATED.

METER TEST FEE \$25.00
THIS FEE WHICH SHOULD REFLECT THE UTILITY'S COST MAY BE CHARGED IF A CUSTOMER REQUESTS A SECOND METER TEST WITHIN A TWO-YEAR PERIOD AND THE TEST INDICATES THAT THE METER IS RECORDING ACCURATELY. THE FEE MAY NOT EXCEED \$25.

TEXAS COMM. ON ENVIRONMENTAL QUALITY

34852 G C C N 12 13 9 MAR 28 '05

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

APPROVED TARIFF BY JLOS

SECTION 1.0 -- RATE SCHEDULE (Continued)

RECONNECTION FEE

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

- a) Non payment of bill (Maximum \$25.00) \$25.00
- b) Customer's request that service be disconnected \$35.00

TRANSFER FEE \$25.00
THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED

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

RETURNED CHECK CHARGE \$25.00
RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

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

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

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE \$25.00
WHEN AUTHORIZED IN WRITING BY TCEQ AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [30 TAC 291.21(K)(2)]

LINE EXTENSION AND CONSTRUCTION CHARGES:

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

TEXAS COM. ON ENVIRONMENTAL QUALITY

34852606N12139 MAR 28 '05

APPROVED BY 7/DS

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

B, Page 7, item 15B

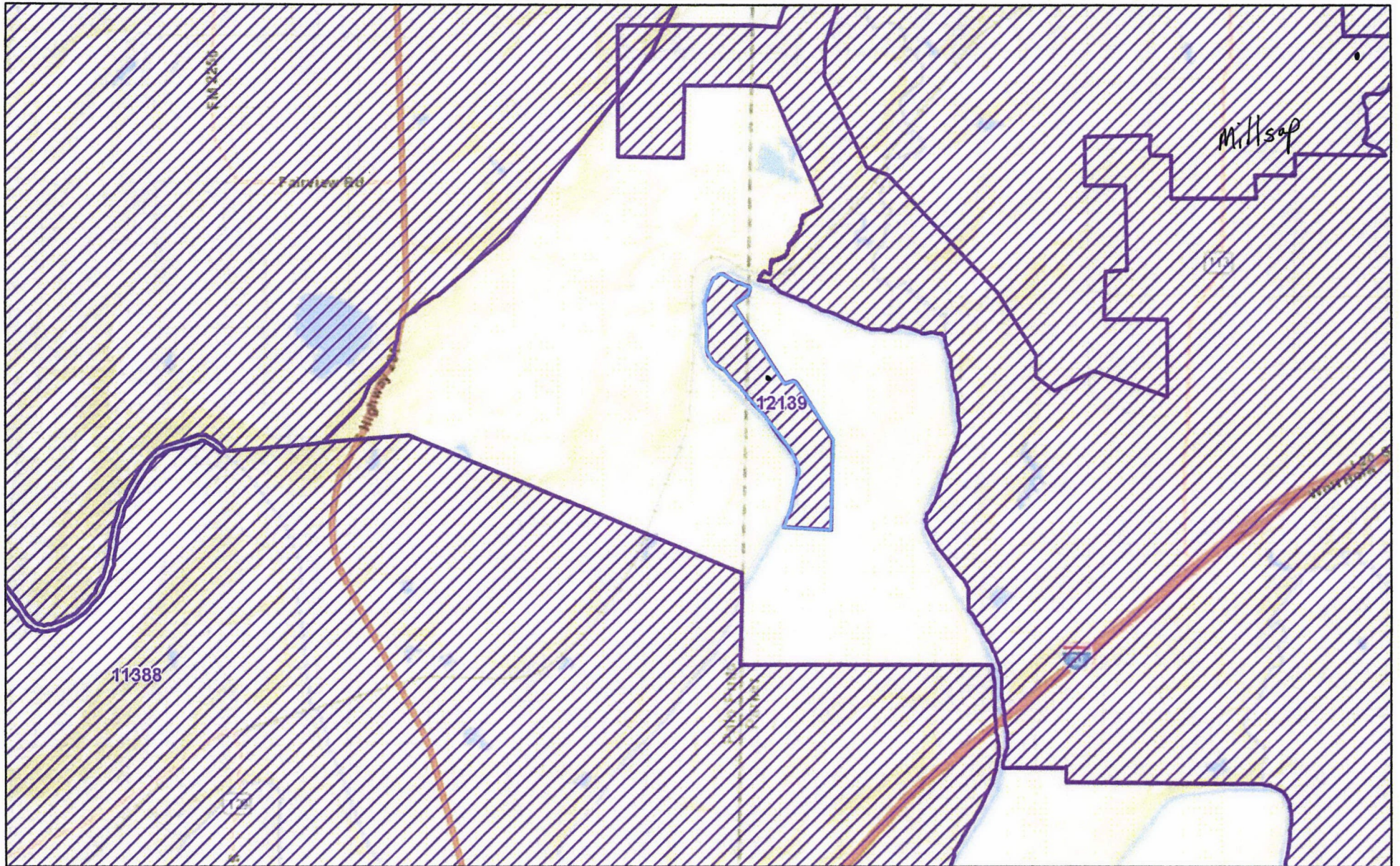
We plan to raise :

Monthly Min \$35.00

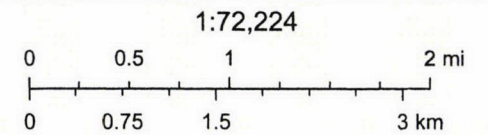
Gallonage Charge \$7.00

We will accept all forms of payment, Cash, Check, Money order, and Credit Card

Transfer fee \$35.00



September 20, 2019





D. 24B PG 1

Texas Commission on Environmental Quality

CERTIFICATE OF DELIVERY OF PUBLIC NOTICE TO CUSTOMERS: Boil Water Notice **LEADED**

Public Water System (PWS) name: Mountain River Water Supply

PWS ID: TX 1840077 Date of violation(s) or situation(s) 02/01/2019

Type of Total Coliform Rule Ground Water Rule violation(s) or situation:

- Boil Water Notice (BWN) due to: loss of pressure, line break, water outage, or any condition requiring a BWN (includes Rescind Notice)
- Treatment technique violation (Ground Water or Surface Water Treatment Rule)

30 TAC 290.46(q)(1) requires that your PWS make an adequate, good-faith effort to reach all consumers served by the system by appropriate methods (check all below that apply):

COMMUNITY WATER SYSTEM (perform one of the following):

- Provide a copy of the Boil Water Notice to the radio and television stations serving the area surrounding the public water system
- Publish BWN in local newspaper
- Deliver BWN directly to each customer
- Post BWN in conspicuous places within the affected area and City web Page

NONCOMMUNITY WATER SYSTEM (perform one of the following):

- Deliver BWN directly to customers, or
- Post BWN in public places within the area served by the system

"I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, 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."

Certified by: (print name): Connie Fluharty Title: Water Operator

Date of Delivery to Customers: 8-20-19 Phone: 940-393-5590

Signature: Connie Fluharty Date: 8-20-19

Fax to (512) 239-3666 or mail a copy of this completed form, **AND** copies of the Public Notices given to your customers to: TCEQ – Public Drinking Water Section MC – 155, Attn: Public Notice. P. O. Box 13087 Austin, TX 78711-3087

RECEIVED

AUG 26 2019
DFW REGION-4

D. 24 B PG 2

Notice

Boil Water Advisory **LIFTED**

Public Water Supply PWS # 1840077

Public Notice to Boil Water 2-1-2019

Due to the chlorine pump going down causing the system to lose chlorine residual, the Texas Commission on Environmental Quality (TCEQ) has required our Water System, Mountain River Water Supply, to notify customers of the need to boil water prior to consumption.

To ensure destruction of all harmful bacteria and other microbes, water for drinking, cooking, and making ice should be boiled and cooled prior to use. The water should be brought to a vigorous, rolling boil and then boiled for two minutes. In lieu of boiling, you may purchase bottled water or obtain water from some other suitable source.

When it is no longer necessary to boil the water, the Water System officials will notify you that the water is safe for consumption. Instructions to discontinue boiling will be issued in the same manner as this notice.

If you have questions concerning this matter, you may contact the Connie Fluharty 1-940-393-5590.

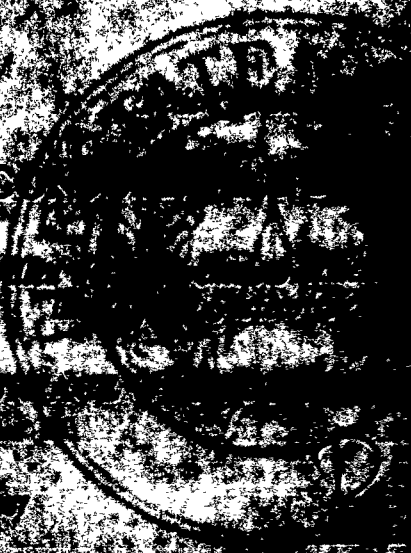
RECEIVED

AUG 26 2019

DFW REGION-4

E. PAGE 1

RECEIVED BY THE SECRETARY



GRANT

RECEIVED

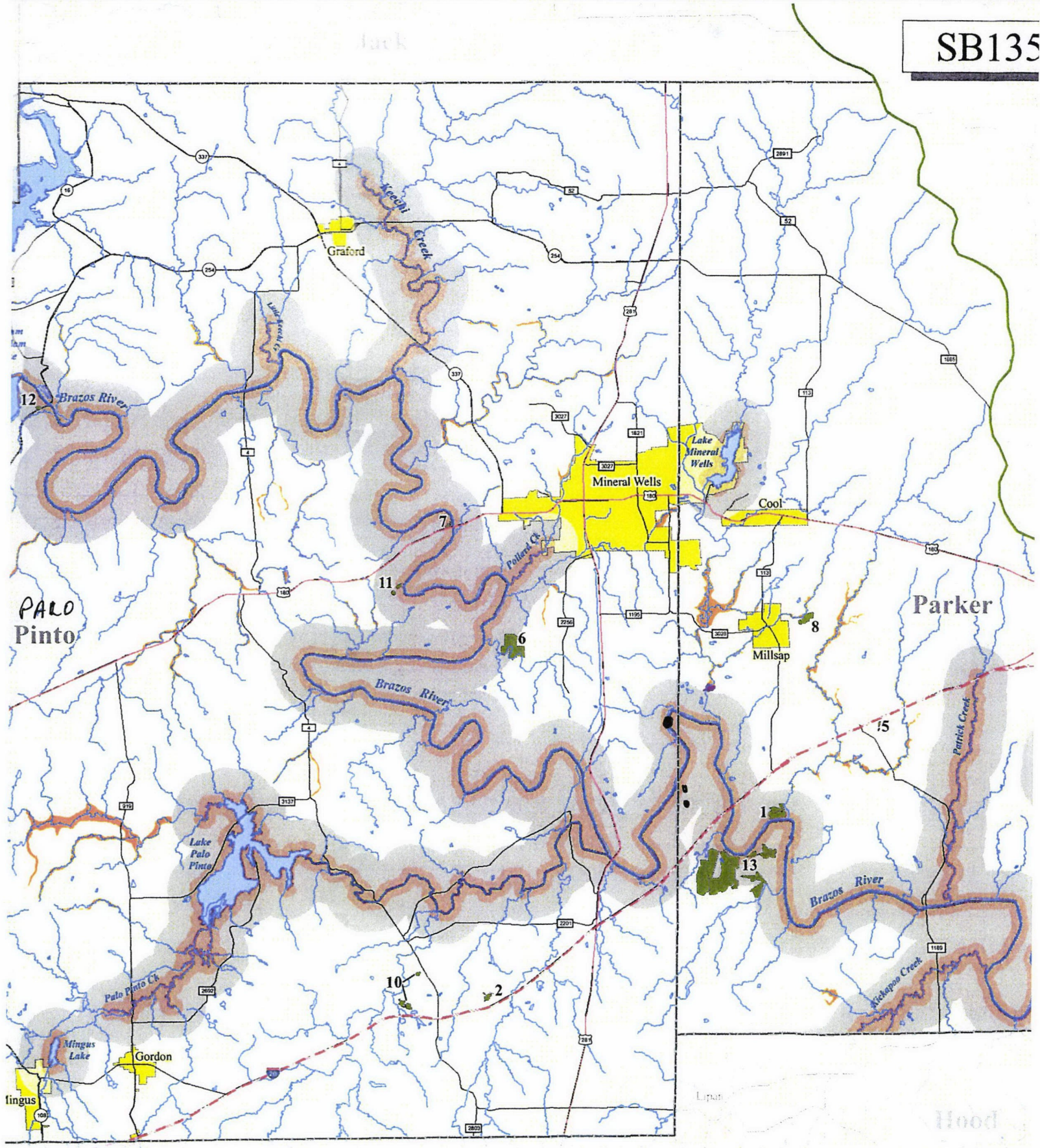


F. 29A



F. 29 A. # 1.

SB135



• MOUNTAIN RIVER ESTATE
• MOUNTAIN RIVER WATER

G 29 A

Metes AND Bounds

Being a tract of land out of the M.S. Emberlin Survey, Abstract No. 420

And the T. & P. RR. Co. Survey 5, Block B, Abstract No. 2858, Parker County, Texas: and being Described by metes and bounds as follow: Beginning at an iron rod in the west right-of-way line Of a County Road for the northwest corner of the E.A. and S.L. IKARD SURVEY, Abstract No. 721 Parker County, Texas; THENCE, with said west right-of-way line, South of 1470.11 feet to an iron Rod for corner; THENCE S $89^{\circ} 43' 50''$ W a distance of 1050.00 feet to a point for corner; THENCE N $11^{\circ} 48'$ E a distance of 16.06 feet to an iron rod for corner; Thence N $05^{\circ} 26'$ E a Distance of 5.18 feet to an iron rod for corner; THENCE S $89^{\circ} 43' 50''$ W a distance of 210.00 feet To an iron rod for corner on the east bank of the Brazos River: THENCE, along a wire fence, N $57^{\circ} 04'$ E a distance of 452.04 feet to a point for corner; THENCE, along a wire fence, N $56^{\circ} 58' 45''$ E distance of 1014.05 feet to the POINT OF BEGINNING and containing 30.207 acres of Land.

Application Summary

Transferor: BILLY FRANK SPARKS

(selling entity)

CCN No.s: 12139

Sale
 Transfer
 Merger
 Consolidation
 Lease/Rental

Transferee: RJR WATER CO INC

(acquiring entity)

CCN No.s: 12139

Water
 Sewer
 All CCN
 Portion CCN
 Facilities transfer

County(ies): PARKER AND PALO PINTO

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Sale, Transfer, or Merger (STM) Application Instructions	1
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Part G: Mapping & Affidavits	10
Part H: Notice Information	12
Appendix A: Historical Financial Information (Balance Sheet and Income Schedule)	15
Appendix B: Projected Information	18

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 checked="" type="checkbox"/> Articles of Incorporation and By-Laws (WSC)	Part C: Question 7
<input checked="" type="checkbox"/> Certificate of Account Status	Part C: Question 7
<input type="checkbox"/> Financial Audit	Part C: Question 10
<input checked="" type="checkbox"/> Application Attachment A & B	Part C: Question 10
<input type="checkbox"/> Disclosure of Affiliated Interests	Part C: Question 10
<input type="checkbox"/> Capital Improvement Plan	Part C: Question 10
<input 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 type="checkbox"/> Detailed (large scale) Map	Part G: Question 29
<input type="checkbox"/> General Location (small scale) Map	Part G: Question 29
<input type="checkbox"/> Digital Mapping Data	Part G: Question 29
<input 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:

Mountain River Estates was purchased in July 1974 by Mr. Dan Peters. It is south of the city of Millsap, TX. The Brazos River winds through out the property. It is a rural area with 250 lots, some in Parker Co and some in Palo Pinto Co. The roads were started in 1981 with a 50 foot easements. The water lines were installed in 1981 in a twenty foot easements. Mountain River Water was the name of the water company. Mr. Frank Sparks was the first owner and RJR Water bought his business 7-1-2019.

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: Billy Frank Sparks Mountain River Water
(individual, corporation, or other legal entity)
 Individual Corporation WSC Other: _____

B. Mailing Address: 392 Live Oak Santo, TX 76472

Phone: (940) 659-8068 Email: _____

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

Name: Mr. Billy Frank Sparks Title: owner

Mailing Address: 392 Live Oak Santo, TX 76472

Phone: (940) 659-8068 Email: _____

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

A. Effective date for most recent rates: March 28, 2005 SEE A

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: 34852GCCN12139

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 132
- # of customers with deposits held by the transferor* 0

*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: RJR Water Co, INC

- (individual, corporation, or other legal entity)
- Individual Corporation WSC Other:

B. Mailing Address: PO BOX 616 Millsap, TX 76066

Phone: (940) 682-4200 Email: robbiedevans68@gmail.com

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

Name: Robbie D Evans Title: Secretary/treasury

Address: 451 Red Bluff Cir Millsap, TX 76066

Phone: (940) 682-4200 Email: robbiedevans68@gmail.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): 803371238

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): Well number 1 is in Parker Co, well number 2 is in Palo Pinto

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

Name: NA

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: Richard L Wilkins
 Position: President Ownership % (if applicable): 3,330.00%
 Address: 130 Riverview RD Millsap, TX 76066
 Phone: (817) 304-9655 Email: rwilkins19@yahoo.com

Name: John D Evans
 Position: Vice President Ownership % (if applicable): 3,330.00%
 Address: 451 Red Bluff Cir Millsap, TX 76066
 Phone: (940) 682-6435 Email: robbiedevans68@gmail.com

Name: Robbie D Evans
 Position: Secretary/Treasurer Ownership % (if applicable): 3,340.00%
 Address: 451 Red Bluff Cir Millsap, TX 76066
 Phone: (940) 682-4200 Email: robbiedevans68@gmal.com

Name: _____
 Position: _____ Ownership % (if applicable): 0.00%
 Address: _____
 Phone: _____ Email: _____

10. **Financial Information**

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

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

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

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

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

Part D: Proposed Transaction Details

11. A. Proposed Purchase Price: \$ _____

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: \$ 57,000.00

Accumulated Depreciation: \$ 20,000.00

Net Book Value: \$ 37,000.00

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

No Yes

Total Customer CIAC: \$ _____
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:

Private Funds, Bank Credit Cards

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

NA

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:	\$	85,800.00
Accumulated Depreciation of Plant:	\$	-59,880.00
Cash:	\$	2,000.00
Notes Payable:	\$	-7,200.00
Mortgage Payable:	\$	- 20,720.00
(Proposed) Acquisition Adjustment*:	\$	0.00

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

Other (NARUC account name & No.): _____

Other (NARUC account name & No.): _____

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

No Billing changes now.

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:

We will apply through the PUC within the next 12 months when the SMT is accepted.

SEE B. PAGE 7, ITEM 15.B.

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 three owners live in the community, we expect quicker response times, quality water, we will answer our phones, call our customers back, and be available to go to HOA meetings if needed. We will read the meters and work with the customers with billing issues. We want our neighbors to have good quality water. We realize that NO ONE can do without water.

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.

RJR hired an operator, Connie Fluhart, with a class B licenses. She is operating the wells, until Richard and John get their class D licenses. Richard worked for MR. Frank Sparks, the owner of Mountain River Water, for several years and is farmilar with the Mountian River Water system. John has mechanical knowledge. He worked for Miller Brewery for 33 years. Robbie has lots of administration knowledge, having worked for 30 years with AT&T. She managed an office with 700 employees. Connie is running 5 water system now.

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:

We expect no disruption or environment problems on our land. The water is as good as it was in 2002, when the wells were dug.

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

RJR has already installed two chlorine pumps in August 2019. Mountain River Water has been on a boil water notice since 2-2019. We are no longer on a boil notice. The citizens of Mountain are very happy. RJR has higher water pressure, quality water with a professional operator, personnel, and a experience bookkeeper. We are here in the community for immediately repairs.

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:

There is no public water system within two miles of RJR Water Co. The city of Millsap has cnn11240 and is the closes, and it is ten miles from cnn12139, RJR Water.

SEE: C PAGE 8, item 21

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: 1840077 (7 digit ID)

Name of PWS: Mountain River Water Co.

Date of last TCEQ compliance inspection: August 14, 2019 (attach TCEQ letter)

Subdivisions served: Moungtain River Estates Millsap, TX

B. For Sewer service:

TCEQ Water Quality (WQ) Discharge Permit Number: WQ - NA (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	
<u>9</u>	Non-metered	2"		Residential
	5/8" or 3/4"	3"		Commercial
<u>63</u>	1"	4"		Industrial
<u>63</u>	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):

SEE: D 24B PAGE 1 & 2

Description of the Capital Improvement:	Estimated Completion Date:	Estimated Cost:
two new chlorine pumps installed	August 7, 2019	\$ 1,000.00
two Water measure pumps well 1 first, well 2 in October	September 6, 2019	\$ 600.00
replace non-working water meter some have over a million gallons	January 15, 2020	\$ 27,000.00

C. Is there a moratorium on new connections?

No Yes:

25. Does the system being transferred operate within the corporate boundaries of a municipality?

No Yes: _____ (name of municipality)

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

Water: _____ Sewer: _____

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

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

Capacity is purchased from: _____

Water: _____

Sewer: _____

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

No Yes

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

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

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

No Yes:

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

No Yes:

28. List the name, class, and TCEQ license number of the operator that will be responsible for the operations of the water or sewer utility service: *SEE: E PAGE 1*

Name (as it appears on license)	Class	License No.	Water or Sewer
Consuelo A Fluharty	B	WS0005287	Water Treatment
John D Fluharty	A	W00040203	Water Operator

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.

SEE: C PAGE 1 ; F. 29A, F. 29A #1, G 29A

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.

NA 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: _____

Number of customer connections in the requested area: _____

Affected subdivision :

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: Court House in Parker and Palo Pinto

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 Palo Pinto

I, Billy Frank Sparks being duly sworn, file this application for sale, transfer,

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

Richard L Wilkins, President, John Evans, Vice President, Robbie Evans, Secretary and Treasure

(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).

[Handwritten signature of Billy Frank Sparks]

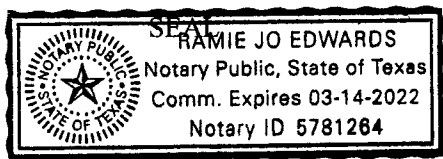
AFFIANT

(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 19 of September, 20 19



[Handwritten signature of Ramie Jo Edwards]

NOTARY PUBLIC IN AND FOR THE STATE OF TEXAS

[Handwritten name: Ramie Jo Edwards]

PRINT OR TYPE NAME OF NOTARY

My commission expires: 3-14-2022

Oath of Transferee (Acquiring Entity)

STATE OF TEXAS

COUNTY OF Parker

I, Richard L Wilkins, President, John Evans, Vic President, Robbie Evans, Secretary and Treasure being duly sworn, file this application for sale, transfer, merger, consolidation, acquisition, lease, or rental, as RJR Water Co, 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.

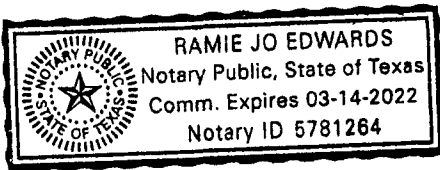
Robbie D. Evans

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 19 of September, 2019

SEAL



Ramie Jo Edwards
NOTARY PUBLIC IN AND FOR THE STATE OF TEXAS

Ramie Jo Edwards
PRINT OR TYPE NAME OF NOTARY

My commission expires: 3-14-2022

Appendix B: Projected Information

HISTORICAL BALANCE SHEETS (ENTER DATE OF YEAR END)	CURRENT(A) 20 - -19) 6 mo	A-1 YEAR 20 - -20)	A-2 YEAR 20 - -21)	A-3 YEAR 20 - -22)	A-4 YEAR 20 - -23)	A-5 YEAR 20 - -24)
CURRENT ASSETS						
Cash	\$ 2,000.00	\$ 2,400.00	\$ 2,880.00	\$ 3,456.00	\$ 4,000.00	\$ 4,200.00
Accounts Receivable	29,000.00	58,000.00	58,000.00	58,000.00	58,000.00	58,000.00
Inventories	2,000.00	2,000.00	2,200.00	2,600.00	2,700.00	2,800.00
Income Tax Receivable						
Other						
A. Total Current Assets	\$ 33,000.00	\$ 62,400.00	\$ 63,080.00	\$ 64,056.00	\$ 64,100.00	\$ 65,000.00
FIXED ASSETS						
Land	\$ 1,600.00	\$ 3,200.00	\$ 3,200.00	\$ 3,200.00	\$ 3,200.00	\$ 3,200.00
Collection/Distribution System	20,000.00	40,000.00	40,000.00	40,000.00	40,000.00	40,000.00
Buildings	500.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Equipment	7,500.00	15,000.00	15,600.00	15,800.00	1,600.00	16,500.00
Other						
Less: Accum. Depreciation or Reserves	5,920.00	11,840.00	11,960.00	1,200.00	1,204.00	1,214.00
B. Total Fixed Assets	\$ 23,680.00	\$ 47,360.00	\$ 47,840.00	\$ 58,800.00	\$ 58,996.00	\$ 59,486.00
C. TOTAL Assets (A + B)	\$ 56,680.00	\$ 109,760.00	\$ 110,920.00	\$ 122,856.00	\$ 123,696.00	\$ 124,486.00
CURRENT LIABILITIES						
Accounts Payable	\$ 1,950.00	\$ 4,100.00	\$ 4,300.00	\$ 4,600.00	\$ 4,800.00	\$ 5,000.00
Notes Payable, Current	3,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00
Accrued Expenses	2,900.00	5,800.00	6,100.00	6,500.00	6,700.00	6,800.00
Other						
D. Total Current Liabilities	\$ 7,850.00	\$ 15,900.00	\$ 16,400.00	\$ 17,100.00	\$ 17,500.00	\$ 17,800.00
LONG TERM LIABILITIES						
Notes Payable, Long-term						
Other						
E. Total Long Term Liabilities						
F. TOTAL LIABILITIES (D + E)	\$ 7,850.00	\$ 15,900.00	\$ 16,400.00	\$ 17,100.00	\$ 17,500.00	\$ 17,800.00
OWNER'S EQUITY						
Paid in Capital	\$ 3,000.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Retained Equity	56,680.00	109,760.00	110,920.00	122,856.00	123,696.00	124,486.00
Other						
Current Period Profit or Loss	-2,000.00	-1,500.00	-1,500.00	-1,500.00	-1,500.00	-1,500.00
G. TOTAL OWNER'S EQUITY	\$ 49,830.00	\$ 92,360.00	\$ 94,520.00	\$ 105,756.00	\$ 106,196.00	\$ 106,686.00
TOTAL LIABILITIES+EQUITY (F + G) = C	\$ 57,680.00	\$ 108,260.00	\$ 127,320.00	\$ 139,956.00	\$ 141,196.00	\$ 142,286.00
WORKING CAPITAL (A - D)	\$ 25,150.00	\$ 46,500.00	\$ 46,680.00	\$ 49,956.00	\$ 47,200.00	\$ 47,200.00
CURRENT RATIO (A / D)	4.2000	3.9240	3.8460	3.7450	3.6970	3.6510
DEBT TO EQUITY RATIO (F / G)	6.3470	5.8080	5.7630	6.1840	6.0680	5.9930

PROJECTED NET INCOME INFORMATION

(ENTER DATE OF YEAR END)	CURRENT(A) 20-19) 6 mo	A-1 YEAR 20-20-)	A-2 YEAR 20-21-)	A-3 YEAR 20-22-)	A-4 YEAR 20-23-)	A-5 YEAR 20-24-)
METER NUMBER						
Existing Number of Taps	135	135	135	140	140	140
New Taps Per Year	0	0	5	0	0	0
Total Meters at Year End	135	135	140	140	140	140
METER REVENUE						
Revenue per Meter (use for projections)	\$ 45.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00
Expense per Meter (use for projections)	10.00	10.00	10.00	10.00	10.00	10.00
Operating Revenue Per Meter	\$ 35.00	\$ 40.00	\$ 40.00	\$ 40.00	\$ 40.00	\$ 40.00
GROSS WATER REVENUE						
Revenues- Base Rate & Gallonage Fees	\$ 28,350.00	\$ 64,800.00	\$ 64,800.00	\$ 67,200.00	\$ 67,200.00	\$ 67,200.00
Other (Tap, reconnect, transfer fees, etc)	450.00	450.00	1,000.00	400.00	200.00	300.00
Gross Income	\$ 28,800.00	\$ 65,250.00	\$ 65,800.00	\$ 67,600.00	\$ 67,400.00	\$ 67,500.00
EXPENSES						
General & Administrative (see schedule)	\$ 9,700.00	\$ 17,100.00	\$ 23,000.00	\$ 23,400.00	\$ 23,900.00	\$ 23,900.00
Operating (see schedule)	10,900.00	22,800.00	24,000.00	23,900.00	23,800.00	23,800.00
Interest						
Other (list)						
NET INCOME	\$ 8,200.00	\$ 25,350.00	\$ 18,800.00	\$ 20,600.00	\$ 19,700.00	\$ 19,500.00

PROJECTED EXPENSE DETAIL	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
GENERAL/ADMINISTRATIVE EXPENSES						
Salaries			\$ 6,000.00	\$ 6,000.00	\$ 7,000.00	\$ 19,000.00
Office						
Computer		500.00		400.00		900.00
Auto						
Insurance	3,000.00	6,000.00	6,000.00	6,000.00	6,000.00	27,000.00
Telephone						
Utilities	1,500.00	3,000.00	3,500.00	3,600.00	3,600.00	15,200.00
Depreciation	1,000.00	1,200.00	1,000.00	900.00	800.00	4,900.00
Property Taxes	400.00	400.00	500.00	500.00	500.00	2,300.00
Professional Fees	800.00					800.00
Interest						
Other	3,000.00	6,000.00	6,000.00	6,000.00	6,000.00	27,000.00
Total	\$ 9,700.00	\$ 17,100.00	\$ 23,000.00	\$ 23,400.00	\$ 23,900.00	\$ 97,100.00
% Increase Per projected Year	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
OPERATIONAL EXPENSES						
Salaries						
Auto	5,400.00	10,800.00	10,800.00	10,800.00	10,800.00	48,600.00
Utilities	1,500.00	3,000.00	3,600.00	3,600.00	3,600.00	12,600.00
Depreciation	500.00	1,000.00	900.00	800.00	700.00	3,900.00
Repair & Maintenance	1,000.00	2,000.00	2,100.00	2,100.00	2,100.00	9,300.00
Supplies	3,000.00	6,000.00	6,600.00	6,600.00	6,600.00	28,800.00
Interest						
Other						
Total	\$ 11,400.00	\$ 22,800.00	\$ 24,000.00	\$ 23,900.00	\$ 23,800.00	\$ 105,900.00

PROJECTED SOURCES AND USES OF CASH STATEMENTS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
SOURCES OF CASH						
Net Income	\$ 11,400.00	\$ 25,350.00	\$ 18,800.00	\$ 20,600.00	\$ 19,700.00	\$ 95,850.00
Depreciation (If funded by revenues of system)						
Loan Proceeds	7,200.00					7,200.00
Other						
Total Sources	\$ 18,600.00	\$ 25,350.00	\$ 18,800.00	\$ 20,600.00	\$ 19,700.00	\$ 103,050.00
USES OF CASH						
Net Loss	-\$ 2,000.00	-\$ 1,500.00	-\$ 1,500.00	-\$ 1,500.00	-\$ 1,500.00	\$ 80,000.00
Principle Portion of Pmts.	1,500.00	5,700.00	0.00	0.00	0.00	7,200.00
Fixed Asset Purchase		9,000.00	9,000.00	9,000.00		27,000.00
Reserve	5,900.00	11,840.00	11,960.00	1,200.00	1,204.00	32,104.00
Other						
Total Uses	5,400.00	25,040.00	19,460.00	8,700.00	-296.00	58,304.00
NET CASH FLOW	\$ 13,200.00	\$ 310.00	\$ 660.00	\$ 11,900.00	\$ 19,404.00	\$ 44,746.00
DEBT SERVICE COVERAGE						
Cash Available for Debt Service (CADS)						
A: Net Income (Loss)	\$ 8,200.00	\$ 25,350.00	\$ 18,800.00	\$ 20,600.00	\$ 19,700.00	\$ 92,650.00
B: Depreciation, or Reserve Interest						
C: Total CADS (A + B = C)	\$ 8,200.00	\$ 25,350.00	\$ 18,800.00	\$ 20,600.00	\$ 19,700.00	\$ 92,650.00
D: DEBT SERVICE (DS)						
Principle Plus Interest	\$ 1,500.00	\$ 5,700.00	\$ 5,700.00	\$ 1,800.00	\$ 1,800.00	\$ 16,500.00
E: DEBT SERVICE COVERAGE RATIO						
CADS Divided by DS (E = C / D)	5.4000	4.4400	3.2900	11.4400	10.9400	5.6000

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallonage Charge</u>
5/8" or 3/4"	<u>\$25.00</u> (Includes 0 gallons)	<u>\$5.10</u> per 1000 gallons
1"	<u>\$50.00</u>	
1 1/2"	<u>\$100.00</u>	

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

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

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

REGULATORY ASSESSMENT 1.0%

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

Section 1.02 - Miscellaneous Fees

TAP FEE \$500.00

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

ROAD BORE \$1,500.00

TAP FEE (Unique costs) Actual Cost

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

TAP FEE (Large meter) Actual Cost

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

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

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

METER TEST FEE \$25.00

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

TEXAS COMM. ON ENVIRONMENTAL QUALITY

34852 GCGN12139 MAR 28'05

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

APPROVED TARIFF BY J. IDS

SECTION 1.0 -- RATE SCHEDULE (Continued)

RECONNECTION FEE

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

- a) Non payment of bill (Maximum \$25.00) \$25.00
- b) Customer's request that service be disconnected \$35.00

TRANSFER FEE \$25.00
 THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED

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

RETURNED CHECK CHARGE \$25.00
 RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

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

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

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE \$25.00
 WHEN AUTHORIZED IN WRITING BY TCEQ AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [30 TAC 291.21(K)(2)]

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

TEXAS COMM. ON ENVIRONMENTAL QUALITY

348526 CGN 12 139 MAR 28 '05

APPROVED BY 9/DS

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

B, Page 7, item 15B

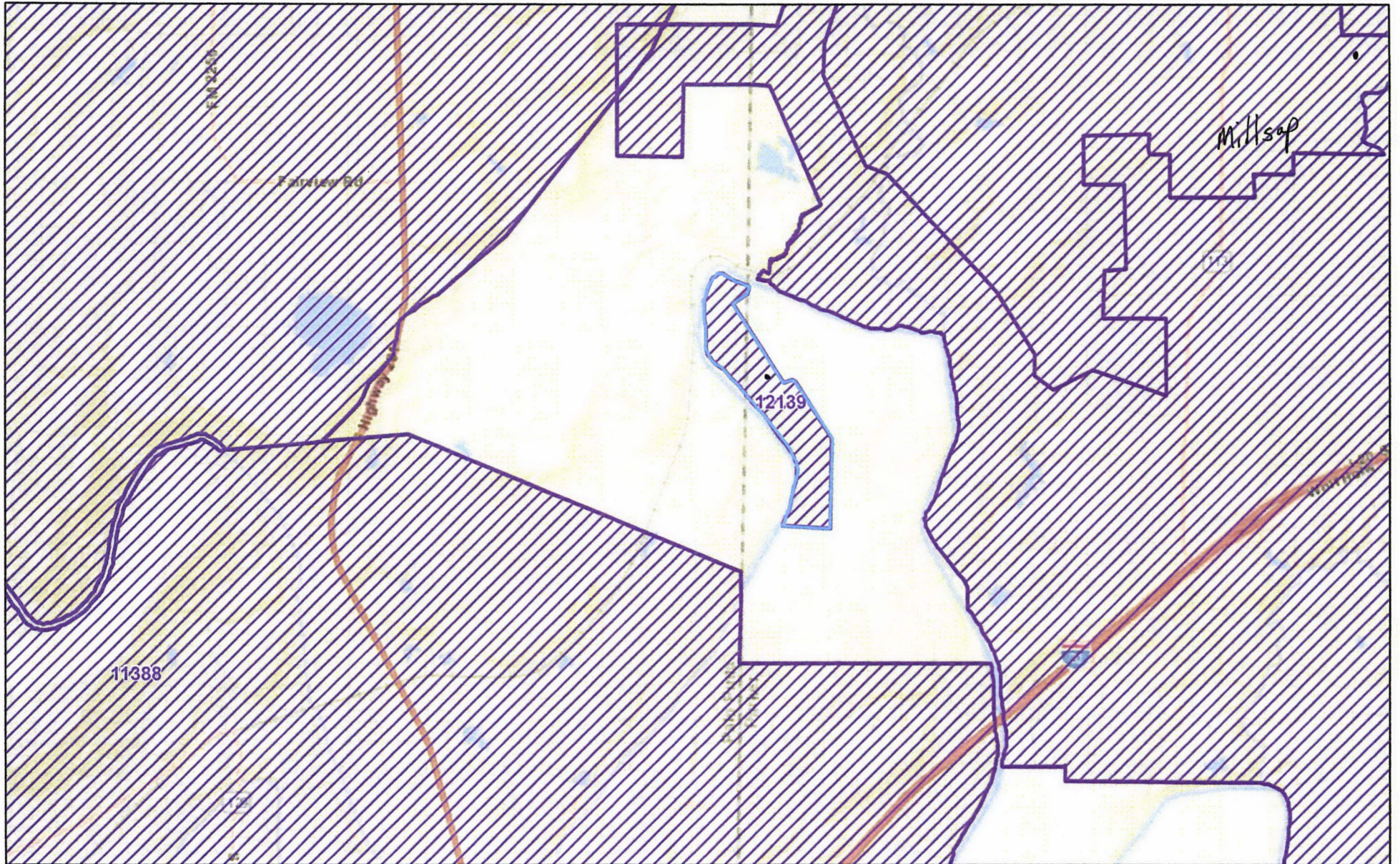
We plan to raise :

Monthly Min \$35.00

Gallonage Charge \$7.00

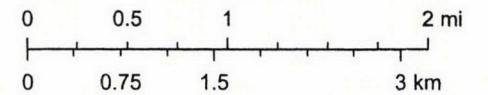
We will accept all forms of payment, Cash, Check, Money order, and Credit Card

Transfer fee \$35.00



September 20, 2019

1:72,224



D. 24B PG 1



Texas Commission on Environmental Quality

CERTIFICATE OF DELIVERY OF PUBLIC NOTICE TO CUSTOMERS: Boil Water Notice

CEMED

Public Water System (PWS) name: Mountain River Water Supply

PWS ID: TX 1840077 Date of violation(s) or situation(s) 02/01/2019

Type of Total Coliform Rule Ground Water Rule violation(s) or situation:

- Boil Water Notice (BWN) due to: loss of pressure, line break, water outage, or any condition requiring a BWN (includes Rescind Notice)
- Treatment technique violation (Ground Water or Surface Water Treatment Rule)

30 TAC 290.46(q)(1) requires that your PWS make an adequate, good-faith effort to reach all consumers served by the system by appropriate methods (check all below that apply):

COMMUNITY WATER SYSTEM (perform one of the following):

- Provide a copy of the Boil Water Notice to the radio and television stations serving the area surrounding the public water system
- Publish BWN in local newspaper
- Deliver BWN directly to each customer
- Post BWN in conspicuous places within the affected area and City web Page

NONCOMMUNITY WATER SYSTEM (perform one of the following):

- Deliver BWN directly to customers, or
- Post BWN in public places within the area served by the system

"I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, 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."

Certified by: (print name): Connie Fluharty Title: Water Operator

Date of Delivery to Customers: 8-20-19 Phone: 940-393-5590

Signature: Connie Fluharty Date: 8-20-19

Fax to (512) 239-3666 or mail a copy of this completed form, AND copies of the Public Notices given to your customers to: TCEQ – Public Drinking Water Section MC – 155, Attn: Public Notice. P. O. Box 13087 Austin, TX 78711-3087

RECEIVED

AUG 26 2019
DFW REGION-4

D. 24 B PB 2

Notice

Boil Water Advisory **LIFTED**

Public Water Supply PWS # 1840077

Public Notice to Boil Water 2-1-2019

Due to the chlorine pump going down causing the system to lose chlorine residual, the Texas Commission on Environmental Quality (TCEQ) has required our Water System, Mountain River Water Supply, to notify customers of the need to boil water prior to consumption.

To ensure destruction of all harmful bacteria and other microbes, water for drinking, cooking, and making ice should be boiled and cooled prior to use. The water should be brought to a vigorous, rolling boil and then boiled for two minutes. In lieu of boiling, you may purchase bottled water or obtain water from some other suitable source.

When it is no longer necessary to boil the water, the Water System officials will notify you that the water is safe for consumption. Instructions to discontinue boiling will be issued in the same manner as this notice.

If you have questions concerning this matter, you may contact the Connie Fluharty 1-940-393-5590.

RECEIVED

AUG 26 2019

DFW REGION-4



E. PAGE 1

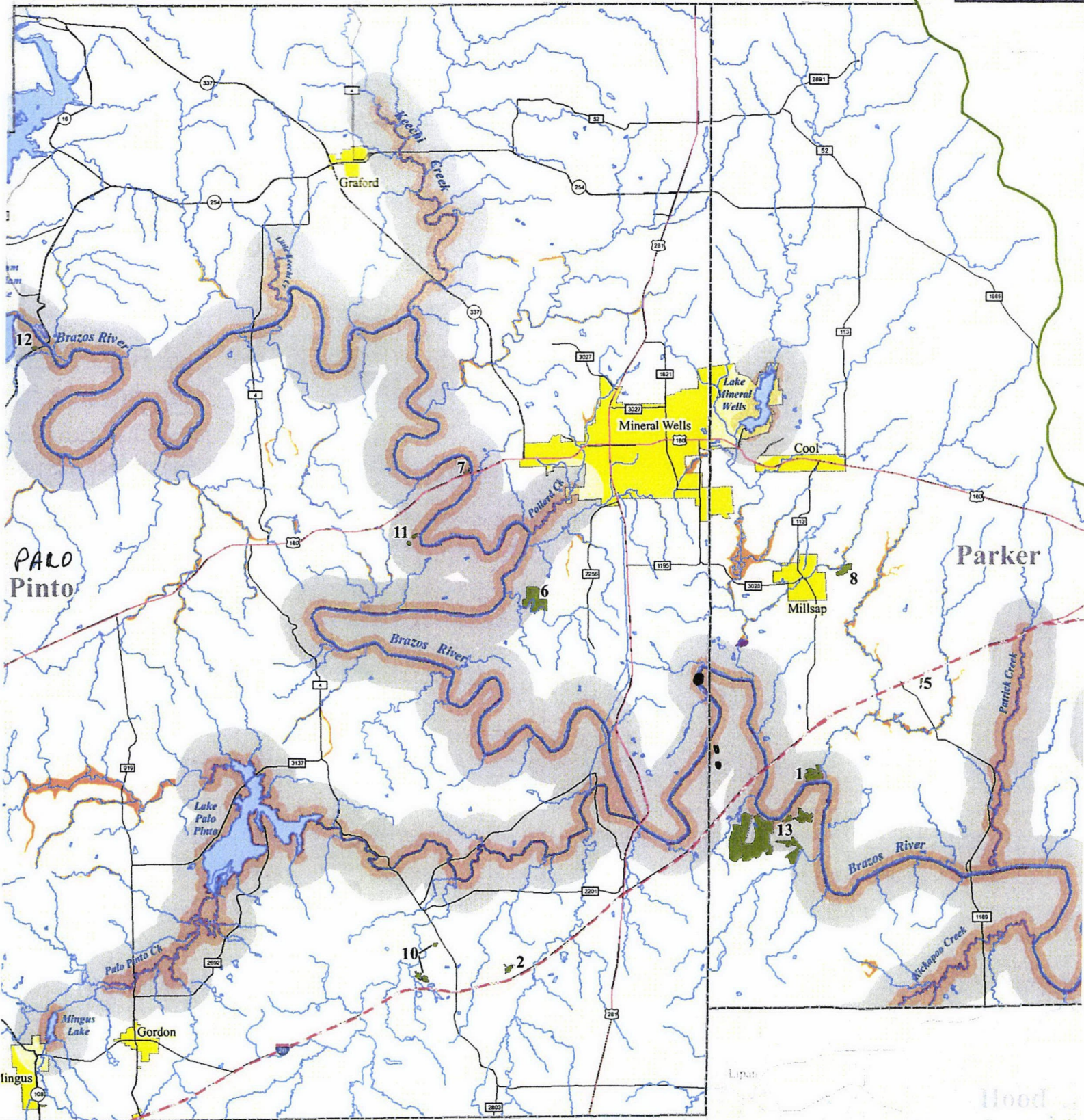
F. 29A



Google

F. 29 A. # 1.

SB135



• MOUNTAIN RIVER ESTATE
• MOUNTAIN RIVER WATER

G 29 A

Metes AND Bounds

Being a tract of land out of the M.S. Emberlin Survey, Abstract No. 420

And the T. & P. RR. Co. Survey 5, Block B, Abstract No. 2858, Parker County, Texas: and being Described by metes and bounds as follow: Beginning at an iron rod in the west right-of-way line Of a County Road for the northwest corner of the E.A. and S.L. IKARD SURVEY, Abstract No. 721 Parker County, Texas; THENCE, with said west right-of-way line, South of 1470.11 feet to an iron Rod for corner; THENCE S $89^{\circ} 43' 50''$ W a distance of 1050.00 feet to a point for corner; THENCE N $11^{\circ} 48'$ E a distance of 16.06 feet to an iron rod for corner; Thence N $05^{\circ} 26'$ E a Distance of 5.18 feet to an iron rod for corner; THENCE S $89^{\circ} 43' 50''$ W a distance of 210.00 feet To an iron rod for corner on the east bank of the Brazos River: THENCE, along a wire fence, N $57^{\circ} 04'$ E a distance of 452.04 feet to a point for corner; THENCE, along a wire fence, N $56^{\circ} 58' 45''$ E distance of 1014.05 feet to the POINT OF BEGINNING and containing 30.207 acres of Land.