



Control Number: 51048



Item Number: 1

Addendum StartPage: 0



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

Pursuant to Texas Water Code § 13.301 and 16 Texas Administrative Code § 241.239

Sale, Transfer, or Merger (STM) Application Instructions

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

FAQ:

Who can use this form?

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

Who is required to use this form?

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

Terms

Transferor: Seller

Transferee: Purchaser

CCN: Certificate of Convenience and Necessity

STM: Sale, Transfer, or Merger

IOU: Investor Owned Utility

Application Summary

Transferor: David Fenoglio

(selling entity)

CCN No.s: 12196

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

Transferee: Patterson Water Supply

(acquiring entity)

CCN No.s: 13248

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

County(ies): Jack

Table of Contents

Sale, Transfer, or Merger (STM) Application Instructions	1
Part A: General Information	3
Part B: Transferor Information	3
Part C: Transferee Information	4
Part D: Proposed Transaction Details	6
Part E: CCN Obtain or Amend Criteria Considerations	8
Part F: TCEQ Public Water System or Sewer (Wastewater) Information	9
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 checked="" 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 checked="" type="checkbox"/>	Financial Audit	Part C: Question 10
<input checked="" type="checkbox"/>	Application Attachment A & B	Part C: Question 10
<input type="checkbox"/>	Disclosure of Affiliated Interests	Part C: Question 10
<input type="checkbox"/>	Capital Improvement Plan	Part C: Question 10
<input checked="" type="checkbox"/>	List of Assets to be Transferred	Part D: 11.B
<input type="checkbox"/>	Developer Contribution Contracts or Agreements	Part D: 11.D
<input type="checkbox"/>	Enforcement Action Correspondence	Part E: Question 18 (Part D: Q12)
<input checked="" type="checkbox"/>	TCEQ Compliance Correspondence	Part F: Question 22
<input checked="" 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 checked="" type="checkbox"/>	Digital Mapping Data	Part G: Question 29
<input checked="" type="checkbox"/>	Signed & Notarized Oath	Page 13-14

Part A: General Information

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

Transfer ownership of Perrin Water System, CCN #12196 to Patterson Water Supply, CCN #13248

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: David Fenoglio

(individual, corporation, or other legal entity)

☒ Individual

☐ Corporation

☐ WSC

☐ Other: _____

- B. Mailing Address: 206 W Hwy 82

Nocona, TX 76255

Phone: (940) 894-2000

Email: david@frictx.com

- 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: David Fenoglio

Title: President

Mailing Address: Same as above

Phone: _____

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:

see attachment B

- 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: _____

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 118

☒ # 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: Patterson Water Supply

(individual, corporation, or other legal entity)

☐ Individual ☐ Corporation ☐ WSC ☒ Other:

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

Phone: (903) 429-3008

Email: pattproserv@aol.com

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

Name: Mark Patterson

Title: President

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

Phone: (903) 429-3008

Email: pattproserv@aol.com

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

☐ No ☒ Yes ☐ N/A

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

☐ No ☒ Yes ☐ N/A

7. The legal status of the transferee is:

☐ Individual or sole proprietorship

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

☐ Corporation

Charter number (as recorded with the Texas Secretary of State): _____

☐ 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): Limited Liability Company

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

Name: _____

9. If the transferee's legal status is anything other than an individual, provide the following information regarding the officers, members, or partners of the legal entity applying for the transfer:

Name: Mark Patterson
 Position: President Ownership % (if applicable): 50.00%
 Address: 340 Hog Town Rd, Collinsville, TX 76233
 Phone: (903) 429-3008 Email: pattproserv@aol.com

Name: David Patterson
 Position: Member Ownership % (if applicable): 25.00%
 Address: 2204 Graham Grove Rd, Collinsville, TX 76233
 Phone: (903) 429-3008 Email: dpatterson0180@aol.com

Name: James Carney
 Position: Member Ownership % (if applicable): 25.00%
 Address: 383 Crossroads Rd Collinsville, TX 76233
 Phone: (903) 429-3008 Email: dcarney@pattersonprofessionalservices.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: \$ 10,000.00

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

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

☐ No ☒ Yes ☐ N/A

Total Original Cost of Plant in Service: \$ unknown

Accumulated Depreciation: \$ 100.00

Net Book Value: \$ 0.00

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

☒ No ☐ Yes

Total Customer CIAC: \$

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:

Perrin Water System is currently in receivership and Patterson Water has made improvements to the system and will continue making the recommended investments to bring this system to standard. Line replacements are necessary to replace corroded metal lines that are subject to frequent leaks, and repair of a well that has been out of service.

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

Patterson Water Supply has a proven track record of being able to take systems from receivership and bring them into full compliance.

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:	\$	* transferor did not provide books to transferee
Accumulated Depreciation of Plant:	\$	
Cash:	\$	
Notes Payable:	\$	
Mortgage Payable:	\$	
(Proposed) Acquisition Adjustment*:	\$	
Other (NARUC account name & No.):		
Other (NARUC account name & No.):		

* Acquisition Adjustments will be subject to review under 16 TAC § 24.41(d) and (e)

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

We want to include the systems into the Patterson Water Supply tariff (CCN #13248). This will be completed via a separate rate change application. Patterson Water Supply request that the emergency rate in place remains in place for an addition 24 months as we work through the sale, transfer, merger.

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:

Yes, Patterson Water Supply would like the current emergency rates extended 24 months to allow us to complete this STM and submit a full rate case.

Part E: CCN Obtain or Amend Criteria Considerations

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

Patterson Water Supply will ensure continuous and adequate service to meet the customers of the utility to meet Texas Water Code and Texas Health & Safety code requirements. Patterson Water Supply plans to upgrade and replace much of the distribution system.

17. Describe the transferee's experience and qualifications in providing continuous and adequate service. This should include, but is not limited to: other CCN numbers, water and wastewater systems details, and any corresponding compliance history for all operations.

Patterson Water has been in operations for 10+ years, and owns and operates 4 systems it received through the receivership program 1) Vacation Village in Denton County, 2) Hills of Briar Oaks in Wise County, 3) Cooley Point in Tarrant County and 4) Crazy Horse Ranch (CCN 13248)

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

☒ No ☐ Yes

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

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

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

It will ensure that continuous and adequate water service is provided to customers of the utility.

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 are no other CCN or neighboring utilities within 2 miles of the boundaries of Perrin Water System

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: TX1190005 (7 digit ID)Name of PWS: Perrin Water SystemDate of last TCEQ compliance inspection: See attachment i (attach TCEQ letter)Subdivisions served: Perrin, TX**B. For Sewer service:**TCEQ Water Quality (WQ) Discharge Permit Number: WQ - (8 digit ID)

Name of Wastewater Facility: _____

Name of Permittee: _____

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

Subdivisions served: _____

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

Water				Sewer	
	Non-metered		2"		Residential
129	5/8" or 3/4"		3"		Commercial
	1"		4"		Industrial
	1 1/2"		Other		Other
Total Water Connections:			129	Total Sewer Connections:	

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

Description of the Capital Improvement:	Estimated Completion Date:	Estimated Cost:
<u>See attachment g</u>		

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

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

Water: _____ Sewer: _____

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

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

Capacity is purchased from: _____

Water: _____

Sewer: _____

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

☒ No ☐ Yes

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

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

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

☒ No ☐ Yes:

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

☐ No ☒ Yes:

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

Name (as it appears on license)	Class	License No.	Water or Sewer
Mark Patterson	B	WG0008889	Water
David Parrerson	C	WG0013751	Water
Preston Patterson	D	WO0043621	Water

Part G: Mapping & Affidavits

ALL applications require mapping information to be filed in conjunction with the STM application.

Read question 29 A and B to determine what information is required for your application.

29. A. For applications requesting to transfer an entire CCN, without a CCN boundary adjustment, provide the following mapping information with each of the seven (7) copies of the application:

1. A general location (small scale) map identifying the requested area in reference to the nearest county boundary, city, or town. The following guidance should be adhered to:
 - i. If the application requests to transfer certificated service areas for both water and sewer, separate maps must be provided for each.
 - ii. A hand drawn map, graphic, or diagram of the requested area is not considered an acceptable mapping document.

- iii. To maintain the integrity of the scale and quality of the map, copies must be exact duplicates of the original map. Therefore, copies of maps cannot be reduced or enlarged from the original map, or in black and white if the original map is in color.
- 2. A detailed (large scale) map identifying the requested area in reference to verifiable man-made and natural landmarks such as roads, rivers, and railroads. The Applicant should adhere to the following guidance:
 - i. The map must be clearly labeled and the outer boundary of the requested area should be marked in reference to the verifiable man-made or natural landmarks. These verifiable man-made or natural landmarks must be labeled and marked on the map as well.
 - ii. If the application requests an amendment for both water and sewer certificated service area, separate maps need to be provided for each.
 - iii. To maintain the integrity of the scale and quality of the map, copies must be exact duplicates of the original map. Therefore, copies of maps cannot be reduced or enlarged from the original map, or in black and white if the original map is in color.
 - iv. The outer boundary of the requested area should not be covered by any labels, roads, city limits or extraterritorial jurisdiction (ETJ) boundaries.
- B. For applications that are requesting to include area not currently within a CCN, or for applications that require a CCN amendment (any change in a CCN boundary), such as the transfer of only a portion of a certificated service area, provide the following mapping information with each of the seven (7) copies of the application:
 - 1. A general location (small scale) map identifying the requested area with enough detail to locate the requested area in reference to the nearest county boundary, city, or town. Please refer to the mapping guidance in part A 1 (above).
 - 2. A detailed (large scale) map identifying the requested area with enough detail to accurately locate the requested area in reference to verifiable man-made or natural landmarks such as roads, rivers, or railroads. Please refer to the mapping guidance in part A 2 (above).
 - 3. One of the following identifying the requested area:
 - i. A metes and bounds survey sealed or embossed by either a licensed state land surveyor or a registered professional land surveyor. Please refer to the mapping guidance in part A 2 (above);
 - ii. A recorded plat. If the plat does not provide sufficient detail, Staff may request additional mapping information. Please refer to the mapping guidance in part A 2 (above); or
 - iii. Digital mapping data in a shapefile (SHP) format georeferenced in either NAD 83 Texas State Plane Coordinate System (US Feet) or in NAD 83 Texas Statewide Mapping System (Meters). The digital mapping data shall include a single, continuous polygon record. The following guidance should be adhered to:
 - a. The digital mapping data must correspond to the same requested area as shown on the general location and detailed maps. The requested area must be clearly labeled as either the water or sewer requested area.
 - b. A shapefile should include six files (.dbf, .shp, .shx, .sbx, .sbn, and the projection (.prj) file).
 - c. The digital mapping data shall be filed on a data disk (CD or USB drive), clearly labeled, and filed with Central Records. Seven (7) copies of the digital mapping data is also required.

Part H: Notice Information

The following information will be used to generate the proposed notice for the application.
DO NOT provide notice of the application until it is found sufficient and the Applicants are ordered to provide notice.

30. Complete the following using verifiable man-made or natural landmarks such as roads, rivers, or railroads to describe the requested area (to be stated in the notice documents). Measurements should be approximated from the outermost boundary of the requested area:

The total acreage of the requested area is approximately: 16.00

Number of customer connections in the requested area: 129

Affected subdivision : N/A

The closest city or town: Perrin, TX

Approximate mileage to closest city or town center: 6

Direction to closest city or town: Joplin, TX

The requested area is generally bounded on the North by: W Davis Rd

on the East by: Hackley St

on the South by: South St

on the West by: Rick Rd

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

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

- ☒ All of the customers will be charged the same rates they were charged before the transaction.
- ☐ All of the customers will be charged different rates than they were charged before the transaction.
- ☐ higher monthly bill ☐ lower monthly bill
- ☐ Some customers will be charged different rates than they were charged before
(i.e. inside city limit customers)
- ☐ higher monthly bill ☐ lower monthly bill

Oath for Transferor (Transferring Entity)

STATE OF TEXAS

COUNTY OF MONTAGUE

I, DAVID A. FENOGLIO being duly sworn, file this application for sale, transfer,

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

PRESIDENT - Perrin Water System 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 § 24.239 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.

David A. Fenoglio

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 7 of July, 2020

SEAL



Melissa J Gerlach

NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS

Melissa J Gerlach

PRINT OR TYPE NAME OF NOTARY

My commission expires: 4/28/2022

Oath for Transferee (Acquiring Entity)

STATE OF TEXAS

COUNTY OF GRAYSON

I, MARK PATTERSON being duly sworn, file this application for sale, transfer, merger, consolidation, acquisition, lease, or rental, as PRESIDENT - PATTERSON WATER SUPPLY
(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 § 24.239 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.

[Signature]
AFFIANT

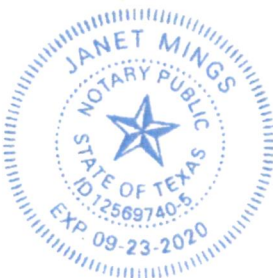
(Utility's Authorized Representative)

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 8th of July, 2020

SEAL



[Signature]
NOTARY PUBLIC IN AND FOR THE

STATE OF TEXAS

Janet Mings

PRINT OR TYPE NAME OF NOTARY

My commission expires: 09-23-2020

Included Attachments

- A – Sales Agreement (pg 16 – 48)
- B – Emergency Rate Tariff and Previous Tariff (pg 49 –77)
- C – Customers with Deposits Held by the Transferor D – Membership Agreement (pg 78 – 80)
- D – Membership Agreement (pg 81 - 93)
- E – Certificate of Filing with Secretary of State (Pg 94 – 97)
- F – Financials and Projections (pg 98 – 116)
- G – List of Repairs/Assets to be Transferred (pg 117–118)
- H – Emergency Receivership Order (pg 119 – 133)
- I – Last CCI/TCEQ Enforcement Letter (pg 134 – 165)
- J - Small Scale Map (pg 166)
- K – Large Scale Map (pg 167)

WATER SYSTEM OPERATIONS AND TRANSFER AGREEMENT

This Water System Operations and Transfer Agreement (this "Agreement") is entered into effective 3 April 2020, 2020 (the "Effective Date") between Patterson Professional Services, LLC ("Patterson"), a Texas limited liability company, and David Fenoglio, d/b/a Perrin Water Systems, Inc. ("Fenoglio"). Patterson and Fenoglio may be individually referred to as "Party" and collectively referred to as the "Parties."

RECITALS

WHEREAS, Fenoglio wishes to immediately divest itself of the water system operation and maintenance functions related to the Perrin Water Systems, Inc. located in Jack County, Texas (the "System"), and to transfer all assets to Patterson effective as of the date of Sale, Transfer, and Merger ("STM") application approval by order of the Public Utility Commission of Texas (the "STM Approval");

WHEREAS, Patterson provides professional water operation and maintenance services and also owns water systems in Texas, and has all licensing required by state and federal regulations related to providing such services; and

WHEREAS, The Parties desire to enter into an agreement by which Patterson will operate the System on behalf of Fenoglio during the interim time between the Effective Date of this Agreement and the date of STM Approval in exchange for the revenues generated from customer billings and to acquire the System at such time as the STM Approval is received.

THEREFORE, FOR AND IN CONSIDERATION OF THE PREMISES, AND THE MUTUAL AGREEMENTS SET FORTH BELOW, PATTERSON AND FENOGLIO AGREE AS FOLLOWS:

AGREEMENTS

ARTICLE I.

INTERIM OPERATIONS AND STM APPLICATION REVIEW PERIOD

1. Recitals. The above recitals are true and correct and are incorporated herein for all purposes.
2. Description of System. The System is more particularly described in Exhibit A, attached hereto and incorporated herein for all purposes.
3. Interim Operations and Maintenance of System. Patterson shall assume all routine operation and maintenance responsibilities for the System as of the Effective Date (the "Interim Operations") and ending upon full transfer of the System to Patterson upon STM Approval in accordance with Article II. "Routine" shall mean providing the following services during the Interim Operations period:
 - a. Monitoring of System, including a 24-hour-per-day response service,
 - b. Provide the personnel, travel, and hand tools necessary for the ordinary daily operations of the System;

- c. Perform all inspections, tests, and sampling required by law and respond to inquiries from governmental entities with jurisdiction over the System's functions; provided, however, that response to such inquiries from governmental entities does not include any response required under Article I., Section 7,
- d. Operation of the System in the ordinary course of business in accordance with applicable rules and laws;
- e. Supply routine chemicals needed for the System's operation; and
- f. Any other requirements as Receiver of the System pursuant to the Agreed Order in D-1-GN-19-003297 (250th Judicial District), Travis County District Court (the "Receivership") only during the term of such Receivership.

All other services not specifically delineated under this Section 3 shall not be required to be performed by Patterson during the Interim Operations period.

- 4. STM Application. Patterson shall file an STM application with the Public Utility Commission of Texas during the Interim Operations period
- 5. Customer Billings. As consideration for the Interim Operations prior to the transfer set forth in Article II., Patterson shall continue collecting all revenues received from customer billings. Any payments sent to Fenoglio shall be immediately forwarded to Patterson.
- 6. Staffing and Licenses. Patterson will provide qualified personnel to provide the Interim Operations. All employees of Patterson will readily identify themselves when communicating with customers and the general public. Patterson personnel will wear distinctive clothing identifying themselves as employees of Patterson. Patterson will obtain and maintain in effect, at all times during the term of this Agreement, all local, state, and federal licenses, permits, registrations, and other approvals necessary for performing its obligations under this Agreement.
- 7. Records. Fenoglio shall turn over any additional records not already provided to Patterson pursuant to the Receivership related to the System within five (5) business days from the Effective Date.
- 8. Regulatory Orders or Violations. Patterson shall pay certain fines associated with the assessments and/or penalties incurred to date on the System, whether regulatory or otherwise, in the amount of \$9,521.36, as more particularly set forth in Exhibit B, which is attached hereto and incorporated herein for all purposes. Any additional orders or notices of violations issued by the Texas Commission on Environmental Quality, the Public Utility Commission, or any other regulatory entity having jurisdiction over the System shall be the responsibility of Fenoglio unless the Parties otherwise agree by separate written instrument.

ARTICLE II.

TRANSFER OF SYSTEM UPON STM APPROVAL

- 1. Transfer of System Assets. Immediately upon STM Approval, the System described in Exhibit A, including all assets related thereto, shall convey and become the property of Patterson. Patterson takes the System on an as-is basis, with knowledge of the repairs needed to the System, as set forth in Exhibit C, which is attached hereto and incorporated herein for all purposes. Any additional System repairs needed beyond that set forth in Exhibit C shall allow Patterson the opportunity to evaluate whether or not to terminate

this Agreement. Fenoglio, including its affiliates, subsidiaries, successors and assigns, specifically grants, sells, assigns, and conveys the following assets to Patterson (the "System Assets") immediately upon STM Approval:

- a. All personal property, including but not limited to all equipment and tools and appurtenances, related to the System in existence as of the STM Approval date;
- b. All easements, rights-of-way, plans and specifications, warranties, guarantees, and as-built plans of the System or Fenoglio,
- c. The lands and all other real property belonging to Fenoglio and to which the System is located on;
- d. All water distribution infrastructure associated with the System, together with all and singular the rights, interests, and appurtenances thereto in any wise belonging;
- e. All cash and other commercial paper on hand related to the System, including but not limited to funds held in operation and maintenance accounts; and
- f. All other such property and assets necessary to own, operate and maintain the System in existence as of the STM Approval date.

Fenoglio shall cooperate with Patterson to have all title to real property changed to Patterson's ownership as necessary in the Real Property/Deed Records of Jack County, Texas. All such conveyance documents must be executed by both Parties prior to STM Approval.

2. Warranties. Fenoglio warrants and represents to Patterson with regard to the System Assets described in Section 1 of this Article II. that:
 - a. it has no knowledge of any title defect,
 - b. its title is free and clear of the rights of persons other than Fenoglio;
 - c. with the exception of an Abstract of Judgment existing in Montague County related to the System, to which the Parties agree shall remain Fenoglio's exclusive responsibility with no liability to Patterson of any kind, including but not limited to payment on the Abstract of Judgment as required, the System is free and clear of all mechanic's liens, liens, mortgages, or encumbrances of any nature and no work has been performed or begun by Fenoglio and similarly no materials have been furnished which might give rise to mechanic's, materialman's, or other liens against any of the System Assets, or the title therein, or any portion thereof; and
 - d. that it has neither assigned, pledged, or otherwise in any manner whatsoever sold or agreed to sell or transfer by an instrument in writing or otherwise any System Asset to any other person or entity.
3. Cooperation. Fenoglio agrees to promptly provide all necessary information and assistance to complete the transfer described by this Article II. Fenoglio shall in no way divest itself of any asset related to the System during the Interim Operations period without the prior written consent of Patterson.

ARTICLE III.
PAYMENT TO FENOGLIO

Payment. Patterson shall make a one-time \$10,000.00 payment from Patterson to Fenoglio within ten (10) days of receiving STM Approval from the Public Utility Commission of Texas.

ARTICLE IV.
MISCELLANEOUS

1. Term and Termination. The Term of this Agreement shall begin on the Effective Date and end upon STM Approval; provided, however that Fenoglio's indemnity, liability, and regulatory responsibilities under Article IV., Section 11, Article II., Section 2, and Article I., Section 8, respectively, shall survive termination of this Agreement. If, after a 60-day notice and opportunity to cure period, a Party continues to be in default of the terms of this Agreement, the non-defaulting Party may terminate this Agreement with no further duties or responsibilities owed to the defaulting Party. The non-defaulting Party shall be entitled to all remedies available in law and equity related to any such default.
2. Independent Contractor. It is understood and agreed that Patterson is retained as and will serve under this Agreement in the capacity of an Independent Contractor. Patterson will be responsible for hiring and compensating any personnel which Patterson deems necessary or appropriate in carrying out its duties hereunder.
3. Entire Agreement and Assignment. This Agreement constitutes the entire agreement of the Parties. Neither Party may assign this Agreement or any portion hereof without receiving the prior written consent of the other Party.
4. Notices. All notices given under this Agreement must be in writing and must be personally delivered or dispatched by United States certified mail, postage prepaid, return receipt requested, to the addresses shown at the end of this Agreement. Either party may change the address to which notice is to be addressed by giving notice in writing to the other party of the change. Any time limitation provided for in this Agreement will commence with the date that the party actually receives written notice, and the date of postmark of any return receipt indicating the date of delivery of notice to the addressee will be conclusive evidence of receipt.
5. Amendments. No subsequent alteration, amendment, change, deletion or addition to this Agreement will be binding unless made in writing and signed by both Parties.
6. Applicable Law and Venue. This Agreement will be construed under and in accordance with the laws of the State of Texas. Venue shall lie in Grayson County, Texas.
7. Construction. Whenever used herein the singular number shall include the plural and the plural number shall include the singular. Whenever used herein the masculine gender shall include the feminine and neuter genders and the neuter gender shall refer to any gender. Section headings used in this Agreement are intended for convenience only and not necessarily to describe the intent of a particular Section and therefore shall not be construed

as limiting the effect of any provision of this Agreement. This Agreement shall be deemed drafted equally by all Parties hereto. The language of all parts of this Agreement shall be construed as a whole according to its fair meaning, and any presumptions or principle that the language herein is to be construed against any Party shall not apply.

8. Severability. The provisions of this Agreement are severable, and if any provision or part herein or the application thereof to any person or circumstance shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Agreement and the application of such provision or part of this Agreement to other persons or circumstances shall not be affected thereby.
9. Waiver. No failure on the part of either Party to this Agreement to require the performance by the other of any portion of this Agreement shall in any way affect either Party's right to enforce such provision, nor shall any waiver by either Party be taken or held to be a waiver of any other provision. No rights under this Agreement may be waived and no modification or amendment to this Agreement may be made except by separate written agreement executed by both Parties.
10. Force Majeure. Except for an obligation of payment, a Party shall be excused for the period of any delay in the performance of an obligations hereunder when prevented from doing so by cause or causes beyond a Party's absolute control, which shall include, without limitation, all labor disputes, civil commotion, civil disorder, riot, civil disturbance, war, war-like operations, invasion, rebellion, hostilities, military or usurped power, sabotage, governmental regulations, orders, moratoriums or controls, fire or other casualty, inability to obtain any material, services or financing, or Acts of God.
11. Indemnification and Liability. To the extent permitted by law, Fenoglio shall indemnify, defend and hold Patterson harmless against any claim of liability or loss which may arise out of Fenoglio's knowing, negligent, or willful misconduct in connection with the System or related property, or any conditions created by the System or the operations thereof by Fenoglio's conduct related thereto. In the event of Patterson's negligence or willful misconduct, Patterson shall so indemnify Fenoglio, to the extent allowable by law. Except as otherwise provided herein, Fenoglio shall be solely responsible for all claims, actions, and liabilities related to the operation and maintenance of the System prior to the STM Approval and full transfer of the System to Patterson under Article II. of this Agreement.
12. No Partnership. No provisions of this Agreement shall be deemed or construed to constitute a partnership or joint venture.
13. No Third Party Beneficiary. The Parties agree that the Agreement only affects matters between the Parties to this Agreement, and is in no way intended by the Parties to benefit or otherwise affect any third person or entity.
14. Memorandum of Agreement. For the purpose of providing constructive notice, the Parties shall execute a Memorandum of Agreement to be recorded in the real property records of Jack County, Texas. Such Memorandum of Agreement shall be executed by both Parties prior to STM Approval.
15. Multiple Counterparts. This Agreement may be executed in counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[SIGNATURE PAGES TO FOLLOW]

Patterson

EXECUTED on the date or dates indicated below, to be effective as of the Effective Date:

PATTERSON:

**PATTERSON PROFESSIONAL SERVICES,
LLC**


By: Mark Patterson, President

Date: April 6, 2020

Address: P.O. Box 910
9963 U.S. 377 North
Collinsville, TX 76233

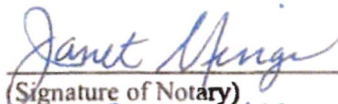
ACKNOWLEDGEMENT

STATE OF TEXAS
COUNTY OF Grayson

I certify that I know or have satisfactory evidence that Mark Patterson is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as the President of Patterson Professional Services, LLC to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: 4-6-2020




(Signature of Notary)
Janet Mings
(Legibly Print or Stamp Name of Notary)
Notary Public in and for the State of
Texas
My appointment expires: 09/23/2020



Fenoglio:

d/b/a Perrin Water Systems, Inc.

By: David A. Fenoglio
David A. Fenoglio

Date: 3 April 2020

Address: 106 W. Hwy 82
Nocona Texas 76255

By: Robert H. Fenoglio
Robert H. Fenoglio

Date: 3 April 2020

Address: 510 W. Hwy 82
Nocona Texas 76255

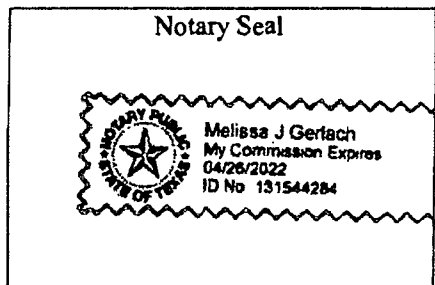
ACKNOWLEDGEMENT

STATE OF TEXAS

COUNTY OF Montague

I certify that I know or have satisfactory evidence that David A. Fenoglio is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as the duly authorized representative of Perrin Water Systems, Inc., and to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: April 3rd 2020



Melissa J Gerlach
(Signature of Notary)
Melissa J Gerlach
(Legibly Print or Stamp Name of Notary)
Notary Public in and for the State of
Texas
My appointment expires: 4/26/2022

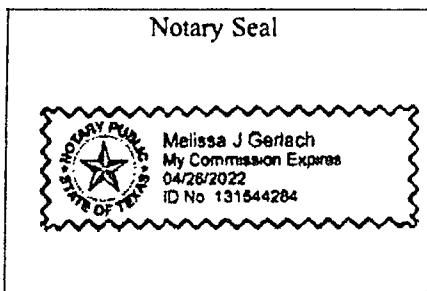
ACKNOWLEDGEMENT

STATE OF TEXAS

COUNTY OF Montague

I certify that I know or have satisfactory evidence that Robert H. Fenoglio is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as the duly authorized representative of Perrin Water Systems, Inc., and to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: April 3rd 2020



Melissa J Gerlach
(Signature of Notary)
Melissa J Gerlach
(Legibly Print or Stamp Name of Notary)
Notary Public in and for the State of
Texas
My appointment expires: 4/26/2022

EXHIBIT A

The System described in the Agreement shall include the following:

All of the real and personal property, improvements, facilities and infrastructure associated with the water utility designated by the Texas Commission on Environmental Quality/Public Utility Commission of Texas as Certificate of Convenience and Necessity No. 12196, of which the pump station is located at or near 215 South Smith Street, Perrin, Jack County, Texas.

EXHIBIT B

Past Unpaid
Regulatory Assessment Fees

Perrin

LG	\$1,301.25
LG	\$593.01
LG	\$279.10
LG	\$595.82
LG	\$277.80
TCEQ	\$606.73
TCEQ	\$494.15
TCEQ	\$4,769.25
TCEQ	\$604.25
	<hr/>
	\$9,521.36

JAF

SEE ALSO EXHIBIT "B-1" ATTACHED TO A made a part hereof
for all purposes and considerations (JACK County Tax Appraisal
District REAL ESTATE Roll) 1 page

4/3/2020

Exhibit "B-1"

Jack County Appraisal District - Search Results

Jack County Appraisal District

Chief Appraiser - Kathy Conner

Official Website
Hosted By Pritchard & Abbott, Inc.

Real Estate Roll Search Results: --- 4 matches found

	Par	Lot			Location	City	Zip
<u>19022-02200-01700-000000</u>	130	7540	Real Estate	PERRIN WATER SYSTEMS INC	S MARK	PERRIN TX	
<u>19026-02600-00700-000000</u>	550	7541	Real Estate	PERRIN WATER SYSTEMS INC	S SMITH ST	PERRIN TX	
<u>10644-00044-00900-000000</u>	6,680	13021	Real Estate	PERRIN WATER SYSTEMS INC	W TURNER ST		
<u>19038-03800-00701-000000</u>	130	50640	Real Estate	PERRIN WATER SYSTEMS INC	PERRIN ST	PERRIN TX	
							1

[New Property Search](#)[Go To Previous Page](#)
[Home](#) | [Contact Us](#) | [Location](#) | [Forms](#) | [Disclaimer](#)

Estate Appraisal Information is the 2019 CERTIFIED Appraisal Values. © Jack County Appraisal District | Last Real Estate Update: 02/03, 2020

**PRITCHARD & ABBOTT, INC.**
VALUATION CONSULTANTS2020 Pritchard & Abbott, Inc. All rights reserved.
Version: 3.2

Make payment payable to:

Sharon Robinson
Jack County Tax Assessor - Collector
100 N. MAIN ST, ROOM #209
JACKSBORO, TX 76458
(940)-567-2352



2019 WEB TAX STATEMENT

***** Taxes as Of Today: 4/5/2020 DPI Month Year: 4 2020 *****

PERRIN WATER SYSTEMS INC
206 W HWY 82
NOCONA, TX 76255

NO TAXES DUE ON THIS PROPERTY

Owner ID: 147170

Parcel ID: 7540

Sequence: 1

Account #: 19022-02200-01700-000000

Owner Interest: 1

Legal Description:

PRT LT 17 BLK 22 PERRIN
25X25

Acres: 0.014 Cat Code: C1

Prop Type: R

Prop Address: MARK

Prop City/St/Zip: PERRIN, TX

: IF YOU PAYING FROM THIS STATEMENT, PLEASE CONTACT THE COLLECTION OFFICE TO VERIFY THE :
: TOTAL DUE. INTERNET CONNECTIVITY COULD POSSIBLY AFFECT CALCULATIONS. :

THIS STATEMENT WAS PRINTED FROM WWW.JACKCOUNTYTAX.ORG.
PLEASE CONTACT THE COLLECTION OFFICE
FOR MORE DETAILED INFORMATION.
PRINT DATE - 4/5/2020

(Total Tax Due For This Collection Office) \$ 0.00

** Summary **		Base Tax	Discount	P/I	Additional	Total Amount
If	Paid In Feb 201	0	0	0	0	0
If	Paid In Feb 201	0	0	0	0	0
If	Paid In Feb 201	0	0	0	0	0
If	Paid In Feb 201	0	0	0	0	0

Make payment payable to:

Sharon Robinson
Jack County Tax Assessor - Collector
100 N. MAIN ST, ROOM #209
JACKSBORO, TX 76458
(940)-567-2352



2019 WEB TAX STATEMENT

***** Taxes as Of Today: 4/5/2020 DPI Month Year: 4 2020 *****

PERRIN WATER SYSTEMS INC
206 W HWY 82
NOCONA , TX 76255

NO TAXES DUE ON THIS PROPERTY

Owner ID: 147170
Parcel ID: 50640 Sequence: 1
Account #: 19038-03800-00701-000000
Owner Interest: 1

Legal Description:
PT LT 8 BLK 38 PERRIN

Acres: 0.014 Cat Code: C1

Prop Type: R
Prop Address: PERRIN ST
Prop City/St/Zip: PERRIN, TX

IF YOU PAYING FROM THIS STATEMENT, PLEASE CONTACT THE COLLECTION OFFICE TO VERIFY THE
TOTAL DUE. INTERNET CONNECTIVITY COULD POSSIBLY AFFECT CALCULATIONS.

THIS STATEMENT WAS PRINTED FROM WWW.JACKCOUNTYTAX.ORG.
PLEASE CONTACT THE COLLECTION OFFICE
FOR MORE DETAILED INFORMATION.
PRINT DATE - 4/5/2020

(Total Tax Due For This Collection Office) \$ 0.00

** Summary **		Base Tax	Discount	P/I	Additional	Total Amount
If	Paid in Feb 201	0	0	0	0	0
If	Paid in Feb 201	0	0	0	0	0
If	Paid in Feb 201	0	0	0	0	0
If	Paid in Feb 201	0	0	0	0	0

Make payment payable to:

Sharon Robinson
Jack County Tax Assessor - Collector
100 N. MAIN ST, ROOM #209
JACKSBORO, TX 76458
(940)-567-2352



2019 WEB TAX STATEMENT

***** Taxes as Of Today: 4/5/2020 DPI Month Year: 4 2020 *****

PERRIN WATER SYSTEMS INC
206 W HWY 82
NOCONA , TX 76255

NO TAXES DUE ON THIS PROPERTY

Owner ID: 147170

Parcel ID: 13021

Sequence: 1

Account #: 10644-00044-00900-000000

Owner Interest: 1

Legal Description:
AB 644 T E & L CO

Acres: 0.07 Cat Code: A1

Prop Type: R

Prop Address: TURNER ST

Prop City/St/Zip: ,

IF YOU PAYING FROM THIS STATEMENT, PLEASE CONTACT THE COLLECTION OFFICE TO VERIFY THE
TOTAL DUE. INTERNET CONNECTIVITY COULD POSSIBLY AFFECT CALCULATIONS.

THIS STATEMENT WAS PRINTED FROM WWW.JACKCOUNTYTAX.ORG.
PLEASE CONTACT THE COLLECTION OFFICE
FOR MORE DETAILED INFORMATION.
PRINT DATE - 4/5/2020

(Total Tax Due For This Collection Office) \$ 0.00

** Summary **		Base Tax	Discount	P/I	Additional	Total Amount
If	Paid in Feb 201	0	0	0	0	0
If	Paid in Feb 201	0	0	0	0	0
If	Paid in Feb 201	0	0	0	0	0
If	Paid in Feb 201	0	0	0	0	0

Make payment payable to:

Sharon Robinson
Jack County Tax Assessor - Collector
100 N. MAIN ST, ROOM #209
JACKSBORO, TX 76458
(940)-567-2352



2019 WEB TAX STATEMENT

***** Taxes as Of Today: 4/5/2020 DPI Month Year: 4 2020 *****

PERRIN WATER SYSTEMS INC
206 W HWY 82
NOCONA , TX 76255

NO TAXES DUE ON THIS PROPERTY

Owner ID: 147170

Parcel ID: 7541

Sequence: 1

Account #: 19026-02600-00700-000000

Owner Interest: 1

Legal Description:

PRT LTS 7,8 BLK 26 PERRIN
58X73

Acres: 0.111 Cat Code: C1

Prop Type: R

Prop Address: SMITH ST

Prop City/St/Zip: PERRIN, TX

IF YOU PAYING FROM THIS STATEMENT, PLEASE CONTACT THE COLLECTION OFFICE TO VERIFY THE
TOTAL DUE. INTERNET CONNECTIVITY COULD POSSIBLY AFFECT CALCULATIONS.

THIS STATEMENT WAS PRINTED FROM WWW.JACKCOUNTYTAX.ORG.
PLEASE CONTACT THE COLLECTION OFFICE
FOR MORE DETAILED INFORMATION.
PRINT DATE - 4/5/2020

(Total Tax Due For This Collection Office) \$ 0.00

** Summary **		Base Tax	Discount	P/I	Additional	Total Amount
If	Paid in Feb 201	0	0	0	0	0
If	Paid in Feb 201	0	0	0	0	0
If	Paid in Feb 201	0	0	0	0	0
If	Paid in Feb 201	0	0	0	0	0

EXHIBIT C

(Attached: Letter from Texas Commission on Environmental Quality detailing repairs required to System)

Jon Niemann, Chairman
Emily Lindley, Commissioner
Bobby Janicka, Commissioner
Toby Baker, Executive Director



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

January 15, 2020

**CERTIFIED MAIL (7019 1120 0000 1758 1964)
RETURN RECEIPT REQUESTED**

Mr. David Fenoglio, Owner
Perrin Water System
206 W Highway 82
Nocona, Texas 76255-2618

And

Mr. Mark Patterson
Patterson Professional Services
PO Box 910
Collinsville, Texas 76233-0910

Re: Unresolved Alleged Violations for Comprehensive Compliance Investigation at:
Perrin Water System, 215 S Smith Street, Perrin (Jack County), Texas
RN102681897, TCEQ ID No.: 1190005, Investigation No.: 1612528

Dear Mr. Fenoglio:

The Texas Commission on Environmental Quality (TCEQ) Abilene Region Office has previously requested that you submit compliance documentation for the alleged violations noted during the investigations of the above-referenced facility conducted on October 4, 2018; March 20, 2019; March 22, 2019; April 2, 2019; April 30, 2019; May 1, 2019; and May 3, 2019. We have received acceptable compliance documentation from you for all of the alleged violations except those listed in the enclosed summary. Please be advised that you are responsible for correcting the remaining problems. These unresolved alleged violations will be placed in your file to be evaluated during any subsequent investigation.

If you or members of your staff have any questions regarding these matters, please feel free to contact Ms. Nubia Estrada in the Abilene Region Office at (325) 698-9674.

Sincerely,

A handwritten signature in black ink, appearing to read "Cliff Moore".

Cliff Moore
Water Section Work Leader
Abilene Region Office

CM/NE/cq

Enclosure: Summary of Investigation Findings

TCEQ Region 3 • 1977 Industrial Blvd. • Abilene, Texas 79602-7833 • 325-698-9674 • Fax 325-692-5869

Austin Headquarters: 512-239-1000 • tceq.texas.gov • How is our customer service? tceq.texas.gov/customer/survey

printed on recycled paper using vegetable based ink

Summary of Investigation Findings

PERRIN WATER SYSTEM

216 S SMITH
PERRIN, JACK COUNTY, TX 76261

Additional ID(s): 1190005

Investigation #

1612528

Investigation Date: 01/07/2020

OUTSTANDING ALLEGED VIOLATION(S) ASSOCIATED TO A NOTICE OF VIOLATION

Track No: 699881 Compliance Due Date: 04/16/2020
30 TAC Chapter 290.42(m)

Alleged Violation:

Investigation: 1532685

Comment Date: 12/07/2018

Failure to keep the gate at the pump station locked.

Each water treatment plant and all appurtenances thereof shall be enclosed by an intruder-resistant fence. The gates shall be locked during periods of darkness and when the plant is unattended. A locked building in the fence line may satisfy this requirement or serve as a gate.

During a complaint investigation conducted on October 18, 2018 it was noted the gate at the pump station had been left unlocked.

Investigation: 1669974

Comment Date: 05/23/2019

Failure to keep the gate at the pump station locked.

Each water treatment plant and all appurtenances thereof shall be enclosed by an intruder-resistant fence. The gates shall be locked during periods of darkness and when the plant is unattended. A locked building in the fence line may satisfy this requirement or serve as a gate.

During a complaint investigation conducted on October 18, 2018 it was noted the gate at the pump station had been left unlocked.

During the CCI conducted April 2, 2019, it was noted the system was keeping the pump station locked. However, the pump station was not enclosed by an intruder-resistant fence as a breach (gap big enough for a full-sized individual to enter) on the fence (side next to the alley) was noted.

Investigation: 1603341

Comment Date: 10/15/2019

Failure to keep the gate at the pump station locked.

Each water treatment plant and all appurtenances thereof shall be enclosed by an intruder-resistant fence. The gates shall be locked during periods of darkness and when the plant is unattended. A locked building in the fence line may satisfy this requirement or serve as a gate.

During a complaint investigation conducted on October 18, 2018 it was noted the gate at the pump station had been left unlocked.

During the CCI conducted April 2, 2019, it was noted the system was keeping the pump station locked. However, the pump station was not enclosed by an intruder-resistant fence as a breach (gap big enough for a full-sized individual to enter) on the fence (side next to the alley) was noted.

During the FRR investigation conducted October 14, 2019, it was noted no documentation had been submitted to resolve this violation.

PERRIN WATER SYSTEM

Investigation # 1612528

Failure to flush dead-end mains monthly.

Flushing of mains. All dead-end mains must be flushed at monthly intervals. Dead-end lines and other mains shall be flushed as needed if water quality complaints are received from water customers or if disinfectant residuals fall below acceptable levels as specified in §200.110 of this title.

During the comprehensive compliance investigation (CCI) conducted April 2, 2019, it was noted the system was not flushing all dead-end mains monthly. The water system operator indicated the system's dead-end main locations were unknown and thus, were not being flushed.

During the file record review (FRR) investigation conducted October 14, 2019, it was noted no documentation had been submitted to resolve this violation.

During the FRR investigation conducted January 7, 2020, it was noted no documentation had been submitted to resolve this violation.

Recommended Corrective Action: Please submit flushing records to the Abilene Regional Office noting all dead-end mains have been identified and are being flushed monthly in accordance with 30 TAC Chapter 290 by the compliance due date. The flushing records need to include all the system dead-end main locations (addresses) along with the date each was flushed.

Track No: 715721 Compliance Due Date: 04/16/2020
30 TAC Chapter 290.45(n)(2)

Alleged Violation:

Investigation: 1589974

Comment Date: 05/23/2019

Failure to provide an accurate and up-to-date map of the distribution system.

An accurate and up-to-date map of the distribution system shall be available so that valves and mains can be easily located during emergencies.

During the CCI conducted April 2, 2019, it was noted that Perrin Water System did not have an accurate and up-to-date map of the distribution system. The map provided did not include system valves and stated all water system lines were 2 inch steel. The operator stated the system had a mixture of 1-¼ inch and ½ inch steel lines and 3 inch PVC pipes. The map also appears to indicate the Perrin School is connected to the distribution system. The Perrin School is not connected to the Perrin WS and is recognized by the TCEQ as a separate public water supply system.

Investigation: 1603341

Comment Date: 10/15/2019

Failure to provide an accurate and up-to-date map of the distribution system.

An accurate and up-to-date map of the distribution system shall be available so that valves and mains can be easily located during emergencies.

During the CCI conducted April 2, 2019, it was noted that Perrin Water System did not have an accurate and up-to-date map of the distribution system. The map provided did not include system valves and stated all water system lines were 2 inch steel. The operator stated the system had a mixture of 1-¼ inch and ½ inch steel lines and 3 inch PVC pipes. The map also appears to indicate the Perrin School is connected to the distribution system. The Perrin School is not connected to the Perrin WS and is recognized by the TCEQ as a separate public water supply system.

During the FRR investigation conducted October 14, 2019, it was noted no documentation had been submitted to resolve this violation.

Investigation: 1612528

Comment Date: 01/07/2020

Failure to provide an accurate and up-to-date map of the distribution system.

An accurate and up-to-date map of the distribution system shall be available so that valves

PERRIN WATER SYSTEM

Investigation # 1612528

Plans, specifications, maps, and other pertinent information shall be maintained to facilitate the operation and maintenance of the system's facilities and equipment. The following records shall be maintained on file at the public water system and be available to the executive director upon request: accurate and up-to-date detailed as-built plans or record drawings and specifications for each treatment plant, pump station, and storage tank shall be maintained at the public water system until the facility is decommissioned. As-built plans of individual projects may be used to fulfill this requirement if the plans are maintained in an organized manner.

During the CCI conducted April 2, 2019, no records were made available to indicate the system was maintaining the system's detailed as-built plans or records drawings for the storage and pump facility.

During the FRR investigation conducted October 14, 2019, it was noted no documentation had been submitted to resolve this violation.

During the FRR investigation conducted January 7, 2020, it was noted no documentation had been submitted to resolve this violation.

Recommended Corrective Action: Please submit to the Abilene Regional office copies of the system's detailed as-built plans or records drawings in accordance with 30 TAC Chapter 290 by the compliance due date.

Track No: 715723 Compliance Due Date: 04/16/2020
30 TAC Chapter 290.43(c)(7)

Alleged Violation:

Investigation: 1569974

Comment Date: 05/23/2019

Failure to provide each ground storage tank with a means of removing accumulated silt and deposits at low points in the bottom of the tank.

Each clearwell or potable water storage tank shall be provided with a means of removing accumulated silt and deposits at all low points in the bottom of the tank. Drains shall not be connected to any waste or sewage disposal system and shall be constructed so that they are not a potential agent in the contamination of the stored water. Each clearwell or potable water storage tank must be designed to drain the tank.

During the CCI conducted April 2, 2019, it was noted only the middle ground storage tank had a drain pipe provided. The operator indicated drainage of the two other tanks occurred at the same time as the middle tank as they were all connected by the same drainage pipe. Each tank was noted not to have the ability to be drained individually.

Investigation: 1603341

Comment Date: 10/15/2019

Failure to provide each ground storage tank with a means of removing accumulated silt and deposits at low points in the bottom of the tank.

Each clearwell or potable water storage tank shall be provided with a means of removing accumulated silt and deposits at all low points in the bottom of the tank. Drains shall not be connected to any waste or sewage disposal system and shall be constructed so that they are not a potential agent in the contamination of the stored water. Each clearwell or potable water storage tank must be designed to drain the tank.

During the CCI conducted April 2, 2019, it was noted only the middle ground storage tank had a drain pipe provided. The operator indicated drainage of the two other tanks occurred at the same time as the middle tank as they were all connected by the same drainage pipe. Each tank was noted not to have the ability to be drained individually.

During the FRR investigation conducted October 14, 2019, it was noted no documentation had been submitted to resolve this violation.

Investigation: 1612528

Comment Date: 01/07/2020

Failure to provide each ground storage tank with a means of removing accumulated silt and deposits at low points in the bottom of the tank.

PERRIN WATER SYSTEM

Investigation # 1612528

~~not provided with the necessary fittings and which were installed before July 1, 1988 shall be exempt from this requirement.~~

During the CCI conducted April 2, 2019, it was noted the pressure tank's pressure release device had rusted shut due to leaking. The tank was also missing a pressure gauge and the air-water-volume indicator had been turned off.

During the FRR investigation conducted October 14, 2018, it was noted no documentation had been submitted to resolve this violation.

Investigation: 1612528

Comment Date: 01/07/2020

Failure to provide the pressure tank with a working pressure release device and pressure gauge.

All pressure tanks shall be provided with a pressure release device and an easily readable pressure gauge.

Design and construction of pressure (hydropneumatic) tanks. All hydropneumatic tanks must be located wholly above grade and must be of steel construction with welded seams except as provided in paragraph (8) of this subsection. Facilities shall be provided for maintaining the air-water-volume at the design water level and working pressure. Air injection lines must be equipped with filters or other devices to prevent compressor lubricants and other contaminants from entering the pressure tank. A device to readily determine air-water-volume must be provided for all tanks greater than 1,000 gallon capacity. Galvanized tanks which are not provided with the necessary fittings and which were installed before July 1, 1988 shall be exempt from this requirement.

During the CCI conducted April 2, 2019, it was noted the pressure tank's pressure release device had rusted shut due to leaking. The tank was also missing a pressure gauge and the air-water-volume indicator had been turned off.

During the FRR investigation conducted October 14, 2019, it was noted no documentation had been submitted to resolve this violation.

During the FRR investigation conducted January 7, 2020, it was noted no documentation had been submitted to resolve this violation.

Recommended Corrective Action: Please submit photographic documentation to the Abilene Regional Office noting the pressure tank has been provided with a working pressure release device and pressure gauge in accordance with 30 TAC 290 by the compliance due date.

Track No: 715726 Compliance Due Date: 04/16/2020

30 TAC Chapter 290.110(d)(1)

30 TAC Chapter 290.46(s)(2)(C)

30 TAC Chapter 290.46(s)(2)(C)(i)

Alleged Violation:

Investigation: 1569974

Comment Date: 05/23/2019

Failure to provide information relating to the chlorine residual analyzer used for compliance reporting.

Chemical disinfectant residual analyzers shall be properly calibrated.

The accuracy of manual disinfectant residual analyzers shall be verified at least once every 90 days using chlorine solutions of known concentrations.

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

PERRIN WATER SYSTEM

Investigation # 1612528

color comparator is not used, calibration verification records must be submitted along with the photographs indicating the chlorine method calibration is being verified at least once every 90 days.

Track No: 715727 Compliance Due Date: 04/16/2020

30 TAC Chapter 290.41(c)(3)(N)

30 TAC Chapter 290.48(a)(1)

Alleged Violation:

Investigation: 1569974

Comment Date: 05/23/2019

Failure to have properly working well meters.

Flow-measuring devices shall be provided for each well to measure production yields and provide for the accumulation of water production data. These devices shall be located to facilitate daily reading.

Flow-measuring devices and rate-of-flow controllers that are required by §290.42(b) and (d) of this title (relating to Water Treatment) shall be calibrated at least once every 12 months. Well meters required by §290.41(c)(3)(N) of this title shall be calibrated at least once every three years.

During the CCI conducted April 2, 2019, it was noted the system had three wells, but one well was down (well #3). The system had records indicating the calibration of the well meters on well #2 and #4 had been checked on April 20, 2016. However, operator notes at the bottom of the monthly operating reports indicated the well meters on the wells stopped working on September 2018.

Investigation: 1603341

Comment Date: 10/15/2019

Failure to have properly working well meters.

Flow-measuring devices shall be provided for each well to measure production yields and provide for the accumulation of water production data. These devices shall be located to facilitate daily reading.

Flow-measuring devices and rate-of-flow controllers that are required by §290.42(b) and (d) of this title (relating to Water Treatment) shall be calibrated at least once every 12 months. Well meters required by §290.41(c)(3)(N) of this title shall be calibrated at least once every three years.

During the CCI conducted April 2, 2019, it was noted the system had three wells, but one well was down (well #3). The system had records indicating the calibration of the well meters on well #2 and #4 had been checked on April 20, 2016. However, operator notes at the bottom of the monthly operating reports indicated the well meters on the wells stopped working on September 2018.

During the FRR investigation conducted October 14, 2019, it was noted no documentation had been submitted to resolve this violation.

Investigation: 1612528

Comment Date: 01/07/2020

Failure to have properly working well meters.

Flow-measuring devices shall be provided for each well to measure production yields and provide for the accumulation of water production data. These devices shall be located to facilitate daily reading.

Flow-measuring devices and rate-of-flow controllers that are required by §290.42(b) and (d) of this title (relating to Water Treatment) shall be calibrated at least once every 12 months. Well meters required by §290.41(c)(3)(N) of this title shall be calibrated at least once every three years.

During the CCI conducted April 2, 2019, it was noted the system had three wells, but one well was down (well #3). The system had records indicating the calibration of the well meters on

PERRIN WATER SYSTEM

Investigation # 1612628

system, more complaint records should have been available.

During the FRR investigation conducted October 14, 2019, it was noted no documentation had been submitted to resolve this violation.

During the FRR investigation conducted January 7, 2020, it was noted no documentation had been submitted to resolve this violation.

Recommended Corrective Action: Please submit to the Abilene Regional Office documentation noting how the system will ensure complaint records are kept in accordance with 30 TAC Chapter 290 by the compliance due date.

Track No: 715729 Compliance Due Date: 04/18/2020

30 TAC Chapter 290.46(m)(4)

30 TAC Chapter 290.46(m)(6)

Alleged Violation:

Investigation: 1569874

Comment Date: 05/23/2019

Failure to maintain the pump station and well #3 in working condition.

Maintenance and housekeeping practices used by a public water system shall ensure the good working condition and general appearance of the system's facilities and equipment. The grounds and facilities shall be maintained in a manner so as to minimize the possibility of the harboring of rodents, insects, and other disease vectors, and in such a way as to prevent other conditions that might cause the contamination of the water. All water treatment units, storage and pressure maintenance facilities, distribution system lines, and related appurtenances shall be maintained in a watertight condition and be free of excessive solids.

Pumps, motors, valves, and other mechanical devices shall be maintained in good working condition.

During the CCI conducted April 2, 2019 it was noted the pump station grounds were saturated in water with the grass beginning to overtake the pump station. Empty bottles of chlorine bleach and other mechanical parts were spread out throughout the pump station. The service pump was strapped to the pvc lines to prevent it from blowing them out. All electrical circuits for pump number two were out and the system was noted to have had various electrical issues throughout the month of March 2019. Well #3 was also noted to be down.

Investigation: 1603341

Comment Date: 10/15/2019

Failure to maintain the pump station and well #3 in working condition.

Maintenance and housekeeping practices used by a public water system shall ensure the good working condition and general appearance of the system's facilities and equipment. The grounds and facilities shall be maintained in a manner so as to minimize the possibility of the harboring of rodents, insects, and other disease vectors, and in such a way as to prevent other conditions that might cause the contamination of the water. All water treatment units, storage and pressure maintenance facilities, distribution system lines, and related appurtenances shall be maintained in a watertight condition and be free of excessive solids.

Pumps, motors, valves, and other mechanical devices shall be maintained in good working condition.

During the CCI conducted April 2, 2019 it was noted the pump station grounds were saturated in water with the grass beginning to overtake the pump station. Empty bottles of chlorine bleach and other mechanical parts were spread out throughout the pump station. The service pump was strapped to the pvc lines to prevent it from blowing them out. All electrical circuits for pump number two were out and the system was noted to have had various electrical issues throughout the month of March 2019. Well #3 was also noted to be down.

On May 5, 2019, documentation was submitted to the TCEQ Central and Abilene Regional Offices indicating electrical work had been performed at the pump station, a peristaltic pump to inject chlorine had been installed, a well control system to operate wells off of floats in the storage tanks had been provided, and a cellular autodialer to alert the system when issues

PERRIN WATER SYSTEM

Investigation # 1612628

30 TAC Chapter 290.121(b)(1)(B)
30 TAC Chapter 290.121(b)(1)(B)(i)
30 TAC Chapter 290.121(b)(1)(B)(ii)
30 TAC Chapter 290.121(b)(1)(C)
30 TAC Chapter 290.121(b)(1)(C)(i)
30 TAC Chapter 290.121(b)(1)(C)(ii)
30 TAC Chapter 290.121(b)(1)(C)(iii)
30 TAC Chapter 290.121(b)(1)(D)
30 TAC Chapter 290.121(b)(2)
30 TAC Chapter 290.121(b)(2)(A)
30 TAC Chapter 290.121(b)(2)(B)
30 TAC Chapter 290.121(b)(3)
30 TAC Chapter 290.121(b)(5)
30 TAC Chapter 290.121(b)(6)
30 TAC Chapter 290.121(b)(7)
30 TAC Chapter 290.121(b)(8)
30 TAC Chapter 290.121(d)(2)

Alleged Violation:

Investigation: 1569974

Comment Date: 05/23/2019

Failure to have a complete and up-to-date chemical and microbiological monitoring plan.

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

The monitoring plan shall include information on the location of all required sampling points in the system. Required sampling locations for regulated chemicals are provided in §290.106 of this title (relating to Inorganic Contaminants), §290.107 of this title (relating to Organic Contaminants), §290.108 of this title (relating to Radionuclides Other than Radon), §290.109 of this title (relating to Microbial Contaminants), §290.110 of this title (relating to Disinfectant Residuals), §290.111 of this title (relating to Surface Water Treatment), §290.112 of this title (relating to Total Organic Carbon (TOC)), §290.113 of this title (relating to Stage 1 Disinfection Byproducts (TTHM and HAA5)), §290.114 of this title (relating to Other Disinfection Byproducts (Chlorite and Bromate)), §290.115 of this title (relating to Stage 2 Disinfection Byproducts (TTHM and HAA5)), §290.116 of this title (Relating to Groundwater Corrective Actions and Treatment Techniques), §290.117 of this title (relating to Regulation of Lead and Copper), and §290.118 of this title (relating to Secondary Constituent Levels).

- The location of each sampling site at a treatment plant or pump station must be designated on a plant schematic. The plant schematic must show all water pumps, flow meters, unit processes, chemical feed points, and chemical monitoring points. The plant schematic must also show the origin of any flow stream that is recycled at the treatment plant, any pretreatment that occurs before the recycle stream is returned to the primary treatment process, and the location where the recycle stream is reintroduced to the primary treatment process.

- Each entry point to the distribution system shall be identified in the monitoring plan as follows: a written description of the physical location of each entry point to the distribution system shall be provided; or the location of each entry point shall be indicated clearly on a distribution system or treatment plant schematic.

- The address of each sampling site in the distribution system shall be included in the monitoring plan or the location of each distribution system sampling site shall be designated on a distribution system schematic. The distribution system schematic shall clearly indicate the following: the location of all pump stations in the distribution system; the location of all ground and elevated storage tanks in the distribution system; and the location of all chemical feed points in the distribution system.

- The system must revise its monitoring plan if changes to a plant or distribution system require changes to the sampling locations.

The monitoring plan must include a written description of sampling frequency and schedule.

- The monitoring plan must include a list of all routine samples required on a daily, weekly, monthly, quarterly, annual, or less frequent basis and identify the sampling location where the

PERRIN WATER SYSTEM

Investigation # 1612528

process, and the location where the recycle stream is reintroduced to the primary treatment process.

- Each entry point to the distribution system shall be identified in the monitoring plan as follows: a written description of the physical location of each entry point to the distribution system shall be provided; or the location of each entry point shall be indicated clearly on a distribution system or treatment plant schematic.
- The address of each sampling site in the distribution system shall be included in the monitoring plan or the location of each distribution system sampling site shall be designated on a distribution system schematic. The distribution system schematic shall clearly indicate the following: the location of all pump stations in the distribution system; the location of all ground and elevated storage tanks in the distribution system; and the location of all chemical feed points in the distribution system.
- The system must revise its monitoring plan if changes to a plant or distribution system require changes to the sampling locations.

The monitoring plan must include a written description of sampling frequency and schedule.

- The monitoring plan must include a list of all routine samples required on a daily, weekly, monthly, quarterly, annual, or less frequent basis and identify the sampling location where the samples will be collected.
- The system must maintain a current record of the sampling schedule.

The monitoring plan shall include the public water system's Sample Siting Plan as required by §290.109(d)(1) - (6) of this title. The public water system's Sample Siting Plan shall include a list of all microbial distribution compliance monitoring sites as required by §290.109(d) of this title, including all routine and repeat microbial sample sites. As required by §290.109(d)(2)(G) of this title, a public water system that collects more than the minimum number of required routine microbial samples shall include the additional routine sample sites in the public water system's Sample Siting Plan. In addition, a public water system that is required to collect any associated raw groundwater source(s) compliance samples, as required by §290.109(d)(4) of this title, shall include the microbial raw groundwater well compliance sites in the public water system's Sample Siting Plan. The repeat sample sites, as required by §290.109(d)(3) of this title, shall be associated to their originating routine microbial sample sites. The Sample Siting Plan shall include all groundwater sources and any associated sampling points necessary to meet the requirements of §290.109(d) of this title.

The monitoring plan must identify all laboratory facilities that may be used to analyze samples required by this chapter.

The monitoring plan shall include a written description of the methods used to calculate compliance with all maximum contaminant levels, maximum residual disinfectant levels, and treatment techniques that apply to the system.

The monitoring plan shall include any groundwater source water monitoring plan developed under §290.109(d)(4) of this title to specify well sampling for triggered coliform monitoring.

The monitoring plan shall include any initial distribution system evaluation compliance documentation required by §290.115(c)(5) of this title. The monitoring plan must be revised to show Stage 2 sample sites by the date shown in Figure 30 TAC §290.115(a)(2) titled "Date to Start Stage 2 compliance."

A public water system that fails to maintain an up-to-date monitoring plan commits a monitoring violation.

During the CCI conducted April 4, 2018, it was noted the system's monitoring plan needed updating and did not include all the required elements. The system was also noted not to have a revised total coliform rule (RTCR) sample siting plan and map.

During the FRR investigation conducted October 14, 2018, it was noted no documentation had been submitted to resolve this violation.

Investigation: 1612528

Comment Date: 01/07/2020

Failure to have a complete and up-to-date chemical and microbiological monitoring plan.

All public water systems shall maintain an up-to-date chemical and microbiological monitoring

PERRIN WATER SYSTEM

Investigation # 1612528

under §290.109(d)(4) of this title to specify well sampling for triggered coliform monitoring.

The monitoring plan shall include any initial distribution system evaluation compliance documentation required by §290.115(c)(5) of this title. The monitoring plan must be revised to show Stage 2 sample sites by the date shown in Figure 30 TAC §290.115(a)(2) titled "Date to Start Stage 2 compliance."

A public water system that fails to maintain an up-to-date monitoring plan commits a monitoring violation.

During the CCI conducted April 4, 2019, it was noted the system's monitoring plan needed updating and did not include all the required elements. The system was also noted not to have a revised total coliform rule (RTCR) sample siting plan and map.

During the FRR investigation conducted October 14, 2019, it was noted no documentation had been submitted to resolve this violation.

During the FRR investigation conducted January 7, 2020, it was noted no documentation had been submitted to resolve this violation.

Recommended Corrective Action: Please submit a revised monitoring plan to the Abilene Regional Office that is up-to-date and includes all the required components in accordance with 30 TAC Chapter 290 by the compliance due date.



Track No: 698551

30 TAC Chapter 290.46(t)

Alleged Violation:

Investigation: 1530857

Comment Date: 11/19/2018

Failure to have a proper system ownership sign at the production, treatment, and storage facility.

All community water systems shall post a legible sign at each of its production, treatment, and storage facilities. The sign shall be located in plain view of the public and shall provide the name of the water supply and an emergency telephone number where a responsible official can be contacted.

During the complaint investigation conducted on October 4, 2018 it was noted the ownership sign at the pump station located on S Smith Street did not include an emergency telephone number where a responsible official can be contacted.

Investigation: 1569974

Comment Date: 05/23/2019

Failure to have a proper system ownership sign at the production, treatment, and storage facility.

All community water systems shall post a legible sign at each of its production, treatment, and storage facilities. The sign shall be located in plain view of the public and shall provide the name of the water supply and an emergency telephone number where a responsible official can be contacted.

During the complaint investigation conducted on October 4, 2018 it was noted the ownership sign at the pump station located on S Smith Street did not include an emergency telephone number where a responsible official can be contacted.

During the CCI conducted April 2, 2019, it was noted the ownership sign at the pump station located on S Smith Street, the well #4 enclosure, and the well #3 enclosure either did not include an emergency telephone number or did not include a current, reliable phone number where a responsible official can be contacted in the case of an emergency.

PERRIN WATER SYSTEM

Investigation # 1612528

Failure to provide a lock to the fence at well #2.

All completed well units shall be protected by intruder-resistant fences, the gates of which are provided with locks or shall be enclosed in locked, ventilated well houses to exclude possible contamination or damage to the facilities by trespassers. The gates or wellhouses shall be locked during periods of darkness and when the plant is unattended.

During a complaint investigation conducted on October 18, 2018 it was noted the gate at the well #2 enclosure was left unlocked, with no lock provided.

Investigation: 1568974

Comment Date: 05/23/2019

Failure to provide a lock to the fence at well #4.

All completed well units shall be protected by intruder-resistant fences, the gates of which are provided with locks or shall be enclosed in locked, ventilated well houses to exclude possible contamination or damage to the facilities by trespassers. The gates or wellhouses shall be locked during periods of darkness and when the plant is unattended.

During a complaint investigation conducted on October 18, 2018 it was noted the gate at the well #4 enclosure was left unlocked, with no lock provided.

During the CCI conducted April 2, 2019 it was noted no lock had been provided to the gate at the well #4 enclosure. It was additionally noted the well #3 enclosure was also unlocked and had not been provided with a lock.

Investigation: 1603341

Comment Date: 10/15/2019

Failure to provide a lock to the fence at well #2.

All completed well units shall be protected by intruder-resistant fences, the gates of which are provided with locks or shall be enclosed in locked, ventilated well houses to exclude possible contamination or damage to the facilities by trespassers. The gates or wellhouses shall be locked during periods of darkness and when the plant is unattended.

During a complaint investigation conducted on October 18, 2018 it was noted the gate at the well #2 (#4) enclosure was left unlocked, with no lock provided.

During the CCI conducted April 2, 2019 it was noted no lock had been provided to the gate at the well #2 (#4) enclosure. It was additionally noted the well #3 enclosure was also unlocked and had not been provided with a lock.

During the FRR investigation conducted October 14, 2019, it was noted no documentation had been submitted to resolve this violation.

Investigation: 1612528

Comment Date: 01/07/2020

Failure to provide a lock to the fence at well #2.

All completed well units shall be protected by intruder-resistant fences, the gates of which are provided with locks or shall be enclosed in locked, ventilated well houses to exclude possible contamination or damage to the facilities by trespassers. The gates or wellhouses shall be locked during periods of darkness and when the plant is unattended.

During a complaint investigation conducted on October 18, 2018 it was noted the gate at the well #2 (#4) enclosure was left unlocked, with no lock provided.

During the CCI conducted April 2, 2019 it was noted no lock had been provided to the gate at the well #2 (#4) enclosure. It was additionally noted the well #3 enclosure was also unlocked and had not been provided with a lock.

During the FRR investigation conducted October 14, 2019, it was noted no documentation had been submitted to resolve this violation.

Recommended Corrective Action: Please submit photographic documentation to the Abilene Regional Office indicating the gates at wells #4 and #3 have been provided with a lock that is being kept locked in accordance with 30 TAC Chapter 290 by the compliance due date.

PERRIN WATER SYSTEM

Investigation # 1612528

During a complaint investigation conducted on December 12, 2018 it was noted the tank overflow connection had a hose attached that was discharging water onto the ground at the pump station near the foundation of the tank. The hose discharge opening was not provided with a cover or a screen. The overflow also had leaking connections.

During the CCI conducted April 2, 2019 it was noted the overflow to the ground storage tanks had not been repaired to meet current AWWWA standards. During the inspection, the opening to the overflow was screened, but nothing else was repaired.

During the FRR investigation conducted October 14, 2019, it was noted no documentation had been submitted to resolve this violation.

Investigation: 1612528

Comment Date: 01/07/2020

Failure to provide a proper overflow to the ground storage tanks.

Overflows shall be designed in strict accordance with current AWWWA standards. If the overflow terminates at any point other than the ground level, it shall be located near enough and at a position accessible from a ladder or the balcony for inspection purposes. The overflow(s) shall be sized to handle the maximum possible fill rate without exceeding the capacity of the overflow(s). The discharge opening of the overflow(s) shall be above the surface of the ground and shall not be subject to submergence. The discharge opening shall be covered with a gravity-hinged and weighted cover, an elastomeric duckbill valve, or other approved device to prevent the entrance of insects and other nuisances. When the tank is not overflowing, the cover shall close automatically and fit tightly with no gap over 1/16 inch.

During a complaint investigation conducted on December 12, 2018 it was noted the tank overflow connection had a hose attached that was discharging water onto the ground at the pump station near the foundation of the tank. The hose discharge opening was not provided with a cover or a screen. The overflow also had leaking connections.

During the CCI conducted April 2, 2019 it was noted the overflow to the ground storage tanks had not been repaired to meet current AWWWA standards. During the inspection, the opening to the overflow was screened, but nothing else was repaired.

During the FRR investigation conducted October 14, 2019, it was noted no documentation had been submitted to resolve this violation.

Recommended Corrective Action: Please submit photographic documentation to the Abilene Regional Office indicating the tanks at the pump station have been provided with an overflow that is in accordance with current AWWWA standards and with 30 TAC Chapter 290 by the compliance due date.

Resolution: Documentation was received in the Abilene Regional Office on December 9, 2019, indicating the system had provided each tank with its own overflow and installed a flapper style check valve at the opening of each overflow. Photographs of the overflows were submitted indicating the overflows were above the surface of the ground. The documentation is adequate to resolve the violation.

Track No: 714975

30 TAC Chapter 290.46(m)(4)

Alleged Violation:

Investigation: 1589171

Comment Date: 05/18/2019

Failure to provide water tight piping in the distribution system.

All water treatment units, storage and pressure maintenance facilities, distribution system lines, and related appurtenances shall be maintained in a watertight condition and be free of excessive solids.

During the complaint investigation conducted on March 20 and 22, 2019, leaks were documented at the following locations:

- 1) The water meter next to the trailer houses in the alley between W. Alley Street and W

PERRIN WATER SYSTEM

Investigation # 1612528

Summary of Investigation Findings

PERRIN WATER SYSTEM

Investigation # 1612528

215 S SMITH
PERRIN, JACK COUNTY, TX 76261

Investigation Date: 01/07/2020

Additional ID(s): 1190005

ALLEGED VIOLATION/VIOLATION NOTED AND RESOLVED

Track No: 698548

30 TAC Chapter 290.110(b)(4)
30 TAC Chapter 290.46(d)
30 TAC Chapter 290.46(d)(2)
30 TAC Chapter 290.46(d)(2)(A)

Alleged Violation:

Investigation: 1530857

Comment Date: 11/19/2018

Failure to maintain the required free chlorine residual of 0.2 mg/L throughout distribution at all times.

The residual disinfectant concentration in the water within the distribution system shall be at least 0.2 mg/L free chlorine.

A disinfectant residual must be continuously maintained during the treatment process and throughout the distribution system. The disinfection equipment shall be operated to maintain the following minimum disinfectant residuals in each finished water storage tank and throughout the distribution system at all times: a free chlorine residual of 0.2 milligrams per liter (mg/L)

During a complaint investigation conducted on October 4, 2018, it was documented the free chlorine residual tested at one location within distribution was 0.02 mg/L. The facility was notified via phone and an exit interview via e-mail that documentation demonstrating a compliant residual would need to be submitted within 24 hours. No compliance documentation was received.

This violation is subject to 40 CFR Subpart S-Groundwater Rule regarding significant deficiencies.

Investigation: 1612528

Comment Date: 01/07/2020

Failure to maintain the required free chlorine residual of 0.2 mg/L throughout distribution at all times.

The residual disinfectant concentration in the water within the distribution system shall be at least 0.2 mg/L free chlorine.

A disinfectant residual must be continuously maintained during the treatment process and throughout the distribution system. The disinfection equipment shall be operated to maintain the following minimum disinfectant residuals in each finished water storage tank and throughout the distribution system at all times: a free chlorine residual of 0.2 milligrams per liter (mg/L)

During a complaint investigation conducted on October 4, 2018, it was documented the free chlorine residual tested at one location within distribution was 0.02 mg/L. The facility was notified via phone and an exit interview via e-mail that documentation demonstrating a compliant residual would need to be submitted within 24 hours. No compliance documentation was received.

PERRIN WATER SYSTEM

Investigation # 1812628

throughout the distribution system. The disinfection equipment shall be operated to maintain the following minimum disinfectant residuals in each finished water storage tank and throughout the distribution system at all times: a free chlorine residual of 0.2 milligrams per liter (mg/L)

During a complaint investigation conducted on October 10, 2018, it was documented the free chlorine residual tested at one location within distribution was 0.00 mg/L. The facility was notified via an exit interview via e-mail that documentation demonstrating a compliant residual would need to be submitted within 24 hours. No compliance documentation was received.

This violation is subject to 40 CFR Subpart S-Groundwater Rule regarding significant deficiencies.

Investigation: 1812628

Comment Date: 01/07/2020

Failure to maintain the required free chlorine residual of 0.2 mg/L throughout distribution at all times.

The residual disinfectant concentration in the water within the distribution system shall be at least 0.2 mg/L free chlorine.

A disinfectant residual must be continuously maintained during the treatment process and throughout the distribution system. The disinfection equipment shall be operated to maintain the following minimum disinfectant residuals in each finished water storage tank and throughout the distribution system at all times: a free chlorine residual of 0.2 milligrams per liter (mg/L)

During a complaint investigation conducted on October 10, 2018, it was documented the free chlorine residual tested at one location within distribution was 0.00 mg/L. The facility was notified via an exit interview via e-mail that documentation demonstrating a compliant residual would need to be submitted within 24 hours. No compliance documentation was received.

This violation is subject to 40 CFR Subpart S-Groundwater Rule regarding significant deficiencies.

Recommended Corrective Action: Please submit documentation indicating that the free chlorine residual in the distribution system is at least 0.2 mg/L in accordance with Title 30 Texas Administrative Code (TAC) Chapter 280.

Resolution: This violation is administratively resolved. It was combined with violation 685040 for the court order.

Track No: 698980

30 TAC Chapter 290.110(b)(4)

30 TAC Chapter 290.48(d)

30 TAC Chapter 290.48(d)(2)

30 TAC Chapter 290.48(d)(2)(A)

Alleged Violation:

Investigation: 1532685

Comment Date: 12/07/2018

Failure to maintain the required free chlorine residual of 0.2 mg/L throughout distribution at all times.

The residual disinfectant concentration in the water within the distribution system shall be at least 0.2 mg/L free chlorine.

A disinfectant residual must be continuously maintained during the treatment process and throughout the distribution system. The disinfection equipment shall be operated to maintain the following minimum disinfectant residuals in each finished water storage tank and throughout the distribution system at all times: a free chlorine residual of 0.2 milligrams per liter (mg/L)

During a complaint investigation conducted on October 18, 2018, it was documented the free chlorine residual tested at two locations within distribution was 0.03 mg/L and 0.02 mg/L. The

PERRIN WATER SYSTEM

Investigation # 1612528

Investigation: 1612528

Comment Date: 01/07/2020

Failure to maintain the required free chlorine residual of 0.2 mg/L throughout distribution at all times.

The residual disinfectant concentration in the water within the distribution system shall be at least 0.2 mg/L free chlorine.

A disinfectant residual must be continuously maintained during the treatment process and throughout the distribution system. The disinfection equipment shall be operated to maintain the following minimum disinfectant residuals in each finished water storage tank and throughout the distribution system at all times: a free chlorine residual of 0.2 milligrams per liter (mg/L)

During a complaint investigation conducted on November 16, 2018, it was documented the free chlorine residual tested at one location within distribution was 0.02 mg/L. The facility was notified via an exit interview via e-mail that documentation demonstrating a compliant residual would need to be submitted within 24 hours. No compliance documentation was received.

This violation is subject to 40 CFR Subpart S-Groundwater Rule regarding significant deficiencies.

Recommended Corrective Action: Please submit documentation indicating the free chlorine residual in the distribution system is at least 0.2 mg/L in accordance with Title 30 Texas Administrative Code (TAC) Chapter 290.

Resolution: This violation is administratively resolved. It was combined with violation 665040 for the court order.

Track No: 704070

30 TAC Chapter 290.110(b)(4)

30 TAC Chapter 290.48(d)

30 TAC Chapter 290.48(d)(2)

30 TAC Chapter 290.48(d)(2)(A)

Alleged Violation:

Investigation: 1541042

Comment Date: 01/31/2019

Failure to maintain the required free chlorine residual of 0.2 mg/L throughout distribution at all times.

The residual disinfectant concentration in the water within the distribution system shall be at least 0.2 mg/L free chlorine.

A disinfectant residual must be continuously maintained during the treatment process and throughout the distribution system. The disinfection equipment shall be operated to maintain the following minimum disinfectant residuals in each finished water storage tank and throughout the distribution system at all times: a free chlorine residual of 0.2 milligrams per liter (mg/L)

During a complaint investigation conducted on December 12, 2018, it was documented the free chlorine residual tested at one location within distribution was 0.02 mg/L. The facility was notified via an exit interview via e-mail that documentation demonstrating a compliant residual would need to be submitted within 24 hours. No compliance documentation was received.

This violation is subject to 40 CFR Subpart S-Groundwater Rule regarding significant deficiencies.

Investigation: 1612528

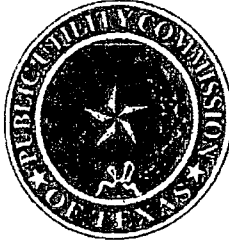
Comment Date: 01/07/2020

Failure to maintain the required free chlorine residual of 0.2 mg/L throughout distribution at all times.

The residual disinfectant concentration in the water within the distribution system shall be at least 0.2 mg/L free chlorine.

PERRIN WATER SYSTEM**Investigation # 1612528**

Item 27	<p>Failure to extend the well casing a minimum of 18 inches above the elevation of the finished floor of the pump house or natural ground surface. Agreed Commission Order Docket Number 2017-1541-PWS-E, Violation Tracking # 653546 and 653567.</p> <p>During the FRR investigation conducted January 7, 2020, it was noted no documentation had been submitted to resolve this violation.</p>
Item 28	<p>Failure to meet current American Water Works Association (AWWA) design and construction standards on the three ground storage tanks. Agreed Commission Order Docket Number 2017-1541-PWS-E, Violation Tracking # 653546 and 653567.</p> <p>During the FRR investigation conducted January 7, 2020, it was noted no documentation had been submitted to resolve this violation.</p>
Item 29	<p>Failure to maintain a free chlorine residual of 0.2 mg/L throughout the distribution system at all times. Final Default Judgment and Permanent Injunction Cause No. D-1-GN-18-005908, IV. Permanent Injunction, B.1 requires a minimum free chlorine residual of 0.2 mg/L be maintained in the distribution system.</p> <p>During the FRR investigation conducted January 7, 2020, it was noted no documentation had been submitted to resolve this violation.</p>
Item 28	<p>Failure to provide a minimum well capacity of 0.6 gallons per minute (gpm) per connection. Agreed Commission Order Docket Number 2017-1541-PWS-E, Violation Tracking # 653568.</p> <p>During the FRR investigation conducted January 7, 2020, it was noted no documentation had been submitted to resolve this violation.</p>



WATER UTILITY TARIFF
Docket Number 49596

David A. Fenoglio and Edward A. Fenoglio dba

Perrin Water System

(Utility Name)

P.O. Box 418

(Business Address)

Montague, Texas 76251-0418

(City, State, Zip Code)

(940) 894-3381

(Area Code/Telephone)

Temporary Manager Contact Information

Mark Patterson

(Temporary Manager Name)

P.O. Box 910

(Business Address)

Collinsville, TX 76233

(City, State, Zip Code)

(903) 429-3008

(Area Code/Telephone)

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

12196

This tariff is effective in the following county:

Jack

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

None

This tariff is effective in the following subdivisions or systems:

Perrin Water System: PWS ID # 1190005

TABLE OF CONTENTS

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

SECTION 1.0 -- RATE SCHEDULE.....	2
SECTION 2.0 -- SERVICE RULES AND POLICIES.....	4
SECTION 3.0 -- EXTENSION POLICY	10
SECTION 3.0 --SPECIFIC EXTENSION POLICY	11

APPENDIX A -- SERVICE AGREEMENTS

APPENDIX DROUGHT CONTINGENCY PLAN

SECTION 1.0 -- RATE SCHEDULE

Temporary Rates (Effective June 1, 2019)

<u>Meter Size</u>	<u>Monthly Minimum Charge</u> (Includes 0 gallons all meters)	<u>Gallonage Charge</u>
5/8" or 3/4"	<u>\$50.00</u>	<u>\$5.00</u> per 1,000 gallons over 2,000
1"	<u>\$75.00</u>	
2"	<u>\$250.00</u>	

TEMPORARY TAP FEES

AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

\$1,000 for a 3/4" meter

\$1,250 for a 1" meter

\$2,500 for a 2" meter

The temporary rates and temporary tap fees effective on June 1, 2019, will remain in effect until Perrin Water System, is not under a temporary manager/receiver or until another entity completes transfer of ownership of Perrin Water System and imposes new rates pursuant to its next application for a water rate/tariff change. At the end of this term, the rates will return to the rates listed below "Section 1.01 – Rates" if one of the following has not been put in place:

1. A new temporary rate or permanent rate has been approved for the utility;
2. The utility has a new owner, with a finalized Sale Transfer Merger (STM) application and a new permanent rate;
3. Temporary manager's term is renewed/extended; or
4. System is put in receivership.

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u> (Includes 2,000 gallons all meters)	<u>Gallonage Charge</u>
5/8" or 3/4"	<u>\$19.50</u>	<u>\$1.80</u> per 1,000 gallons over 2,000
1"	<u>\$40.00</u>	SAME FOR ALL SIZES
1½"	<u>\$40.00</u>	
2"	<u>\$40.00</u>	
3"	<u>\$40.00</u>	
4"	<u>\$40.00</u>	

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

Cash ☐, Check ☒, Money Order ☒, Credit Card/Debit Card ☒, Other (specify) echeck/ACH

THE UTILITY DOES NOT HAVE CHANGE FOR CASH PAYMENTS, THEREFORE WILL 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. AT THE CUSTOMER'S OPTION, ANY BILLING TRANSACTION OR COMMUNICATION MAY BE PERFORMED ON THE INTERNET. THIS INCLUDES THE UTILITY SENDING PAPERLESS BILLS BY EMAIL.

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

Docket No. 49596

SECTION 2.0 - SERVICE RULES AND REGULATIONS

Section 2.01 - Application for Water Service

All applications for service will be made on the utility's standard application or contract form (attached in the Appendix to this tariff), will be signed by the applicant before service is provided by the utility. A separate application or contract will be made for each service location.

Section 2.02 – Water Installation

After the applicant has met all the requirements, conditions and regulations for service, the utility will install a tap, meter and cut-off valve and/or take all necessary actions to initiate service. The utility shall serve each qualified applicant for service within its certificated area as rapidly as is practical after accepting a completed application. The utility shall provide service in a timely manner on a non-discriminatory basis.

Service requests not involving line extensions, construction or new facilities shall be filled no later than fourteen (14) working days after a completed application has been accepted. If construction is required which cannot be completed within thirty (30) days, the utility shall provide a written explanation of the construction required and an expected date of service. Service shall be provided within thirty (30) days of the expected date, but no later than 180 days after a completed application was accepted. Failure to provide service within this time frame shall constitute refusal to serve.

Section 2.03 - Refusal of Service

The utility may decline to serve an applicant until the applicant has complied with both state and municipal regulations, the approved rules and regulations of the utility on file with the Commission and for the following reasons:

1. The applicant's installation or equipment is known to be inadequate or of such character that satisfactory service cannot be given;
2. The applicant is indebted to any utility for the same kind of service as that applied for, provided, however, that in the event the indebtedness of the applicant is in dispute, the applicant shall be served upon complying with the deposit requirement of the utility; or,
3. Refusal to make a deposit, if applicant is required to make a deposit by the utility.

In the event that the utility shall refuse to serve an applicant, the utility must inform the applicant of the basis of its refusal. The utility is also required to inform the applicant that it may file a complaint with the Commission.

Section 2.04 - Customer Deposits

If the residential applicant cannot establish credit to the satisfaction of the utility, the applicant may be required to pay a deposit that does not exceed \$50.00 for water utility service.

The utility must keep a record of each deposit, issue a receipt for it, and pay annual interest at a rate set each calendar year by the Commission. The utility shall maintain all funds received as customer deposits in a separate, federally insured, interest bearing account and shall use such funds only for the purpose of payment of unpaid bills guaranteed by such deposits, payment of interest to depositors and refund of deposits to depositors.

Docket No. 49596

SECTION 2.0 - SERVICE RULES AND REGULATIONS (Continued)

Each bill shall show the following information (if applicable):

1. The date and reading of the meter at the beginning and at the end of the period for which the bill is rendered;
2. The number and kind of units metered;
3. The applicable rate schedule, title, or code;
4. The total amount due for water service;
5. The due date of the bill;
6. The date by which customers must pay the bill in order to avoid addition of a penalty;
7. The total amount due as penalty for nonpayment within a designated period;
8. A distinct marking to identify an estimated bill; and
9. Any conversions from meter reading units to billing units from recording or other devices, or any other factors used in determining the bill.

The information required in items 1-9 above shall be arranged to allow the customer to readily compute his bill with a copy of the utility's rate schedule which shall be provided by the utility at the request of the customer.

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

Section 2.07 – Service Disconnection

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

Proper notice shall consist of a separate mailing or hand delivery at least ten (10) days prior to a stated date of disconnection, with the words "termination notice" or similar language prominently displayed on the notice. The notice must also list the past due balance.

Utility Service may be disconnected after proper notice for any of the following reasons:

1. Failure to pay a delinquent account or to comply with a deferred payment agreement;
2. Willful violation of a utility usage rule when that violation interferes with another customer's service; or
3. Failure to comply with valid deposit or guarantee arrangements.

Service may only be disconnected without notice:

1. When a known dangerous condition exists, for as long as the condition exists;
2. When service is established through meter bypassing, an unauthorized connection or unauthorized reconnection; and
3. In instances of tampering with the utility company's meter or equipment.

SECTION 2.0 - SERVICE RULES AND REGULATIONS (Continued)

Section 2.12- Payments

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

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

Section 2.13 - Reconnection of Service

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

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

Section 2.16 - Customer Complaints and Disputes

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

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

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

Section 2.17 - Customer Liability

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

SECTION 3.0--EXTENSION POLICY

Section 3.01 - Standard Extension Requirements

Contributions in aid of construction shall not be required of individual residential customers for production, storage, treatment or transmission facilities.

The utility will bear the cost of the first 200 feet of water main necessary to extend service to an individual residential customer. The utility shall bear the full cost of any oversizing of water mains to serve other residential customers in the area. If the specific utility extension policy stated in Section 3.20 of this tariff requires, residential customers may be required to pay for additional main beyond the first 200 feet.

The extension policy may not be applied to requests for service where the utility already has a line in place, even though the line may be overloaded.

Individual residential customers who place a unique or non-standard service demand on the system may be charged the actual costs of any additional transmission or storage facilities required over and above the standard requirements.

If specifically stated in Section 3.20 of this tariff, developers may be required to provide contributions in aid of construction in amounts to furnish the system with facilities compliant with Texas Department of Health minimum design criteria for facilities used in the production, transmission, pumping, storage or treatment of water.

**APPENDIX A - APPLICATION FOR SERVICE
(Utility Must Attach Blank Copy)**

WATER UTILITY TARIFF

FOR

David A. Fenoglio and Edward A. Fenoglio dba

Perrin Water System

(Utility Name)

P.O. Box 418

(Business Address)

Montague, Texas 76251-0418

(City, State, Zip Code)

(940) 894-3381

(Area Code/Telephone)

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

12196

This tariff is effective in the following county(ies):

Jack

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

none

This tariff is effective in the following subdivisions or systems:

Perrin Water System: PWS ID # 1190005

TABLE OF CONTENTS

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

SECTION	PAGE
1.0 RATE SCHEDULE	<u>2</u>
2.0 SERVICE RULES	<u>3</u>
3.0 EXTENSION POLICY	<u>9</u>

APPENDIX A SERVICE AGREEMENTS
ATTACHMENT DROUGHT CONTINGENCY PLAN

WATER RESOURCE CONSERVATION COMMITTEE

CCN 12196 JUN 5 '02

APPROVED TARIFF BY SLU/DR

D.A. & E.A. Fenoglio d/b/a

Perrin Water System
(Water Utility Name)

Water Tariff Page No. 2
Revision No. 1

SECTION 1.0--RATE SCHEDULE

Section 1.01--Rates

METER SIZE	Monthly Minimum Charge including <u>2,000</u> gallons	Gallonge Charge	
5/8" or 3/4"	\$ <u>19.50</u> per month	\$ <u>1.80</u> per	I
1"	\$ <u>40.00</u> per month	<u>1000</u> gallons	I
1 1/2"	\$ <u>40.00</u> per month		I
2"	\$ <u>40.00</u> per month	SAME FOR ALL SIZES	I
3"	\$ <u>40.00</u> per month		I
4"	\$ <u>40.00</u> per month		I

Section 1.2--Miscellaneous Fees

TAP FEE.....\$ 225.00
Tap fee is limited to the average of the Utility's actual costs for materials and labor for standard residential connections of 5/8" or 3/4" meter

RECONNECTION FEE.....\$ 35.00
The reconnect fee will be charged before service can be restored to a customer who has been disconnected at a) the customer's request, b) reasons listed under Section 2.0 of this tariff, or c) reasons listed in the Commission's Substantive Rules.

LATE CHARGE
A one-time penalty of \$1.00 or 5.0% whichever is larger may be made on delinquent bills. The penalty on delinquent bills may not be applied to any balance to which the penalty was applied in a previous billing.

RETURNED CHECK CHARGE.....\$ 10.00

TEXAS WATER COMMISSION
CUSTOMER DEPOSIT (Maximum \$50).....\$ 50.00

APPROVED
DATE 9/6/88 DOCKET 776-C
FILE 12196 BY DL
TARIFF CLERK ph

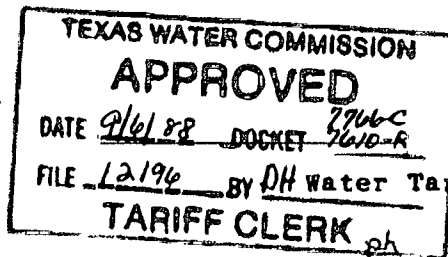
TO BECOME EFFECTIVE, THIS PAGE MUST BE STAMPED APPROVED BY THE TEXAS WATER COMMISSION

Key to Codes

C--Regulation Change D--Discontinued I--Increase N--New
R--Reduction E--Error Correction
T--Change in text, but no change in regulation

D.A. & E.A. Fanoglio d/b/a

Perrin Water System
(Water Utility Name)



SECTION 2.0--SERVICE RULES AND REGULATIONS

Section 2.01--Application for Service

All applications for service will be made on the utility's standard application or contract form (attached in Appendix A to this tariff) and will be signed by the applicant before water service is provided by the utility. A separate application or contract will be made for each service at each separate location.

Section 2.02--Water Installation

After the applicant has met all the requirements, conditions and regulations for service, the utility will install a tap, meter and cut-off valve and/or take all necessary actions to initiate service. The utility shall serve each qualified applicant for service within its certified area as rapidly as is practical after accepting a completed application. The utility shall provide service in a timely manner on a non-discriminatory basis.

Service requests not involving line extensions, construction or new facilities shall be filled no later than fourteen (14) working days after a completed application has been accepted. If construction is required which cannot be completed within thirty (30) days, the utility shall provide a written explanation of the construction required and an expected date of service. Service shall be provided within thirty (30) days of the expected date, but no later than 180 days after a completed application was accepted. Failure to provide service within this time frame shall constitute refusal to serve.

Section 2.03--Refusal of Service

The utility may decline to serve an applicant until such applicant has complied with both state and municipal regulations, the approved rules and regulations of the utility on file with the Commission and for the following reasons:

1. the applicant's installation or equipment is known to be inadequate or of such character that satisfactory service cannot be given;
2. the applicant is indebted to any utility for the same kind of service as that applied for, provided, however, that in the event the indebtedness of the applicant is in dispute, the applicant shall be served upon complying with the deposit requirement of the utility; or,
3. refusal to make a deposit, if applicant is required to make a deposit by the utility.

FILMED
NOV 14 1988
58

D.A. & E.A. Fenoglio d/b/a

Perrin Water System
(Water Utility Name)

TEXAS WATER COMMISSION	
APPROVED	
DATE <u>9/6/88</u>	DOCKET <u>2766-C</u> <u>7610-R</u>
FILE <u>12/96</u>	BY <u>DH</u> water
TARIFF CLERK <u>pd</u>	

Tariff Page No. 4

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

Section 2.03--Refusal of Service (cont.)

In the event that the utility shall refuse to serve an applicant, the utility must inform the applicant of the basis of its refusal. The utility is also required to inform the applicant that it may file a complaint with the Commission.

Section 2.04--Customer Deposits

If the residential applicant cannot establish credit to the satisfaction of the utility, the applicant may be required to pay a deposit that does not exceed \$50.00 for water utility service.

The utility must keep a record of each deposit, issue a receipt for it, and pay annual interest at a rate set each calendar year by the Commission. The utility shall maintain all funds received as customer deposits in a separate, federally insured, interest bearing account and shall use such funds only for the purpose of payment of unpaid bills guaranteed by such deposits, payment of interest to depositors and refund of deposits to depositors.

The utility must automatically refund the deposit plus accrued interest:

1. if service is not connected;
2. after disconnection of service if the deposit or portion of the deposit exceeds any unpaid bills; or,
3. to any residential customer who has paid service bills for 12 consecutive months without being disconnected for nonpayment and without more than two occasions in which a bill was delinquent. The refund need not be made if payment on the current bill is delinquent.

Non-residential applicants, if unable to establish satisfactory credit, may be required to make a deposit not to exceed one-sixth (1/6) of the estimated annual billings.

Section 2.05--Meter Requirements, Readings, and Testing

All water sold by the utility shall be billed based on meter measurements. The utility shall provide, install, own and maintain meters to measure amounts of water consumed by its customers. No meter shall be placed in service unless its accuracy has been established.

One meter is required for each residential, commercial or industrial facility. An apartment building or a trailer or mobile home park may be considered to be a single commercial facility.

FILMED
NOV 14 1988

TEXAS WATER COMMISSION	
APPROVED	
DATE <u>9/6/88</u>	DOCKET <u>7766-C</u> <u>57610-8</u>
FILE <u>12196</u>	BY <u>DH</u>
TARIFF CLERK <u>ph</u>	

D.A. & E.A. Fenoglio d/b/a
Perrin Water System
 (Water Utility Name)

Water Tariff Page No. 5

SECTION 2.0 SERVICE RULES AND REGULATIONS (CONT.)

Section 2.05--Meter Requirements, Readings, and Testing

Service meters shall be read at monthly intervals and as nearly as possible on the corresponding day of each monthly meter reading period. If the circumstances warrant, meters may be read at other than monthly intervals.

Upon request, a customer may have his meter tested, without charge, in his presence or in that of his authorized representative, at a convenient time to the customer, but during the utility's normal working hours. A charge not to exceed \$15.00 may be assessed for an additional requested test within two years of the first test if the additional test shows the meter to be accurate.

Section 2.06--Billing

Bills from the utility shall be rendered monthly unless otherwise authorized by the Commission. Payment is considered late if not received at the utility's office or postal address within sixteen (16) days of the billing date. The postmark on the envelope of the bill or the recorded date of mailing by the utility, if there is no postmark on the envelope, shall constitute proof of the date of issuance.

A one-time penalty of \$1.00 or 5.0%, whichever is larger, may be made on delinquent bills. However, no such penalty may be collected unless a record of the date of mailing is made at the time of the mailing and maintained at the principal office of the utility.

Each bill shall show the following information (if applicable):

1. the date and reading of the meter at the beginning and at the end of the period for which the bill is rendered;
2. the number and kind of units metered;
3. the applicable rate schedule, title, or code;
4. the total amount due for water service;
5. the due date of the bill;
6. the date by which customers must pay the bill in order to avoid addition of a penalty;
7. the total amount due as penalty for nonpayment within a designated period;
8. a distinct marking to identify an estimated bill; and
9. any conversions from meter reading units to billing units from recording or other devices, or any other factors used in determining the bill.

The information required in items 1-9 above shall be arranged to allow the customer to readily compute his bill with a copy of the utility's rate schedule which shall be provided by the utility at the request of the customer.

FILMED
 NOV 14 1988

D.A. & E.A. Fenoglio d/b/a

Perrin Water System
(Water Utility Name)

TEXAS WATER COMMISSION	
APPROVED	
DATE <u>9/16/88</u>	DOCKET <u>7610-R</u>
FILE <u>12196</u>	BY <u>DH</u>
TARIFF CLERK	

Tariff Page No. 6

SECTION 2.0 SERVICE RULES AND REGULATIONS (CONT.)

Section 2.06--Billing (cont.)

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

Section 2.07--Service Disconnection

The utility is encouraged to offer a deferred payment plan to a customer who cannot pay an outstanding bill in full and is willing to pay the balance in reasonable installments. However, a customer's utility service may be disconnected if a bill has not been paid or a deferred payment agreement entered into within 28 days from the date of issuance of a bill and if proper notice has been given.

Proper notice shall consist of a separate mailing or hand delivery at least ten (10) days prior to a stated date of disconnection, with the words "termination notice" or similar language prominently displayed on the notice. The notice must also list the past due balance.

Utility service may be disconnected after proper notice for any of the following reasons:

1. failure to pay a delinquent account or to comply with a deferred payment agreement;
2. willful violation of a utility usage rule when that violation interferes with another customer's service; or,
3. failure to comply with valid deposit or guarantee arrangements.

Service may only be disconnected without notice:

1. when a known dangerous condition exists, for as long as the condition exists;
2. when service is established through meter bypassing, an unauthorized connection or unauthorized reconnection; and,
3. in instances of tampering with the utility company's meter or equipment.

A utility may not disconnect any customer for failure to pay for merchandise or service unrelated to utility service, even if the utility provides that merchandise or those services. A utility may not disconnect any customer for a previous occupant's failure to pay.

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

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4 1988

(D.A. & E.A. Fenoglio d/b/a

Perrin Water System

(Water Utility Name)

TEXAS WATER COMMISSION	
APPROVED	
DATE <u>9/6/88</u>	DOCKET <u>7766-C</u> <u>7610-A</u>
FILE <u>1276</u>	BY <u>DH</u>
TARIFF CLERK <u>ph</u>	

Water Tariff Page No. 7

SECTION 2.0 SERVICE RULES AND REGULATIONS (CONT.)

Section 2.08--Service Interruptions

The utility shall make all reasonable efforts to prevent interruptions of service. When interruptions occur, the utility shall re-establish service within the shortest possible time. Except for momentary interruptions due to automatic equipment operations, each utility shall keep a complete record of all interruptions, both emergency and scheduled.

The Commission shall be notified in writing of any service interruptions affecting the entire system or any major division of the system lasting more than four hours. The notice shall also state the cause of such interruptions.

Section 2.09--Termination of Utility Service

No utility may abandon any customer or any portion of its service area without prior written notice to affected customers and neighboring utilities and prior Commission approval.

Section 2.10--Quality of Service

Each utility must plan, furnish, and maintain production, treatment, storage, transmission, and distribution facilities of sufficient size and capacity to provide a continuous and adequate supply of water for all reasonable consumer uses. Minimum residual pressure at the consumer's meter shall be at least 20 psi during periods of peak usage and 35 psi during normal operating conditions.

The water system quantity requirements of the Texas Department of Health shall be the minimum standards for determining the sufficiency of production, treatment, storage, transmission and distribution facilities of water utilities for household usage. Additional capacity shall be provided to meet the reasonable local demand characteristics of the service area.

Each utility shall furnish water which has been approved by the Texas Department of Health. The application of Commission rules shall not relieve the utility from complying with the requirements of the laws and regulations of the State, local Department of Health, local ordinances and all other regulatory agencies having jurisdiction over such matters.

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NOV 14 1988

D.A. & E.A. Fenoglio d/b/a

Perrin Water System
(Water Utility Name)

TEXAS WATER COMMISSION	
APPROVED	
DATE <u>9/6/88</u>	DOCKET <u>7746-C</u> <u>7610-R</u>
FILE <u>12196</u>	BY <u>OH</u> <u>Water</u>
TARIFF CLERK <u>ph</u>	

Thriff Page No. 8
Revision No. I

SECTION 2.20 SPECIFIC UTILITY SERVICE RULES AND REGULATIONS

This section contains specific utility service rules in addition to the standard rules previously listed under Section 2.0. It must be reviewed and approved by the Texas Water Commission to be effective.

Perrin Water System hereby adopts the administrative rules of the Texas Water Commission, 31 T.A.C. 291.01 et seq., as they may be amended from time to time, as its company specific service rules and regulations.

T

TO BECOME EFFECTIVE, THIS PAGE MUST BE STAMPED APPROVED BY THE TEXAS WATER COMMISSION

Key to Codes

C--Regulation Change	D--Discontinued	I--Increase	N--New
R--Reduction	E--Error Correction		
T--Change in text, but no change in regulation			

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NOV 14 1988

D.A. & E.A. Fenoglio d/b/a

Perrin Water System

(Water Utility Name)

Water Tariff Page No. 9

SECTION 3.0--EXTENSION POLICY

Section 3.01--Standard Extension Requirements

Contributions in aid of construction shall not be required of individual residential customers for production, storage, treatment or transmission facilities.

The utility will bear the cost of the first 200 feet of water main necessary to extend service to an individual residential customer. The utility shall bear the full cost of any oversizing of water mains to serve other residential customers in the area. If the specific utility extension policy stated in Section 3.20 of this tariff requires, residential customers may be required to pay for additional main beyond the first 200 feet.

The extension policy may not be applied to requests for service where the utility already has a line in place, even though the line may be overloaded.

Individual residential customers who place a unique or non-standard service demand on the system may be charged the actual costs of any additional transmission or storage facilities required over and above the standard requirements.

If specifically stated in Section 3.20 of this tariff, developers may be required to provide contributions in aid of construction in amounts to furnish the system with facilities compliant with Texas Department of Health minimum design criteria for facilities used in the production, transmission, pumping, storage or treatment of water.

TEXAS WATER COMMISSION	
APPROVED	
DATE <u>9/6/88</u>	<u>7766-C</u> DOCKET <u>7610-R</u>
FILE <u>12196</u>	BY <u>DH</u>
TARIFF CLERK <u>ph</u>	

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NOV 14 1988

(D.A. & E.A. Fenoglio d/b/a

Perrin Water System

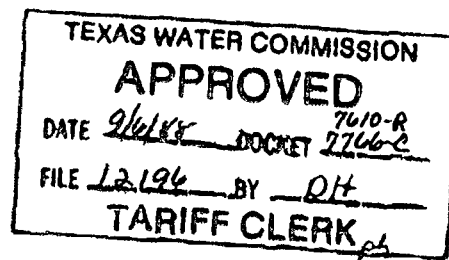
(Water Utility Name)

Water Tariff Page No. 10
Revision No. I

SECTION 3.20--SPECIFIC UTILITY EXTENSION POLICY

This section contain a specific extension policy in addition to the standard policy already stated under Section 3.0. It must be reviewed by the Texas Water Commission to be effective.

Perrin Water System hereby adopts the administrative rules of the Texas Water Commission, 31 T.A.C. 291.01 et seq. as may be amended from time to time, as its company specific utility extension policy.



TO BECOME EFFECTIVE, THIS PAGE MUST BE STAMPED APPROVED BY THE TEXAS WATER COMMISSION

Key to Codes

C--Regulation Change D--Discontinued I--Increase
R--Reduction E--Error Correction
T--Change in text, but no change in regulation

N--New
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NOV 14 1988

PERRIN WATER SYSTEM
P.O.BOX 416 - MONTAGUE, TEXAS 76251

APPLICATION FOR WATER SERVICE

1. Name of applicant: _____
2. Address or location of requested service:

3. Name of person responsible for utility service bills:

4. Billing address if different from #2:

5. Former customer of this Water System: Yes ____ No ____
6. References: _____

7. Customer deposit:
Amount paid _____
Date paid _____ Date returned _____
8. Date of application: _____
Date service to start: _____
9. Misc. fees required as a condition of service:
Type: _____
Amount: \$ _____ Refundable: Yes ____ No ____

BY SIGNING THIS APPLICATION FOR WATER UTILITY SERVICE, I
AGREE TO COMPLY WITH ALL SERVICE RULES AND REGULATIONS OF
THIS WATER SYSTEM AND THE TEXAS WATER COMMISSION OR OTHER
REGULATORY AGENCIES AND I, GUARANTEE PROMPT PAYMENT OF ALL
UTILITIES SERVICE BILLS AT THE ADDRESS PRINTED ABOVE.

APPLICANT

GUARANTOR

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NOV 14 1988

**DROUGHT CONTINGENCY PLAN
FOR THE**

Perrin Water System
(Name of utility)

P.O. Box 418, Montague, Texas, 76251-0418
(Address, City, Zip Code)

12196
(CCN#)

1190005 ~~1190005~~
(PWS)


1 MARCH 2002
(Date)

Section 1 Declaration of Policy, Purpose, and Intent

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

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

I DAVID A. FENOGLIO (Please print name), being the responsible official
For PERRIN WATER SYSTEM (Name of utility), request a minor tariff
amendment to include the enclosed Drought Contingency Plan.


(Signature)

1 MARCH 2002
(Date)

TEXAS NATURAL RESOURCE CONSERVATION COMMISSION

CCN 12196 JUN 5 02

APPROVED TARIFF BY  / 

Section 2 Public Involvement

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

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

The meeting took place at:

Date: _____ Time: _____ Location: _____

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

☐ *bill insert inviting comment. (attach bill insert)*

☒ *other method Notice by Mail* _____

Section 3 Public Education

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

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

☐ *public meeting*

☐ *press releases*

☒ *utility bill inserts*

☐ *other* _____

Section 4 Coordination with Regional Water Planning Groups

The service area of the PERRIN WATER SYSTEM (*name of your utility*) is located within:

Regional Water Planning Group (RWPG) C

PERRIN WATER SYSTEM (*name of your utility*) has mailed a copy of this Plan to the RWPG.

Section 5 Notice Requirements

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

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

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

Section 6 Violations

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

Section 7 Exemptions or Variances

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

Section 8 Response Stages

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

STAGE I - CUSTOMER AWARENESS

Stage 1 will begin:

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

No notice to TNRCC required.

Stage 1 will end:

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

No notice to TNRCC required.

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

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

STAGE II - VOLUNTARY WATER CONSERVATION:

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

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

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

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

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

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

Requirements for termination

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

Utility Measures:

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

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

The second water source for PERRIN WATER SYSTEM (name of utility) is:
(check one)

- ☐ Other well
☐ Inter-connection with other system
☒ Purchased water
☒ Other HAUL Water

Voluntary Water Use Restrictions:

1. **Restricted Hours:** Outside watering is allowed daily, but only during periods specifically described in the customer notice; between 10:00 PM and 5:00 AM for example; **OR**
2. **Restricted Days/Hours:** Water customers are requested to voluntarily limit the irrigation of landscaped areas with hose-end sprinklers or automatic irrigation systems. Customers are requested to limit outdoor water use to **Mondays for water customers with a street address ending with the numbers 1, 2, or 3, Wednesdays for water customers with a street address ending with the numbers 4, 5, or 6, and Fridays for water customers with a street address ending with the numbers 7, 8, 9, or 0.** Irrigation of landscaped areas is further limited to the hours of 12:00 midnight until 10:00 a.m. and between 8:00 p.m. and 12:00 midnight on designated watering days. However, irrigation of landscaped areas is permitted at anytime if it is by means of a hand-held hose, a faucet filled bucket or watering can of five (5) gallons or less, or drip irrigation system.
3. Other uses that waste water such as water running down the gutter.

STAGE III - MANDATORY WATER USE RESTRICTIONS:

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

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

- Well level reaches _____ ft. (m.s.l.)
- ____ Overnight recovery rate reaches _____ ft.
- ____ Reservoir elevation reaches _____ ft. (m.s.l.)
- ____ Stream flow reaches _____ cfs at USGS gage # _____
- ____ Wholesale supplier's drought Stage 3 _____
- ☒ Other Production Limitations

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

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

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

Requirements for termination

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

Utility Measures:

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

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

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

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

6. Use of water for the irrigation of golf courses, parks, and green belt areas is prohibited except by hand held hose and only on designated watering days between the hours 12:00 midnight and 10:00 a.m. and between 8:00 p.m. and 12:00 midnight.
7. The following uses of water are defined as non-essential and are prohibited:
 - a. wash down of any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas;
 - b. use of water to wash down buildings or structures for purposes other than immediate fire protection;
 - c. use of water for dust control;
 - d. flushing gutters or permitting water to run or accumulate in any gutter or street;
 - e. failure to repair a controllable leak(s) within a reasonable period after having been given notice directing the repair of such leak(s); and
 - f. Any waste of water.

4/22/22

STAGE IV - CRITICAL WATER USE RESTRICTIONS:

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

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

- Well level reaches _____ ft. (m.s.l.)
 Overnight recovery rate reaches _____ ft.
 Reservoir elevation reaches _____ ft. (m.s.l.)
 Stream flow reaches _____ cfs at USGS gage # _____
 Wholesale supplier's drought Stage 4 _____
X Supply contamination.
 Other _____

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

- Drinking water treatment as % of capacity _____ %
 _____ Total daily demand as % of pumping capacity _____ %
 _____ Total daily demand as % of storage capacity _____ %
 Pump hours per day _____ hrs.
X Production or distribution limitations.
 System outage.
 Other _____

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

Requirements for termination :

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

Operational Measures:

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

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

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

**Perrin Water Systems, Inc.
P.O. Box 418
Montague, Texas 76251
940.894.3381
940.894.2907 Fax**

February 12, 2002

Dear Customer:

Sunset Water System is in the process of preparing a Drought Contingency Plan as required by the Texas Natural Resources Conservation Commission, contained in Senate Bill 1 of the 1997 Legislature.

The Drought Contingency Plan is to encourage customer conservation in order to maintain supply, storage or pressure or to comply with the requirements of a court, government agency or other authority.

In cases of extreme drought, periods of abnormally high usage, system contamination or extended reduction in ability to supply water due to equipment failure, temporary restrictions may be instituted to limit non-essential water usage.

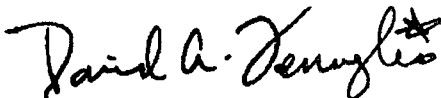
Your comments and input are welcome. Please forward your information or comments to us before March 1, 2002.

**PERRIN WATER SYSTEMS, INC.
P.O. BOX 418
MONTAGUE, TX 76251**

**940-894-3381
940-894-2907 FAX**

PERRIN WATER SYSTEM # 1190005

Sincerely,



**David A. Fenoglio, Manager,
Perrin Water Systems, Inc.**

RECEIVED

WATER RIGHTS PERMITTING

Texas Natural Resources Conservation

CCN 12196 JUN 5 02

APPROVED TARIFF by [signature]

Perrin Member List

Page -1 of 1

Patterson Water - Perrin

Name	Address	City	State	Zip	Dep 1 Amt	Dep 1 Date
1 Kuhn, Brenton*	502 S Sumner St	Perrin	TX	76486	\$50.00	6/14/2019
2 Reeves, Brooklyn	315 West Turner	Perrin	TX	76487	\$50.00	8/30/2019
3 Looper, Jordan	P.O Box 324	Perrin	TX	76486	\$50.00	10/9/2019
4 Sheehan, Larry	PO Box 75	Perrin	TX	76486	\$50.00	10/25/2019
5 Gardner, Davitte	P. O Box 413	Perrin	TX	76486	\$50.00	10/31/2019
6 Rose, Heather	103 W Eberhardt	Perrin	TX	76486	\$50.00	11/15/2019
7 Hickman, Paula	P.O Box 292	Perrin	TX	76486	\$50.00	2/6/2020
8 Aguilar, Albert	304 W Turner St	Perrin	TX	76486	\$50.00	3/30/2020
9 Daniel, Barbara	P.O Box 153	Perrin	TX	76485	\$50.00	4/29/2020
1 Brazeal, Sidney & Sherri*	202 Rick Rd	Perrin	TX	76486	\$0.00	7/4/1776
2 Mahler, Traci	PO Box 243	Perrin	TX	76486	\$0.00	7/4/1776
3 Hayes, Jay	PO Box 201	Perrin	TX	76486	\$0.00	7/4/1776
4 Dodson, Jesse	PO Box 246	Perrin	TX	76486	\$0.00	7/4/1776
5 Brock, Crystal*	318 W Davis St	Perrin	TX	76486	\$0.00	7/4/1776
6 McMorris, Tommy Alen*	412 W Turner St	Perrin	TX	76486	\$0.00	7/4/1776
7 Perrin Feed & Hardware*	4853 FM 2210 E	Perrin	TX	76486	\$0.00	7/4/1776
8 Miller, Larry*	PO Box 66	Perrin	TX	76486	\$0.00	7/4/1776
9 Kuhn, Kenneth*	PO Box 273	Perrin	TX	76486	\$0.00	7/4/1776
10 Perrin AC Church*	800 Whitt Rd	Perrin	TX	76486	\$0.00	7/4/1776
11 Perrin Church of Christ*	PO Box 297	Perrin	TX	76486	\$0.00	7/4/1776
12 Hill, Maxine*	PO Box 434	Perrin	TX	76486	\$0.00	7/4/1776
13 Salazar, Kenny*	PO Box 23	Perrin	TX	76486	\$0.00	7/4/1776
14 Kuhn, Shawn & Ester	PO Box 163	Perrin	TX	76486	\$0.00	7/4/1776
15 Felton, Zach*	118 E Davis St	Perrin	TX	76486	\$0.00	7/4/1776
16 Kinder, Charles	401 S West St	Perrin	TX	76486	\$0.00	7/4/1776
17 Harris, Vicky*	PO Box 223	Perrin	TX	76486	\$0.00	7/4/1776
18 Cansler, Lee Ann*	PO Box 220	Perrin	TX	76486	\$0.00	7/4/1776
19 Holmes, Joanne	517 S West St	Perrin	TX	76486	\$0.00	7/4/1776
20 Andrew, Josh & Brittany*	PO Box 86	Perrin	TX	76486	\$0.00	7/4/1776
21 Meyers, John & Jennifer*	PO Box 342	Perrin	TX	76486	\$0.00	7/4/1776
22 Roberts, Stacy	224 Rick Rd	Perrin	TX	76486	\$0.00	7/4/1776
23 Soria, Ezequiel*	PO Box 264	Perrin	TX	76486	\$0.00	7/4/1776
24 Boyer, Robert	402 S Sumner St	Perrin	TX	76486	\$0.00	7/4/1776
25 Fenter, Patsy*	PO Box 56	Perrin	TX	76486	\$0.00	7/4/1776
26 Gardner, Davitte*	PO Box 413	Perrin	TX	76486	\$0.00	7/4/1776
27 Blakley, Roy*	PO Box 172	Perrin	TX	76486	\$0.00	7/4/1776
28 Pettifield, Ronnie	PO Box 46	Perrin	TX	76486	\$0.00	7/4/1776
29 Cypert, Weldon*	PO Box 133	Perrin	TX	76486	\$0.00	7/4/1776
30 Shumate, Brittany*	PO Box 71	Perrin	TX	76486	\$0.00	7/4/1776
31 Hamilton, Minnie	PO Box 282	Perrin	TX	76486	\$0.00	7/4/1776
32 Hamilton, David	PO Box 282	Perrin	TX	76486	\$0.00	7/4/1776
33 SB Automotive	PO Box 134	Perrin	TX	76486	\$0.00	7/4/1776
34 VACANT LOT	100 N MARK ST	PERRIN	TX	76486	\$0.00	7/4/1776
35 Adair, Janet*	PO Box 248	Perrin	TX	76486	\$0.00	7/4/1776
36 Adair, Scott	PO Box 281	Perrin	TX	76486	\$0.00	7/4/1776
37 Amburn, Truman	PO Box 84	Perrin	TX	76486	\$0.00	7/4/1776
38 Andrews, Joseph*	PO Box 174	Perrin	TX	76486	\$0.00	7/4/1776
39 Armstrong, Valerie	517 W Hackley St	Perrin	TX	76486	\$0.00	7/4/1776
40 Perrin Assembly of God*	PO Box 395	Perrin	TX	76486	\$0.00	7/4/1776
41 Birdwell, Darla*	Extra Lot, Turned Off	Perrin	TX	76486	\$0.00	7/4/1776
42 Birdwell, Darla*	PO Box 269	Perrin	TX	76486	\$0.00	7/4/1776
43 VACANT	103 E Turner St	Perrin	TX	76486	\$0.00	7/4/1776
44 Brock, Mary	PO Box 116	Perrin	TX	76486	\$0.00	7/4/1776
45 VACANT	403 ALLEY ST	Perrin	TX	76486	\$0.00	7/4/1776
46 Broom, Donna*	PO Box 233	Perrin	TX	76486	\$0.00	7/4/1776

47 Bymes, Donald*	PO Box 239	Perrin TX	76486	\$0.00	7/4/1776
48 Byrant, Sandra*	PO Box 331	Perrin TX	76486	\$0.00	7/4/1776
49 VACANT	102 Oakdale	Perrin TX	76486	\$0.00	7/4/1776
50 Climer, Nick	PO Box 175	Perrin TX	76486	\$0.00	7/4/1776
51 Ham, James/NO METER	404 South Mark St.		0	\$0.00	7/4/1776
52 Cole, Jennifer	103 W Davis	Perrin TX	76486	\$0.00	7/4/1776
53 Davis, Stanley*	PO Box 45	Perrin TX	76486	\$0.00	7/4/1776
54 Davis, Stanley & Darlene*	PO Box 45	Perrin TX	76486	\$0.00	7/4/1776
55 Samaniego, Derek	PO Box 414	Perrin TX	76486	\$0.00	7/4/1776
56 Guyot, Stacey	107 W Turner St	Perrin TX	76486	\$0.00	7/4/1776
57 Egger, Gretthen	320 S Smith St	Perrin TX	76486	\$0.00	7/4/1776
58 Evans, Eddie*	PO Box 276	Perrin TX	76486	\$0.00	7/4/1776
59 Farmer, Bernice	107 Rick Rd	Perrin TX	76486	\$0.00	7/4/1776
60 Fincher, Jennifer*	PO Box 54	Perrin TX	76486	\$0.00	7/4/1776
61 Rivera, Hector	102 South Smith St.	Perrin	76486	\$0.00	7/4/1776
62 1st Bapt Church	PO Box 38	Perrin TX	76486	\$0.00	7/4/1776
63 Francis, Darrell*	1061 Hardy Rd	Perrin TX	76486	\$0.00	7/4/1776
64 Graham, Briana	PO Box 194	Perrin TX	76486	\$0.00	7/4/1776
65 VACANT	316 Alley St	Perrin TX	76486	\$0.00	7/4/1776
66 Hayes, Zach	PO Box 85	Perrin TX	76486	\$0.00	7/4/1776
67 Johnson, Brandon*	101 S Smith St	Perrin TX	76486	\$0.00	7/4/1776
68 Hutton, David*	901 Elenburg Rd	Perrin TX	76486	\$0.00	7/4/1776
69 McFatridge, JW	9500 Hwy 281	Perrin TX	76486	\$0.00	7/4/1776
70 Jack County Barn	City Courthouse	Jacksboro TX	76458	\$0.00	7/4/1776
71 Juarez, Gloria	121 E. Hackley St	Perrin TX	76486	\$0.00	7/4/1776
72 Kovar, Terry	PO Box 14	Perrin TX	76486	\$0.00	7/4/1776
73 Lopez, BlancaMETER LOCKED	PO Box 214	Perrin TX	76486	\$0.00	7/4/1776
74 Perrin Methodist Church*	PO Box 345	Perrin TX	76486	\$0.00	7/4/1776
75 Mitchell, Dorothy*	PO Box 207	Perrin TX	76486	\$0.00	7/4/1776
76 Ortiz, Elizabeth	PO Box 384	Perrin TX	76486	\$0.00	7/4/1776
77 Perez, Richard	PO Box 76	Perrin TX	76486	\$0.00	7/4/1776
78 Perrin AOG Parsonage*	PO Box 395	Perrin TX	76486	\$0.00	7/4/1776
79 Perrin Masonic Lodgel082*	PO Box 344	Perrin TX	76486	\$0.00	7/4/1776
80 Perrin Vol Fire Dept	DO NOT MAIL BILL	PER MARK P	0	\$0.00	7/4/1776
81 Peugh, Jimmy	1215 NW 1st Ave	Mineral W TX	76067	\$0.00	7/4/1776
82 Pirate's One Stop*	209 N Benson St	Perrin TX	76486	\$0.00	7/4/1776
83 VACANT	121 N Smith St	Perrin TX	76486	\$0.00	7/4/1776
84 Renfro, Derek*	514 S Smith St	Perrin TX	76486	\$0.00	7/4/1776
85 JR Disposal, LLC*	PO Box 368	Perrin TX	76486	\$0.00	7/4/1776
86 Riley, Billy*	PO Box 180	Perrin TX	76486	\$0.00	7/4/1776
87 Rivera, Hector	PO Box 52	Perrin TX	76486	\$0.00	7/4/1776
88 Royal, Edward C*	PO Box 95	Perrin TX	76486	\$0.00	7/4/1776
89 VACANT	319 W Turner St	Perrin TX	76486	\$0.00	7/4/1776
90 Bailey, Makayla	8283 FM 920	Weatherfo TX	76088	\$0.00	7/4/1776
91 Short, Louise*	PO Box 81	Perrin TX	76486	\$0.00	7/4/1776
92 Smedley, Crystal	PO Box 242	Perrin TX	76486	\$0.00	7/4/1776
93 Tanner, Amanda*	PO Box 364	Perrin TX	76486	\$0.00	7/4/1776
94 Jenkins, Terry	PO Box 335	Perrin TX	76486	\$0.00	7/4/1776
95 Sneath, Robert L	PO Box 233	Perrin TX	76486	\$0.00	7/4/1776
96 Sager, Wade*	PO Box 206	Perrin TX	76486	\$0.00	7/4/1776
97 Tucker, Janie	100 E Davis St	Perrin TX	76486	\$0.00	7/4/1776
98 Perrin US Post Office*	319 W Hackley St	Perrin TX	76486	\$0.00	7/4/1776
99 Vela, Jose G*	104 S Sumner St	Perrin TX	76486	\$0.00	7/4/1776
100 Vick, Jodi	PO Box 205	Perrin TX	76486	\$0.00	7/4/1776
101 Watkins, Bonita	314 E Hackley St	Perrin TX	76486	\$0.00	7/4/1776
102 Doss, Shawnee & Robert	PO Box 195	Perrin TX	76486	\$0.00	7/4/1776
103 Wilson, Maridel*	PO Box 306	Perrin TX	76486	\$0.00	7/4/1776
104 Clark, Tiffany/METER LOCK	PO Box 432	Perrin TX	76486	\$0.00	7/4/1776
105 Glidewell, Emmett*	PO Box 212	Perrin TX	76486	\$0.00	7/4/1776
106 CURRENT RESIDENT	116 W Turner St	Perrin TX	76486	\$0.00	7/4/1776
107 Cooper, Candace*	PO Box 454	Perrin TX	76486	\$0.00	7/4/1776

108 VACANT	322 S Mark St	Perrin	TX	76486	\$0.00	7/4/1776
109 McAlister, Halee*	PO Box 183	Perrin	TX	76486	\$0.00	7/4/1776
110 VACANT	112 N Mark St	Perrin	TX	76486	\$0.00	7/4/1776
111 Spann, Casey	500 Alley Street	Perrin	TX	76486	\$0.00	7/4/1776
All Customers						
Patterson Water Supply						

**COMPANY AGREEMENT OF
PATTERSON WATER SUPPLY, LLC**

THIS COMPANY AGREEMENT (the "Agreement") is made and entered into effective July 1, 2019 (the "Effective Date"), by and among: Mark Patterson, David Patterson, and James Carney, (individually referred to as a "Member" and collectively referred to as the "Members").

SECTION 1 - THE LIMITED LIABILITY COMPANY

1.1 Formation. Effective July 23, 2013, Mark Patterson and David Patterson formed Patterson Water Supply, LLC, pursuant to the laws of the State of Texas (the "Company"). Mark Patterson and David Patterson are the original members of the Company, and desire to add a third member, James Carney, pursuant to the terms set forth herein. The Members each individually and collectively desire for the terms of this Agreement to control the business and financial operations of the Company beginning on the Effective Date.

1.2 Company or Operating Agreement. No previous operating or company agreement related to Company exists as of the Effective Date, and this Agreement shall therefore control all business and financial operations of the Company beginning on the Effective Date. The Members agree to make the appropriate filings with the State of Texas related to the addition of James Carney. The rights and obligations of the Members are as provided in Chapter 101 of the Texas Business Organizations Code (the "Act"), except as otherwise expressly provided in this Agreement.

1.3 Name. The business of the Company will be conducted under the name Patterson Water Supply, LLC, or such other name upon which the Members may unanimously agree.

1.4 Purpose. The purpose of the Company is to engage in any lawful act or activity for which a Limited Liability Company may be formed within the State of Texas.

1.5 Office. The Company will maintain its principal business office within the State of Texas at the following address: 9963 U.S. Hwy 377 South, Collinsville, Texas 76233.

1.6 Registered Agent. Mark Patterson, at the address under Section 1.5, shall be named as the registered agent for Company, unless otherwise agreed to by a Majority of the Members. Any changes to the registered agent must be reported to the Secretary of State pursuant to the Act.

1.7 Term. The Company shall continue perpetually unless sooner terminated as provided in this Agreement.

1.8 Names and Addresses of Members. The Members' names and addresses as of the effective date are attached as Schedule 1 to this Agreement.

1.9 Admission of Additional Members. Except as otherwise expressly provided in this Agreement, no additional members may be admitted to the Company through issuance by the company of a new interest in the Company without the prior unanimous written consent of the Members.

SECTION 2 - CAPITAL CONTRIBUTIONS

2.1 Initial Contributions Based on Valuation as of Effective Date. The Members have or shall, as applicable pursuant to this section, contribute to the Company capital as described in Schedule 2 attached to this Agreement. Mark Patterson and David Patterson have previously contributed the

contributions listed in Schedule 2 based upon the Company valuation as of the Effective Date, and are not required to provide any initial capital or contribution prior to or after the Effective Date, unless as set forth under Section 2.2. James Carney is required to contribute the funds as set forth in Schedule 2 in order to become a Member of Company pursuant to this Agreement. In the event James Carney contributes less than the total required capital contribution of THREE HUNDRED SEVENTY FIVE THOUSAND AND 00/100 Dollars (\$375,000.00) set forth in Schedule 2, the contribution figures and percentage of ownership under Schedule 2 and the valuation under Schedule 3 shall be adjusted on a pro rata basis according to the precise contribution made by James Carney. In the event James Carney makes no/zero (\$0.00) capital contribution by February 28, 2020, this Agreement shall terminate as to James Carney.

2.2 Additional Contributions. No Member shall be obligated to make any additional contribution to the Company's capital without the prior unanimous written consent of the Members.

2.3 No Interest on Capital Contributions. Members are not entitled to interest or other compensation for or on account of their capital contributions to the Company except to the extent, if any, expressly provided in this Agreement.

SECTION 3 - ALLOCATION OF PROFITS AND LOSSES; DISTRIBUTIONS

3.1 Profits/Losses. For financial accounting and tax purposes, the Company's net profits or net losses shall be determined on an annual basis and shall be allocated to the Members in proportion to each Member's relative capital interest in the Company as set forth in Schedule 2 as amended from time to time in accordance with U.S. Department of the Treasury Regulation 1.704-1.

3.2 Distributions. The Members shall determine and distribute available funds annually or at more frequent intervals as they see fit. Available funds, as referred to herein, shall mean the net cash of the Company available after appropriate provision for expenses and liabilities, as determined by the Managers. Distributions in liquidation of the Company or in liquidation of a Member's interest shall be made in accordance with the positive capital account balances pursuant to U.S. Department of the Treasury Regulation 1.704.1(b)(2)(ii)(b)(2). To the extent a Member shall have a negative capital account balance, there shall be a qualified income offset, as set forth in U.S. Department of the Treasury Regulation 1.704.1(b)(2)(ii)(d).

3.3 No Right to Demand Return of Capital. No Member has any right to any return of capital or other distribution except as expressly provided in this Agreement. No Member has any drawing account in the Company.

SECTION 4 - INDEMNIFICATION

The Company shall indemnify any person who was or is a party defendant or is threatened to be made a party defendant, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Company) by reason of the fact that he is or was a Member of the Company, Manager, employee or agent of the Company, or is or was serving at the request of the Company, against expenses (including attorney's fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred in connection with such action, suit or proceeding if the Members determine that he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the Company, and with respect to any criminal action proceeding, has no reasonable cause to believe his/her conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of "no lo Contendere" or its equivalent, shall not in itself create a

presumption that the person did or did not act in good faith and in a manner which he reasonably believed to be in the best interest of the Company, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his/her conduct was lawful

SECTION 5 - POWERS AND DUTIES OF MANAGERS

5.1 Management of Company.

5.1.1 The Members, within the authority granted by the Act and the terms of this Agreement shall have the complete power and authority to manage and operate the Company and make all decisions affecting its business and affairs. Mark Patterson shall be the Managing Member (also referred to as President) of the Company.

5.1.2 Except as otherwise provided in this Agreement, all decisions and documents relating to the management and operation of the Company shall be made and executed by a Majority in Interest of the Members.

5.1.3 Third parties dealing with the Company shall be entitled to rely conclusively upon the power and authority of a Majority in Interest of the Members to manage and operate the business and affairs of the Company.

5.2 *Decisions by Members.* Whenever in this Agreement reference is made to the decision, consent, approval, judgment, or action of the Members, unless otherwise expressly provided in this Agreement, such decision, consent, approval, judgment, or action shall mean a Majority of the Members.

5.3 *Withdrawal by a Member.* A Member has no power to withdraw from the Company, except as otherwise provided in Section 8.

SECTION 6 - SALARIES, REIMBURSEMENT, AND PAYMENT OF EXPENSES

6.1 **Organization Expenses.** All expenses incurred in connection with organization of the Company will be paid by the Company.

6.2 **Salary.** No salary will be paid to a Member for the performance of his or her duties under this Agreement unless the salary has been approved in writing by a Majority of the Members.

6.3 **Legal and Accounting Services.** The Company may obtain legal and accounting services to the extent reasonably necessary for the conduct of the Company's business.

SECTION 7 - BOOKS OF ACCOUNT, ACCOUNTING REPORTS, TAX RETURNS, FISCAL YEAR, BANKING

7.1 **Method of Accounting.** The Company will use the method of accounting previously determined by the Members for financial reporting and tax purposes.

7.2 **Fiscal Year; Taxable Year.** The fiscal year and the taxable year of the Company is the calendar year.

7.3 **Capital Accounts.** The Company will maintain a Capital Account for each Member on a cumulative basis in accordance with federal income tax accounting principles.

7.4 **Banking.** All funds of the Company will be deposited in a separate bank account or in an account or accounts of a savings and loan association in the name of the Company as determined by a Majority of the Members. Company funds will be invested or deposited with an institution, the accounts or deposits of which are insured or guaranteed by an agency of the United States

government.

SECTION 8 - TRANSFER OF MEMBERSHIP INTEREST

8.1 Sale or Encumbrance Prohibited. Except as otherwise permitted in this Agreement, no Member may voluntarily or involuntarily transfer, sell, convey, encumber, pledge, assign, or otherwise dispose of (collectively, "Transfer") an interest in the Company without the prior written consent of a majority of the other non-transferring Members determined on a per capita basis. Any transfer of shares required by law shall confer only an economic right as set forth in Section 8.4, unless and until a majority of the other Members determined on a per capita basis admit the transferee as a Member in accordance with the provisions of Section 8.3.

8.2 Right of First Refusal. Notwithstanding Section 8.1 and subject to Section 8.3, a Member may transfer all or any part of the Member's interest in the Company (the "Interest") as follows:

8.2.1 The Member desiring to transfer his or her Interest first must provide written notice (the "Notice") to the other Members, specifying the price and terms on which the Member is prepared to sell the Interest (the "Offer").

8.2.2 For a period of 30 days after receipt of the Notice, the Members may acquire all, but not less than all, of the Interest at the price and under the terms specified in the Offer. If the other Members desiring to acquire the Interest cannot agree among themselves on the allocation of the Interest among them, the allocation will be proportional to the Ownership Interests of those Members desiring to acquire the Interest.

8.2.3 Closing of the sale of the Interest will occur as stated in the Offer; provided, however, that the closing will not be less than 45 days after expiration of the 30-day notice period.

8.2.4 If the other Members fail or refuse to notify the transferring Member of their desire to acquire all of the Interest proposed to be transferred within the 30-day period following receipt of the Notice, then the Members will be deemed to have waived their right to acquire the Interest on the terms described in the Offer, and the transferring Member may sell and convey the Interest consistent with the Offer to any other person or entity; provided, however, that notwithstanding anything in Section 8.2 to the contrary, should the sale to a third person be at a price or on terms that are more favorable to the purchaser than stated in the Offer, then the transferring Member must reoffer the sale of the Interest to the remaining Members at that other price or other terms; provided, further, that if the sale to a third person is not closed within six months after the expiration of the 30-day period describe above, then the provisions of Section 8.2 will again apply to the Interest proposed to be sold or conveyed.

8.2.5 Notwithstanding the foregoing provisions of Section 8.2, should the sole remaining Member be entitled to and elect to acquire all the Interests of the other Members of the Company in accordance with the provisions of Section 8.2, the acquiring Member may assign the right to acquire the Interests to a spouse, lineal descendent, or an affiliated entity if the assignment is reasonably believed to be necessary to continue the existence of the Company as a limited liability company.

8.3 Substituted Parties. Any transfer in which the Transferee becomes a fully substituted Member is not permitted unless and until:

8.3.1 The transferor and assignee execute and deliver to the Company the documents and instruments of conveyance necessary or appropriate in the opinion of counsel to the Company to effect the transfer and to confirm the agreement of the permitted assignee to be

bound by the provisions of this Agreement; and

8.3.2 The transferor furnishes to the Company an opinion of counsel, satisfactory to the Company, that the transfer will not cause the Company to terminate for federal income tax purposes or that any termination is not adverse to the Company or the other Members.

8.4 Death, Incompetency, or Bankruptcy of Member. On the death, adjudicated incompetence, or bankruptcy of a Member, unless the Company exercises its rights under Section 8.5, the successor in interest to the Member (whether an estate, bankruptcy trustee, or otherwise) will receive only the economic right to receive distributions whenever made by the Company and the Member's allocable share of taxable income, gain, loss, deduction, and credit (the "Economic Rights"), unless and until a majority of the other Members determined on a per capita basis admit the transferee as a fully substituted Member in accordance with the provisions of Section 8.3.

8.4.1 Any transfer of Economic Rights pursuant to Section 8.4 will not include any right to participate in management of the Company, including any right to vote, consent to, and will not include any right to information on the Company or its operations or financial condition. Following any transfer of only the Economic Rights of a Member's Interest in the Company, the transferring Member's power and right to vote or consent to any matter submitted to the Members will be eliminated, and the Ownership Interests of the remaining Members, for purposes only of such votes, consents, and participation in management, will be proportionately increased until such time, if any, as the transferee of the Economic Rights becomes a fully substituted Member.

8.5 Death Buy Out. Notwithstanding the foregoing provision of Section 8, the Members covenant and agree that on the death of any Member, the Company, at its option, by providing written notice to the estate of the deceased Member within 180 days of the death of the Member, may purchase, acquire, and redeem the Interest of the deceased Member in the Company pursuant to the provision of Section 8.5.

8.5.1 The value of each Member's Interest in the Company will be determined pursuant to Schedule 2, and the value will be endorsed on Schedule 3 attached and made a part of this Agreement. The Members will use their best efforts to endorse those values on Schedule 3. The purchase price for a decedent Member's interest conclusively is the value last determined before the death of such Member; provided, however, that if the latest valuation is more than two years before the death of the deceased Member, the provisions of Section 8.5.2 will apply in determining the value of the Member's Interest in the Company.

8.5.2 If the Members have failed to value the deceased Member's Interest within the prior two-year period, the value of each Member's Interest in the Company on the date of death, in the first instance, will be determined by mutual agreement of the surviving Members and the personal representative of the estate of the deceased Member. If the parties cannot reach an agreement on the value within 30 days after the appointment of the personal representative of the deceased Member, then the surviving Members and the personal representative each must select a qualified appraiser within the next succeeding 30 days. The appraisers so selected must attempt to determine the value of the Company Interest owned by the decedent at the time of death based solely on their appraisal of the total value of the Company's assets and the amount the decedent would have received had the assets of the Company been sold at that time for an amount equal to their fair market value and the proceeds (after payment of all Company obligations) were distributed in the manner contemplated in Section 8. The

appraisal may not consider and discount for the sale of a minority Interest in the Company. In the event the appraisers cannot agree on the value within 30 days after being selected, the two appraisers must, within 30 days, select a third appraiser. The value of the Interest of the decedent in the Company and the purchase price of it will be the average of the two appraisals nearest in amount to one another. That amount will be final and binding on all parties and their respective successors, assigns, and representatives. The costs and expenses of the third appraiser and any costs and expenses of the appraiser retained but not paid for by the estate of the deceased Member will be offset against the purchase price paid for the deceased Member's Interest in the Company.

8.5.3 Closing of the sale of the deceased Member's Interest in the Company will be held at the office of the Company on a date designated by the Company, not be later than 90 days after agreement with the personal representative of the deceased Member's estate on the fair market value of the deceased Member's Interest in the Company; provided, however, that if the purchase price are determined by appraisals as set forth in Section 8.5.2, the closing will be 30 days after the final appraisal and purchase price are determined. If no personal representative has been appointed within 60 days after the deceased Member's death, the surviving Members have the right to apply for and have a personal representative appointed.

8.5.4 At closing, the Company will pay the purchase price for the deceased Member's Interest in the Company. If the purchase price is less than \$1,000.00, the purchase price will be paid in cash; if the purchase price is \$1,000.00 or more, the purchase price will be paid as follows:

- (1) \$1,000.00 in cash, bank cashier's check, or certified funds;
- (2) The balance of the purchase price by the Company executing and delivering its promissory note for the balance, with interest at the prime interest rate stated by primary banking institution utilized by the Company, its successors and assigns, at the time of the deceased Member's death. Interest will be payable monthly, with the principal sum being due and payable in three equal annual installments. The promissory note will be unsecured and will contain provisions that the principal sum may be paid in whole or in part at any time, without penalty.

8.5.5 At the closing, the deceased Member's estate or personal representative must assign to the Company all of the deceased Member's Interest in the Company free and clear of all liens, claims, and encumbrances, and, at the request of the Company, the estate or personal representative must execute all other instruments as may reasonably be necessary to vest in the Company all of the deceased Member's right, title, and interest in the Company and its assets. If either the Company or the deceased Member's estate or personal representative fails or refuses to execute any instrument required by this Agreement, the other party is hereby granted the irrevocable power of attorney which, it is agreed, is coupled with an interest, to execute and deliver on behalf of the failing or refusing party all instruments required to be executed and delivered by the failing or refusing party.

8.5.6 On completion of the purchase of the deceased Member's Interest in the Company, the Ownership Interests of the remaining Members will increase proportionately to their then existing Ownership Interests.

SECTION 9 - DISSOLUTION AND WINDING UP OF THE COMPANY

9.1 **Dissolution.** The Company will be dissolved on the happening of any of the following events:

9.1.1 Sale, transfer, or other disposition of all or substantially all of the property of the Company;

9.1.2 The agreement of all of the Members;

9.1.3 By operation of law; or

9.1.4 The death, incompetence, expulsion, or bankruptcy of a Member, or the occurrence of any event that terminates the continued membership of a Member in the Company, unless there are then remaining at least the minimum number of Members required by law and all of the remaining Members, within 120 days after the date of the event, elect to continue the business of the Company.

9.2 **Winding Up.** On the dissolution of the Company (if the Company is not continued), the Members must take full account of the Company's assets and liabilities, and the assets will be liquidated as promptly as is consistent with obtaining their fair value, and the proceeds, to the extent sufficient to pay the Company's obligations with respect to the liquidation, will be applied and distributed, after any gain or loss realized in connection with the liquidation has been allocated in accordance with Section 3 of this Agreement, and the Members' Capital Accounts have been adjusted to reflect the allocation and all other transactions through the date of the distribution, in the following order:

9.2.1 To payment and discharge of the expenses of liquidation and of all the Company's debts and liabilities to persons or organizations other than Members;

9.2.2 To the payment and discharge of any Company debts and liabilities owed to Members; and

9.2.3 To Members in the amount of their respective adjusted Capital Account balances on the date of distribution; provided, however, that any then outstanding Default Advances (with interest and costs of collection) first must be repaid from distributions otherwise allocable to the Defaulting Member pursuant to Section 9.2.3.

SECTION 10 - GENERAL PROVISIONS

10.1 **Amendments.** Amendments to this Agreement may be proposed by any Member. A proposed amendment will be adopted and become effective as an amendment only on the written approval of a Majority of the Members.

10.2 **Governing Law.** This Agreement and the rights and obligations of the parties under it are governed by and interpreted in accordance with the laws of the State of Texas (without regard to principles of conflicts of law).

10.3 **Entire Agreement; Modification.** This Agreement constitutes the entire understanding and agreement between the Members with respect to the subject matter of this Agreement. No agreements, understandings, restrictions, representations, or warranties exist between or among the members other than those in this Agreement or referred to or provided for in this Agreement. No modification or amendment of any provision of this Agreement will be binding on any Member unless in writing and signed by all the Members.

10.4 **Attorney Fees.** In the event of any suit or action to enforce or interpret any provision of this Agreement (or that is based on this Agreement), the prevailing party is entitled to recover, in addition to other costs, reasonable attorney fees in connection with the suit, action, or arbitration, and in any

appeals. The determination of who is the prevailing party and the amount of reasonable attorney fees to be paid to the prevailing party will be decided by the court or courts, including any appellate courts, in which the matter is tried, heard, or decided.

10.5 **Further Effect.** The parties agree to execute other documents reasonably necessary to further effect and evidence the terms of this Agreement, as long as the terms and provisions of the other documents are fully consistent with the terms of this Agreement.

10.6 **Severability.** If any term or provision of this Agreement is held to be void or unenforceable, that term or provision will be severed from this Agreement, the balance of the Agreement will survive, and the balance of this Agreement will be reasonably construed to carry out the intent of the parties as evidenced by the terms of this Agreement.

10.7 **Captions.** The captions used in this Agreement are for the convenience of the parties only and will not be interpreted to enlarge, contract, or alter the terms and provisions of this Agreement.

10.8 **Notices.** All notices required to be given by this Agreement will be in writing and will be effective when actually delivered or, if mailed, when deposited as certified mail, postage prepaid, directed to the addresses first shown above for each Member or to such other address as a Member may specify by notice given in conformance with these provisions to the other Members.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties to this Agreement execute this Agreement as of the Effective Date

MEMBERS:

Mark Patterson
Printed/Typed Name

[Signature]
Signature

David Patterson
Printed/Typed Name

[Signature]
Signature

JAMES CARNEY
Printed/Typed Name

JAMES Carney
Signature

Listing of Members - Schedule 1

As of the Effective Date, the following is a list of Members of the Company:

Mark Patterson

David Patterson

James Carney

Listing of Capital Contributions and Ownership Interests - Schedule 2

Pursuant to ARTICLE 2, the valuation of the Company as of the Effective Date is ONE MILLION FOUR HUNDRED FIFTY THOUSAND DOLLARS AND 00/100s (\$1,450,000.00). The initial capital contribution and related ownership is to be completed in two (2) phases, and the description and each individual portion of this valuation and initial contribution is as follows:

PHASE 1 – Initial Contribution to be completed not later than August 1, 2019

NAME	CONTRIBUTION	% OWNERSHIP
Mark Patterson	\$797,500.00	55%
David Patterson	\$362,500.00	25%
James Carney	\$290,000.00	20%

PHASE 2 – Total Contribution to be completed not later than February 28, 2020

NAME	CONTRIBUTION	% OWNERSHIP
Mark Patterson	\$750,000.00	50%
David Patterson	\$375,000.00	25%
James Carney	\$375,000.00	25%

SIGNED AND AGREED this 2 day of July, 2019 ^{MP}

Mark Patterson
Printed/Typed Name

[Signature]
Signature

David Patterson
Printed/Typed Name

[Signature]
Signature

JAMES CARNEY
Printed/Typed Name

[Signature]
Signature

Listing of Valuation of Members Interest - Schedule 3

Pursuant to ARTICLE 8, the value of each Member's interest in the Company as of the Effective Date and pursuant and subject to the terms of ARTICLE 2 and Schedule 2 is endorsed as follows:

NAME	VALUATION ENDORSEMENT - Phase 1
<u>Mark Patterson</u>	\$797,500.00
<u>David Patterson</u>	\$362,500.00
<u>James Carney</u>	\$290,000.00

NAME	VALUATION ENDORSEMENT - Phase 2
<u>Mark Patterson</u>	\$750,000.00
<u>David Patterson</u>	\$375,000.00
<u>James Carney</u>	\$375,000.00

SIGNED AND AGREED this 2 day of July, 2019

Mark Patterson
Printed/Typed Name

[Signature]
Signature

David Patterson
Printed/Typed Name

[Signature]
Signature

JAMES CARNEY
Printed/Typed Name

[Signature]
Signature

ACKNOWLEDGEMENTS

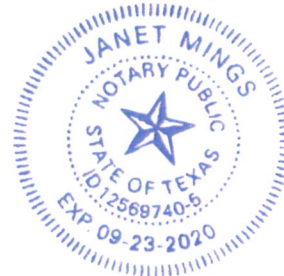
State of Texas

County of Grayson

On July 2, 2019 before me **Mark Patterson** personally appeared who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity(ies), and that by his signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature Janet Mings



State of Texas

County of Grayson

On July 2, 2019 before me, **David Patterson** personally appeared who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity(ies), and that by his signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature Janet Mings



State of Texas

County of Grayson

On July 2, 2019 before me, **James Carney** personally appeared who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity(ies), and that by his signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

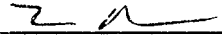
Signature Janet Mings




Completion of Sale Agreement

On March 31, 2020 **James Carney** completed his option to purchase an additional 5% of PWS as agreed in Company Agreement of Patterson Water Supply LLC originally dated July 2, 2019. This will complete this agreement as described in Phase 2 schedule 2 of the agreement.

Date: March 31, 2020 Check # 5459 Amount **\$85,000.00**

Mark Patterson 

James Carney 

Witnessed By: Janet Mings



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



attachment e

John Steen
Secretary of State

Office of the Secretary of State

CERTIFICATE OF FILING OF

PATTERSON WATER SUPPLY, LLC
File Number: 801820571

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

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

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

Dated: 07/23/2013

Effective: 07/23/2013



A handwritten signature of John Steen.

John Steen
Secretary of State

Come visit us on the internet at <http://www.sos.state.tx.us/>

Phone: (512) 463-5555

Fax: (512) 463-5709

Dial: 7-1-1 for Relay Services

Prepared by: Debbie Gustafson

TID: 10306

Document: 491243940f02

Form 205
(Revised 05/11)

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



This space reserved for office use.

Certificate of Formation Limited Liability Company

Article 1 – Entity Name and Type

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

PATTERSON WATER SUPPLY, LLC

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

Article 2 – Registered Agent and Registered Office

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

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

OR

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

MARK

PATTERSON

First Name

M.I.

Last Name

Suffix

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

446 GRAHAMS GROVE ROAD

COLLINSVILLE

TX

76233

Street Address

City

State

Zip Code

Article 3—Governing Authority

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

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

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

GOVERNING PERSON 1

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

IF INDIVIDUAL

MARK

PATTERSON

First Name

M.I.

Last Name

Suffix

OR

IF ORGANIZATION

Organization Name

ADDRESS

446 GRAHAMS GROVE ROAD

COLLINSVILLE

TX

USA

76233

Street or Mailing Address

City

State

Country

Zip Code

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

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

Article 4 – Purpose

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

Supplemental Provisions/Information

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

Organizer

The name and address of the organizer:

JOHN P GRAVES, CPA

Name

502 NORTH LOCUST ST

DENTON

TX 76201

Street or Mailing Address

City

State Zip Code

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


- A. ☒ This document becomes effective when the document is filed by the secretary of state.
- B. ☐ This document becomes effective at a later date, which is not more than ninety (90) days from the date of signing. The delayed effective date is: _____
- C. ☐ This document takes effect upon the occurrence of the future event or fact, other than the passage of time. The 90th day after the date of signing is: _____

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

Execution

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

Date: 07-12-2013



Signature of organizer

JOHN P GRAVES, CPA

Printed or typed name of organizer

12:55 PM

PATTERSON WATER SUPPLY, LLC

06/05/20

Balance Sheet

Accrual Basis

As of December 31, 2018

Dec 31, 18

ASSETS

Current Assets

Checking/Savings

Patterson Water Supply	46,557.15
PWS Crazy Horse Ranch Water	13,046.25
PWS Sewer Repair Fund	41,619.75
PWS Water Well Fund	100.62

Total Checking/Savings 101,323.77

Other Current Assets

A/R - PPS	52,138.00
A/R - PXC	500.00
A/R TWDB	120,780.00

Total Other Current Assets 173,418.00

Total Current Assets 274,741.77

Fixed Assets

Accumulated Depreciation	-51,780.25
Cooley Point System Improvement	26,100.00
Equipment Improvements	109,680.26
New Well - Briar/Cooley	24,000.00
New Well - Vacation Village	232,688.88

Total Fixed Assets 340,688.89

TOTAL ASSETS 615,430.66

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable	
Accounts Payable	13,000.00

Total Accounts Payable 13,000.00

Other Current Liabilities

Customer Deposits	33,296.23
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Total Other Current Liabilities 33,296.23

Total Current Liabilities 46,296.23

Long Term Liabilities

Note Payable - TWDB	120,780.00
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Total Long Term Liabilities 120,780.00

Total Liabilities 167,076.23

Equity

Member 1 Draws	-14,375.00
Member 1 Equity	266,115.50
Member 2 Draws	-8,125.00
Member 2 Equity	88,713.57
Retained Earnings	1,257.50
Net Income	114,767.86

Total Equity 448,354.43

TOTAL LIABILITIES & EQUITY 615,430.66

12:58 PM

06/05/20

Accrual Basis

PATTERSON WATER SUPPLY, LLC**Profit & Loss**

January through December 2018

Jan - Dec 18

Ordinary Income/Expense	
Income	
Briar/Cooley Sales	144,136.62
Crazy Horse Ranch Sales	44,590.82
Other Income	9.77
TWDB Principal Forgiveness	18,000.00
Vacation Village Sales	332,478.38
Water Connection Fees	6,300.00
Total Income	545,515.59
Expense	
Bad Debt	1,257.50
Bank Service Charges	655.74
Base Commerce	7,815.14
Chemicals	2,425.02
Computer and Internet Expenses	205.00
Continuing Education	345.00
Contract Labor	6,130.00
Deluxe Checks	330.67
Depreciation Expense	17,720.73
GCD Fees	5,318.03
Guaranteed Payments to Partners	22,500.00
Insurance Expense	4,789.00
Lab Fees	6,877.85
Legal & Accounting	1,384.00
Membership Dues	400.00
Miscellaneous Exp	683.04
Office Supplies	836.48
Operation Expense	75,644.50
Postage & Delivery	3,376.00
Property Maintenance	2,205.00
Property Taxes Due	615.05
Repairs and Maintenance	
Labor	63,011.70
Parts	15,967.16
Total Repairs and Maintenance	78,978.86
Sewer Fees - City of Denton	126,994.09
Sewer Maintenance & Repairs	6,735.00
Software Updates	3,190.98
TCEQ-Regulatory Assess Fee	6,213.62
Telephone Expense	1,069.21
Travel Expense	1,853.00
Utilities	29,175.84
Well Repair & Maintenance	15,023.38
Total Expense	430,747.73
Net Ordinary Income	114,767.86
Net Income	114,767.86