



Control Number: 51660



Item Number: 1

Addendum StartPage: 0



Application to Obtain or Amend a Water or Sewer Certificate of Convenience and Necessity (CCN)

Pursuant to 16 Texas Administrative Code (TAC) Chapter 24, Substantive Rules Applicable to Water and Sewer
Service Providers, Subchapter G: Certificates of Convenience and Necessity

CCN Application Instructions

- I. **COMPLETE:** In order for the Commission to find the application sufficient for filing, you should adhere to the following:
- Answer every question and submit all required attachments.
 - Use attachments or additional pages if needed to answer any question. If you use attachments or additional pages, reference their inclusion in the form.
 - Provide all mapping information as detailed in Part F: Mapping & Affidavits.
 - Provide any other necessary approvals from the Texas Commission on Environmental Quality (TCEQ), or evidence that a request for approval is being sought at the time of filing with the Commission.
- II. **FILE:** Seven (7) copies of the completed application with numbered attachments. One copy should be filed with no permanent binding, staples, tabs, or separators; and 7 copies of the portable electronic storage medium containing the digital mapping data.
- SEND TO:** Public Utility Commission of Texas, Attention: Filing Clerk, 1701 N. Congress Avenue, P.O. Box 13326, Austin, Texas 78711-3326 (NOTE: Electronic documents may be sent in advance of the paper copy; however, they will not be processed and added to the Commission's on-line Interchange until the paper copy is received and file-stamped in Central Records.)
- III. The application will be assigned a docket number, and an administrative law judge (ALJ) will issue an order requiring Commission Staff to file a recommendation on whether the application is sufficient. The ALJ will issue an order after Staff's recommendation has been filed:
- DEFICIENT (Administratively Incomplete):** Applicant will be ordered to provide information to cure the deficiencies by a certain date (usually 30 days from ALJ's order). **Application is not accepted for filing.**
 - SUFFICIENT (Administratively Complete):** Applicant will be ordered by the ALJ to give appropriate notice of the application using the notice prepared by Commission Staff. **Application is accepted for filing.**
- IV. Once the Applicant issues notice, a copy of the actual notice sent (including any map) and an affidavit attesting to notice should be filed in the docket assigned to the application. Recipients of notice may choose to take one of the following actions:
- HEARING ON THE MERITS:** an affected party may request a hearing on the application. The request must be made within 30 days of notice. If this occurs, the application may be referred to the State Office of Administrative Hearings (SOAH) to complete this request.
 - LANDOWNER OPT-OUT:** A landowner owning a qualifying tract of land (25+ acres) may request to have their land removed from the requested area. The Applicant will be requested to amend its application and file new mapping information to remove the landowner's tract of land, in conformity with this request.
- V. **PROCEDURAL SCHEDULE:** Following the issuance of notice and the filing of proof of notice in step 4, the application will be granted a procedural schedule for final processing. During this time the Applicant must respond to hearing requests, landowner opt-out requests, and requests for information (RFI). The Applicant will be requested to provide written consent to the proposed maps, certificates, and tariff (if applicable) once all other requests have been resolved.
- VI. **FINAL RECOMMENDATION:** After receiving all required documents from the Applicant, Staff will file a recommendation on the CCN request. The ALJ will issue a final order after Staff's recommendation is filed.

FAQ:

Who can use this form?

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

Who is required to use this form?

A retail public utility that is an investor owned utility (IOU) or a water supply corporation (WSC) must use this form to obtain or amend a CCN prior to providing retail water or sewer utility service in the requested area.

What is the purpose of the application?

A CCN Applicant is required to demonstrate financial, managerial, and technical (FMT) capability to provide continuous and adequate service to any requested area. The questions in the application are structured to support an Applicant's FMT capabilities, consistent with the regulatory requirements.

RECEIVED
2018 DEC 28 AM 10:17
PUBLIC UTILITY COMMISSION
FILING CLERK

Application Summary

Applicant: Pampa Investment Group, LP

CCN No. to be amended: _____

or ☒ **Obtain NEW CCN** ☐ **Water** ☐ **Sewer**

County(ies) affected by this application: Bell County

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

Table of Contents

CCN Application Instructions	1
Part A: Applicant Information.....	3
Part B: Requested Area Information	4
Part C: CCN Obtain or Amend Criteria Considerations	6
Part D: TCEQ Public Water System or Sewer (Wastewater) Information	7
Part E: Financial Information	9
Part F: Mapping & Affidavits.....	10
Part G: Notice Information.....	11
Appendix A: Historical Financial Information (Balance Sheet and Income Schedule).....	13
Appendix B: Projected Information	16

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 checked="" 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 checked="" type="checkbox"/> TCEQ Engineering Approvals	Part B: Question 11
<input checked="" 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 checked="" type="checkbox"/> Rate Study (new market entrant)	Part E: Question 28
<input checked="" type="checkbox"/> Tariff/Rate Schedule	Part E: Question 29
<input type="checkbox"/> Financial Audit	Part E: Question 30
<input checked="" 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 checked="" type="checkbox"/> Detailed (large scale) Map	Part F: Question 32
<input checked="" type="checkbox"/> General Location (small scale) Map	Part F: Question 32
<input checked="" type="checkbox"/> Digital Mapping Data	Part F: Question 32
<input checked="" type="checkbox"/> Signed & Notarized Affidavit	Page 12

Part A: Applicant Information

1. A. Name: Pampa Investment Group, LP
(individual, corporation, or other legal entity)
☐ Individual ☐ Corporation ☐ WSC ☒ Other: limited partnership
- B. Mailing Address: P.O. Box 249
Salado, Texas 76571
Phone No.: (512) 415-0338 Email: rjcollins40@yahoo.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: Zachariah Evans, McGinnis Lochridge Title: Attorney
Mailing Address: 600 Congress, Suite 2100, Austin, TX 78701
Phone No.: (512) 495-6180 Email: ZEvens@mcginnislaw.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): 0800401060
☐ 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: _____

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.

Mixed use development including retail and commercial development preliminarily being referred to as Salado Center and residential housing.

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: City of Belton District: _____

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

Not required because Belton does not have a population over 500,000 as set forth in PUC Rule 24.233(c), does not provide sewer utility service in this area and does not have an ordinance allowing it to provide sewer service in this area.

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

Applicant intends to the develop the property as described above.

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: _____ TPDES Permit No. WQ001570001 issued on 6/21/19

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

Within six months of CCN issuance

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

See attached balance sheet of Applicant

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:

City of Belton
City of Salado

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.

Granting the CCN will allow Applicant to receive sewer utility service. There are no retail public utilities serving this area. Regionalization is not feasible.

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:

There is no sewer service available now.

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

Applicant intends to engage Bill Lawson, a qualified operator.

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:

The provision of a sewer utility system is far superior to the use of septic tanks,

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

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:

See Attached List

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:

*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- 0015709001	6/21/2024		Salado Center
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 - 0015709001

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"		Residential
	5/8" or 3/4"		3"	448	Commercial
	1"		4"		Industrial
	1 1/2"		Other		Other
Total Water Connections:			0	Total Sewer Connections: 1,200	

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%
Sewer:		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
William D. Lawson	B	WW0015979	Wastewater
William D. Lawson	A	WO0022721	Water

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: _____
- B. Was notice of this increase provided to the Commission or a predecessor regulatory authority?
☒ No ☐ Yes Application or Docket Number: _____
- C. If notice was not provided to the Commission, please explain why (ex: rates are under the jurisdiction of a municipality)

N/A

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.

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

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

31. Attach a disclosure of any affiliated interest or affiliate. Include a description of the business relationship between all affiliated interests and the Applicant.

DO NOT INCLUDE ATTACHMENTS A OR B IF LEFT BLANK

Part F: Mapping & Affidavits

32. Provide the following mapping information with each of the seven (7) copies of the application:
1. A general location (small scale) map identifying the requested area in reference to the nearest county boundary, city, or town. The Applicant should adhere to the following guidance:
 - i. If the application includes an amendment for both water and sewer certificated service areas, separate maps must be provided for each.
 - ii. A hand drawn map, graphic, or diagram of the requested area is not considered an acceptable mapping document.
 - iii. To maintain the integrity of the scale and quality of the map, copies must be exact duplicates of the original map. Therefore, copies of maps cannot be reduced or enlarged from the original map, or in black and white if the original map is in color.
 2. A detailed (large scale) map identifying the requested area in reference to verifiable man-made or natural landmarks such as roads, rivers, and railroads. The Applicant should adhere to the following guidance:
 - i. The map should be clearly labeled and the outer boundary of the requested area should be marked in reference to the verifiable man-made or natural landmarks. These verifiable man-made and/or natural landmarks must be labeled and marked on the map as well.
 - ii. If the application includes an amendment for both water and sewer certificated service area, separate maps need to be provided for each.
 - iii. To maintain the integrity of the scale and quality of the map, copies must be exact duplicates of the original map. Therefore, copies of maps cannot be reduced or enlarged from the original map, or in black and white if the original map is in color.
 3. One of the following identifying the requested area:
 - i. A metes and bounds survey sealed or embossed by either a licensed state land surveyor or a registered professional land surveyor. Please refer to the mapping guidance in part 2 (above);

- ii. A recorded plat. If the plat does not provide sufficient detail, Staff may request additional mapping information. Please refer to the mapping guidance in part 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: 64

Number of customer connections in the requested area: 0

The closest city or town: Salado

Approximate mileage to closest city or town center: 1

Direction to closest city or town: North/Northeast

The requested area is generally bounded on the North by: W. Amity Road

on the East by: IH 35

on the South by: FM 2484

on the West by: Lark Trail

34. A copy of the proposed map will be available at P.O. Box 249 Salado, Texas 76571

Applicant's Oath

STATE OF Texas

COUNTY OF Bell

I, Ralph J. Collins being duly sworn, file this application to
obtain or amend a water or sewer CCN, as Sole Owner of Pampa Investment Group LP, Tejas Housing VI, Inc. General Partner & President
(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.



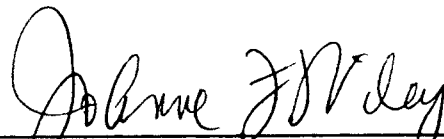
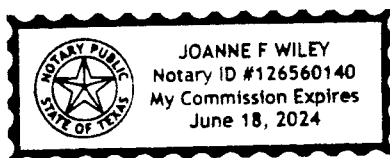
AFFIANT

(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 21st of December, 20 20

SEAL



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

Jo Anne F. Wiley

PRINT OR TYPE NAME OF NOTARY

My commission expires: June 18, 2024

Appendix B: Projected Information

HISTORICAL BALANCE SHEETS (ENTER DATE OF YEAR END)	CURRENT(A) (12 _ 31 _ 20)	A-1 YEAR (12 _ 31 _ 21)	A-2 YEAR (12 _ 31 _ 22)	A-3 YEAR (12 _ 31 _ 23)	A-4 YEAR (12 _ 31 _ 24)	A-5 YEAR (12 _ 31 _ 25)
CURRENT ASSETS						
Cash	\$ 2,543,118.00	\$ 2,570,360.00	\$ 2,632,712.00	\$ 2,695,064.00	\$ 2,757,416.00	\$ 2,819,768.00
Accounts Receivable	\$ 500,000.00	\$ 500,000.00	\$ 500,000.00	\$ 500,000.00	\$ 500,000.00	\$ 500,000.00
Inventories						
Income Tax Receivable						
Other	\$ 1,105,462.00	\$ 1,105,462.00	\$ 1,105,462.00	\$ 1,105,462.00	\$ 1,105,462.00	\$ 1,105,462.00
A. Total Current Assets	\$ 4,148,580.00	\$ 4,175,822.00	\$ 4,238,174.00	\$ 4,300,526.00	\$ 4,362,878.00	\$ 4,425,230.00
FIXED ASSETS						
Land	\$ 189,538.00	\$ 189,538.00	\$ 189,530.00	\$ 189,530.00	\$ 189,530.00	\$ 189,530.00
Collection/Distribution System		\$ 1,557,581.00	\$ 1,557,581.00	\$ 1,557,581.00	\$ 1,557,581.00	\$ 1,557,581.00
Buildings	\$ 115,263.00	\$ 112,922.00	\$ 110,582.00	\$ 108,242.00	\$ 105,902.00	\$ 103,562.00
Equipment	\$ 132,280.00	\$ 24,368.00				
Other	\$ 438,000.00	\$ 438,000.00	\$ 438,000.00	\$ 438,000.00	\$ 438,000.00	\$ 438,000.00
Less: Accum. Depreciation or Reserves	\$ 110,252.00	\$ 89,011.00	\$ 64,643.00	\$ 64,643.00	\$ 64,643.00	\$ 64,643.00
B. Total Fixed Assets	\$ 764,828.00	\$ 2,233,398.00	\$ 2,231,050.00	\$ 2,228,710.00	\$ 2,226,370.00	\$ 2,224,030.00
C. TOTAL Assets (A + B)	\$ 4,913,409.00	\$ 6,409,220.00	\$ 6,469,224.00	\$ 6,529,236.00	\$ 6,589,248.00	\$ 6,649,260.00
CURRENT LIABILITIES						
Accounts Payable						
Notes Payable, Current						
Accrued Expenses						
Other						
D. Total Current Liabilities	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
LONG TERM LIABILITIES						
Notes Payable, Long-term	\$ 438,000.00	\$ 438,000.00	\$ 438,000.00	\$ 438,000.00	\$ 438,000.00	\$ 438,000.00
Other						
E. Total Long Term Liabilities	\$ 438,000.00	\$ 438,000.00	\$ 438,000.00	\$ 438,000.00	\$ 438,000.00	\$ 438,000.00
F. TOTAL LIABILITIES (D + E)	\$ 438,000.00	\$ 438,000.00	\$ 438,000.00	\$ 438,000.00	\$ 438,000.00	\$ 438,000.00
OWNER'S EQUITY						
Paid in Capital						
Retained Equity	\$ 4,448,167.00	\$ 5,908,868.00	\$ 5,968,872.00	\$ 6,028,884.00	\$ 6,088,896.00	\$ 6,148,908.00
Other						
Current Period Profit or Loss	\$ 27,242.00	\$ 62,352.00	\$ 62,352.00	\$ 62,352.00	\$ 62,352.00	\$ 62,352.00
G. TOTAL OWNER'S EQUITY	\$ 4,475,409.00	\$ 5,971,220.00	\$ 6,031,224.00	\$ 6,091,236.00	\$ 6,151,248.00	\$ 6,211,260.00
TOTAL LIABILITIES+EQUITY (F + G) = C	\$ 4,913,409.00	\$ 6,409,220.00	\$ 6,769,224.00	\$ 6,529,236.00	\$ 6,589,248.00	\$ 6,649,260.00
WORKING CAPITAL (A - D)	\$ 4,148,580.00	\$ 4,175,822.00	\$ 4,238,174.00	\$ 4,300,526.00	\$ 4,362,878.00	\$ 4,425,230.00
CURRENT RATIO (A / D)						
DEBT TO EQUITY RATIO (F / G)	1.0979	1.0733	1.1224	1.0719	1.0712	1.0705

PROJECTED NET INCOME INFORMATION						
(ENTER DATE OF YEAR END)	CURRENT(A) (12_ 31_ 20)	A-1 YEAR (12_ 31_ 21)	A-2 YEAR (12_ 31_ 22)	A-3 YEAR (12_ 31_ 23)	A-4 YEAR (12_ 31_ 24)	A-5 YEAR (12_ 31_ 25)
METER NUMBER						
Existing Number of Taps	0	0	1,200	1,200	1,200	1,200
New Taps Per Year	0	1,200	0	0	0	0
Total Meters at Year End	0	1,200	1,200	1,200	1,200	1,200
METER REVENUE						
Revenue per Meter (use for projections)		\$ 532.08	\$ 532.08	\$ 532.08	\$ 532.08	\$ 532.08
Expense per Meter (use for projections)		\$ 480.12	\$ 480.12	\$ 480.12	\$ 480.12	\$ 480.12
Operating Revenue Per Meter		\$ 51.96	\$ 49.96	\$ 49.96	\$ 49.96	\$ 49.96
GROSS WATER REVENUE						
Revenues- Base Rate & Gallonage Fees		\$ 638,496.00	\$ 638,496.00	\$ 638,496.00	\$ 638,496.00	\$ 638,496.00
Other (Tap, reconnect, transfer fees, etc.)						
Gross Income		\$ 638,496.00	\$ 638,496.00	\$ 638,496.00	\$ 638,496.00	\$ 638,496.00
EXPENSES						
General & Administrative (see schedule)		\$ 15,200.00	\$ 15,200.00	\$ 15,200.00	\$ 15,200.00	\$ 15,200.00
Operating (see schedule)		\$ 560,940.00	\$ 623,243.00	\$ 623,243.00	\$ 623,243.00	\$ 623,243.00
Interest						
Other (list)						
NET INCOME		\$ 62,352.00	\$ 62,352.00	\$ 62,352.00	\$ 62,352.00	\$ 62,352.00

PROJECTED EXPENSE DETAIL	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
GENERAL/ADMINISTRATIVE EXPENSES						
Salaries						
Office						
Computer						
Auto						
Insurance						
Telephone	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	
Utilities						
Depreciation						
Property Taxes						
Professional Fees	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	
Other	1200	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	
Total	\$ 15,200.00	\$ 15,200.00	\$ 15,200.00	\$ 15,200.00	\$ 15,200.00	
% Increase Per projected Year	0%	0%	0%	0%	0%	0%
OPERATIONAL EXPENSES						
Salaries	\$ 312,440.00	\$ 312,440.00	\$ 312,440.00	\$ 312,440.00	\$ 312,440.00	
Auto						
Utilities	\$ 65,000.00	\$ 65,000.00	\$ 65,000.00	\$ 65,000.00	\$ 65,000.00	
Depreciation						
Repair & Maintenance	\$ 106,000.00	\$ 106,000.00	\$ 106,000.00	\$ 106,000.00	\$ 106,000.00	
Supplies	\$ 47,500.00	\$ 47,500.00	\$ 47,500.00	\$ 47,500.00	\$ 47,500.00	
Other	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	
Total	\$ 560,940.00	\$ 560,940.00	\$ 560,940.00	\$ 560,940.00	\$ 560,940.00	

PROJECTED SOURCES AND USES OF CASH STATEMENTS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
SOURCES OF CASH						
Net Income	\$ 62,352.00	\$ 62,352.00	\$ 62,352.00	\$ 62,352.00	\$ 62,352.00	
Depreciation (If funded by revenues of system)						
Loan Proceeds						
Other	\$ 2,570,360.00					
Total Sources	\$ 2,632,712.00					
USES OF CASH						
Net Loss						
Principle Portion of Pmts.						
Fixed Asset Purchase						
Reserve						
Other						
Total Uses	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	
NET CASH FLOW						
DEBT SERVICE COVERAGE						
Cash Available for Debt (CADS)						
A: Net Income (Loss)	\$ 62,352.00	\$ 62,352.00	\$ 62,352.00	\$ 62,352.00	\$ 62,352.00	
B: Depreciation, or Reserve Interest						
C: Total CADS (A + B = C)	\$ 62,352.00	\$ 62,352.00	\$ 62,352.00	\$ 62,352.00	\$ 62,352.00	
D: DEBT SERVICE						
Annual Principle Plus Interest	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	
E: DEBT SERVICE COVERAGE RATIO						
CADS Divided by DS (E = C / D)						

Certificate of Account Status

Pampa Investment Group, LP does not have any assumed names that this utility conducts business under.

Pampa Investment Group, LP is a corporation formed on October 12, 2004. Attached is a copy of the utility's account status.

Pampa Investments Group, LP's general partner is Tejas Housing VI, Inc.



Franchise Tax Account Status

As of 08/27/2020 13:49:23

This page is valid for most business transactions but is not sufficient for filings with the Secretary of State

PAMPA INVESTMENT GROUP LP

Texas Taxpayer Number 32035524779

Mailing Address PO BOX 249 SALADO, TX 76571-0249

Right to Transact Business in
Texas ACTIVE

State of Formation TX

Effective SOS Registration Date 10/12/2004

Texas SOS File Number 0800401060

Registered Agent Name R J COLLINS

Registered Office Street Address 8455 LYNDON LANE AUSTIN, TX 78729

Public Information Report

Public Information Report
PAMPA INVESTMENT GROUP LP
Report Year .2019

Information on this site is obtained from the most recent Public Information Report (PIR) processed by the Secretary of State (SOS). PIRs filed with annual franchise tax reports are forwarded to the SOS. After processing, the SOS sends the Comptroller an electronic copy of the information, which is displayed on this web site. The information will be updated as changes are received from the SOS.

You may order a copy of a Public Information Report from open_records@cga.texas.gov or Comptroller of Public Accounts, Open Records Section, PO Box 13528, Austin, Texas 78711.

Title	Name and Address
-------	------------------

GENERAL PA	TEJAS HOUSING VI, INC. 8455 LYNDON LANE AUSTIN, TX 78729
------------	---

TCEQ Engineering Approvals



TPDES PERMIT NO. WQ0015709001
[For TCEQ office use only - EPA I.D.
No. TX0138649]

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
P.O. Box 13087
Austin, Texas 78711-3087

PERMIT TO DISCHARGE WASTES
under provisions of
Section 402 of the Clean Water Act
and Chapter 26 of the Texas Water Code

Pampa Investment Group, LP

whose mailing address is

P.O. Box 249
Salado, Texas 76571

is authorized to treat and discharge wastes from the Salado Center Wastewater Treatment Facility, SIC Code 4952

located 2,000 feet northwest of the intersection of Farm-to-Market Road 2484 and Interstate Highway 35, in Bell County, Texas 76571

to an unnamed tributary; thence to Salado Creek in Segment No. 1243 of the Brazos River Basin

only according to effluent limitations, monitoring requirements, and other conditions set forth in this permit, as well as the rules of the Texas Commission on Environmental Quality (TCEQ), the laws of the State of Texas, and other orders of the TCEQ. The issuance of this permit does not grant to the permittee the right to use private or public property for conveyance of wastewater along the discharge route described in this permit. This includes, but is not limited to, property belonging to any individual, partnership, corporation, or other entity. Neither does this permit authorize any invasion of personal rights nor any violation of federal, state, or local laws or regulations. It is the responsibility of the permittee to acquire property rights as may be necessary to use the discharge route.

This permit shall expire at midnight, **five years from the date of issuance.**

ISSUED DATE:

June 21, 2019

A handwritten signature in black ink, appearing to read "T. G. Baker".

For the Commission

Jon Niermann, *Chairman*
Emily Lindley, *Commissioner*
Bobby Janecka, *Commissioner*
Toby Baker, *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

August 26, 2020

Jaime Miller, P.E.
Integrated Water Services, Inc.
4001 North Valley Drive
Longmont, CO 80504

Re: Pampa Investment Group LP
Salado Center WWTP, Phase II 50,000 GPD System
Permit No. WQ0015709-001
WWPR Log No. 0620/101
CN605466549, RN110456951
Bell County

Dear Ms. Miller:

On June 23, 2020, TCEQ received the project summary transmittal letter dated June 22, 2020 for the installation of a 50,000 GPD wastewater treatment plant for the Pampa Investment Group, LP. The installation will be for the Salado Center in Bell County, Texas. The plant will treat the current Water Quality permit, WQ0015709001, Interim II Phase average daily flow, with a corresponding 200,000 GPD peak daily flow. The plant is designed to produce and effluent to meet the interim Phase II effluent concentration limits of 5 mg/l for CBOD₅, 5 mg/l for TSS, 2 mg/l for NH₃-N, 1 mg/l of Total phosphorus and 126 cfu/100 ml for E. coli while reporting Total nitrate nitrogen and maintaining a minimum dissolved oxygen concentration of 2.0 mg/l. The items being constructed onsite as part of this project's scope are listed below.

The rules which regulate the design, installation and testing of domestic wastewater projects are found in 30 TAC, Chapter 217, of the Texas Commission on Environmental Quality (TCEQ) rules titled, Design Criteria for Wastewater Systems.

The scope of this project includes installation of the following:

- A 10,000-gallon equalization tank
- Dual fine screen headworks
- A catch basin or dumpster for the screenings
- Membrane bioreactor (MBR) treatment plant
 - Anoxic zone
 - Pre-aeration zone
 - Two membrane zones with a manual clean-in-place (CIP) membranes
 - Air scour blowers
 - Carbon and alum feed system
- 10,000-gallons sludge holding tank for WAS
- Magnetic flow meter
- 5,000-gallon chlorine contact basin
- Various pumps, valves, piping etc. to connect the treatment systems
- 3 – 67 SCFM regenerative blowers

P.O. Box 13087 • Austin, Texas 78711-3087 • 512-239-1000 • tceq.texas.gov

How is our customer service? tceq.texas.gov/customer/survey

Printed on recycled paper using soy-based ink.

The summary transmittal letter also contained a variance request for 30 TAC Chapter 217.33(b) which requires flow measurement by both a primary and secondary flow meter. The engineer is desiring to only place an inline magnetic flow meter prior to the chlorine contact basin as the sole flow measuring device. **The current Waster Quality permit requires flow to be measured by a totalizing meter which requires a primary and secondary measuring device. A permit amendment should be sought prior to requesting the variance. The variance requested in the summary transmittal letter is denied.**

The TCEQ review of the submitted summary transmittal letter, plans and specifications seems to indicate that the plant, except the flow measurement issue, seems to meet at least the minimum requirements of 30 TAC Chapter 217: Design Criteria for Wastewater Systems. Given the result of the TCEQ review the plant as designed and submitted is conditionally approved for completion for a treatable flow of 0.05 MGD as per Phase II of the Water Quality permit. The conditions of this approval are:

- A permit amendment be sought to change the flow measurement determination method to instantaneous, or a secondary flume and staff gauge be incorporated into the design to have a totalizing flow measurement
- The screenings be held within a completely covered receptacle to alleviate the possibility of nuisance odor issues
- The screening must be washed to remove organic matter before being stored in the screenings receptacle to alleviate possible nuisance odor conditions
- The drain with the screening wash water must be flow to the equalization basin or to the headworks
- The equalization basin should be aerated
- The MLSS concentration should never exceed 10,000 mg/l in the bioreactor
- The MLSS concentration should never exceed 14,000 mg/l in the membrane unit
- A method for calibrating the inline magnetic meter must be placed within the treatment system
- Some method of back-up emergency power, or method to connect a portable emergency power source should be incorporated into the plant design to at least operate the major necessary treatment components

You must keep certain materials on file for the life of the project and provide them to TCEQ upon request. These materials include an engineering report, test results, a summary transmittal letter, and the final version of the project plans and specifications. These materials shall be prepared and sealed by a Professional Engineer licensed in the State of Texas and must show substantial compliance with Chapter 217. All plans and specifications must conform to any waste discharge requirements authorized in a permit by the TCEQ. Certain specific items which shall be addressed in the engineering report are discussed in §217.10. Additionally, the engineering report must include all constants, graphs, equations, and calculations needed to show substantial compliance with Chapter 217.

Jaime Miller, P.E.

Page 3

August 26, 2020

If in the future, additional variances from the Chapter 217 requirements are desired for the project, each variance must be requested in writing by the design engineer. Then, the TCEQ will consider granting a written approval to the variance from the rules for the specific project and The specific circumstances

Within 60 days of the completion of construction, an appointed engineer shall notify both the Wastewater Permits Section of the TCEQ and the appropriate Region Office of the date of completion. The engineer shall also provide written certification that all construction, materials, and equipment were substantially in accordance with the approved project, the rules of the TCEQ, and any change orders filed with the TCEQ. All notifications, certifications, and change orders must include the signed and dated seal of a Professional Engineer licensed in the State of Texas.

Please be reminded of 30 TAC §217.7(a) of the rules which states, "Approval given by the executive director or other authorized review authority does not relieve an owner of any liability or responsibility with respect to designing, constructing, or operating a collection system or treatment facility in accordance with applicable commission rules and the associated wastewater permit".

If you have any questions, or if we can be of any further assistance, please call me at (512) 239-1372.

Sincerely,

A handwritten signature in black ink that reads "Paul A. Brochi". The signature is written in a cursive, flowing style.

Paul A. Brochi, P.E.

Wastewater Permits Section (MC 148)

Water Quality Division

Texas Commission on Environmental Quality

PAB/tc

Request for Service

MCGINNIS LOCHRIDGE

Zachariah T. Evans
zevans@mcginnislaw.com
(512) 495-6180 o
(512) 505-6380 f

September 1, 2020

Via Electronic Mail and First Class Mail

Mr. Don Ferguson
Village Administrator, Village of Salado
301 N. Stagecoach
Salado, Texas 76571
vos@saladotx.gov

Re: Sewer Service Request; Salado Center

Dear Mr. Ferguson:

McGinnis Lochridge serves as legal counsel to Pampa Investment Group, LP (“Pampa”). Pampa is developing a mixed use development, Salado Center, which will require sewer utility service for retail, commercial, and residential purposes. This correspondence replaces the request for service that I submitted on August 31, 2020.

As indicated on the enclosed map, Salado Center will be located on a tract of land at the northwest corner of the intersection of Interstate 35 and Farm-to-Market 2484, which is within two miles of the Village of Salado’s sewer service area. Accordingly, Pampa submits this request for sewer service from the Village of Salado, pursuant to Public Utility Commission of Texas Rule 24.227 (16 Tex. Admin. Code § 24.227).

Pampa anticipates a total of 575 individual sewer connections needed to serve Salado Center.

If the Village of Salado does not respond within 30 days of the date of this letter, Pampa will consider the Village to have denied this request.

Thank you for your time and attention in this matter. Please contact me should you need additional information.

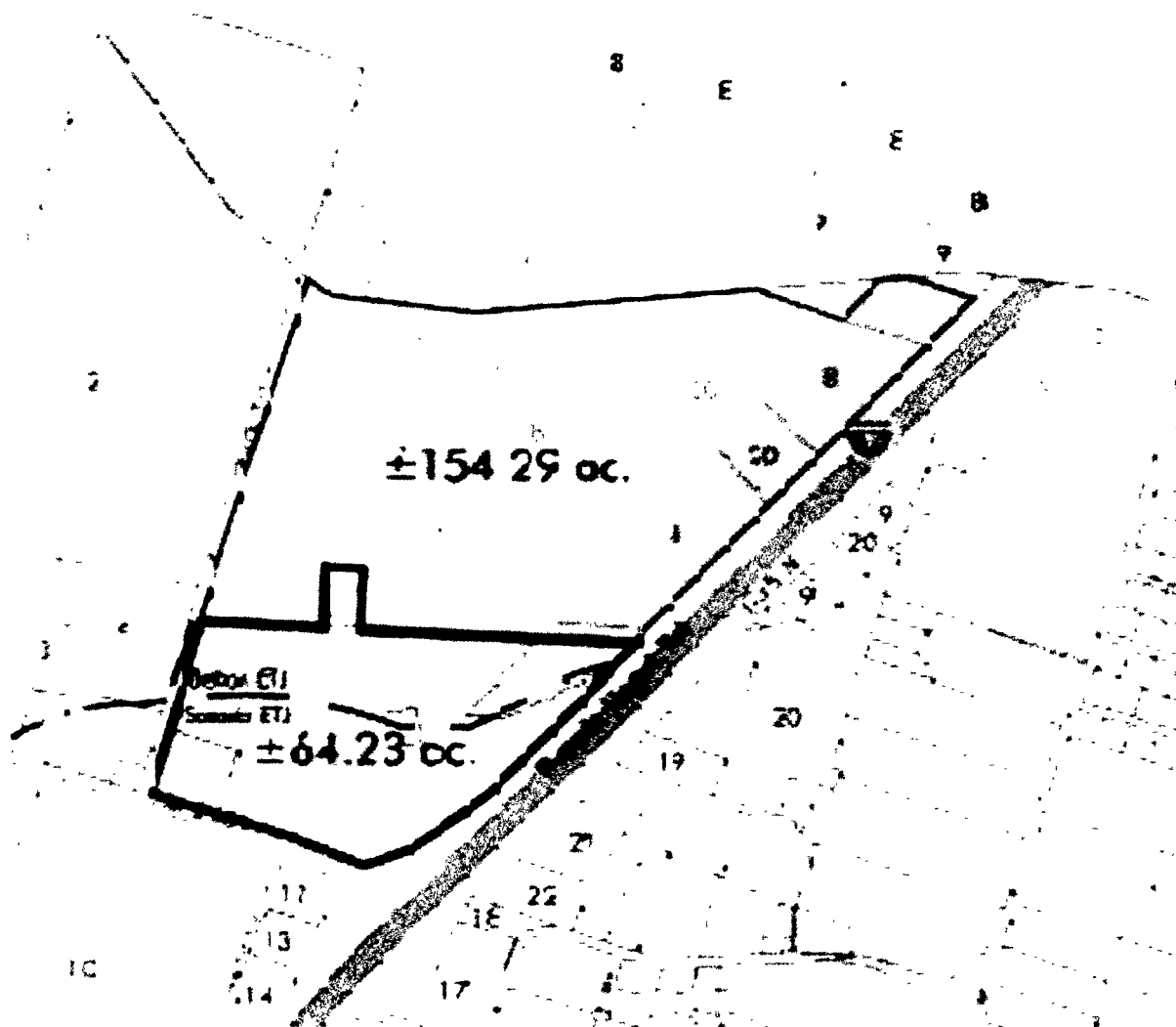
Sincerely,



Zachariah T. Evans

encl: Map of Anticipated Service Area

Mr. Don Ferguson
September 1, 2020



MCGINNIS LOCHRIDGE

Zachariah T. Evans
zevans@mcginnislaw.com
(512) 495-6180 o
(512) 505-6380 f

September 2, 2020

Via Electronic Mail and First Class Mail

Ms. Angellia Points, P.E.
Director of Public Works, City of Belton
1502 Holland Road
Belton, Texas 76513
apoints@belontexas.gov

Re: Sewer Service Request; Salado Center

Dear Ms. Points:

McGinnis Lochridge serves as legal counsel to Pampa Investment Group, LP (“Pampa”). Pampa is developing a mixed use development, Salado Center, which will require sewer utility service for retail, commercial, and residential purposes. This correspondence replaces the request for service that I submitted on August 31, 2020.

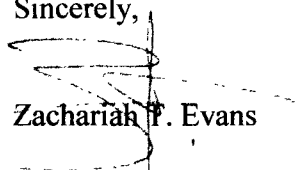
As indicated on the enclosed map, Salado Center will be located on a tract of land at the northwest corner of the intersection of Interstate 35 and Farm-to-Market 2484, which is within two miles of the City of Belton’s sewer service area. Accordingly, Pampa submits this request for sewer service from the City of Belton pursuant to Public Utility Commission of Texas Rule 24.227 (16 Tex. Admin. Code § 24.227).

Pampa anticipates a total of 575 individual sewer connections needed to serve Salado Center.

If the City of Belton does not respond within 30 days of the date of this letter, Pampa will consider the City to have denied this request.

Thank you for your time and attention in this matter. Please contact me should you need additional information.

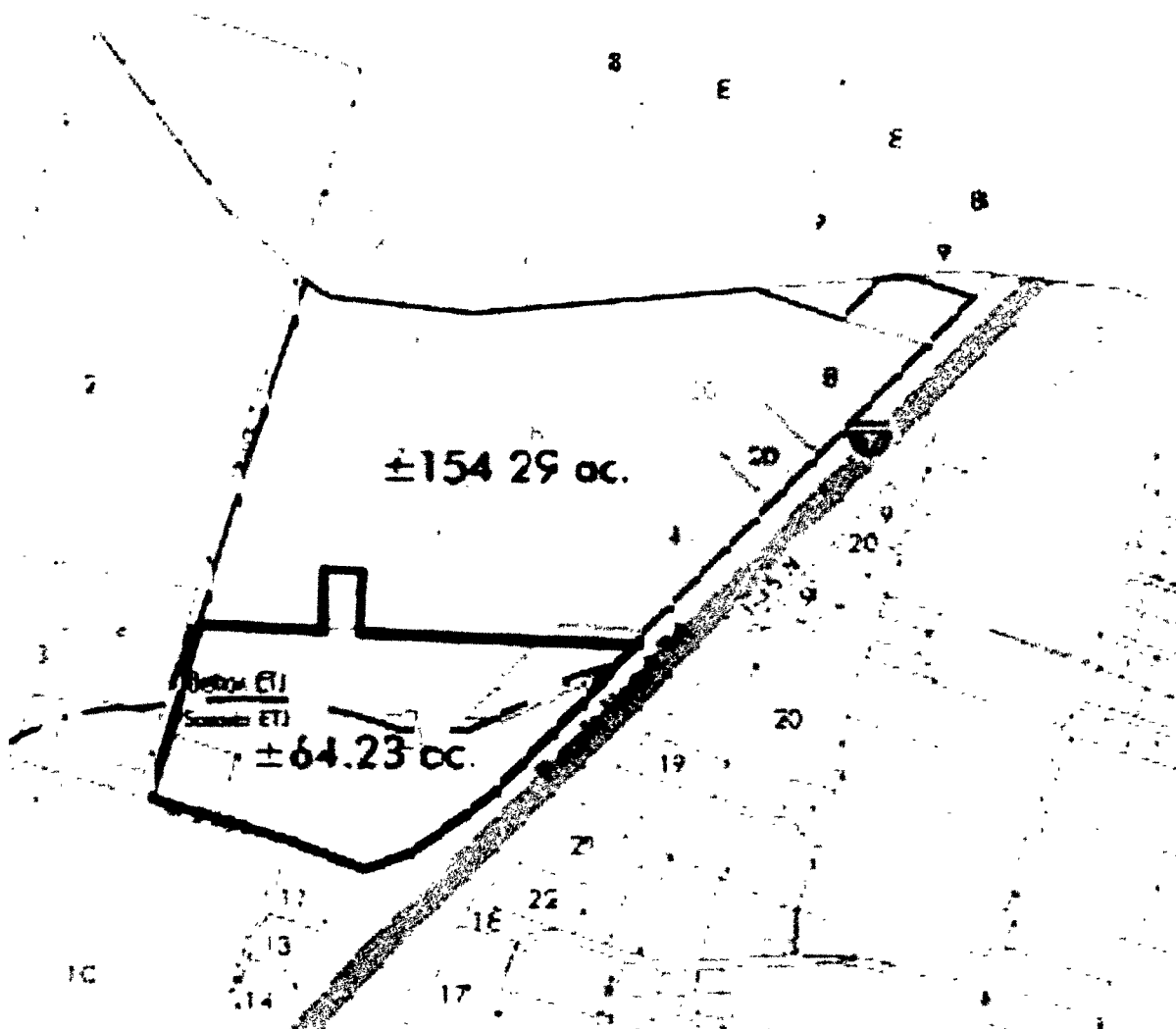
Sincerely,



Zachariah T. Evans

encl: Map of Anticipated Service Area

Ms. Angellia Points
September 2, 2020





City of Belton

– Founded 1850 –

September 3, 2020

Zachariah T. Evans
McGinnis Lochridge
600 Congress Avenue, Suite 2100
Austin, Texas 78701
zevans@mcginnislaw.com

Re: Sewer Service Request; Salado Center

Dear Zachariah Evans:

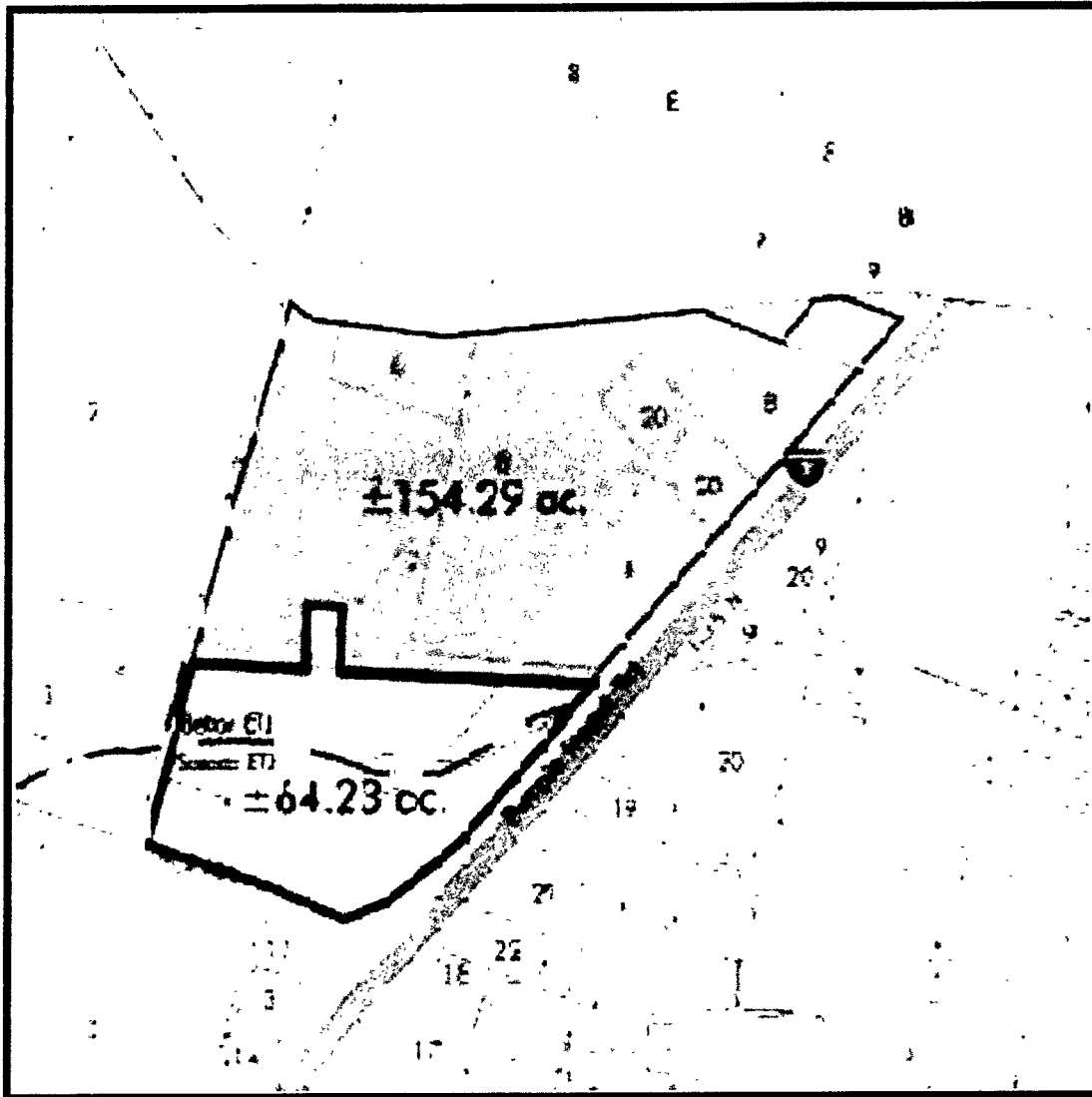
The City of Belton received an updated request on September 2, 2020, from McGinnis Lochridge on behalf of Pampa Investment Group, LP for sewer service from the City of Belton pursuant to Public Utility Commission of Texas Rule 24.447 (16 Tex. Admin. Code § 24.227) for the Salado Center.

The area shown on the attached map, provided by you, is not located within the City of Belton's Sewer CCN and the nearest City of Belton sewer main is located approximately five (5) miles away. Due to those two components, the City of Belton will not be able to provide sewer services to Pampa Investment Group, LP and the Salado Center.

Thank you for your time and please contact me should you need additional information.

Sincerely,

Sam A. Listi
City Manager



B & D ENVIRONMENTAL, INC.

200 HARBOR CIRCLE
GEORGETOWN, TEXAS 78633
PHONE NO: (512) 917-7541
FAX NO (512) 692-1967

EMAIL bretfenner@yahoo.com

December 09, 2020

Mr. R.J. Collins
Salado Center
P.O. Box 249
Salado, Texas 76571

RE: A Rate Study to Determine the Proposed Sewer Rates for The Salado Center in Bell County, Texas

Dear Mr. Collins:

B & D Environmental, Inc. was retained to perform a study to determine a rate structure that will support the revenue requirement for proposed wastewater service for the Salado Center development in Salado, Texas. This rate study was conducted using financial and utility cost data provided from the utility's construction estimates, which can be found in **Attachment 1**. Since this utility will be requesting a new CCN and has no previous operational history, a number of assumptions were required to determine a revenue requirement necessary to support the cost of wastewater service to this development during the first 18-month period. A list of these assumptions can be found on page 3 of this study. The probable cost for the construction of the wastewater plant during the first 18 months used in this study was provided by the utility's engineer and can also be found in Attachment 1.

The revenue requirement was determined in this study for providing wastewater service to the utility's customers based on all living units' equivalents (LUE) being of the same demand quantity and flow strength. If any one customer requirements place a larger than normal demand then an adjustment to these rates would need to be made. If any customer's flow requires a form of pretreatment due to a higher strength or contamination, then a pretreatment agreement should be required that would mandate either that customer pretreats its flow to acceptable levels or pays for the additional treatment. The calculation of customer monthly rates for this proposed utility can be found in **Attachment 2** of this study. The rates were determined to recover the revenue requirement necessary for providing wastewater service to the customers of this utility at the estimated cost levels provided for the initial 18-month period of operation. The utility will be required to submit a Rate/Tariff Change Application within 18 months after approval of a requested Certificate of Convenience and Necessity (CCN) to support the proposed rates. In the future, the utility will

want to submit a rate/tariff change application to request rates that cover its necessary revenue requirement based on an actual cost of service during the initial operating period. In conclusion, the wastewater rate structure as proposed in this study based on the estimated costs should be used in the utility's CCN application and proposed sewer tariff. This rate structure should generate a revenue requirement that will cover the projected cost of service to customers of the wastewater utility without an over recover of revenues during the initial operating period. Table 1 is the proposed monthly flat rate for the utility.

Table 1: Proposed Wastewater Monthly Fee

Proposed Sewer Tariff Rate	Monthly Flat fee: \$ 44.34
----------------------------	-----------------------------------

Rate designed with no gallonage rate

Should you have any questions regarding this rate study, please contact me at (512) 917-7541.

Sincerely,



Bret W. Fenner, P.E.
B & D Environmental, Inc.

Assumptions:

1. All wastewater facilities and collection system are considered developer contributions thus no return on investment component included in cost of service.
2. The estimated total cost of the wastewater facilities and equipment during the first 18 months period will be \$1,557,581
3. Estimated operating expenses for the utility were determined to be \$576,140 annual.
4. An estimated 1200 LUE's will be served at the end of the first 18 months of operation.

ATTACHMENT 1

Budget for Wastewater Operations At Buildout of 1200 LUES

Expenditures

Annual Budget

Sewer Expenditures

Contract Labor	312,440
Water	15,000
phone, Internet	4,000
Electricity	50,000
Supplies	2,500
Lab Testing	30,000
Chemicals	45,000
Sludge Disposal	86,000
Trash	1,200
Equipment repairs	20,000
Permits	10,000

Total Sewer Expenditures	576,140
---------------------------------	----------------

Revenue over Expenditures	\$130,060.00
----------------------------------	---------------------

Operation company pays for all employee taxes, provides insurance for operations. Utility just pays operation company set fee

From: Jamie Miller <jmiller@integratedwaterservices.com>
Sent: Wednesday, October 14, 2020 8:43 AM
To: 'Evans, Zachariah T.' <ZEvens@mcginnislaw.com>
Cc: 'RJ Collins' <rjcollins40@yahoo.com>; 'plinehan@lsiaustin.com' <plinehan@lsiaustin.com>
Subject: Lift station design and wwtp Costs

Sorry for the delay in getting this to you guys:

Total Cost

Lift station design: \$ 10,250

WWTP design: \$ 157,500

WWTP construction: \$1,051,829

Let me know if you have any questions or comments.

Thanks

Jamie L Miller, P.E.

Director of Engineering

Integrated Water Services

Direct 303-993-3713

Mobile 970-443-9096

ATTACHMENT 2

Salado Center

Sewer Rate Design Study

Meter Equivalents:

<u>Type</u>	<u>Total LUE</u>	<u>Equivalent Factor</u>	<u>Meter Equivalents</u>
Residential	0	1	0
Commerical	1200	1	1200
Other	0	1	0

Total Meter Equivalents:	<u>1200</u>	<u>1200</u>
---------------------------------	-------------	-------------

Estimated Water Revenue Requirement:

Water Cost of Service:

O & M Expenses	\$	576,140
Depreciation	\$	62,303
Return On Investment	\$	0

Total Water Revenue Requirement:	\$	638,443
---	-----------	----------------

Wastewater Rate Structure:

Monthly Flat Fee:

Flat Fee Calculation: $\$ 638,443 \div 1200 \text{ LUE's} \div 12 \text{ months} = \$ 44.34$

<u>Meter Size</u>	<u>Equivalent Factor</u>	<u>Monthly Flat Fee</u>
All Connections	1	\$ 44.34

Salado Center

Depreciation Scehdule						
Test Period Ends:		31-Dec-21				
Utility Plant Cost	Installation Date	Original Cost	Average Service Life	Annual Deprec. Expense	Total Accum. Deprec.	Net Book Value
Wastewater Treatment Facilities	1-Mar-21	\$1,051,829	33	\$42,073	\$35,254	\$1,016,575
Lift Station	27-Sep-20	\$338,002	33	\$13,520	\$17,086	\$320,916
Engineering	1-Mar-21	\$167,750	33	\$6,710	\$5,622	\$162,128
Utility Plant Totals:		\$1,557,581		\$62,303	\$57,962	\$1,499,619

Note 1. Cost of wastewater facilities provided from engoioneer estimates.

Note 2. All facilities are considered developer contributions thus no return on investment included in cost of service.

Financial Information

7:49 PM
01/27/20
Cash Basis

Pampa Investments Group LP
Balance Sheet
As of December 31, 2019

	Dec 31, 19
ASSETS	
Current Assets	
Checking/Savings	
Cash in Bank	
11010 · First National Bank	461,841.52
11011 · First National CDs	
11014 · 1st Nat'l CDARS 500K	507,864.56
11013 · 1st Nat'l CDARS 200K	204,139.70
11012 · 1st Nat'l CdARS 1.4M	1,413,431.88
Total 11011 · First National CDs	2,125,436.14
Total Cash in Bank	2,587,277.66
Total Checking/Savings	2,587,277.66
Other Current Assets	
Current Assets	
13000 · Cash Bond - The Meadows	23,907.00
14000 · WIP - Construction	
14035 · Salado Center Home	600.00
14020 · The Meadows Bell Co	399,202.54
14040 · Salado Center WW Plant	30,788.76
14030 · 95.54 Ac IB Abst 557	584,799.23
Total 14000 · WIP - Construction	1,015,390.53
Total Current Assets	1,039,297.53
Total Other Current Assets	1,039,297.53
Total Current Assets	3,626,575.19
Fixed Assets	
Fixed Assets	
16000 · Machinery and Equipment	
16100 · Machinery and Equipment	132,280.60
16900 · Accumulated Depreciation	-96,872.00
Total 16000 · Machinery and Equipment	35,408.60
15000 · Buildings	
15010 · Office - 2241 FM 2268	175,425.81
Total 15000 · Buildings	175,425.81
Total Fixed Assets	210,834.41
Total Fixed Assets	210,834.41
Other Assets	
Other Assets	
18000 · Land	
18200 · Abilene Texas	
18020 · 2 Lots Sears Park, Abilene TX	5,036.94
18021 · 42.49 Ac Sur 84 L Bowerman	41.50
18022 · 3.88 Ac Sur 85 JR Shipman	41.50
18023 · 109.05 Ac Sir 85 JR Shipman	241.50
18024 · 9.199 Ac Sur 85 JR Shipman	41.50
18025 · .365 Ac Sur 85 JR Shipman	35.50
18026 · 2.553 Ac Anson Pk Addn	2,305.50
18027 · .478 Ac Robert Raspberry Sub	35.50
18028 · 1.7479 Ac Shady Oaks Lodge	35.50
Total 18200 · Abilene Texas	7,814.94

7:49 PM
01/27/20
Cash Basis

Pampa Investments Group LP
Balance Sheet
As of December 31, 2019

	Dec 31, 19
18400 - Pampa Texas	
18010 - 100 N Dwight St, Pampa TX	21,764.00
18060 - 34.05 Ac Gray Cnty, Pampa TX	100,095.00
Total 18400 - Pampa Texas	121,859.00
18740 - Lot 2 Villages of Huntsville TX	30.00
18750 - 2 Ac Lake Co FL	842.28
18755 - Land in Scurry Co TX 10/17	34.00
18765 - Land in McClennan Co 10/17	84.00
Total 18000 - Land	130,664.22
17899 - Mortgage Receivable	
17901 - Carothers - The Meadows	584,000.00
Total 17899 - Mortgage Receivable	584,000.00
Total Other Assets	714,664.22
Total Other Assets	714,664.22
TOTAL ASSETS	4,552,073.82
LIABILITIES & EQUITY	
Liabilities	
Long Term Liabilities	
Notes Payable	
25070 - N/P RJ Collins	1,048,907.00
23000 - Deferred Revenue	
23002 - Carothers - The Meadows	584,000.00
Total 23000 - Deferred Revenue	584,000.00
Total Notes Payable	1,632,907.00
Total Long Term Liabilities	1,632,907.00
Total Liabilities	1,632,907.00
Equity	
Equity	
31220 - Draws -THVI	1,250.00
31200 - Partner Equity -THVI	17,150.83
31120 - Draws -RJC	1,143.11
31110 - Contributions -RJC	100,000.00
31100 - Partner Equity -RJC	2,363,888.39
Total Equity	2,483,432.33
Net Income	435,734.49
Total Equity	2,919,166.82
TOTAL LIABILITIES & EQUITY	4,552,073.82

4:20 PM
11/19/20
Cash Basis

Pampa Investments Group LP
Balance Sheet
As of June 30, 2020

	Jun 30, 20
ASSETS	
Current Assets	
Checking/Savings	
Cash in Bank	
11010 · First National Bank	404,373.39
11011 · First National CDs	
11014 · 1st Nat'l CDARS 500K	511,320.18
11013 · 1st Nat'l CDARS 200K	204,446.50
11012 · 1st Nat'l CdARS 1.4M	1,422,978.24
Total 11011 · First National CDs	2,138,744.92
Total Cash in Bank	2,543,118.31
Total Checking/Savings	2,543,118.31
Accounts Receivable	
11001 · Accounts Receivable	
11004 · Loan to Celts	500,000.00
Total 11001 · Accounts Receivable	500,000.00
Total Accounts Receivable	500,000.00
Other Current Assets	
Current Assets	
13000 · Cash Bond - The Meadows	23,907.00
14000 · WIP - Construction	
14070 · 149 Presa Dr.	157,304.95
14060 · Central Baptist Church San Saba	500.00
14050 · 209 N. Robinson Rd.	1,500.00
14035 · Salado Center Home	1,400.00
14020 · The Meadows Bell Co	299,401.94
14040 · Salado Center WW Plant	36,649.03
14030 · 95.54 Ac IB Abst 557	584,799.23
Total 14000 · WIP - Construction	1,081,555.15
Total Current Assets	1,105,462.15
Total Other Current Assets	1,105,462.15
Total Current Assets	4,148,580.46
Fixed Assets	
Fixed Assets	
16000 · Machinery and Equipment	
16100 · Machinery and Equipment	132,280.60
16900 · Accumulated Depreciation	-107,912.00
Total 16000 · Machinery and Equipment	24,368.60
15000 · Buildings	
15010 · Office - 2241 FM 2268	115,262.07
15011 · Accum Depr Office	-2,340.00
Total 15000 · Buildings	112,922.07
Total Fixed Assets	137,290.67
Total Fixed Assets	137,290.67
Other Assets	
Other Assets	
18000 · Land	
18100 · Salado	
18112 · Office Land 2241 FM 2268	30,000.00
18113 · 2 Acres Behind Office 2241	28,874.10
Total 18100 · Salado	58,874.10

4:20 PM
11/19/20
Cash Basis

Pampa Investments Group LP
Balance Sheet
As of June 30, 2020

	Jun 30, 20
18200 - Abilene Texas	
18020 - 2 Lots Sears Park, Abilene TX	5,036.94
18021 - 42.49 Ac Sur 84 L Bowerman	41.50
18022 - 3.88 Ac Sur 85 JR Shipman	41.50
18023 - 109.05 Ac Sir 85 JR Shipman	241.50
18024 - 9.199 Ac Sur 85 JR Shipman	41.50
18025 - .365 Ac Sur 85 JR Shipman	35.50
18026 - 2.553 Ac Anson Pk Addn	2,305.50
18027 - .478 Ac Robert Raspberry Sub	35.50
18028 - 1.7479 Ac Shady Oaks Lodge	35.50
Total 18200 - Abilene Texas	7,814.94
18400 - Pampa Texas	
18010 - 100 N Dwight St, Pampa TX	21,764.00
18060 - 34.05 Ac Gray Cnty, Pampa TX	100,095.00
Total 18400 - Pampa Texas	121,859.00
18740 - Lot 2 Villages of Huntsville TX	30.00
18750 - 2 Ac Lake Co FL	842.28
18755 - Land in Scurry Co TX 10/17	34.00
18765 - Land in McClennan Co 10/17	84.00
Total 18000 - Land	189,538.32
17899 - Mortgage Receivable	
17901 - Carothers - The Meadows	438,000.00
Total 17899 - Mortgage Receivable	438,000.00
Total Other Assets	627,538.32
Total Other Assets	627,538.32
TOTAL ASSETS	4,913,409.45
LIABILITIES & EQUITY	
Liabilities	
Long Term Liabilities	
Notes Payable	
23000 - Deferred Revenue	
23002 - Carothers - The Meadows	438,000.00
Total 23000 - Deferred Revenue	438,000.00
Total Notes Payable	438,000.00
Total Long Term Liabilities	438,000.00
Total Liabilities	438,000.00
Equity	
Equity	
31200 - Partner Equity -THVI	395.00
31100 - Partner Equity -RJC	4,447,772.58
Total Equity	4,448,167.58
Net Income	27,241.87
Total Equity	4,475,409.45
TOTAL LIABILITIES & EQUITY	4,913,409.45

7:48 PM
01/27/20
Cash Basis

Pampa Investments Group LP
Profit & Loss
January through December 2019

	Jan - Dec 19
Ordinary Income/Expense	
Income	
41100 · Income From Sales	
41110 · 10.1 Acres Iron Bridge	240,000.00
41108 · The Meadows Bell Co	803,000.00
	<hr/>
Total 41100 · Income From Sales	1,043,000.00
43600 · Oil Lease Royalties	3,500.00
43500 · Billboard Sign Revenue	4,300.00
49999 · Suspense Income	18,657.00
43000 · Mortgage Interest Income	4,059.61
49000 · Bank Interest Income	
49001 · First National CDARs	25,436.14
49002 · First National Bank	142.28
	<hr/>
Total 49000 · Bank Interest Income	25,578.42
Total Income	1,099,095.03
Cost of Goods Sold	
51100 · Cost of Sales	
51110 · 10.1 Acres Iron Bridge	16,574.62
51108 · The Meadows Bell Co	579,563.30
	<hr/>
Total 51100 · Cost of Sales	596,137.92
Total COGS	596,137.92
Gross Profit	502,957.11
Expense	
61100 · Car and Truck Expenses	905.32
61700 · Computer Expense	500.00
62500 · Donations	150.00
62600 · Dues and Subscriptions	65.00
63200 · Gasoline, Fuel and Oil	3,161.88
63300 · Insurance Expense	2,742.00
64900 · Office Supplies	1,548.43
66700 · Professional Fees	6,695.00
67100 · Rent Expense	3,250.00
67200 · Repairs and Maint - Property	6,662.97
67300 · Repairs and Maint - Equipment	7,450.50
67800 · Small Tools and Supplies	235.00
68000 · Taxes and Licenses	26,624.98
68100 · Telephone and Internet	2,437.57
68400 · Travel Expense	561.86
68600 · Utilities	4,232.11
	<hr/>
Total Expense	67,222.62
Net Ordinary Income	435,734.49
Net Income	<hr/> 435,734.49 <hr/>

Pampa Investments Group LP
Profit & Loss
January through June 2020

	Jan - Jun 20
Ordinary Income/Expense	
Income	
41100 · Income From Sales	
41111 · 3919 S 4th St	10,297.12
41108 · The Meadows Bell Co	146,000.00
Total 41100 · Income From Sales	156,297.12
49000 · Bank Interest Income	
49001 · First National CDARs	14,383.68
49002 · First National Bank	122.50
Total 49000 · Bank Interest Income	14,506.18
Total Income	170,803.30
Cost of Goods Sold	
51100 · Cost of Sales	
51108 · The Meadows Bell Co	104,910.60
Total 51100 · Cost of Sales	104,910.60
Total COGS	104,910.60
Gross Profit	65,892.70
Expense	
60400 · Bank Service Charges	10.00
61100 · Car and Truck Expenses	1,802.44
63200 · Gasoline, Fuel and Oil	809.02
63300 · Insurance Expense	2,316.63
64900 · Office Supplies	676.90
66700 · Professional Fees	1,600.00
67100 · Rent Expense	4,000.00
67200 · Repairs and Maint - Property	4,485.62
67300 · Repairs and Maint - Equipment	2,700.11
67800 · Small Tools and Supplies	100.00
68000 · Taxes and Licenses	20,972.44
68100 · Telephone and Internet	1,405.68
68400 · Travel Expense	531.87
68600 · Utilities	2,240.12
Total Expense	43,650.83
Net Ordinary Income	22,241.87
Other Income/Expense	
Other Income	
80100 · Gain<Loss> on Equipment	5,000.00
Total Other Income	5,000.00
Net Other Income	5,000.00
Net Income	27,241.87

Proposed Sewer Tariff



SEWER UTILITY TARIFF

Docket No. _____

(this number will be assigned by the Public Utility Commission after your tariff is filed)

Pampa Investment Group, LP

P.O Box 249

(Utility Name)

(Business Address)

Salado, Tx 76571

(City, State, Zip Code)

(Area Code/Telephone)

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

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

Bell

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

City Of Belton, Texas

This tariff is effective in the following subdivision or systems:

Salado Center

This tariff is effective for the following public Sewer system numbers(s):

WQ0015709001

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

TABLE OF CONTENTS

SECTION 1.0 – RATE SCHEDULE	2
SECTION 2.0 – SERVICE RULES AND POLICIES	4
SECTION 3.0 – EXTENSION POLICY	10
APPENDIX A – SAMPLE SERVICE AGREEMENT	15

(Utility Name)

SECTION 1.0 -- RATE SCHEDULESection 1.01 - Rates

Meter Size	Monthly Minimum Charge
All Meters	\$ <u>44.34</u>

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

Cash X Check X Money Order X Credit Card X 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 ASSESSMENT1.0%

PUBLIC UTILITY COMMISSION (COMMISSION) RULES REQUIRE THE UTILITY TO COLLECT AND REMIT TO THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL.

Section 1.02 - Miscellaneous Fee**TAP FEE**\$ 1,000

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 METER SIZE INSTALLED.

(Utility Name)

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) Nonpayment of bill (Maximum \$25.00)	\$	<u>25.00</u>
b) Customer's request that service be disconnected	\$	<u>50.00</u>
c) _____	\$	<u> </u>

TRANSFER FEE\$ 35.00

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

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

COMMISSION 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\$ 30.00

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

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50)\$ 50.00**COMMERCIAL & NON-RESIDENTIAL DEPOSIT**1/6TH OF ESTIMATED ANNUAL BILL**GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE**\$

WHEN AUTHORIZED IN WRITING BY THE COMMISSION AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [16 TAC 24.21(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.

SECTION 2.0 -- SERVICE RULES AND POLICIES

The utility will have the most current Public Utility Commission of Texas Rules relating to sewer utilities 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 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), 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 commission 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 the commission 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.

(Utility Name)

SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

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 residential customer's deposit at any time prior to termination of utility service but must refund the deposit plus interest for any residential customer who has paid 18 consecutive billings without being delinquent.

(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 commission 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 P.U.C. SUBST. R. 24.86(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 2.0 – SERVICE RULES AND POLICIES (Continued)

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 and utility cut-off 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 tap location to the place of consumption. Customers will not be allowed to use the utility's cutoff.

Section 2.06 Access to Customer's Premises

All customers or service applicants shall provide access to utility cutoffs 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 2.07 - Back Flow Prevention Devices

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.

(Utility Name)

SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

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.

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 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 commission 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.

(Utility Name)

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

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 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 commission rules.

(B) Without Notice

Utility service may also be disconnected without notice for reasons as described in the commission rules.

(Utility Name)

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

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 and operate production, treatment, storage, transmission, and collection facilities of sufficient size and capacity to provide continuous and adequate service for all reasonable consumer uses and to treat sewage and discharge effluent of the quality required by its discharge permit issued by the TCEQ. Unless otherwise authorized by the TCEQ, the utility will maintain facilities as described in the TCEQ's rules.

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

(Utility Name)

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

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

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

Section 2.17 - Customer Liability

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

SECTION 3.0 -- EXTENSION POLICY**Section 3.01 - Standard Extension Requirements**

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

The applicant for service 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 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 commission rules and policies, and upon extension of the utility's certificated service area boundaries by the commission.

(Utility Name)

SECTION 3.0 -- EXTENSION POLICY (Continued)**Section 3.02 - Costs Utilities and Service Applicants Shall Bear**

Within its certified 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 in writing 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.

Residential customers 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 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.

Unless an exception is granted by the TCEQ, the residential service applicant shall not be required to pay for costs of main extensions greater than 6" in diameter for gravity wastewater lines.

Exceptions may be granted by the TCEQ 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.

(Utility Name)

SECTION 3.0 -- EXTENSION POLICY (Continued)

For purposes of determining the costs that service applicants shall pay, commercial customers with service demands greater than residential customer demands in the certified area, industrial, and wholesale customers shall be treated as developers.

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

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

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 Commission on Environmental Quality minimum design criteria for facilities used in the production, collection, transmission, pumping, or treatment of sewage or Texas Commission on Environmental Quality 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.

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 Commission on Environmental Quality 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 16TAC 2486(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 Commission on Environmental Quality minimum design criteria. As provided by 16 TAC 24.85(e)(3), for purposes of this section, commercial, industrial, and wholesale customers shall be treated as developers.

(Utility Name)

SECTION 3.0 -- EXTENSION POLICY (Continued)

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 utilities 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, commission 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 commission 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 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.

(Utility Name)

SECTION 3.0 -- EXTENSION POLICY (Continued)

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. 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 may also be required with the tap request. 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 commission 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, commission rules and/or order, (2) has made payment or made arrangement for payment of tap fees, (3) has provided all easements and rights-of-way required 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 certified service area as soon as practical after receiving a completed service application. All service requests will be fulfilled within the time limits prescribed by commission 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 commission service dates shall not become applicable until the service applicant has met all conditions precedent to becoming a qualified service applicant as defined by commission rules.

Section 3.07 - Developer Requirements

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

APPENDIX A -- SAMPLE SERVICE AGREEMENT

From TCEQ Rules, 30 TAC Chapter 290.47(b), Appendix B

SERVICE AGREEMENT

- I. **PURPOSE.** The NAME OF SEWER SYSTEM is responsible for protecting the drinking water supply from contamination or pollution which could result from improper private water distribution system construction or configuration. The purpose of this service agreement is to notify each customer of the restrictions which are in place to provide this protection. The utility enforces these restrictions to ensure the public health and welfare. Each customer must sign this agreement before the NAME OF SEWER SYSTEM will begin service. In addition, when service to an existing connection has been suspended or terminated, the sewer system will not re-establish service unless it has a signed copy of this agreement.
- II. **RESTRICTIONS.** The following unacceptable practices are prohibited by State regulations.
 - A. No direct connection between the public drinking water supply and a potential source of contamination is permitted. Potential sources of contamination shall be isolated from the public water system by an air-gap or an appropriate backflow prevention device.
 - B. No cross-connection between the public drinking water supply and a private water system is permitted. These potential threats to the public drinking water supply shall be eliminated at the service connection by the installation of an air-gap or a reduced pressure-zone backflow prevention device.
 - C. No connection which allows water to be returned to the public drinking water supply is permitted.
 - D. No pipe or pipe fitting which contains more than 8.0% lead may be used for the installation or repair of plumbing at any connection which provides water for human use.
 - E. No solder or flux which contains more than 0.2% lead can be used for the installation or repair of plumbing at any connection which provides water for human use.

III. SERVICE AGREEMENT. The following are the terms of the service agreement between the NAME OF SEWER SYSTEM (the Sewer System) and NAME OF CUSTOMER (the Customer).

- A. The Sewer System will maintain a copy of this agreement as long as the Customer and/or the premises are connected to the Sewer System.
- B. The Customer shall allow his property to be inspected for possible cross-connections and other potential contamination hazards. These inspections shall be conducted by the Sewer System or its designated agent prior to initiating new water service; when there is reason to believe that cross-connections or other potential contamination hazards exist; or after any major changes to the private water distribution facilities. The inspections shall be conducted during the Sewer System's normal business hours.
- C. The Sewer System shall notify the Customer in writing of any cross-connection or other potential contamination hazard which has been identified during the initial inspection or the periodic reinspection.
- D. The Customer shall immediately remove or adequately isolate any potential cross-connections or other potential contamination hazards on his premises.
- E. The Customer shall, at his expense, properly install, test, and maintain any backflow prevention device required by the Sewer System. Copies of all testing and maintenance records shall be provided to the Sewer System.

IV. ENFORCEMENT. If the Customer fails to comply with the terms of the Service Agreement, the Sewer System shall, at its option, either terminate service or properly install, test, and maintain an appropriate backflow prevention device at the service connection. Any expenses associated with the enforcement of this agreement shall be billed to the Customer.

CUSTOMER'S SIGNATURE

DATE

List of Neighboring Utilities

Pampa Investment Group, Inc. – Obtain a Sewer CCN

County within: Bell

CCN overlaps: None

City limits within: City of Belton

ETJs within: City of Belton
Village of Salado

Districts within: Brazos River Authority

GCDs within: Clearwater UWCD

½ mile Service Request:

City of Belton (CCN 20444)
Village of Salado
Brazos River Authority

Entities within 2 miles/Notice list:

City of Belton (city limits, ETJ and CCN 20444)
Village of Salado (city limits, ETJ)
Brazos River Authority
Clearwater UWCD
Bell County Judge David Blackburn

Addresses and Phone Numbers for Notice List

City of Belton
PO Box 120
Belton, TX 76513

Village of Salado
301 N. Stagecoach
Salado, TX 76571

Brazos River Authority
PO Box 7555
Waco, TX 76714

Clearwater UWCD
PO Box 1989
Belton, TX 76513

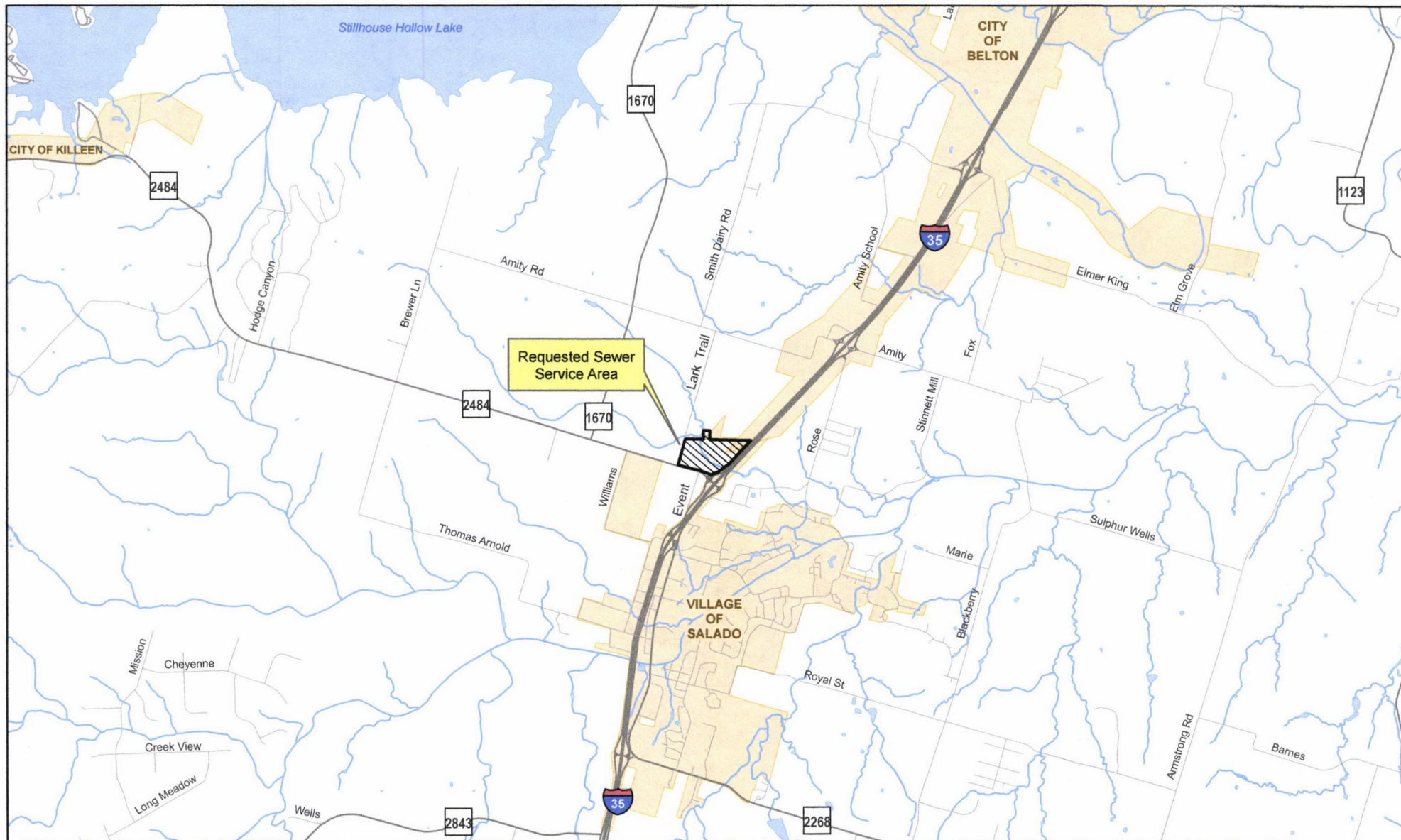
The Honorable David Blackburn, Bell County Judge
P.O. Box 768
Belton, TX 76513

Written Description

The proposed utility service area is located approximately 1 mile north/northeast of downtown Salado, TX, and is generally bounded on the north by approx. 0.7 mile south of W. Amity Road; on the east by IH 35; on the south by FM Highway 2484; and on the west by Lark Trail.

Approximately 64 acres.

Maps



General Location

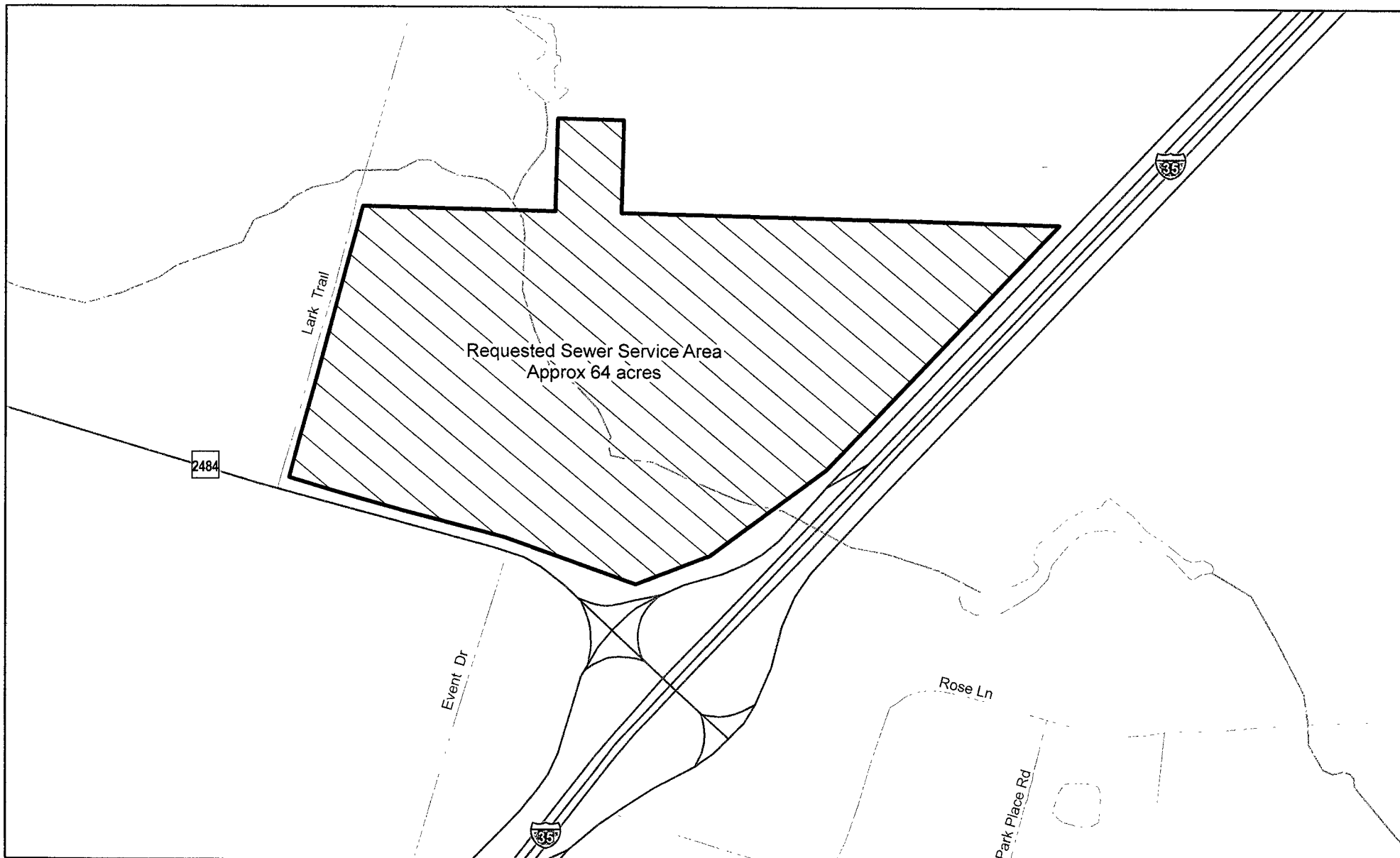
Pampa Investment Group, Inc. to Obtain a Sewer CCN
in Bell County

 Requested Sewer CCN Service Area - approx 64 acres




0 0.5 1
Miles

Map by: S. Burt, ASBG1
Date: Sept. 2, 2020
Base: TxDOT Roadways
Project: General Location

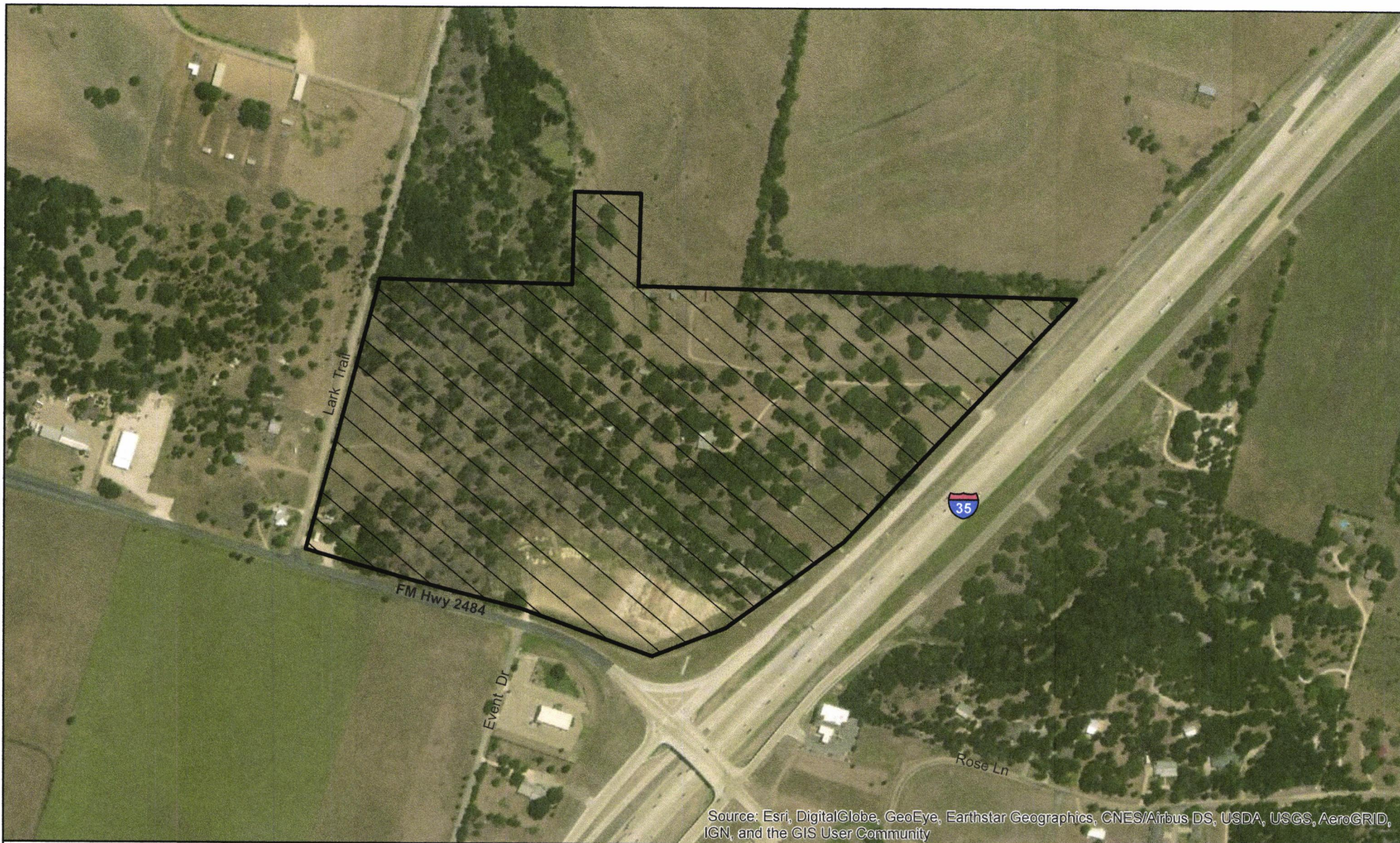


Detail Map

Pampa Investment Group, Inc. to Obtain a Sewer CCN
in Bell County

 Requested Sewer CCN Service Area - approx 64 acres

Map by: S. Burt, ASBGI
Date: Sept. 1, 2020
Base: TxDOT Roadways
Project: Pampa Detail Map



Detail Map on Imagery

Pampa Investment Group, Inc. to Obtain a Sewer CCN
in Bell County

 Requested Sewer CCN Service Area - approx 64 acres



0 250 500
Feet

Map by: S. Burt, ASBG
Date: Sept. 1, 2020
Base: ESRI World Imagery
Project: Pampa Detail Map on Imagery