



## Filing Receipt

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**CCN #11984 APPLICATION TO  
AMEND**

**DOCKET 51614**

**FOR:**

**KREBS UTILITIES**

**At Piney Woods MHP**

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\*Memo is the Memorandum dated March 30, 2022.

### INTRODUCTION

Krebs utilities request that the PUC amend the current CCN# 11984 held by Krebs utilities that currently includes the subdivision PWS #s 1012260, 1010675, 0360090, 0360117, To also include a new construction water and wastewater system for future "Piney Woods Mobile Home Park".

Construction is scheduled to begin in September of 2022 with the first homes being occupied around May 2023. Plans are to provide water and wastewater services to 405 SFUs with 5/8 inch residential meters.

Thank you for your time and consideration for this request. Myself or my Records Coordinator can be reached at any time on our cell phones for any questions.

Stephen Krebs, Owner

281-236-9914

Hannah Krebs, Records Coordinator

409-277-1087

## ABOUT KREBS UTILITIES

Krebs Utilities was started in September 1997 with the dedication of the Estates Water Corporation from 12 residents to Me, Stephen Krebs, with the help of Cliff Sheffield of TCEQ. I began supplementing my income as a high school teacher by personally installing meters, valves, etc. at the advice of Mr. Sheffield in order to be in compliance to become a certified PWS.

From there I acquired eight other systems including Timber Ridge, River Oaks, Estates Water Corp, & Roving Meadows that I have maintained in good standing with TCEQ. I put quality of service before anything else. My systems are well maintained, sometimes even surpassing the requirements of TCEQ. I look forward to continuing this excellence with the "Piney Woods Mobile Home Park."

I am proud to be partnered with the Piney Woods Mobile Home Park staff on this project. They have shown to be both capable and trustworthy. I have personally met with the owner Harry Winslow and have found him to be professional and very knowledgeable about this project as he has a part in several subdivisions across Texas.

I'd like to personally thank you for your consideration of this request. Please let me know if there is anything I can do or help with. My personal cell is 281-236-9914. Feel free to call anytime.

Sincerely,

Stephen P Krebs



# REVISED APPLICATION FOR KREBS UTILITIES

CCN #11984

Pages 4-14

## Application Summary

Applicant: Krebs UtilitiesCCN No. to be amended: 11984 - water AND seweror ☐ Obtain NEW CCN ☐ Water ☐ SewerCounty(ies) affected by this application: Harris

Dual CCN requested with: \_\_\_\_\_

CCN No.: \_\_\_\_\_ (name of retail public utility) ☐ Portion or ☐ All of requested area

Decertification of CCN for: \_\_\_\_\_

CCN No.: \_\_\_\_\_ (name of retail public utility) ☐ Portion or ☐ All of requested area

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## Please mark the items included in this filing

<input type="checkbox"/> Partnership Agreement	Part A: Question 4
<input type="checkbox"/> Articles of Incorporation and By-Laws (WSC)	Part A: Question 4
<input type="checkbox"/> Certificate of Account Status	Part A: Question 4
<input type="checkbox"/> Franchise, Permit, or Consent letter	Part B: Question 7
<input type="checkbox"/> Existing Infrastructure Map	Part B: Question 8
<input type="checkbox"/> Customer Requests For Service in requested area	Part B: Question 9
<input type="checkbox"/> Population Growth Report or Market Study	Part B: Question 10
<input type="checkbox"/> TCEQ Engineering Approvals	Part B: Question 11
<input type="checkbox"/> Requests & Responses For Service to ½ mile utility providers	Part B: Question 12.B
<input type="checkbox"/> Economic Feasibility (alternative provider) Statement	Part B: Question 12.C
<input type="checkbox"/> Alternative Provider Analysis	Part B: Question 12.D
<input type="checkbox"/> Enforcement Action Correspondence	Part C: Question 16
<input type="checkbox"/> TCEQ Compliance Correspondence	Part D: Question 20
<input type="checkbox"/> Purchased Water Supply or Treatment Agreement	Part D: Question 23
<input type="checkbox"/> Rate Study (new market entrant)	Part E: Question 28
<input type="checkbox"/> Tariff/Rate Schedule	Part E: Question 29
<input type="checkbox"/> Financial Audit	Part E: Question 30
<input type="checkbox"/> Application Attachment A & B	Part E: Question 30
<input type="checkbox"/> Capital Improvement Plan	Part E: Question 30
<input type="checkbox"/> Disclosure of Affiliated Interests	Part E: Question 31
<input type="checkbox"/> Detailed (large scale) Map	Part F: Question 32
<input type="checkbox"/> General Location (small scale) Map	Part F: Question 32
<input type="checkbox"/> Digital Mapping Data	Part F: Question 32
<input type="checkbox"/> Signed & Notarized Affidavit	Page 12

**Part A: Applicant Information**

1. A. Name: KREBS UTILITIES  
(individual, corporation, or other legal entity)  
☐ Individual ☒ Corporation ☐ WSC ☐ Other: \_\_\_\_\_
- B. Mailing Address: 11015 Sheldon Rd #102  
Houston, TX 77044  
Phone No.: (281) 456-0883 Email: hannahrcehu@gmail.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: Hannah Krebs Title: Records Coordinator  
Mailing Address: 11015 Sheldon Rd #102 Houston TX 77044  
Phone No.: (409) 277-1087 Email: hannahrcehu@gmail.com
2. If the Applicant is someone other than a municipality, is the Applicant currently paid in full on the Regulatory Assessment Fees (RAF) remitted to the TCEQ?  
☒ Yes ☐ No ☐ N/A
3. If the Applicant is an Investor Owned Utility (IOU), is the Applicant current on Annual Report filings with the Commission?  
☒ Yes ☐ No If no, please state the last date an Annual Report was filed: \_\_\_\_\_
4. The legal status of the Applicant is:  
☐ Individual or sole proprietorship  
☐ Partnership or limited partnership (*attach* Partnership agreement)  
☒ Corporation: Charter number (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, PUD, etc.)  
☐ County  
☐ Affected County (a county to which Subchapter B, Chapter 232, Local Government Code, applies)  
☐ Other (please explain): \_\_\_\_\_
5. If the Applicant operates under an assumed name (i.e., any d/b/a), provide the name below:  
Name: East Houston Utilities

**Part B: Requested Area Information**

6. Provide details on the existing or expected land use in the requested area, including details on requested actions such as dual certification or decertification of service area.

405 connection high density mobile home community.

7. The requested area (check all applicable):

- ☐ Currently receives service from the Applicant ☒ Is being developed with no current customers  
☐ Overlaps or is within municipal boundaries ☐ Overlaps or is within district boundaries

Municipality: \_\_\_\_\_ District: \_\_\_\_\_

Provide a copy of any franchise, permit, or consent granted by the city or district. If not available please explain:

8. Describe the circumstances (economic, environmental, etc.) driving the need for service in the requested area:

405 connection development is in place.

9. Has the Applicant received any requests for service within the requested area?

☒ Yes\* ☐ No \*Attach copies of all applicable requests for service and show locations on a map

10. Is there existing or anticipated growth in the requested area?

☒ Yes\* ☐ No \*Attach copies of any reports and market studies supporting growth

11. A. Will construction of any facilities be necessary to provide service to the requested area?

☒ Yes\* ☐ No \*Attach copies of TCEQ approval letters

B. Date Plans & Specifications or Discharge Permit App. submitted to TCEQ: April 21, 2022

- C. Summarize an estimated timeline for construction for any required facilities to serve the requested area:

Break ground September 2022 and hopefully have the meters and connections all done for April 2023.

- D. Describe the source and availability of funds for any required facilities to serve the requested area:

CIAC \$462,500 from the developers  
Krebs Utilities also has revenue to contribute to the costs.  
The Sewer Plants are getting a loan for 1.6 Million.

**Note: Failure to provide applicable TCEQ construction or permit approvals, or evidence showing that the construction or permit approval has been filed with the TCEQ may result in the delay or possible dismissal of the application.**

12. A. If construction of a physically separate water or sewer system is necessary, provide a list of all retail public water and/or sewer utilities within one half mile from the outer boundary of the requested area below:

Chapman Mobile Home Park- .33 Miles away

- B. Did the Applicant request service from each of the above water or sewer utilities?

☒ Yes\*

☐ No

\*Attach copies of written requests and copies of the written response

- C. Attach a statement or provide documentation explaining why it is not economically feasible to obtain retail service from the water or sewer retail public utilities listed above.
- D. If a neighboring retail public utility agreed to provide service to the requested area, attach documentation addressing the following information:
- (A) A description of the type of service that the neighboring retail public utility is willing to provide and comparison with service the applicant is proposing;
  - (B) An analysis of all necessary costs for constructing, operating, and maintaining the new facilities for at least the first five years of operations, including such items as taxes and insurance; and
  - (C) An analysis of all necessary costs for acquiring and continuing to receive service from the neighboring retail public utility for at least the first five years of operations.

13. Explain the effect of granting the CCN request on the Applicant, any retail public utility of the same kind serving in the proximate area, and any landowners in the requested area. The statement should address, but is not limited to, regionalization, compliance, and economic effects.

#12b

Mr. Patrick Gene Chapman,

This is Hannah Krebs with East Houston Utilities. We are going to provide water to the 105 acre lot across highway 90 from you. Per PUC rules, could you provide me a written response as to whether or not you can provide a 405 connection Water and WWTP access to this land? Please see attached map for reference. Feel free to give me a call or email me back.

Thanks,  
Hannah Krebs  
409-277-1087  
hannahrcehu@gmail.com

Granting this CCN will help us provide water and sewer to the 405 connections in this system.

**Part C: CCN Obtain or Amend Criteria Considerations**

14. Describe the anticipated impact and changes in the quality of retail utility service for the requested area:

No changes.

15. Describe the experience and qualifications of the Applicant in providing continuous and adequate retail service:

Krebs Utilities has 23 Years of experience in Water Operations.

16. Has the Applicant 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?

☐ Yes\* ☒ No

\*Attach copies of any correspondence with the applicable regulatory agency concerning any enforcement actions, and attach a description of any actions or efforts the Applicant has taken to comply with these requirements.

17. Explain how the environmental integrity of the land will or will not be impacted or disrupted as a result of granting the CCN as requested:

We did an environmental survey on this land before the developers decided to develop. The outcome was good; the environmental integrity will not be at risk.

18. Has the Applicant made efforts to extend retail water or sewer utility service to any economically distressed area located within the requested area?

This is a raw piece of land. n/a

19. List all neighboring water or sewer retail public utilities, cities, districts (including ground water conservation districts), counties, or other political subdivisions (including river authorities) providing the same service located within two (2) miles from the outer boundary of the requested area:

CROSBY MUD CCN#10861

**Part D: TCEQ Public Water System or Sewer (Wastewater) Information**

20. A. Complete the following for all Public Water Systems (PWS) associated with the Applicant's CCN:

TCEQ PWS ID:	Name of PWS:	Date of TCEQ inspection*:	Subdivisions served:
1012260	Roving Meadows Utilities		Roving Meadows
1010675	Estates Water Corp/ Lakeside		Lakeside
0360090	River Oaks		River Oaks
0360117	Timber Ridge Section 2		Timber Ridge

\*Attach evidence of compliance with TCEQ for each PWS

- B. Complete the following for all TCEQ Water Quality (WQ) discharge permits associated with the Applicant's CCN:

TCEQ Discharge Permit No:	Date Permit expires:	Date of TCEQ inspection*:	Subdivisions served:
WQ-			
WQ-			
WQ-			
WQ-			

\*Attach evidence of compliance with TCEQ for each Discharge Permit

- C. The requested CCN service area will be served via: PWS ID: \_\_\_\_\_  
WQ - \_\_\_\_\_

21. List the number of existing connections for the PWS & Discharge Permit indicated above (Question 20. C.):

Water				Sewer	
	Non-metered		2"		Residential
	5/8" or 3/4"		3"		Commercial
	1"		4"		Industrial
	1 1/2"		Other		Other
Total Water Connections:			0	Total Sewer Connections:	0

22. List the number of additional connections projected for the requested CCN area:

Water				Sewer	
	Non-metered		2"	405	Residential
405	5/8" or 3/4"		3"		Commercial
	1"		4"		Industrial
	1 1/2"		Other		Other
Total Water Connections:			405	Total Sewer Connections:	£ 405

23. A. Will the system serving the requested area purchase water or sewer treatment capacity from another source?

☐ Yes\*

☒ No

\*Attach a copy of purchase agreement or contract.

Capacity is purchased from:

Water: \_\_\_\_\_

Sewer: \_\_\_\_\_

- B. Are any of the Applicants PWS's required to purchase water to meet the TCEQ's minimum capacity requirements or TCEQ's drinking water standards?

☐ Yes

☒ No

- C. What is the amount of supply or 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	0%
Sewer:	0	0%

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

☒ Yes

☐ No

25. List the name, class, and TCEQ license number of the operators that will be responsible for the operations of the water or sewer utility service provided to the requested area:

Name (as it appears on license)	Class	License No.	Water/Sewer
Stephen Krebs	D	17879	WATER
Hannah Krebs	D	42164	WATER
Ken Baird			SEWER
Tracy Hightower			sewer

26. A. Are any improvements required for the existing PWS or sewer treatment plant to meet TCEQ or Commission standards?

☐ Yes

☒ No

- 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:

27. Provide a map (or maps) showing all facilities for production, transmission, and distribution, and the location of existing or proposed customer connections, in the requested area. Facilities should be identified on subdivision plats, engineering planning maps, or other large scale maps. Color coding can be used, and is encouraged, to distinguish types of facilities.

**Part E: Financial Information**

28. If the Applicant seeking to obtain a CCN for the first time is an Investor Owned Utility (IOU) and under the original rate jurisdiction of the Commission, a proposed tariff must be attached to the application. The proposed rates must be supported by a rate study, which provides all calculations and assumptions made. Once a CCN is granted, the Applicant must submit a rate filing package with the Commission within 18 months from the date service begins. The purpose of this rate filing package is to revise a utility's tariff to adjust the rates to a historic test year and to true up the new tariff rates to the historic test year. It is the Applicant's responsibility in any future rate proceeding to provide written evidence and support for the original cost and installation date of all facilities used and useful for providing utility service. Any dollar amount collected under the rates charged during the test year in excess of the revenue requirement established by the Commission during the rate change proceeding shall be reflected as customer contributed capital going forward as an offset to rate base for ratemaking purposes.

29. If the Applicant is an existing IOU, please attach a copy of the current tariff and indicate:

- A. Effective date for most recent rates: 1/8/2015
- B. Was notice of this increase provided to the Commission or a predecessor regulatory authority?  
☐ No ☒ Yes Application or Docket Number: 44182
- C. If notice was not provided to the Commission, please explain why ( ex: rates are under the jurisdiction of a municipality)

**If the Applicant is a Water Supply or Sewer Service Corporation (WSC/SSC) and seeking to obtain a CCN, attach a copy of the current tariff.**

30. **Financial Information**

Applicants 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 Commission 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.

**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.

- 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 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 drives), clearly labeled, and filed with Central Records. Seven (7) copies of the digital mapping data is also required.

#### Part G: Notice Information

The following information will be used to generate the proposed notice for the application.  
DO NOT provide notice until the application is deemed sufficient for filing and the Applicant is ordered to provide notice.

33. Complete the following using verifiable man-made and/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: 104

Number of customer connections in the requested area: 405

The closest city or town: crosby, tx

Approximate mileage to closest city or town center: 3

Direction to closest city or town: west

The requested area is generally bounded on the North by: \_\_\_\_\_

on the East by: \_\_\_\_\_

on the South by: \_\_\_\_\_

on the West by: \_\_\_\_\_

34. A copy of the proposed map will be available at 11015 Sheldon rd #102 Houston TX 77044

## Applicant's Oath

STATE OF TEXAS

COUNTY OF HARRIS

I, HANNAH LYNN KREBS being duly sworn, file this application to  
obtain or amend a water or sewer CCN, as AUTHORIZED REPRESENTATIVE

(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 represent that the application form has not been changed, altered, or amended from its original form.

I further represent that the Applicant will provide continuous and adequate service to all customers and qualified applicants within its certificated service area should its request to obtain or amend its CCN be granted.

**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 \_\_\_\_\_ of \_\_\_\_\_, 20\_\_\_\_\_

SEAL

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

\_\_\_\_\_  
**PRINT OR TYPE NAME OF NOTARY**

My commission expires: \_\_\_\_\_

# Developers Agreement with Krebs Utilities

Pages 15-28

**CONTRACT FOR THE DEVELOPMENT AND PURCHASE OF PUBLIC  
DRINKING WATER AND SANITARY  
SEWER FACILITIES IN HARRIS COUNTY**

K8H VENTURES, LLC ("DEVELOPER"), AND KREBS UTILITIES, INC ("KU"), ENTER INTO THE FOLLOWING AGREEMENT ("CONTRACT") FOR THE DEVELOPMENT AND PURCHASE OF A PUBLIC UTILITY SYSTEM IN THE PROPOSED PINEY WOODS MANUFACTURED HOME COMMUNITY IN HARRIS COUNTY, TEXAS, AS HEREIN PROVIDED.

**WITNESSED:**

WHEREAS, Developer requests a state-certified retail public water and sewer utility (hereinafter referred to as the "Utility System") to serve Developer's Piney Woods Manufactured Home Community located northeast of Conroe in Montgomery County, Texas comprised of 1,200 individual mobile home spaces/lots (the "Development"), being developed within the real property described in Exhibit "A" attached hereto and made a part hereof (the "Property"), which Utility System includes (i) water production facilities and related improvements ("Production Facilities") and wastewater treatment plants and related improvements ("Wastewater Treatment Facilities"; the Production Facilities and Wastewater Treatment Facilities being collectively referred to as the "Plants"), both as further described on Exhibit "B-1" attached hereto and incorporated herein by reference, and (ii) water mains and sanitary sewer mains, lift stations and related improvements as further described on Exhibit "B-2" attached hereto and incorporated herein by reference (the "Utility System Mains"); and

WHEREAS, KU is a state-certificated water and sewer utility; and

WHEREAS, Developer desires to sell and convey to KU, in accordance with the terms hereof, certain real property and easements for the purpose of locating and operating the Plants (the "Plant Sites"). The Plant Sites are described and/or depicted on Exhibit "C" attached hereto and incorporated herein by reference. As used herein, the term "Primary Sites" shall mean the Property, excluding the Plant Sites, Plants, Utility System Mains, and Easements described in this Agreement. Additionally, the term "KU Property" shall mean the Plant Sites, Plants, Utility System Mains, and Easements described in this Agreement; and

WHEREAS, Developer desires to sell and convey to KU fifty percent (50%) of Developer's right, title and interest in and to the groundwater in, on and under the Property (the "Groundwater"). Developer has made no prior conveyance of the Groundwater to any other party; and

WHEREAS, KU has agreed to construct the Plants under terms, provisions and conditions and for consideration less profitable than KU would charge other third parties in exchange for the conveyance of the Plant Sites to KU and conditioned upon Developer's agreement to sell the Utility System Mains to KU on the terms, provisions and conditions provided herein; and

WHEREAS, under the provisions of Chapter 13 of the Texas Water Code, the holder of a CCN may operate the Utility System for compensation and serve the consuming public with retail public utility services (water/sewer) through those facilities under the terms and conditions of a state-approved tariff(s); and

WHEREAS, after construction Developer will own the Utility System Mains, but shall not have a certificate of convenience and necessity ("CCN") and approved water and sewer utility tariffs to operate same for the Development; and

WHEREAS, KU owns and operates a state-certified retail public water utility/public drinking system (CCN #11984) and a state-permitted retail public sewer utility (CCN #20781) and desires to purchase the Utility System Mains and amend its CCNs to include the entirety of the Property; and

WHEREAS, KU desires to purchase the Utility System Mains from Developer pursuant to the terms as set forth in this Agreement; and

WHEREAS, Developer and KU acknowledge their intention to fully comply with the provisions of the Texas Water Code (said statute hereinafter referred to as the "Code") and the corresponding administrative rules and Texas Commission on Environmental Quality/Public Utility Commission of Texas (hereinafter referred to as the "Agency") regulations concerning the subject matter of this Contract; and

WHEREAS, Developer and KU enter into this Contract wherein Developer will sell the Plant Sites, Utility System Mains, and Groundwater to KU subject to such approvals and contingencies as are recited herein.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES AND COVENANTS HEREIN CONTAINED, AND FOR OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH IS HEREBY ACKNOWLEDGED, THE PARTIES COVENANT, STIPULATE AND DECLARE AS FOLLOWS:

#### **ARTICLE 1 UTILITY SYSTEM MAINS AND UTILITY SYSTEM**

(1) Developer agrees to cause all of the work to be performed for the construction and installation of state-approved Utility System Mains for the Development to be situated on the Property. The most current methods shall be used in constructing the Utility System Mains consistent with sound civil engineering design and construction standards, long-term durability, and minimization of future repair and maintenance costs. All work shall be done in conformance with Agency-approved plans and specifications acceptable to Developer and KU as prepared by Developer's registered professional engineer acceptable to Developer and KU.

(2) The final recorded plat(s) for the Development (collectively, the "Plat"), which shall be generally consistent with the preliminary plat of the Property attached hereto or described on Exhibit "D", shall, upon filing in the real property records of Montgomery County, Texas,

establish public utility easements as necessary and/or desirable for water and sewer lines and the safe and efficient operation of the Utility System.

(3) Developer shall provide that the Plant Sites and the lift stations and other above ground facilities for the Utility System have access via perpetual recorded rights-of-way easements suitable for the construction, use, and maintenance of an all-weather access road or driveway to each such site as shown on the Plat in compliance with Agency requirements.

(4) Developer agrees to clear, drain, fill, and level all Plant Sites to, at a minimum, the grade of the Development. In no event shall the grade be less than one foot above the 100-year flood plain.

(5) In the event multiple methods are used for the creation of the utility easements and/or access easements, such easement rights shall be cumulative. All utility easement and/or access easements for the Utility System shall be in a form and width as shown on the Plat or as otherwise acceptable to KU in its reasonable discretion (with 10 feet being the minimum acceptable width).

(6) Deed or other restrictions created by the Developer shall not be incompatible with the construction, operation and maintenance of a state approved public water/sewer utility and shall not allow private water/sewer supplies within the Development.

(7) The Plant Sites shall be as shown on the Plat. Developer shall have all property lines for the Plant Sites surveyed, staked, and identified. All water supply wells shall have recorded public water well sanitary easements with no less than 150 feet radius measured from the center of the well bore and otherwise meeting all requirements of the Agency's Public Drinking Water System Water Hygiene Rules, and shall be in substantially the same form as Exhibit "E" attached hereto and incorporated herein by reference (the "Sanitary Control Easements"). All Wastewater Treatment Facilities shall have recorded 150-foot easements in the form and content necessary to satisfy the Agency's Buffer Zone Easement requirements.

(8) In connection with Developer's development of the Development, Developer shall provide 3 phase, 460-volt electric utility service to the various Utility System sites as reasonably required by KU.

## **ARTICLE 2 PROPERTY TO BE CONVEYED**

The property to be conveyed by Developer to KU under this Contract consists of:

(1) The Plant Sites.

(2) The Utility System Mains, to be fully completed and functioning in accordance with all applicable laws.

(3) Fifty percent (50%) of Developer's right, title and interest in and to the Groundwater, with rights of reversion in the event of a termination of water services or a termination of this contract.

(4) All other personal property owned by Developer which is part of the Utility System, including but not limited to, production equipment, chemical treatment equipment, pumps, tanks, distribution and transmission lines, meters, collection lines, lift stations, manholes, disposals pipes, valves, and controls.

(5) The Sanitary Control Easement(s), in conformance with Agency regulations (TAC 30 Chapter 290.41), around each water well which is part of the Production Facilities.

(6) The Buffer Zone Easement(s), in conformance with Agency regulations, around each Wastewater Treatment Facility.

(7) Non-exclusive public utility easements used for the construction, installation and operation of the Utility System Mains, including the water transmission and distribution lines and sewer collection and transmission lines.

(8) Perpetual recorded rights-of-way easements suitable for the construction, use, and maintenance of an all-weather access road or driveway to the Plant Sites and the lift stations and other above ground facilities as shown on the Plat.

Developer shall provide KU with surveys or plats of the Plant Sites and Utility System Mains.

### **ARTICLE 3 CONSTRUCTION OF THE PLANTS**

(1) KU shall be solely responsible for designing, constructing, and owning the Plants for the Utility System, in a manner and upon a timeframe that meets or exceeds the anticipated retail public utility service demands of Developer's projected population, which service demands shall be the TCEQ or PUC, as applicable, minimum design criteria and shall include standby capacity of 1,000 gallons for one hour for the purpose of the supply of fire flow for the Development;

(2) The Parties recognize that the Plants may, at KU's sole discretion, be constructed in phases according to the real or projected growth and demand of the Developments and otherwise as allowed under applicable TCEQ regulatory requirements.

(3) KU shall be solely responsible for compliance with the TCEQ requirements as they relate to the construction of the Plants.

(4) Regarding the Wastewater Treatment Facilities, KU agrees to apply to the TCEQ for a wastewater discharge permit to allow for the discharge of 450,000 gallons per day of treated effluent. Developer represents to KU that this amount is of a sufficient volume to serve the Development based on the Parties' agreed assumption that the Development will be comprised of a cumulative total of 405 individual mobile home spaces/lots and that each space will discharge an average of 250 gallons per day. To the extent that the capacity of the Wastewater Treatment Facilities is in excess of what is needed for the Development, KU reserves the sole right, at its discretion, to use the Wastewater Treatment Facilities to provide service to areas other than the Development.

(5) If Developer requires wastewater service for the Developments prior to the date the Wastewater Treatment Facilities become operational, KU will provide interim waste disposal service to the Developments known as "Hold and Haul" service pursuant to the terms as set forth in this Paragraph (5). KU agrees to collect waste subject to "Hold and Haul" under this Paragraph (5) in an on-site manhole or waste station and truck it to a permitted wastewater treatment plant for processing. If the Wastewater Treatment Facilities are not operational when the Developer requires wastewater service and the delay is due to either (i) a delay in obtaining TCEQ approval of the wastewater discharge permit, due to circumstances outside of KU's reasonable control or (ii) Force Majeure (as defined in Section 14.10 of this Contract), the Parties agree to share the cost of the "Hold and Haul" service. If the Wastewater Treatment Facilities are not operational when the Developer requires wastewater service and the delay is due to Developer's failure to satisfy its requirements under this Contract, then Developer shall be responsible for paying all of the cost of the "Hold and Haul" service provided by KU or shall otherwise provide for the provision of interim wastewater service until the Wastewater Treatment Facilities are operational.

(6) Developer warrants that there are no zoning ordinances, restrictions or other agreements affecting the Development known to Developer that would prevent or interfere with KU's construction of the Plants other than those stated herein. Developer further warrants that there are no deeds or other restrictions created by the Developer that are incompatible with the construction, operations and maintenance of the Utility System.

(7) Developer agrees to cooperate with and assist KU in obtaining all required governmental permits and approvals for the Plants, their design and their construction;

(8) Developer further agrees to provide KU with unrestricted access to all locations and aspects of the Utility System during construction of the Plants.

(9) Developer shall indemnify, defend and hold KU and its successors and assigns harmless from and against any and all claims, losses, costs and/or expenses, obligations or liabilities of any kind (collectively a "Claim") that may be incurred by KU as a result of physical damage to the Plants prior to Closing, personal injury or death resulting from activities on the Primary Sites by Developer, its employees or agents, or anyone else on the Primary Sites at the direction of Developer except to the extent that the Claim is the result of a negligent or gross negligent act or omission of KU.

(10) KU shall indemnify, defend and hold Developer and its successors and assigns harmless from and against any and all claims, losses, costs and/or expenses, obligations or liabilities of any kind that may be incurred by Developer as a result of physical damage to the Plants after Closing, personal injury or death resulting from activities and operations of the utility hereunder, on the KU Property by KU, its employees or agents, or anyone else on the KU Property at the direction of KU, except to the extent the Claim is the result of a negligent or gross negligent act or omission of Developer.

**ARTICLE 4**  
**KREBS UTILITIES REIMBURSEMENT TO DEVELOPER**

As part of the consideration under this Contract, KU shall pay to Developer the amount of Five Hundred Dollars (\$500.00) (the "Reimbursement Amount") for each individual manufactured home site in the Development that becomes connected to the Plants prior to the ten (10) year anniversary of the initial lot take-downs. In no case shall KU be responsible for any such payment to Developer for any homes that become connected to the Plants following the ten (10) year anniversary following the initial lot take-downs. KU shall make the Reimbursement Payments to Developer on a quarterly basis, as follows: within thirty (30) days following the calendar quarter, KU shall pay Developer for each site that has become connected within the calendar quarter.

**ARTICLE 5**  
**CHARGE OF RETAIL SERVICE**

The Parties agree that the water and sewer service will be provided by KU to the individual mobile home site customers on a retail basis. KU will charge the customers water and sewer rates according the water and sewer tariffs in effect at the time of service. The Parties recognize those tariffs include certain regulatory pass-through fees that will be charged to the customers under the tariffs.

**ARTICLE 6**  
**CONTRIBUTION IN AID OF CONSTRUCTION TO KU**

The development is not financially feasible for KU to undertake without some payment for contribution in aid of construction (CIAC) of the water and sewer plants by the developer(s). KU will require, and Developer agrees to pay, a CIAC payment of Four Hundred Sixty Two Thousand Five Hundred Dollars (\$462,500.00). The CIAC payments will be payable as follows:

- |                    |           |   |
|--------------------|-----------|---|
| (1) Installment #1 | \$115,625 | Upon ordering of the tanks for the Water Plant                  |
| (2) Installment #2 | \$115,625 | At substantial completion of the Water Plant (as defined below) |
| (3) Installment #3 | \$115,625 | Upon initiation of construction of the WWTP                     |
| (4) Installment #4 | \$115,625 | Six (6) months from the date of Installment #3                  |

For purposes of this Article 6, Substantial Completion of the Water Plant is defined as completion of construction of the Water Plant to a sufficient extent that the Water Plant can provide potable water to the Development in an adequate amount for the then-existing phase of the Development, recognizing that Substantial Completion does not include the provision of power to the plant, which is a requirement of the Developer.

## **ARTICLE 7 PROPERTY**

(1) KU shall cause a title company to deliver to KU either, in KU's sole discretion, a current title report or current title commitment covering the fee simple property to be conveyed, together with, in the case of a title commitment, good and legible copies of all documents constituting exceptions to Developer's title to such fee simple property as reflected in the title commitment not later than: (i) ninety (90) days after the execution date of this Contract, or (ii) forty-five (45) days following the recording of the final plat for the first section of the Development, whichever event is the first to occur. Should KU desire to have title insurance coverage over any property or easements it acquires, KU shall be responsible for the cost thereof.

(2) KU and its duly authorized agents or representatives shall be entitled to enter upon the Property at all reasonable times during the term of the Contract in order to conduct engineering studies, environmental studies, soil tests, and any other inspections and/or tests that KU may deem necessary or advisable to evaluate the Development and the Utility System; provided that in no event shall KU interfere with the Developer's use and development of the Property as a single-family residential Development or interfere with any approvals or permits required for Developer's development and/or intended use of the Property. KU shall indemnify and hold Developer harmless from and against any and all losses, costs and/or expenses that may be incurred by Developer as a result of physical damage to the property, personal injury or death caused by any such inspections and/or tests, and if KU fails to close its acquisition of the property pursuant to this Contract, KU shall repair any damage caused by KU, its agents or representatives.

(3) Developer shall obtain, at Developer's sole cost and expense, a current survey of the Utility System properties to be conveyed to KU under this Contract, in a form that substantially complies with the current Texas Society of Professional Surveyors Standards and Specifications for a Category 1A, Condition II Survey.

(4) Upon request by KU, Developer shall deliver to KU copies of all documents in Developer's possession pertaining to the development, ownership, or operation of the Utility System and related properties, including but not limited to, any existing survey(s) of the well sites; soils reports; wetlands studies; feasibility studies; environmental reports, studies, tests, data, assessments, and notices; any documentation regarding water, sanitary sewer, gas and other utilities serving the property; utility information pertaining to the property; engineering studies and plans; and ad valorem tax notices and receipts for the last two calendar years.

(5) KU shall prepare and prosecute, at its sole cost and expense, any application necessary for Agency approval of this transaction, whether it is to amend KU's CCN to include the Development or to file a sale-transfer-merger application. Developer shall provide reasonable support to KU, including, but not limited to, providing all information, documents and signatures reasonably required by KU and making its officers and employees available as witnesses in any contested hearings. Each party shall bear the cost of its own attorneys, engineers, accountants, consultants, or other agents in obtaining such Agency approval.

(6) Upon execution of this Contract, KU shall deliver to Developer a check in the amount of Fifty and No/100 Dollars (\$50.00) (the "Independent Contract Consideration"), which

amount Developer and KU hereby acknowledge and agree has been bargained for and agreed to as consideration for Developer's execution and delivery of this Contract. The Independent Contract Consideration is in addition to and independent of any other consideration or payment provided for in this Contract, and is nonrefundable in all events.

## **ARTICLE 8 CLOSING**

(1) The closing hereof ("Closing") shall occur on a mutually acceptable date to KU and Developer as soon as reasonably possible once the Closing Conditions (as defined in Article 9) are satisfied. In the event Closing does not occur on or before the date which is two (2) years after the date hereof, then this Contract shall automatically terminate unless the parties mutually agree to extend and neither party shall have any further obligations hereunder except those that expressly survive termination.

(2) At the Closing, Developer shall furnish and deliver to KU, at Developer's sole cost, the following:

- a. with respect to the Plant Sites and the lift station sites and all other portions of the Utility System to be conveyed in fee to KU, a Special Warranty Deed conveying good and indefeasible title;
- b. such evidence or other documents as may be reasonably required by KU or, as applicable, the title company, evidencing the status and capacity of Developer and the authority of the person or persons who are executing the various documents on behalf of Developer in connection with the sale and conveyance of the Plant Sites, Utility System Mains and related easements to KU pursuant hereto;
- c. a non-withholding statement that will satisfy the requirements of Section 1445 of the Internal Revenue Code so that KU is not required to withhold any portion of the Purchase Price for payment to the Internal Revenue Service;
- d. a Bill of Sale, in a form mutually agreed to by the parties, conveying the Utility System Mains and any other portion of the Utility System owned by Developer that is considered personal property (including, without limitation, the lift stations) to KU, free and clear of any liens;
- e. utility easements, in a form mutually agreed to by the parties, for any portion of the Utility System Mains not situated on a Plant Site and/or not already contained within a publicly dedicated easement or private easement in favor of KU;
- f. perpetual recorded rights-of-way easements suitable for the construction, use, and maintenance of an all-weather access road or driveway to the Plant Sites and lift station and other above ground facility for the Utility System Mains;
- g. any and all other documents and/or easements needed by KU to operate and maintain the Utility System in accordance with Agency and PUC regulations and requirements;

- h. with respect to the Groundwater, conveyance documents (in forms mutually agreed to by the parties) conveying (i) the Groundwater, along with the right of KU to pool any such Groundwater with other groundwater adjacent to the Property, and (ii) necessary easement estates ( subject to the sole approval of Developer) to use the surface of the Property as reasonably necessary for KU's operations related to the Groundwater, including for the purpose of (A) exploration, development and production of Groundwater, (B) drilling of wells for exploration, development and production of Groundwater, (C) installing pipelines for collection and delivery of Groundwater, (D) installing electric lines for the exploration, development, production and delivery of Groundwater, and (E) constructing and utilizing service roads for the exploration, development, production and delivery of Groundwater, and (iii) containing a right of reversion in the event of a termination of water services or a termination of this Contract;
- i. such other documents as may reasonably be required to consummate this transaction; and

(3) Developer and KU each agree to exercise diligent, good faith efforts to obtain any necessary Agency Authorization and complete the closing proceedings. Each party will bear their respective expenses in regard to such proceedings, except as otherwise expressly provided herein.

## **ARTICLE 9 CLOSING CONDITIONS**

(1) KU's obligation to close this transaction is expressly conditioned upon the satisfaction of the following conditions (collectively, the "KU Closing Conditions") on or before the Closing (such conditions are for the sole benefit of KU and may only be waived by KU in its sole and absolute discretion):

- a. Developer shall have completed construction of the Utility System Mains as part of a state-certified retail public water/sewer utility system to serve the Development which complies with all applicable laws, rules and regulations regulating same;
- b. KU shall have received any and all necessary governmental approvals for the ownership and operation of the Utility System;
- c. Developer shall have secured the property rights, in favor of KU, for the Plant Sites, as identified in a final recorded plat;
- d. KU shall have completed the construction of the Plants.
- e. All of Developer's representations and warranties made herein, including those set forth in the recitals, shall be true and correct as of the date of Closing and Developer shall have fully complied with all of Developer's covenants contained herein.

(2) Developer's obligation to close this transaction is expressly conditioned upon the satisfaction of the following conditions (collectively, the "Developer Closing Conditions") on or

before the Closing (such conditions are for the sole benefit of Developer and may only be waived by Developer in its sole and absolute discretion):

- a. KU shall have completed construction of the Plants as part of a state-certified retail public water/sewer utility system to serve the Development which complies with all applicable laws, rules and regulations regulating same;
- b. KU shall have received any and all necessary governmental approvals for the ownership and operation of the Utility System.
- c. All of KU's representations and warranties made herein, including those set forth in the recitals, shall be true and correct as of the date of Closing and KU shall have fully complied with all of KU's covenants contained herein.

## **ARTICLE 10 TITLE REVIEW AND BROKERS**

(1) KU is hereby advised that it should have the abstract covering the herein described real estate examined by an attorney of its selection, or be furnished with or obtain a policy of title insurance.

(2) Developer and KU each agree to indemnify the other party hereto and save and hold each other harmless from any liability or claim for any commission to any third party claiming by, through or under Developer or KU, respectively.

## **ARTICLE 11 REMEDIES**

The parties acknowledge that full and faithful performance of this Contract is material to each respective party and their willingness to be bound by the same. The parties further acknowledge that full and faithful compliance with all Agency or applicable governmental orders issued during any regulatory review and approval proceeding(s) arising therefrom is critical to the successful closing of this Contract. Accordingly, the parties agree that the remedies for any breach hereunder shall be:

(1) If KU fails to comply herewith, KU shall be in default, and if such default continues for a period of ten (10) business days after KU receives written notice of such default, Developer may, as its sole and exclusive remedy options:

- a. enforce the Contract through judicially ordered specific performance; or
- b. seek such other relief in equity or as may be provided by law; provided that in no event shall KU be liable for any punitive, speculative, or consequential damages, or damages for loss of opportunity or lost profit, in the event of KU's default hereunder; or
- c. terminate this Agreement with written notice if KU's failure to comply is material to the transaction.

(2) If Developer fails to comply herewith, Developer shall be in default, and if such default continues for a period of ten (10) business days after Developer received written notice of such default, KU, may as its sole and exclusive remedy options:

- a. enforce the Contract through judicially ordered specific performance;
- b. seek such other relief in equity or as may be provided by law; provided that in no event shall Developer be liable for any punitive, speculative, or consequential damages, or damages for loss of opportunity or lost profit, in the event of Developer's default hereunder; or
- c. terminate this Agreement with written notice if Developer's failure to comply is material to the transaction.

## **ARTICLE 12 FURTHER DEVELOPER COVENANTS**

In addition to other obligations set forth in this Contract, Developer covenants and agrees that water and sewer for the Development will be provided exclusively by KU and that no water wells shall be made, bored or drilled, nor any type or kind of private sewer system installed or used for the Development.

## **ARTICLE 13 MODIFICATION OR WAIVER**

Recognizing that some provisions of this Contract may be subject to Agency action, KU may modify or waive such obligations, which modification or waiver shall not be unreasonably withheld if the intent of the parties can still be achieved and the Utility System economically and efficiently operated by KU under the tariff approved by the Agency without financial burden upon Developer or KU's other customers, affiliate utilities, or shareholders.

## **ARTICLE 14 MISCELLANEOUS**

(1) All notices, demands or other communications of any type given by the Developer to KU, or by KU to Developer, whether required by this Contract or in any way related to the transaction contracted for herein, shall be void and of no effect unless given in accordance with the provisions of this paragraph. All notices shall be in writing and delivered to the person to whom the notice is directed, either in person, by overnight delivery service, facsimile with confirmed receipt, or by mail as a registered or certified item, return receipt requested. Notices delivered by mail shall be deemed given upon the date when deposited in a post office or other depository under the care or custody of the United States Postal Service, enclosed in a wrapper with proper postage affixed, and notices delivered by other means shall be effective when received by the party to whom the same is addressed, and such notices shall be addressed as follows. The addresses of the parties for purposes of notice, correspondence or other matters arising herefrom shall be the following until written notice to the other parties of any change:

**K8H Ventures**

Attn: Kevin Mims, President  
5451 FM 1488  
Magnolia, Texas 77354

**Krebs Utilities**

Attn: Stephen Krebs, President  
11015 Sheldon Rd. Ste 102  
Houston, TX 77044

(2) This Contract supersedes any and all other agreements, either oral or in writing, between the parties hereto with respect to the subject matter hereof, and no other agreement, statement or promise relating to the subject matter of this Contract which is not contained herein shall be valid or binding.

(3) This Contract shall be binding on the heirs, executors, administrators, legal representatives, successors and permitted assigns of the respective parties. Neither Party may assign this Contract without the prior written consent of the other party, which consent shall not be unreasonably withheld.

(4) This Contract may be amended by the mutual agreement of the parties herein in a written instrument specifically referencing this Contract.

(5) The headings used in this Contract are used for administrative purposes only and do not constitute substantive matter to be considered in construing the terms of this Contract.

(6) Wherever the context shall so require, all words herein in the male gender shall be deemed to include the female or neuter gender, all singular words shall include the plural, and all plural words shall include the singular.

(7) If Developer is not a "foreign person," as defined in the Federal Foreign Investment in Real Property Tax Act of 1980 and the 1984 Tax Reform Act, as amended (the "federal tax law"), then at the Closing, Developer will deliver to KU a certificate so stating, in a form complying with the federal tax law. If Developer is a "foreign person" or if the Developer fails to deliver the required certificate at the Closing, then in either such event Developer shall comply with the withholding provisions of the federal tax law.

(8) Prior to the commencement of litigation, the parties agree to submit any dispute arising hereunder not resolved by mutual agreement to non-binding arbitration, pursuant to Tex. Civ. Prac. & Rem. Code 154.027, before an impartial third party ("Arbitrator") qualified under Tex. Civ. Prac. & Rem. Code 154.052. The Arbitrator shall be selected by mutual agreement of the parties or by court order absent such agreement. The parties agree that this agreement may be enforceable by specific performance as well as any other remedy available at law or in equity. By agreement of the parties, venue over any cause of action arising from this agreement shall lie in the courts of Montgomery County, Texas, and shall be subject to and interpreted by the laws of the State of Texas. Venue over any administrative cause of action shall lie in the Agency and the courts of Travis County, Texas. All parties agree that if any party(ies) should default on any of the

conditions and covenants hereunder or threaten to do so, or should it be necessary for any reason for either to hire or retain an attorney to represent them in connection with this Contract, the party(ies) found to be responsible agrees to pay to the prevailing party(ies) a reasonable amount for costs and attorney's fees.

(9) The parties acknowledge herein that the performance of various covenants and obligations arising hereunder shall not occur until after closing. Therefore, all covenants and obligations created by and terms and conditions of this Contract shall survive closing and shall be binding on all parties, their heirs, successors, and assigns. After closing of the sale of the Utility System, KU shall have exclusive control over the management and operation of the Utility System, subject only to governmental health, safety, and service regulations. After closing, Developer's only interest in the Utility System shall be that of user.

(10) FORCE MAJEURE - Each Party shall use good faith, due diligence, and reasonable care in the performance of its respective obligations under this Contract, and time shall be of the essence in such performance; however, in the event a Party is unable, due to force majeure, to perform its obligations under this Contract, then the obligations affected by the force majeure shall be temporarily suspended. Within twenty (20) business days after the occurrence of a force majeure (or such longer time as may reasonably be required due to the nature of the force majeure), the Party claiming the right to temporarily suspend its performance, shall give Notice to the other Parties affected by the delay in performance, including a detailed explanation of the force majeure and a description of the action that will be taken to remedy the force majeure and resume full performance at the earliest reasonable time. The term "force majeure" shall include events or circumstances that are not within the reasonable control of the Party whose performance is suspended and that could not have been avoided by such Party with the exercise of good faith, due diligence, and reasonable care.

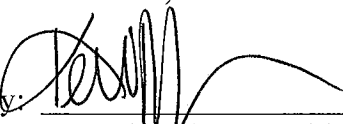
(11) There are no third party beneficiaries of this Contract not expressly named herein and none are intended.

*Signature page to follow.*

EXECUTED on 3/8/22.

DEVELOPER

K8H Ventures, a Texas limited liability company

By:   
Kevin Mims, President

Krebs Utilities

By: Krebs Utilities, Inc,

By:   
Name: Stephen Krebs

Title: President

# Krebs Utilities Financial Statements

Pages ~~2~~ 19-34

# Krebs Utilities, Inc.

## Balance Sheet

As of December 31, 2020

	TOTAL
<b>ASSETS</b>	
Current Assets	
Bank Accounts	
East Houston (ston)	11,391.65
<b>Total Bank Accounts</b>	<b>\$11,391.65</b>
Other Current Assets	
Employee Loan	2,500.00
Uncategorized Asset	2,281.42
<b>Total Other Current Assets</b>	<b>\$4,781.42</b>
<b>Total Current Assets</b>	<b>\$16,173.07</b>
Fixed Assets	
Allowance for Depreciation	-62,185.00
ATV-Mule	12,900.00
Shop (Elm 2014)	33,415.00
Tractor	12,500.00
Trailer	6,737.00
Utility Trailer	1,370.00
Whitewing Water System	2,000.00
<b>Total Fixed Assets</b>	<b>\$6,737.00</b>
<b>TOTAL ASSETS</b>	<b>\$22,910.07</b>
<b>LIABILITIES AND EQUITY</b>	
Liabilities	
Current Liabilities	
Credit Cards	
Credit Card	10,031.18
<b>Total Credit Cards</b>	<b>\$10,031.18</b>
Other Current Liabilities	
Payroll Tax Liabilities	109.99
<b>Total Other Current Liabilities</b>	<b>\$109.99</b>
<b>Total Current Liabilities</b>	<b>\$10,141.17</b>
<b>Total Liabilities</b>	<b>\$10,141.17</b>
Equity	
Capital Stock	1,000.00
Owner's Pay & Personal Expenses	4,057.16
Paid in Capital	30,057.00
Retained Earnings	-34,305.00
Net Income	11,959.74
<b>Total Equity</b>	<b>\$12,768.90</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$22,910.07</b>

# Krebs Utilities, Inc.

## Profit and Loss

January - December 2020

	TOTAL
Income	
Sales	279,023.53
Uncategorized Income	3,000.00
<b>Total Income</b>	<b>\$282,023.53</b>
Cost of Goods Sold	
Chemicals	3,185.43
Job Supplies	17,010.56
Labs/TCEQ	14,232.92
Samples	1,559.11
Utilities	69,829.60
<b>Total Cost of Goods Sold</b>	<b>\$105,817.62</b>
<b>GROSS PROFIT</b>	<b>\$176,205.91</b>
Expenses	
Advertising & Marketing	714.19
Bank Charges & Fees	2,034.15
Car & Truck	9,304.31
Contractors	24,180.75
Credit Collection Cost	4,187.97
Equipment Rental	16,500.00
Home Office Expense	3,003.70
Insurance	314.00
Legal & Professional Services	4,801.97
Meals & Entertainment	1,406.21
Office Expense	1,398.85
Office Supplies & Software	6,219.96
Other Business Expenses	8,816.12
Payroll	33,500.56
Payroll Tax	4,234.80
Permits	660.00
Reimbursable Expenses	280.00
Rent & Lease	30,692.23
Repairs & Maintenance	8,595.40
Road Maintenance	1,745.50
Storage	447.93
Taxes & Licenses	825.16
Telephone	185.21
Uncategorized Expense	197.20
<b>Total Expenses</b>	<b>\$164,246.17</b>
<b>NET OPERATING INCOME</b>	<b>\$11,959.74</b>
<b>NET INCOME</b>	<b>\$11,959.74</b>

# Krebs Utilities, Inc.

## Balance Sheet

As of December 31, 2019

	TOTAL
<b>ASSETS</b>	
Current Assets	
Bank Accounts	
East Houston (ston)	4,757.84
<b>Total Bank Accounts</b>	<b>\$4,757.84</b>
<b>Total Current Assets</b>	<b>\$4,757.84</b>
Fixed Assets	
Allowance for Depreciation	-62,185.00
ATV-Mule	12,900.00
Shop (Elm 2014)	33,415.00
Tractor	12,500.00
Utility Trailer	1,370.00
Whitewing Water System	2,000.00
<b>Total Fixed Assets</b>	<b>\$0.00</b>
<b>TOTAL ASSETS</b>	<b>\$4,757.84</b>
<b>LIABILITIES AND EQUITY</b>	
Liabilities	
Current Liabilities	
Credit Cards	
Credit Card	2,351.97
<b>Total Credit Cards</b>	<b>\$2,351.97</b>
Other Current Liabilities	
Payroll Tax Liabilities	2,264.71
<b>Total Other Current Liabilities</b>	<b>\$2,264.71</b>
<b>Total Current Liabilities</b>	<b>\$4,616.68</b>
<b>Total Liabilities</b>	<b>\$4,616.68</b>
Equity	
Capital Stock	1,000.00
Owner's Pay & Personal Expenses	4,057.16
Paid in Capital	29,389.00
Retained Earnings	-16,049.72
Net Income	-18,255.28
<b>Total Equity</b>	<b>\$141.16</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$4,757.84</b>

# Krebs Utilities, Inc.

## Profit and Loss

January - December 2019

	TOTAL
Income	
Sales	304,944.87
<b>Total Income</b>	<b>\$304,944.87</b>
Cost of Goods Sold	
Chemicals	8,989.85
Cost of Sales	70,600.19
Job Supplies	17,018.91
Labs/TCEQ	4,659.68
Samples	1,580.00
Utilities	14,378.50
<b>Total Cost of Goods Sold</b>	<b>\$117,227.13</b>
<b>GROSS PROFIT</b>	<b>\$187,717.74</b>
Expenses	
Advertising & Marketing	509.50
Bank Charges & Fees	645.61
Car & Truck	13,025.74
Contractors	11,594.92
Credit Collection Cost	3,860.45
Equipment Rental	1,610.00
Equipment Rental/Owner	54,250.00
Gifts	450.00
Home Office Expense	2,230.41
Insurance	314.00
Legal & Professional Services	3,304.00
Meals & Entertainment	1,749.67
Office Expense	9,408.75
Office Supplies & Software	6,933.86
Other Business Expenses	510.56
Payroll	29,291.42
Payroll Tax	3,349.17
Payroll/Officer	12,000.00
Permits	573.80
Rent & Lease	14,400.00
Repairs & Maintenance	17,096.88
Storage	3,350.00
Taxes & Licenses	9,208.58
Telephone	5,196.82
Travel	790.72
<b>Total Expenses</b>	<b>\$205,654.86</b>
<b>NET OPERATING INCOME</b>	<b>\$ -17,937.12</b>
Other Expenses	
Depreciation Expense	321.00
Reconciliation Discrepancies	-2.84
<b>Total Other Expenses</b>	<b>\$318.16</b>
<b>NET OTHER INCOME</b>	<b>\$ -318.16</b>
<b>NET INCOME</b>	<b>\$ -18,255.28</b>

# Krebs Utilities, Inc.

## Balance Sheet

As of December 31, 2018

	TOTAL
<b>ASSETS</b>	
Current Assets	
Bank Accounts	
East Houston (ston)	16,257.00
<b>Total Bank Accounts</b>	<b>\$16,257.00</b>
<b>Total Current Assets</b>	<b>\$16,257.00</b>
Fixed Assets	
Allowance for Depreciation	-61,864.00
ATV-Mule	12,900.00
Shop (Elm 2014)	33,415.00
Tractor	12,500.00
Utility Trailer	1,370.00
Whitewing Water System	2,000.00
<b>Total Fixed Assets</b>	<b>\$321.00</b>
<b>TOTAL ASSETS</b>	<b>\$16,578.00</b>
<b>LIABILITIES AND EQUITY</b>	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Payroll Tax Liabilities	2,238.72
<b>Total Other Current Liabilities</b>	<b>\$2,238.72</b>
<b>Total Current Liabilities</b>	<b>\$2,238.72</b>
<b>Total Liabilities</b>	<b>\$2,238.72</b>
Equity	
Capital Stock	1,000.00
Paid in Capital	29,389.00
Retained Earnings	8,775.28
Net Income	-24,825.00
<b>Total Equity</b>	<b>\$14,339.28</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$16,578.00</b>

# Krebs Utilities, Inc.

## Profit and Loss

January - December 2018

	TOTAL
Income	
Sales	275,488.00
<b>Total Income</b>	<b>\$275,488.00</b>
Cost of Goods Sold	
Chemicals	4,556.00
Job Supplies	31,883.00
Samples	2,321.00
Utilities	55,179.00
<b>Total Cost of Goods Sold</b>	<b>\$93,939.00</b>
<b>GROSS PROFIT</b>	<b>\$181,549.00</b>
Expenses	
Bad Debts	30,218.00
Bank Charges & Fees	579.00
Car & Truck	5,249.00
Contractors	6,690.00
Credit Collection Cost	3,993.00
Legal & Professional Services	1,696.00
Misc.	751.00
Office Expense	10,181.00
Payroll	36,280.00
Payroll Tax	2,942.00
Permits	6,616.00
Rent & Lease	67,662.00
Repairs & Maintenance	841.00
Road Maintenance	4,165.00
Supplies	5,644.00
Taxes & Licenses	2,147.00
Telephone	5,589.00
Tools	14,491.00
<b>Total Expenses</b>	<b>\$205,734.00</b>
<b>NET OPERATING INCOME</b>	<b>\$ -24,185.00</b>
Other Expenses	
Depreciation Expense	640.00
<b>Total Other Expenses</b>	<b>\$640.00</b>
<b>NET OTHER INCOME</b>	<b>\$ -640.00</b>
<b>NET INCOME</b>	<b>\$ -24,825.00</b>

# Completed Appendix B for Water & Sewer

Pages 35-40

Appendix B: Projected Information

HISTORICAL BALANCE SHEETS (ENTER DATE OF YEAR END)	CURRENT(A) (2022)	A-1 YEAR (2023)	A-2 YEAR (2024)	A-3 YEAR (2025)	A-4 YEAR (2026)	A-5 YEAR (2027)
<b>CURRENT ASSETS</b>						
Cash	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00
Accounts Receivable	\$ 158,000.00	\$ 508,368.00	\$ 508,368.00	\$ 508,368.00	\$ 508,368.00	\$ 508,368.00
Inventories	\$ 20,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00
Income Tax Receivable	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Other						
<b>A. Total Current Assets</b>	<b>\$ 188,000.00</b>	<b>\$ 558,368.00</b>	<b>\$ 558,368.00</b>	<b>\$ 558,368.00</b>	<b>\$ 558,368.00</b>	<b>\$ 558,368.00</b>
<b>FIXED ASSETS</b>						
Land	\$ 40,000.00	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00
Collection/Distribution System	\$ 20,000.00	\$ 480,000.00	\$ 456,000.00	\$ 433,200.00	\$ 411,540.00	\$ 390,963.00
Buildings	\$ 5,000.00	\$ 30,000.00	\$ 28,550.00	\$ 27,075.00	\$ 25,721.00	\$ 24,435.00
Equipment	\$ 70,000.00	\$ 100,000.00	\$ 95,000.00	\$ 90,250.00	\$ 85,737.00	\$ 81,450.00
Other						
Less: Accum. Depreciation or Reserves	\$ 6,750.00	\$ 34,250.00	\$ 32,727.00	\$ 31,276.00	\$ 29,900.00	\$ 28,592.00
<b>B. Total Fixed Assets</b>	<b>\$ 128,250.00</b>	<b>\$ 650,750.00</b>	<b>\$ 621,823.00</b>	<b>\$ 594,249.00</b>	<b>\$ 568,098.00</b>	<b>\$ 543,256.00</b>
<b>C. TOTAL Assets (A + B)</b>	<b>\$ 316,250.00</b>	<b>\$ 1,209,118.00</b>	<b>\$ 1,180,191.00</b>	<b>\$ 1,152,617.00</b>	<b>\$ 1,126,466.00</b>	<b>\$ 1,101,624.00</b>
<b>CURRENT LIABILITIES</b>						
Accounts Payable	\$ 0.00	\$ 202,500.00	\$ 101,250.00	\$ 50,000.00	\$ 25,000.00	\$ 0.00
Notes Payable, Current	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Accrued Expenses	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Other	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
<b>D. Total Current Liabilities</b>	<b>\$ 0.00</b>	<b>\$ 202,500.00</b>	<b>\$ 101,250.00</b>	<b>\$ 50,000.00</b>	<b>\$ 25,000.00</b>	<b>\$ 0.00</b>
<b>LONG TERM LIABILITIES</b>						
Notes Payable, Long-term	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Other	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
<b>E. Total Long Term Liabilities</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>
<b>F. TOTAL LIABILITIES (D + E)</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>
<b>OWNER'S EQUITY</b>						
Paid in Capital	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Retained Equity	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Other	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Current Period Profit or Loss	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
<b>G. TOTAL OWNER'S EQUITY</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>
<b>TOTAL LIABILITIES+EQUITY (F + G) = C</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>
<b>WORKING CAPITAL (A - D)</b>	<b>\$ 188,000.00</b>	<b>\$ 355,868.00</b>	<b>\$ 457,118.00</b>	<b>\$ 508,368.00</b>	<b>\$ 533,368.00</b>	<b>\$ 558,368.00</b>
<b>CURRENT RATIO (A / D)</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0.0000</b>
<b>DEBT TO EQUITY RATIO (F / G)</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0.0000</b>

water

## PROJECTED NET INCOME INFORMATION

(ENTER DATE OF YEAR END )	CURRENT(A) <i>2022</i>	A-1 YEAR <i>(2023)</i>	A-2 YEAR <i>(2024)</i>	A-3 YEAR <i>(2025)</i>	A-4 YEAR <i>(2026)</i>	A-5 YEAR <i>(2027)</i>
<b>METER NUMBER</b>						
Existing Number of Taps	218	623	623	623	623	623
New Taps Per Year	0	0	0	0	0	0
<b>Total Meters at Year End</b>	218	623	623	623	623	623
<b>METER REVENUE</b>						
Revenue per Meter (use for projections)	\$ 612.00	\$ 816.00	\$ 816.00	\$ 816.00	\$ 816.00	\$ 816.00
Expense per Meter (use for projections)	\$ 120.00	\$ 120.00	\$ 120.00	\$ 120.00	\$ 120.00	\$ 120.00
<b>Operating Revenue Per Meter</b>	\$ 492.00	\$ 696.00	\$ 696.00	\$ 696.00	\$ 696.00	\$ 696.00
<b>GROSS WATER REVENUE</b>						
Revenues- Base Rate & Gallonage Fees	\$ 107,256.00	\$ 433,608.00	\$ 433,608.00	\$ 433,608.00	\$ 433,608.00	\$ 433,608.00
Other (Tap, reconnect, transfer fees, etc.)	\$ 1,200.00	\$ 2,400.00	\$ 2,400.00	\$ 2,400.00	\$ 2,400.00	\$ 2,400.00
<b>Gross Income</b>	\$ 108,456.00	\$ 436,008.00	\$ 436,008.00	\$ 436,008.00	\$ 436,008.00	\$ 438,008.00
<b>EXPENSES</b>						
General & Administrative (see schedule)	\$ 48,058.00	\$ 293,400.00	\$ 293,400.00	\$ 293,400.00	\$ 293,400.00	\$ 293,400.00
Operating (see schedule)	\$ 45,000.00	\$ 132,608.00	\$ 132,608.00	\$ 132,608.00	\$ 132,608.00	\$ 132,608.00
Interest	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Other (list)						
<b>NET INCOME</b>	\$ 15,398.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00

PROJECTED EXPENSE DETAIL	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
<b>GENERAL/ADMINISTRATIVE EXPENSES</b>						
Salaries	\$ 240,000.00	\$ 240,000.00	\$ 240,000.00	\$ 240,000.00	\$ 240,000.00	\$ 1,200,000.00
Office	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 75,000.00
Computer	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 7,500.00
Auto	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 12,500.00
Insurance	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 60,000.00
Telephone	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 6,000.00
Utilities	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 15,000.00
Depreciation	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Property Taxes	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 75,000.00
Professional Fees	\$ 3,200.00	\$ 3,200.00	\$ 3,200.00	\$ 3,200.00	\$ 3,200.00	\$ 16,000.00
Other						
<b>Total</b>	\$ 293,400.00	\$ 293,400.00	\$ 293,400.00	\$ 293,400.00	\$ 293,400.00	\$ 1,467,000.00
<b>% Increase Per projected Year</b>	0%	0%	0%	0%	0%	0%
<b>OPERATIONAL EXPENSES</b>						
Salaries	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00
Auto	\$ 18,608.00	\$ 18,608.00	\$ 18,608.00	\$ 18,608.00	\$ 18,608.00	\$ 18,608.00
Utilities	\$ 27,000.00	\$ 27,000.00	\$ 27,000.00	\$ 27,000.00	\$ 27,000.00	\$ 27,000.00
Depreciation	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Repair & Maintenance	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00
Supplies	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00
Other	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
<b>Total</b>	\$ 132,608.00	\$ 132,608.00	\$ 132,608.00	\$ 132,608.00	\$ 132,608.00	\$ 132,608.00

# WATER

PROJECTED SOURCES AND USES OF CASH STATEMENTS	YEAR 1 2023	YEAR 2 2024	YEAR 3 2025	YEAR 4 2026	YEAR 5 2027	TOTALS
<b>SOURCES OF CASH</b>						
Net Income	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 50,000.00
Depreciation (If funded by revenues of system)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Loan Proceeds	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Other						
<b>Total Sources</b>	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 50,000.00
<b>USES OF CASH</b>						
Net Loss	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Principle Portion of Pmts.	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Fixed Asset Purchase	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Reserve	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Other						
<b>Total Uses</b>	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
<b>NET CASH FLOW</b>	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 50,000.00
<b>DEBT SERVICE COVERAGE</b>						
Cash Available for Debt (CADS)						
A: Net Income (Loss)	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 50,000.00
B: Depreciation, or Reserve Interest	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
<b>C: Total CADS (A + B = C)</b>	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 50,000.00
<b>D: DEBT SERVICE</b>						
Annual Principle Plus Interest	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
<b>E: DEBT SERVICE COVERAGE RATIO</b>						
CADS Divided by DS (E = C / D)	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

## SEWER

## Appendix B: Projected Information

HISTORICAL BALANCE SHEETS (ENTER DATE OF YEAR END)	CURRENT(A) (2022)	A-1 YEAR (2023)	A-2 YEAR (2024)	A-3 YEAR (2025)	A-4 YEAR (2026)	A-5 YEAR (2027)
<b>CURRENT ASSETS</b>						
Cash	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Accounts Receivable	\$ 0.00	\$ 538,272.00	\$ 538,272.00	\$ 538,272.00	\$ 538,272.00	\$ 538,272.00
Inventories	\$ 0.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00
Income Tax Receivable	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Other						
<b>A. Total Current Assets</b>	<b>\$ 0.00</b>	<b>\$ 588,272.00</b>	<b>\$ 588,272.00</b>	<b>\$ 588,272.00</b>	<b>\$ 588,272.00</b>	<b>\$ 588,272.00</b>
<b>FIXED ASSETS</b>						
Land	\$ 0.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00
Collection/Distribution System	\$ 0.00	\$ 1,100,000.00	\$ 1,100,000.00	\$ 1,100,000.00	\$ 1,100,000.00	\$ 1,100,000.00
Buildings	\$ 0.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00
Equipment	\$ 0.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00
Other						
Less: Accum. Depreciation or Reserves	\$ 0.00	\$ 61,750.00	\$ 61,750.00	\$ 61,750.00	\$ 61,750.00	\$ 61,750.00
<b>B. Total Fixed Assets</b>	<b>\$ 0.00</b>	<b>\$ 1,173,250.00</b>	<b>\$ 1,173,250.00</b>	<b>\$ 1,173,250.00</b>	<b>\$ 1,173,250.00</b>	<b>\$ 1,173,250.00</b>
<b>C. TOTAL Assets (A + B)</b>	<b>\$ 0.00</b>	<b>\$ 1,761,522.00</b>	<b>\$ 1,761,522.00</b>	<b>\$ 1,761,522.00</b>	<b>\$ 1,761,522.00</b>	<b>\$ 1,761,522.00</b>
<b>CURRENT LIABILITIES</b>						
Accounts Payable	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Notes Payable, Current	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Accrued Expenses	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Other	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
<b>D. Total Current Liabilities</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>
<b>LONG TERM LIABILITIES</b>						
Notes Payable, Long-term	\$ 0.00	\$ 1,100,000.00	\$ 1,056,992.00	\$ 1,010,875.00	\$ 961,424.00	\$ 908,399.00
Other	\$ 0.00	✓ \$ 0.00	✓ \$ 0.00	✓ \$ 0.00	✓ \$ 0.00	✓ \$ 0.00
<b>E. Total Long Term Liabilities</b>	<b>\$ 0.00</b>	<b>1,100,000.00</b>	<b>1,056,992.00</b>	<b>1,010,875.00</b>	<b>961,424.00</b>	<b>908,399.00</b>
<b>F. TOTAL LIABILITIES (D + E)</b>	<b>\$ 0.00</b>	<b>\$ 1,100,000.00</b>	<b>\$ 1,056,992.00</b>	<b>\$ 1,010,875.00</b>	<b>\$ 961,424.00</b>	<b>\$ 908,399.00</b>
<b>OWNER'S EQUITY</b>						
Paid in Capital	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Retained Equity	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Other	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Current Period Profit or Loss	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
<b>G. TOTAL OWNER'S EQUITY</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>
<b>TOTAL LIABILITIES+EQUITY (F + G) = C</b>	<b>\$ 0.00</b>	<b>\$ 1,100,000.00</b>	<b>\$ 1,056,992.00</b>	<b>\$ 1,010,875.00</b>	<b>\$ 961,424.00</b>	<b>\$ 908,399.00</b>
<b>WORKING CAPITAL (A - D)</b>	<b>\$ 0.00</b>	<b>\$ 588,272.00</b>	<b>\$ 588,272.00</b>	<b>\$ 588,272.00</b>	<b>\$ 588,272.00</b>	<b>\$ 588,272.00</b>
<b>CURRENT RATIO (A / D)</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0.0000</b>
<b>DEBT TO EQUITY RATIO (F / G)</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0.0000</b>

# SEWER

PROJECTED NET INCOME INFORMATION						
(ENTER DATE OF YEAR END )	CURRENT(A) (2022)	A-1 YEAR (2023)	A-2 YEAR (2024)	A-3 YEAR (2025)	A-4 YEAR (2026)	A-5 YEAR (2027)
<b>METER NUMBER</b>						
Existing Number of Taps	0	405	405	405	405	405
New Taps Per Year	0	0	0	0	0	0
<b>Total Meters at Year End</b>	0	405	405	405	405	405
<b>METER REVENUE</b>						
Revenue per Meter (use for projections)	\$ 0.00	\$ 864.00	\$ 864.00	\$ 864.00	\$ 864.00	\$ 864.00
Expense per Meter (use for projections)	\$ 0.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00
<b>Operating Revenue Per Meter</b>	\$ 0.00	\$ 814.00	\$ 814.00	\$ 814.00	\$ 814.00	\$ 814.00
<b>GROSS WATER REVENUE</b>						
Revenues- Base Rate & Gallonage Fees	\$ 0.00	\$ 349,920.00	\$ 349,920.00	\$ 349,920.00	\$ 349,920.00	\$ 349,920.00
Other (Tap, reconnect, transfer fees, etc.)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
<b>Gross Income</b>	\$ 0.00	\$ 349,920.00	\$ 349,920.00	\$ 349,920.00	\$ 349,920.00	\$ 349,920.00
<b>EXPENSES</b>						
General & Administrative (see schedule)	\$ 0.00	\$ 121,400.00	\$ 121,400.00	\$ 121,400.00	\$ 121,400.00	\$ 121,400.00
Operating (see schedule)	\$ 0.00	\$ 150,608.00	\$ 150,608.00	\$ 150,608.00	\$ 150,608.00	\$ 150,608.00
Interest	\$ 0.00	\$ 75,637.00	\$ 72,528.00	\$ 69,194.00	\$ 65,619.00	\$ 61,786.00
Other (list)	\$ 0.00					
<b>NET INCOME</b>	\$ 0.00	\$ 2,275.00	\$ 5,384.00	\$ 8,718.00	\$ 12,293.00	\$ 16,126.00

PROJECTED EXPENSE DETAIL	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
<b>GENERAL/ADMINISTRATIVE EXPENSES</b>						
Salaries	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00	\$ 400,000.00
Office	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 75,000.00
Computer	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 7,500.00
Auto	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 12,500.00
Insurance	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 50,000.00
Telephone	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 6,000.00
Utilities	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 15,000.00
Depreciation	\$ 0.00					
Property Taxes	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 50,000.00
Professional Fees	\$ 3,200.00	\$ 3,200.00	\$ 3,200.00	\$ 3,200.00	\$ 3,200.00	\$ 16,000.00
Other	0	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	
<b>Total</b>	\$ 121,400.00	\$ 121,400.00	\$ 121,400.00	\$ 121,400.00	\$ 121,400.00	\$ 607,000.00
<b>% Increase Per projected Year</b>	0%	0%	0%	0%	0%	0%
<b>OPERATIONAL EXPENSES</b>						
Salaries	\$ 70,000.00	\$ 70,000.00	\$ 70,000.00	\$ 70,000.00	\$ 70,000.00	\$ 350,000.00
Auto	\$ 18,608.00	\$ 18,608.00	\$ 18,608.00	\$ 18,608.00	\$ 18,608.00	\$ 93,040.00
Utilities	\$ 27,000.00	\$ 27,000.00	\$ 27,000.00	\$ 27,000.00	\$ 27,000.00	\$ 135,000.00
Depreciation	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Repair & Maintenance	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 75,000.00
Supplies	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 100,000.00
Other	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
<b>Total</b>	\$ 150,608.00	\$ 150,608.00	\$ 150,608.00	\$ 150,608.00	\$ 150,608.00	\$ 753,040.00

# SEWER

PROJECTED SOURCES AND USES OF CASH STATEMENTS	YEAR 1 2023	YEAR 2 2024	YEAR 3 2025	YEAR 4 2026	YEAR 5 2027	TOTALS
<b>SOURCES OF CASH</b>						
Net Income	\$ 2,275.00	\$ 5,384.00	\$ 8,718.00	\$ 12,293.00	\$ 16,126.00	\$ 44,796.00
Depreciation (If funded by revenues of system)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Loan Proceeds	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Other						
<b>Total Sources</b>	\$ 2,275.00	\$ 5,384.00	\$ 8,718.00	\$ 12,293.00	\$ 16,126.00	\$ 44,796.00
<b>USES OF CASH</b>						
Net Loss	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Principle Portion of Pmts.	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Fixed Asset Purchase	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Reserve	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Other	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
<b>Total Uses</b>						
<b>NET CASH FLOW</b>	\$ 2,275.00	\$ 5,384.00	\$ 8,718.00	\$ 12,293.00	\$ 16,126.00	\$ 44,796.00
<b>DEBT SERVICE COVERAGE</b>						
Cash Available for Debt (CADS)						
A: Net Income (Loss)	\$ 2,275.00	\$ 5,384.00	\$ 8,718.00	\$ 12,293.00	\$ 16,126.00	\$ 44,796.00
B: Depreciation, or Reserve Interest	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
<b>C: Total CADS (A + B = C)</b>	\$ 2,275.00	\$ 5,384.00	\$ 8,718.00	\$ 12,293.00	\$ 16,126.00	\$ 44,796.00
<b>D: DEBT SERVICE</b>						
Annual Principle Plus Interest	\$ 118,645.00	\$ 118,645.00	\$ 118,645.00	\$ 118,645.00	\$ 118,645.00	\$ 593,225.00
<b>E: DEBT SERVICE COVERAGE RATIO</b>						
CADS Divided by DS (E = C / D)	0.0200	0.0500	0.0700	0.1000	0.1400	0.0760

# Capital Improvement Plan- Water System

Page 41

# **Krebs Utilities Capital Improvement Plan September 2022- May 2023 Water Plants**

City of Crosby, TX

Contact Name: Hannah Krebs

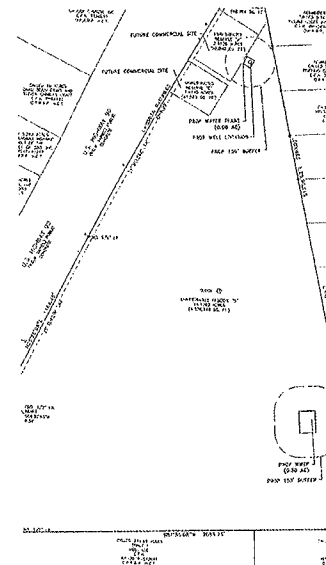
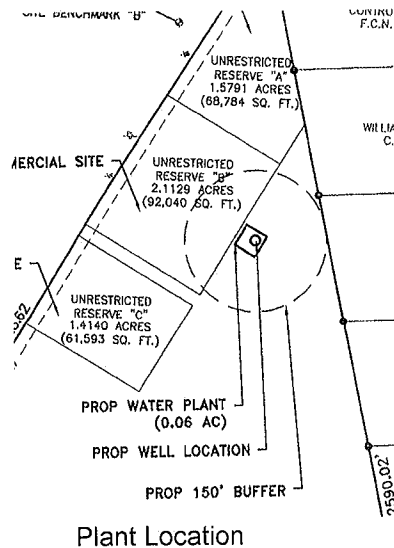
Project Name: Piney Woods MHP

Contact Phone: 409-277-1087

Description: A 405 Connection High Density Mobile Home Park

Expenditures	2022	2023
Engineering	\$7,000	0
Construction of Plants & Distribution	\$242,500	\$230,000
TOTAL	\$249,000	\$230,000

Funding Sources	2022	2023
CIAC- Developers	\$242,500	\$220,500
Operating Funds	\$7,000	\$9,500
TOTAL	\$249,000	\$230,000



Whole View of Development

# Capital Improvement Plan- WWTP System

Page 42

# Krebs Utilities Capital Improvement Plan September 2022- May 2023 WWTP

City of Crosby, TX

Contact Name: Hannah Krebs

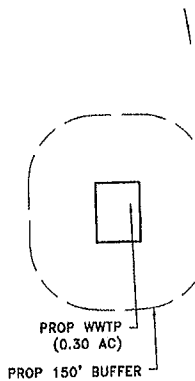
Project Name: Piney Woods MHP

Contact Phone: 409-277-1087

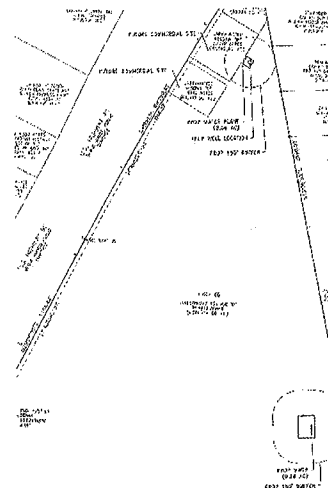
Description: A 405 Connection High Density Mobile Home Park

Expenditures	2022	2023
Engineering	\$15,000	0
Construction of Plants & Distribution	\$1,100,000	\$50,000
TOTAL	\$1,115,000	\$50,000

Funding Sources	2022	2023
Funds from Loans	\$1,100,000	0
Operating Funds	\$50,000	\$50,000
TOTAL	\$1,150,000	\$50,000



WWTP Plant Location



Whole View of Development

Approved Water Tariff  
CCN 11984

Pages 43-60

WATER UTILITY TARIFF

FOR  
RECEIVED

Stephen P. Krebs dba Krebs Utilities, Inc.  
(Utility Name)

2015 JAN -8 PM 2: 23

11700 Padok Road  
(Business Address)

Houston, Texas, 77044  
(City, State, Zip Code)

PUBLIC UTILITY COMMISSION  
FILING CLERK

281/456-0883  
(Area Code/Telephone)

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

11984

This tariff is effective in the following county:

Chambers and Harris

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

N/A

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

Estates Water Corp. (PWS ID#1010675)

Roving Meadows Water System (PWS ID#1012260)

River Oaks (PWS ID #0360090) and Tilton's Landing Subdivision

Timber Ridge Section 2 (PWS #0360117)

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 .....	11
SECTION 4.0 -- DROUGHT CONTINGENCY PLAN .....	15
APPENDIX A -- SAMPLE SERVICE AGREEMENT	
APPENDIX B -- APPLICATION FOR SERVICE	

TEXAS COMM. ON ENVIRONMENTAL QUALITY  
36816-R, CCN 11984, JANUARY 1, 2011  
APPROVED BY SP/BD

## SECTION 1.0 - RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallonage Charge</u>
5/8" or 3/4"	\$ <u>35.00</u> (Includes 5,000 gallons)	\$ <u>2.00</u> per 1000 gallons

FORM OF PAYMENT: THE UTILITY WILL ACCEPT THE FOLLOWING FORM(S) OF PAYMENT

Cash X, Check X, Money Order\_\_\_\_, Credit Card\_\_\_\_, Other (specify)\_\_\_\_  
 (THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT PAYMENTS  
 MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH  
 PAYMENTS.)

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

Section 1.02 - Miscellaneous Fees

TAP FEE ..... \$ 50.00  
 TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD  
 RESIDENTIAL 5/8" or 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF  
 LISTED ON THIS TARIFF.

## RECONNECTION FEE

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

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

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

327526 CON 11984 SEP 20 99

SECTION 1.0 - RATE SCHEDULE (CONT.)

TRANSFER FEE ..... \$10.00  
THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE  
LOCATION WHEN THE SERVICE IS NOT DISCONNECTED

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

RETURNED CHECK CHARGE ..... \$10.00  
RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50) ..... \$0.00

METER TEST FEE (actual cost of testing the meter up to) ..... \$25.00  
THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS A SECOND METER TEST WITHIN A TWO YEAR PERIOD  
AND THE TEST INDICATES THAT THE METER IS RECORDING ACCURATELY.

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

LINE EXTENSION AND CONSTRUCTION CHARGES:

Refer to Section 3.0 Extension Policy for terms, conditions, and charges when new construction is necessary to provide service.

RATES LISTED ARE EFFECTIVE ONLY  
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32752 E LUN 11984 SEP 20 '99

*Am/SH*

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallonge Charge</u>
5/8" or 3/4"	<u>\$46.00</u> (Includes <u>5,000</u> gallons)	<u>\$2.00</u> per 1000 gallons, over the minimum

FORM OF PAYMENT: The utility will accept the following form(s) of payment:

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

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

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

Section 1.02 - Miscellaneous Fees

TAP FEE ..... \$125.00  
TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD  
RESIDENTIAL 5/8" or 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF  
LISTED ON THIS TARIFF.

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

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

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

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

RATES LISTED ARE EFFECTIVE ONLY  
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TEXAS COMM. ON ENVIRONMENTAL QUALITY

345736 CCN 1198 JUN 27 '04

APPROVED TARIFF BY SK/KA

SECTION 1.0 -- RATE SCHEDULE (Continued)

RECONNECTION FEE

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

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

TRANSFER FEE ..... \$50.00

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

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

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

RETURNED CHECK CHARGE ..... \$25.00

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

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50) ..... N/A

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

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE ..... N/A

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

LINE EXTENSION AND CONSTRUCTION CHARGES:

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

RATES LISTED ARE EFFECTIVE ONLY  
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TEXAS COMM. ON ENVIRONMENTAL QUALITY

345736 CCN 11984 JUN 27 '04

APPROVED TARIFF BY Lm/KA

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum</u>	<u>Charge Gallonage Charge</u>
5/8" or 3/4"	<u>\$51.00</u> (Includes 5,000 gallons)	<u>\$2.00</u> per 1,000 gallons, over the minimum

FORM OF PAYMENT: The utility will accept the following form(s) of payment:

Cash X, Check X, Money Order    , Credit Card    , Other (specify)      
THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT  
PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN  
FOR CASH PAYMENTS.

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

Section 1.02 - Miscellaneous Fees

TAP FEE ..... \$250.00  
TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD  
RESIDENTIAL 5/8" or 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF  
LISTED ON THIS TARIFF.

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

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

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

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

RATES LISTED ARE EFFECTIVE ONLY  
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TEXAS COMM. ON ENVIRONMENTAL QUALITY  
36816-R, CCN 11984, JANUARY 1, 2011  
APPROVED BY SP/BD

SECTION 1.0 -- RATE SCHEDULE (Continued)

RECONNECTION FEE

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

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

TRANSFER FEE..... \$10.00

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

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

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

RETURNED CHECK CHARGE ..... \$15.00

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

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50) ..... \$00.00

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

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE.....

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

LINE EXTENSION AND CONSTRUCTION CHARGES:

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

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

TEXAS COMM. ON ENVIRONMENTAL QUALITY  
36816-R, CCN 11984, JANUARY 1, 2011  
APPROVED BY SP/BD

## SECTION 2.0 - SERVICE RULES AND POLICIES

The utility will have the most current Texas Natural Resource Conservation Commission Rules, Chapter 291, Water Rates, available at its office for reference purposes. The Rules and this tariff shall be available for public inspection and reproduction at a reasonable cost. The latest Rules or Commission approved changes to the Rules supersede any rules or requirements in this tariff.

### Section 2.01 - Application for Water Service

All applications for service will be made on the utility's standard application or contract form (attached in the Appendix to this tariff), will be signed by the applicant, any required fees (deposits, reconnect, tap, extension fees, etc. as applicable) will be paid and easements, if required, will be granted before service is provided by the utility. A separate application or contract will be made for each service location.

### Section 2.02 - Refusal of Service

The utility may decline to serve an applicant until the applicant has complied with the regulations of the regulatory agencies (state and municipal regulations) and for the reasons outlined in the TNRCC Rules. In the event that the utility refuses to serve an applicant, the utility will inform the applicant in writing of the basis of its refusal. The utility is also required to inform the applicant that a complaint may be filed with the Commission.

### Section 2.03 - Fees and Charges & Easements Required Before Service Can Be Connected

#### (A) Customer Deposits

If a residential applicant cannot establish credit to the satisfaction of the utility, the applicant may be required to pay a deposit as provided for in Section 1.02 - Miscellaneous Fees of this tariff. The utility will keep records of the deposit and credit interest in accordance with TNRCC Rules.

Residential applicants 65 years of age or older may not be required to pay deposits unless the applicant has an outstanding account balance with the utility or another water or sewer utility which accrued within the last two years.

Nonresidential applicants who cannot establish credit to the satisfaction of the utility may be required to make a deposit that does not exceed an amount equivalent to one-sixth of the estimated annual billings.

Refund of deposit - If service is not connected, or after disconnection of service, the utility will promptly refund the customer's deposit plus accrued interest or the balance, if any, in excess of the unpaid bills for service furnished. The utility may refund the deposit at any time prior to termination of utility service but must refund the deposit plus interest for any customer who has paid 18 consecutive billings without being delinquent.

SECTION 2.0 - SERVICE RULES AND POLICIES (CONT.)

(B) Tap or Reconnect Fees

A new customer requesting service at a location where service has not previously been provided must pay a tap fee as provided in Section 1. A customer requesting service where service has previously been provided must pay a reconnect fee as provided in Section 1. Any applicant or existing customer required to pay for any costs not specifically set forth in the rate schedule pages of this tariff shall be given a written explanation of such costs prior to request for payment and/or commencement of construction. If the applicant or existing customer does not believe that these costs are reasonable or necessary, the applicant or existing customer shall be informed of their right to appeal such costs to the TNRCC or such other regulatory authority having jurisdiction over the utility's rates in that portion of the utility's service area in which the applicant's or existing customer's property(ies) is located.

Fees in addition to the regular tap fee may be charged to cover unique costs not normally incurred as permitted by 30 T. A. C. 291.86(a)(1)(C) if they are listed on this approved tariff. For example, a road bore for customers outside a subdivision or residential area could be considered a unique cost.

(C) Easement Requirement

Where recorded public utility easements on the service applicant's property do not exist or public road right-of-way easements are not available to access the applicant's property, the Utility may require the applicant to provide it with a permanent recorded public utility easement on and across the applicant's real property sufficient to provide service to that applicant. Such easement(s) shall not be used for the construction of production, storage, transmission or pressure facilities unless they are needed for adequate service to that applicant.

Section 2.04 - Utility Response to Applications for Service

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

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

Section 2.05 - Customer Responsibility

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

327526 OWN 11984 SEP 20 90

## SECTION 2.0 - SERVICE RULES AND POLICIES (CONT.)

and are encouraged to do so. All new customers must install and maintain a cutoff valve on their side of the meter.

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

### Section 2.06 - Customer Service Inspections

Applicants for new service connections or facilities which have undergone extensive plumbing modifications are required to furnish the utility a completed customer service inspection certificate. The inspection certificate shall certify that the establishment is in compliance with the Texas Natural Resource Conservation Commission Rules and Regulations for Public Water Systems, Section 290.46(j). The Utility is not required to perform these inspections for the applicant/customer, but will assist the applicant/customer in locating and obtaining the services of a certified inspector.

### Section 2.07 - Back Flow Prevention Devices

All non-residential customers requiring a greater than 1" meter or any customer with irrigation or fire fighting systems, must install back flow prevention devices which have been approved by the utility or its consulting engineers on each of their customer service lines.

The back flow assembly shall be tested upon installation by a recognized prevention assembly tester and certified to be operating within specifications. Back flow prevention assemblies which are installed to provide protection against high health hazards must be tested and certified to be operating within specifications at least annually by a recognized back flow prevention device tester. The maintenance and testing of the back flow assembly shall occur at the customer's expense.

No water connection shall be made to any establishment where an actual or potential contamination or system hazard exists without an approved air gap or mechanical backflow prevention assembly. The air gap or backflow prevention assembly shall be installed in accordance with the American Water Works Association (AWWA) standards C510, C511 and AWWA Manual M14 or the University of Southern California Manual of Cross-Connection Control, current edition. The backflow assembly installation by a licensed plumber shall occur at the customer's expense.

### Section 2.08 - Access to Customer's Premises

The utility will have the right of access to the customer's premises at all reasonable times for the purpose of installing, testing, inspecting or repairing water mains or other equipment used in connection with its

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## SECTION 2.0 - SERVICE RULES AND POLICIES (CONT.)

provision of water service, or for the purpose of removing its property and disconnecting lines, and for all other purposes necessary to the operation of the utility system including inspecting the customer's plumbing for code, plumbing or tariff violations. The customer shall allow the utility and its personnel access to the customer's property to conduct any water quality tests or inspections required by law. Unless necessary to respond to equipment failure, leak or other condition creating an immediate threat to public health and safety or the continued provision of adequate utility service to others, such entry upon the customer's property shall be during normal business hours and the utility personnel will attempt to notify the customer that they will be working on the customer's property. The customer may require any utility representative, employee, contractor, or agent seeking to make such entry identify themselves, their affiliation with the utility, and the purpose of their entry.

All customers or service applicants shall provide access to meters and utility cutoff valves at all times reasonably necessary to conduct ordinary utility business and after normal business hours as needed to protect and preserve the integrity of the public drinking water supply.

### Section 2.09 - Meter Requirements, Readings, and Testing

One meter is required for each residential, commercial, or industrial connection. All water sold by the utility will be billed based on meter measurements. The utility will provide, install, own and maintain meters to measure amounts of water consumed by its customers.

Meters will be read at monthly intervals and as nearly as possible on the corresponding day of each monthly meter reading period unless otherwise authorized by the Commission.

Meter tests. The utility will, upon the request of a customer, and, if the customer so desires, in his or her presence or in that of his or her authorized representative, make without charge a test of the accuracy of the customer's meter. If the customer asks to observe the test, the test will be made during the utility's normal working hours at a time convenient to the customer. Whenever possible, the test will be made on the customer's premises, but may, at the utility's discretion, be made at the utility's testing facility. If within a period of two years the customer requests a new test, the utility will make the test, but if the meter is found to be within the accuracy standards established by the American Water Works Association, the utility will charge the customer a fee which reflects the cost to test the meter up to a maximum \$25 for a residential customer. Following the completion of any requested test, the utility will promptly advise the customer of the date of removal of the meter, the date of the test, the result of the test, and who made the test.

### Section 2.10 - Billing

#### (A) Regular Billing

Bills from the utility will be mailed monthly unless otherwise authorized by the Commission. The due date of bills for utility service will be at least sixteen (16) days from the date of issuance. The postmark

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SECTION 2.0 - SERVICE RULES AND POLICIES (CONT.)

on the bill or, if there is no postmark on the bill, the recorded date of mailing by the utility will constitute proof of the date of issuance. Payment for utility service is delinquent if full payment, including late fees and the regulatory assessment, is not received at the utility or the utility's authorized payment agency by 5:00 p.m. on the due date. If the due date falls on a holiday or weekend, the due date for payment purposes will be the next workday after the due date.

(B) Late Fees

A late penalty of either \$5.00 or 10.0% will be charged on bills received after the due date. The penalty on delinquent bills will not be applied to any balance to which the penalty was applied in a previous billing. The utility must maintain a record of the date of mailing to charge the late penalty.

(C) Information on Bill

Each bill will provide all information required by the TNRCC Rules. For each of the systems it operates, the utility will maintain and note on the monthly bill a local or toll-free telephone number (or numbers) to which customers can direct questions about their utility service.

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

Section 2.11- Payments

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

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

Section 2.12 - Service Disconnection

(A) With Notice

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

The utility is encouraged to offer a deferred payment plan to a customer who cannot pay an outstanding bill in full and is willing to pay the balance in reasonable installments. However, a customer's utility

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Sm/SH

## SECTION 2.0 - SERVICE RULES AND POLICIES (CONT.)

service may be disconnected if a bill has not been paid or a deferred payment agreement entered into within 26 days from the date of issuance of a bill and if proper notice of termination has been given.

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

### (B) Without Notice

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

### Section 2.13 - Reconnection of Service

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

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

### Section 2.14 - Service Interruptions

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

### Section 2.15 - Quality of Service

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

### Section 2.16 - Customer Complaints and Disputes

If a customer or applicant for service lodges a complaint, the utility will promptly make a suitable investigation and advise the complainant of the results. Service will not be disconnected pending completion of the investigation. If the complainant is dissatisfied with the utility's response, the utility must advise the complainant that he has recourse through the Texas Natural Resource Conservation Commission

SECTION 2.0 - SERVICE RULES AND POLICIES (CONT.)

complaint process. Pending resolution of a complaint, the commission may require continuation or restoration of service.

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

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

Section 2.17 - Customer Liability

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

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## SECTION 3.0 - EXTENSION POLICY

### Section 3.01 - Standard Extension Requirements

#### LINE EXTENSION AND CONSTRUCTION CHARGES.

NO CONTRIBUTION IN AID OF CONSTRUCTION MAY BE REQUIRED OF ANY CUSTOMER EXCEPT AS PROVIDED FOR IN THIS APPROVED EXTENSION POLICY.

The customer will be given an itemized statement of the costs, options such as rebates to the customer, sharing of construction costs between the utility and the customer, or sharing of costs between the customer and other applicants prior to beginning construction.

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

Exceptions may be granted by the TNRCC Executive Director if

- adequate service cannot be provided to the applicant using the maximum line sizes listed due to distance or elevation, in which case, it shall be the utility's burden to justify that a larger diameter pipe is required for adequate service;
- or larger minimum line sizes are required under subdivision platting requirements or building codes of municipalities within whose corporate limits or extraterritorial jurisdiction the point of use is located; or the residential service applicant is located outside the CCN service area.

If an exception is granted, the Utility shall establish a proportional cost plan for the specific extension or a rebate plan which may be limited to seven years to return the portion of the applicant's costs for oversizing as new customers are added to ensure that future applicants for service on the line pay at least as much as the initial service applicant.

The utility shall bear the cost of any over-sizing of water distribution lines or waste water collection lines necessary to serve other potential service applicants for customers in the immediate area.

For purposes of determining the costs that service applicants shall pay, commercial customers with service demands greater than residential customer demands in the certificated area, industrial, and wholesale customers shall be treated as developers. A service applicant requesting a one inch meter for a lawn sprinkler system to service a residential lot is not considered nonstandard service.

If an applicant requires service other than the standard service provided by the utility, such applicant will be required to pay all expenses incurred by the utility in excess of the expenses that would be incurred in

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*Sm/SA*

### SECTION 3.0 - EXTENSION POLICY (CONT.)

providing the standard service and connection beyond 200 feet and throughout his property including the cost of all necessary transmission facilities.

Residential customers will be charged the equivalent of the costs of extending service to their property from the nearest transmission or distribution line even if that line does not have adequate capacity to serve the customer. However, if the customer places unique, non-standard service demands upon the system, the customer may be charged the additional cost of extending service to and throughout their property, including the cost of all necessary transmission and storage facilities necessary to meet the service demands anticipated to be created by that property.

#### Section 3.02 - Costs Utilities Shall Bear

The utility will bear the full cost of any oversizing of water mains necessary to serve other customers in the immediate area. The individual residential customer shall not be charged for any additional production, storage, or treatment facilities. Contributions in aid of construction may not be required of individual residential customers for production, storage, treatment or transmission facilities unless otherwise approved by the Commission under this specific extension policy.

Within its certificate area, the utility will pay the cost of the first 200 feet of any water main or distribution line necessary to extend service to an individual residential customer within a platted subdivision. However, if the residential customer requesting service purchased the property after the developer was notified of the need to provide facilities to the utility, the utility may charge for the first 200 feet. The utility must also be able to document that the developer of the subdivision refused to provide facilities compatible with the utility's facilities in accordance with the utility's approved extension policy after receiving a written request from the utility.

The Utility is not required to extend service to any applicant outside of its certificated service area and will only do so under terms and conditions mutually agreeable to the Utility and the applicant, in compliance with TNRCC rules and policies, and upon extension of the Utility's certificated service area boundaries by the TNRCC.

#### Section 3.03 - Contributions in Aid of Construction

Developers may be required to provide contributions in aid of construction in amounts sufficient to furnish the development with all facilities necessary to provide for reasonable local demand requirements and to comply with Texas Natural Resource Conservation Commission minimum design criteria for facilities used in the production, transmission, pumping, or treatment of water or Texas Natural Resource Conservation Commission minimum requirements. For purposes of this subsection, a developer is one who subdivides or requests more than two meters on a piece of property. Commercial, industrial, and wholesale customers will be treated as developers.

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### SECTION 3.0 - EXTENSION POLICY (CONT.)

Any applicant who places unique or non-standard service demands on the system may be required to provide contributions in aid of construction for the actual costs of any additional facilities required to maintain compliance with the Texas Natural Resource Conservation Commission minimum design criteria for water production, treatment, pumping, storage and transmission.

Any service extension to a subdivision (recorded or unrecorded) may be subject to the provisions and restrictions of 30 TAC 291.86(d). When a developer wishes to extend the system to prepare to service multiple new connections, the charge shall be the cost of such extension, plus a pro-rata charge for facilities which must be committed to such extension compliant with the Texas Natural Resource Conservation Commission minimum design criteria. As provided by 30 T.A.C. 291.85(e)(3), for purposes of this section, commercial, industrial, and wholesale customers shall be treated as developers.

A utility may only charge a developer standby fees for unrecovered costs of facilities committed to a developer's property under the following circumstances:

- Under a contract and only in accordance with the terms of the contract; or
- if service is not being provided to a lot or lots within two years after installation of facilities necessary to provide service to the lots has been completed and if the standby fees are included on the utility's approved tariff after a rate change application has been filed. The fees cannot be billed to the developer or collected until the standby fees have been approved by the commission or executive director.
- for purposes of this section, a manufactured housing rental community can only be charged standby fees under a contract or if the utility installs the facilities necessary to provide individually metered service to each of the rental lots or spaces in the community.

#### Section 3.04 - Appealing Connection Costs

The imposition of additional extension costs or charges as provided by Sections 3.0 - Extension Policy of this tariff shall be subject to appeal as provided in this tariff, TNRCC rules, or the rules of such other regulatory authority as may have jurisdiction over the utility's rates and services. Any applicant required to pay for any costs not specifically set forth in the rate schedule pages of this tariff shall be given a written explanation of such costs prior to payment and/or commencement of construction. If the applicant does not believe that these costs are reasonable or necessary, the applicant shall be informed of the right to appeal such costs to the TNRCC or such other regulatory authority having jurisdiction over the utility's rates in that portion of the utility's service area in which the applicant's property(ies) is located.

#### Section 3.05 - Applying for Service

The Utility will provide a written service application form to the applicant for each request for service received by the Utility's business offices. A separate application shall be required for each potential service location if more than one service connection is desired by any individual applicant. Service application forms will be available at the Utility's business office during normal weekday business hours. Service

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### SECTION 3.0 - EXTENSION POLICY (CONT.)

applications will be sent by prepaid first class United States mail to the address provided by the applicant upon request. Completed applications should be returned by hand delivery in case there are questions which might delay fulfilling the service request. Completed service applications may be submitted by mail if hand delivery is not possible.

Where a new tap or service connection is required, the service applicant shall be required to submit a written service application and request that a tap be made. The tap request must be accompanied with a diagram, map, plat, or written metes and bounds description of precisely where the applicant desires each tap or service connection is to be made and, if necessary, where the meter is to be installed, along the applicant's property line. The actual point of connection and meter installation must be readily accessible to Utility personnel for inspection, servicing, and meter reading while being reasonably secure from damage by vehicles and mowers. If the Utility has more than one main adjacent to the service applicant's property, the tap or service connection will be made to the Utility's nearest service main with adequate capacity to service the applicant's full potential service demand. Beyond the initial 200 feet, the customer shall bear only the equivalent cost of extending from the nearest main. If the tap or service connection cannot be made at the applicant's desired location, it will be made at another location mutually acceptable to the applicant and the Utility. If no agreement on location can be made, the applicant may refer the matter to the TNRCC for resolution.

#### Section 3.06 - Qualified Service Applicant

A "qualified service applicant" is an applicant who has: (1) met all of the Utility's requirements for service contained in this tariff, TNRCC rules and/or TNRCC order, (2) has made payment or made arrangement for payment of tap fees, (3) has provided all necessary easements and rights-of-way necessary to provide service to the requested location, (4) delivered an executed customer service inspection certificate to the Utility, if applicable, and (5) has executed a customer service application for each location to which service is being requested.

The Utility shall serve each qualified service applicant within its certificated service area as soon as practical after receiving a completed service application. All service requests will be fulfilled within the time limits prescribed by TNRCC rules once the applicant has met all conditions precedent to achieving "qualified service applicant" status. If a service request cannot be fulfilled within the required period, the applicant shall be notified in writing of the delay, its cause and the anticipated date that service will be available. The TNRCC service dates shall not become applicable until the service applicant has met all conditions precedent to becoming a qualified service applicant as defined by TNRCC rules.

#### Section 3.07 - Developer Requirements

As a condition of service to a new subdivision, the Utility shall require a developer (as defined by TNRCC rule) to provide permanent recorded public utility easements as a condition of service to any location within the developer's property.

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# Approved Sewer Tariff

Pages 61-70

"Attachment G"

44182

SEWER UTILITY TARIFF RECEIVED  
FOR 2015 JAN -8 PM 2: 23

Stephen P. Krebs dba Krebs Utilities, Inc.  
(Utility Name)

PUBLIC UTILITY COMMISSION 11700 Padok Road  
FILING CLERK (Business Address)

Houston, Texas, 77044  
(City, State, Zip Code)

281/456-0883  
(Area Code/Telephone)

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

20781

This tariff is effective in the following county:

Harris

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

N/A

This tariff is effective in the following subdivisions or systems:

Roving Meadows Utilities

This tariff is effective for the following water quality permit number(s):

WQ0012691-001

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

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TEXAS COMM. ON ENVIRONMENTAL QUALITY

345916 CCN 20781 JUN 27 '04

APPROVED TARIFF BY Sm/KA

## SECTION 1.0 - RATE SCHEDULE

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>
5/8" or 3/4"	Flat Rate: <u>\$52.00</u> per connection

Volume charges are determined based on average consumption for winter period which includes the following months: N/A

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

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

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

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

Section 1.02 - Miscellaneous Fees

TAP FEE ..... N/A  
 TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL CONNECTION. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

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

RECONNECTION FEE

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

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

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

TEXAS COMM. ON ENVIRONMENTAL QUALITY

345916 CCN 20781 JUN 27 '04

SECTION 1.0 - RATE SCHEDULE

TRANSFER FEE ..... N/A

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

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

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

RETURNED CHECK CHARGE ..... N/A

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

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50) ..... N/A

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

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE ..... N/A

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

LINE EXTENSION AND CONSTRUCTION CHARGES:

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

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

TEXAS COMM. ON ENVIRONMENTAL QUALITY

345916 CCN 20781 JUN 27 04

APPROVED TARIFF BY LA/KA

## SECTION 2.0--SERVICE RULES AND REGULATIONS

### Section 2.01--Texas Natural Resource Conservation Commission Rules

The utility will have the most current Texas Natural Resource Conservation Commission Rules, Chapter 291, Water Rates, available at its office for reference purposes. The Rules and this tariff shall be available for public inspection and reproduction at a reasonable cost. The latest Rules or Commission approved changes to the Rules supersede any rules or requirements in this tariff.

### Section 2.02--Application for and Provision of Sewer Service

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

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

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

The customer will be responsible for furnishing and laying the necessary customer service pipe from the connection location to the place of use.

### Section 2.03--Refusal of Service

The utility may decline to serve an applicant until the applicant has complied with the regulations of the regulatory agencies (state and municipal regulations) and for the reasons outlined in the TNRCC Rules. In the event that the utility refuses to serve an applicant, the utility will inform the applicant in writing of the basis of its refusal. The utility is also required to inform the applicant that a complaint may be filed with the Commission.

### Section 2.04--Customer Deposits

If a residential applicant cannot establish credit to the satisfaction of the utility, the applicant will be required to pay a deposit as provided for in Section 1.02 of this tariff. The utility will keep records of the deposit and credit interest in accordance with TNRCC Rules.

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

Residential applicants 65 years of age or older may not be required to pay deposits unless the applicant has an outstanding account balance with the utility or another water or sewer utility which accrued within the last two years.

Nonresidential applicants who cannot establish credit to the satisfaction of the utility may be required to make a deposit that does not exceed an amount equivalent to one-sixth of the estimated annual billings.

Refund of deposit - If service is not connected, or after disconnection of service, the utility will promptly refund the customer's deposit plus accrued interest or the balance, if any, in excess of the unpaid bills for service furnished. The utility may refund the deposit at any time prior to termination of utility service but must refund the deposit plus interest for any customer who has paid 18 consecutive billings without being delinquent.

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

It is not a requirement that the utility use meters to measure the quantity of sewage disposed of by individual customers. When a sewer utility is operated in conjunction with a water utility which serves the same customers, the charge for sewage disposal service may be based on the winter months average monthly consumption of water as registered on the customer's water meter. One connection is required for each residential, commercial or industrial facility in accordance with the TNRCC Rules.

### Section 2.06--Billing

Bills from the utility will be mailed monthly unless otherwise authorized by the Commission. The due date of the bills for utility service will be at least sixteen (16) days from the date of issuance. The postmark on the bill or, if there is no postmark on the bill, the recorded date of mailing by the utility will constitute proof of the date of issuance. If the due date falls on a holiday or weekend, the due date for payment purposes will be the next work day after the due date.

A late penalty of either \$2.00 or 5.0% will be charged on bills received after the due date. The penalty on delinquent bills will not be applied to any balance to which the penalty was applied in a previous billing. The utility must maintain a record of the date of mailing to charge the late penalty.

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

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

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

### Section 2.07--Service Disconnection

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

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

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

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

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

### Section 2.08--Reconnection of Service

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

### Section 2.09--Service Interruptions

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

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

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

### Section 2.10--Quality of Service

The utility will plan, furnish, and maintain and operation a treatment and collection facility of sufficient size and capacity to provide a continuous and adequate service for all reasonable consumer uses and to treat sewage and discharge the effluent at the quality required by its discharge permit issued by the Commission. Unless otherwise authorized by the Commission, the utility will maintain facilities as described in the TNRCC Rules.

### Section 2.11--Customer Complaints and Disputes

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

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

## SECTION 2.20 SPECIFIC UTILITY SERVICE RULES AND REGULATIONS

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

## SECTION 3.0--EXTENSION POLICY

### Section 3.01--Standard Extension Requirements

LINE EXTENSION AND CONSTRUCTION CHARGES. No contribution in aid of construction may be required of any customer except as provided for in this approved extension policy.

The customer will be given an itemized statement of the costs, options such as rebates to the customer, sharing of construction costs between the utility and the customer, or sharing of costs between the customer and other applicants prior to beginning construction.

The utility will bear the full cost of any oversizing of collection mains necessary to serve other customers in the immediate area. The individual residential customer shall not be charged for any additional treatment capacity or facilities. Contributions in aid of construction may not be required of individual residential customers for treatment capacity or collection facilities unless otherwise approved by the Commission under this specific extension policy.

COST UTILITIES SHALL BEAR. Within its certificate area, the utility will pay the cost of the first 200 feet of any sewer collection line necessary to extend service to an individual residential customer within a platted subdivision. However, if the residential customer requesting service purchased the property after the developer was notified of the need to provide facilities to the utility, the utility may charge for the first 200 feet. The utility must also be able to document that the developer of the subdivision refused to provide facilities compatible with the utility's facilities in accordance with the utility's approved extension policy after receiving a written request from the utility.

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

### SECTION 3.20--SPECIFIC UTILITY EXTENSION POLICY

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

Residential customers not covered under Section 3.01 will be charged the equivalent of the costs of extending service to their property from the nearest collection line even if that line does not have adequate capacity to serve the customer. However, if the customer places unique, non-standard service demands upon the system, the customer may be charged the full cost of extending service to and throughout their property, including the cost of all necessary treatment capacity necessary to meet the service demands anticipated to be created by that property.

Developers will be required to provide contributions in aid of construction in amounts sufficient to furnish the development with all facilities necessary to provide for reasonable local demand requirements and to comply with Texas Natural Resource Conservation Commission's minimum design criteria for facilities used in collecting, treating, transmitting, and discharging of wastewater effluent. For purposes of this subsection, a developer is one who subdivides or requests more than two connections on a piece of property. Commercial, industrial, and wholesale customers will be treated as developers.

Answers to Questions 9&10  
of the Memo:  
Affiliated Interests

# Answers to Questions 9 &10 of the Memo

## Dated: March 30, 2022

### **Question 9:**

**“ A description of the sources of funding for all facilities that will be constructed to serve the requested area”**

### **Answer:**

The Developers will provide CIAC of \$462,500 to Krebs Utilities. The excess of costs will come from operations of other systems in the CCN. The sewer side will obtain a loan of \$1,100,000 to construct sewer facilities.

### **Question 10:**

**“ Disclosure of all affiliated interests”**

### **Answer:**

Stephen Krebs- Owner & Operator of Krebs Utilities

K&8 Ventures- Land Developer

Tracy Hightower- Owner of Roving Meadows Utilities & Sewer Operator

Ken Baird- Owner of Roving Meadows Utilities & Class C Sewer Operator

### **CONCLUSION**

Krebs Utilities would like to sincerely thank you for considering our request to amend CCN# 11984 to include the Piney woods mobile Home Park. We believe that this amendment would be the best way to serve the residents of Piney Woods Mobile Home Park by providing a quality service at the best rates possible.