

Town of Little Elm, Texas
November 2020



DOCKET NO. 51738

PETITION OF THE SANCTUARY § BEFORE THE PUBLIC UTILITY
TEXAS, LLC TO AMEND AQUA §
TEXAS, INC.'S CERTIFICATE OF § COMMISSION OF TEXAS
CONVENIENCE AND NECESSITY IN §
DENTON COUNTY BY EXPEDITED §
RELEASE §

**AQUA TEXAS, INC.'S RESPONSE TO PETITION OF THE SANCTUARY
TEXAS, LLC FOR STREAMLINED EXPEDITED RELEASE**

Aqua Texas, Inc. (Aqua) files this Response to the Petition of The Sanctuary Texas, LLC (Applicant or Petitioner) to Amend Aqua Texas, Inc.'s Certificate of Convenience and Necessity in Denton County by Expedited Release (the Petition).¹ In support, Aqua shows as follows.

I. PROCEDURAL BACKGROUND

On January 20, 2021, Applicant filed the Petition seeking streamlined expedited release (SER) for 69.133 of 70.149 acres of property in Denton County (Property) from Aqua certificate of convenience and necessity (CCN) No. 13201. The presiding Commission Administrative Law Judge (ALJ) deemed the Petition administratively complete on April 19, 2021 and set a deadline of May 3, 2021 for Aqua to file its response to same.² Therefore, this pleading is timely filed. The Commission must deny the Petition because the Commission already decided this matter in a nearly identical docket and because Aqua serves the Property.

II. ARGUMENTS AND AUTHORITIES

The Commission should deny the Petition because the SER requested cannot lawfully be granted under Texas Water Code (TWC) § 13.2541 and 16 Texas Administrative Code (TAC) § 24.245. Further, in a nearly identical proceeding, the Commission decided as a matter of law

¹ For purposes of this proceeding, the Petition is considered the Application as defined in the Commission's Procedural Rules under 16 TAC § 22.2(6).

² Order No. 3 Finding Petition Administratively Complete and Notice Sufficient, and Establishing Procedural Schedule (Apr. 19, 2021).

that the Property is receiving service from Aqua and not eligible for SER.³ Alternatively, if the Commission releases the Property despite this fact, Aqua is entitled to just and adequate compensation.

A. Res Judicata Prevents Grating SER

Aqua just responded to a nearly identical SER petition last year.⁴ In fact, there appear to be no discernible distinctions between the SER petition at bar and the previous one with respect to the Aqua CCN service area Petitioner seeks to have released. Res judicata precludes litigation of claims that have been finally adjudicated, or that arise out of the same subject matter and that could have been litigated in the prior action.⁵ It requires proof of the following elements: (1) a prior final judgment on the merits by a court of competent jurisdiction; (2) identity of parties or those in privity with them; and (3) a second action based on the same claims as were raised or could have been raised in the first action.⁶

Here, all those elements apply. The only apparent difference between this case and the prior Property SER matter is that the immediate area of a home connected to Aqua's meter is no longer included in the description of Petitioner's 70.149 acres tract that includes the Property.⁷ But that specific area was never within Aqua's CCN. Aqua's service line and meter within the Property remain at their respective locations, and, importantly, the meter remains connected to the home.⁸ The Commission must deny this SER Petition as it did the previous one.

³ *Petition of the Sanctuary Texas, LLC to Amend Aqua Texas, Inc.'s Certificate of Convenience and Necessity in Denton County by Expedited Release*, Docket No. 50405, Order (Oct. 16, 2020).

⁴ *Id.*

⁵ *Amstadt v. United States Brass Corp.*, 919 S.W.2d 644, 652-53 (Tex. 1996) (applying res judicata to bar second action based on same claims that were raised or could have been raised in the first action).

⁶ *Id.*

⁷ **Exhibit A** - Affidavit of Darryl Waldock.

⁸ *Id.*

B. Commission Determined the Property Receives Service from Aqua

The Property receives water service from Aqua under any interpretation or application of the term “service” as the TWC defines it and the Property cannot be released from Aqua’s CCN under TWC § 13.2541.⁹ The Water Code broadly defines “service” as:

any act performed, anything furnished or supplied, and any facilities or lines committed or used by a retail public utility in the performance of its duties . . . to its patrons, employees, other retail public utilities, and the public, as well as the interchange of facilities between two or more retail public utilities.¹⁰

The embedded term “facilities” is defined as:

[a]ll the plant and equipment of a retail public utility, including all tangible and intangible real and personal property without limitation, and any and all means and instrumentalities in any manner owned, operated, leased, licensed, used, controlled, furnished, or supplied for, by, or in connection with the business of any retail public utility.¹¹

Actually delivering water to a property is plainly “service,” but a property can also receive water service under the statute without a utility delivering “actual water” onto a property.¹² In the *Crystal Clear* Austin Third Court of Appeals decision, the court held that facilities or lines “used” or “committed” to providing such service might cause a property to “receive service” under the statutory and regulatory definition.¹³ But where water lines are actually present within a tract and “committed” to the property in that manner, the tract is unquestionably “receiving service” and the Commission has determined that a streamlined expedited release petition may not be granted under *Crystal Clear* and TWC § 13.2541 when such facts are present.¹⁴ In the previous version of the

⁹ TWC § 13.2541(b) (allowing streamlined expedited release of a tract of land that “is not receiving water or sewer service.”); see also 16 TAC § 24.245(h)(1)(B).

¹⁰ TWC § 13.002(21); see also 16 TAC § 24.3(33) (same definition).

¹¹ TWC § 13.002(9); see also 16 TAC § 24.3(15) (same definition).

¹² See *Tex. Gen. Land Office v. Crystal Clear Water Supply Corp.*, 449 S.W.3d 130, 140 (Tex. App.—Austin 2014, pet. denied).

¹³ *Id.*

¹⁴ *Petition of Clay Road 628 Development, LP to Amend T&W Water Service Company’s Certificate of Convenience and Necessity in Montgomery County by Expedited Release*, Docket No. 50261, Order Denying Streamlined Expedited Release at 2-4 (Apr. 29, 2020).

Petition under consideration here, the Commission decided to reject it for that reason and because a meter is present.¹⁵

Recently, the Commission undertook a new approach, which must stop. The Commission decided to approve a SER decertification for requested land while leaving targeted Aqua facilities within the land certificated.¹⁶ While better than allowing the CCN release wholesale, the adverse effect on Aqua is the same because it removes Aqua's right as a CCN holder to continue service to land where it has invested capital in facilities. Further, this policy disregards the TWC definition of "service,"¹⁷ the legislative intent to not release property that is receiving service,¹⁸ and undermines any incentive for retail public utilities to invest in service planning efforts within their CCN service areas before someone decides to actively undertake development within that area. Finally, this policy disincentivizes efforts to provide regional service and take advantage of economies of scale benefits. Aqua service to the Property is plainly shown here and releasing it makes little practical sense.

Here, the Petition claims that "Aqua Texas ("Aqua") does not provide service to the Property" despite the prior Commission decision and without asserting any new facts.¹⁹ The meter is still present.²⁰ The affidavit references alleged discussions with Aqua personnel that, if they occurred, preceded the Commission's October 16, 2020 decision concerning the Property and there have been no such discussions with Aqua since then.²¹ Moreover, those discussions are not

¹⁵ See *Petition of the Sanctuary Texas, LLC to Amend Aqua Texas, Inc.'s Certificate of Convenience and Necessity in Denton County by Expedited Release*, Docket No. 50405, Order (Oct. 16, 2020).

¹⁶ See *Petition of Denton 114 LP to Amend Aqua Texas, Inc.'s Certificate of Convenience and Necessity in Denton County by Expedited Release*, Docket No. 51492, Order at Ordering Paragraph Nos. 1-2 (Mar. 5, 2021).

¹⁷ TWC § 13.002(21); see also 16 TAC § 24.3(33) (same definition).

¹⁸ TWC § 13.2541(b) (allowing streamlined expedited release of a tract of land that "is not receiving water or sewer service."); see also 16 TAC § 24.245(h)(1)(B).

¹⁹ Compare Petition (Jan. 20, 2021), with *Petition of the Sanctuary Texas, LLC to Amend Aqua Texas, Inc.'s Certificate of Convenience and Necessity in Denton County by Expedited Release*, Docket No. 50405, Order (Oct. 16, 2020).

²⁰ **Exhibit A** – Affidavit of Darryl Waldock.

²¹ *Id.*

relevant because Aqua still has both a fully charged water main line and meter located within the Property.²² Aqua reiterates that the only difference between this case and the prior Property SER matter is the immediate area of a home connected to Aqua's meter is no longer included in the description of the Petitioner's 70.149 acres tract that includes the Property.²³ But that specific area was never within Aqua's CCN. Aqua's service line and meter within the Property remain at their respective locations, and the meter remains connected to the home.²⁴

As shown by the attached affidavit of Darryl Waldock, Area Manager – North Texas, Aqua submits that: (1) Aqua has 2,930 linear feet of an active four-inch water main line located within the Property; (2) Aqua has a residential 5/8" x 3/4" meter located within the Property that *until January 29, 2020* was used to actively supply water to a billed residential connection located at 601 Garza Ln, Little Elm, TX 75068-3509 and remains on standby today; and (3) Aqua has other facilities immediately adjacent to the Property, and has performed various acts and supplied funds in furtherance of service to the Property and Aqua's CCN No. 13201 area that includes the Property, as detailed in Mr. Waldock's affidavit.²⁵ Mr. Waldock's affidavit includes a map (the same map filed in Docket No. 50405), showing the location of its Spanish Oaks Addition water system (PWS ID No. TX0610214) facilities which serve the Property and nearby areas, including the location of the four-inch line and meter within the Property, and the last bill that went to a customer at the meter location within the Property on January 31, 2020 for service through January 29, 2020.²⁶

²² **Exhibit A** - Affidavit of Darryl Waldock.

²³ *Id.*

²⁴ *Id.*

²⁵ *Id.*

²⁶ *Id.* Aqua notes that the customer's name is redacted in the customer bill document for privacy protection. However, Aqua submits that the customer's name does not serve to demonstrate a meter exists within the Property or that a customer was billed at the meter location as other information in the bill document and affidavit/map exhibit evidences.

Here, these facilities—and the acts planning, creating, and maintaining them—are all plainly “committed” or “used” by Aqua in the performance of its duties to supply water within the targeted CCN area. At a minimum, the water main line and meter located within the Property provide water service to the Property, but the Property also receives water service from Aqua through its commitments to, and its existing facilities and capacity adjacent to, the Property. Mr. Waldock’s affidavit describes all the different ways Aqua has served the Property through its various service acts and funds supplied, but there should be no question that the Property receives water service from Aqua today through facilities located within the Property.²⁷ Under these facts, the Commission should deny the Petitioner’s request to release the Property from Aqua’s CCN No. 13201 as it did in Docket No. 50405 because that would violate TWC § 13.2541.²⁸ Further, as previously discussed, *res judicata* precludes granting the release.²⁹

C. Aqua Must Be Compensated If the Property Is Removed from Aqua’s CCN Area.

Aqua is entitled to a determination of just and adequate compensation if its CCN area is reduced.³⁰ The value of real property owned and utilized by the retail public utility for its facilities shall be determined according to the standards set forth in Chapter 21, Property Code, governing actions in eminent domain, and compensation for personal property is to be based on several factors, including the following:

the amount of the retail public utility's debt allocable for service to the area in question; the value of the service facilities of the retail public utility located within the area in question; the amount of any expenditures for planning, design, or construction of service facilities that are allocable to service to the area in question; the amount of the retail public utility's contractual obligations allocable to the area in question; any demonstrated impairment of service or increase of cost to

²⁷ *Id.*

²⁸ *Petition of the Sanctuary Texas, LLC to Amend Aqua Texas, Inc. 's Certificate of Convenience and Necessity in Denton County by Expedited Release*, Docket No. 50405, Order (Oct. 16, 2020).

²⁹ See *Amstadt v United States Brass Corp* , 919 S.W.2d 644, 652-53 (Tex. 1996) (applying *res judicata* to bar second action based on same claims that were raised or could have been raised in the first action).

³⁰ TWC §§13.254(g) and 13.2541(f)-(h).

consumers of the retail public utility remaining after the decertification; the impact on future revenues lost from existing customers; necessary and reasonable legal expenses and professional fees; and other relevant factors.³¹

If the Property is removed from Aqua's CCN No. 13201, Aqua would be entitled to compensation under several of these factors, including but not necessarily limited to the costs of obtaining permits, planning, design, and construction of facilities, and the necessary and reasonable legal expenses and professional fees that are incurred as a result of the decertification Petition (including the costs incurred to make the recording required by TWC § 13.257(r)-(s)).³² But Aqua would need full compensation for its line and meter located within the Property, along with corresponding real property interests. Further, decertification of the Property will impede Aqua's ability to serve areas of the CCN adjacent to the Property using the water main line located within the Property, potentially increasing expense to all Aqua customers and possibly degrading service by eliminating its Spanish Oaks Addition water system looped water main layout.³³ Aqua would be entitled to receive compensation for that too. If required, the monetary amount shall be determined by an appraiser—either one agreed upon by the retail public utilities involved, or one hired by each retail public utility, and a third appointed by the Commission.³⁴

CONCLUSION AND PRAYER

Aqua respectfully requests the Commission deny the Petition because the Commission already decided the Petition cannot lawfully be granted under TWC § 13.2541. Alternatively, if the Commission approves the Petition, Aqua seeks just and adequate compensation for the decertification of a portion of its water CCN No. 13201. Aqua also seeks all and further relief to which it may be justly entitled at law or in equity.

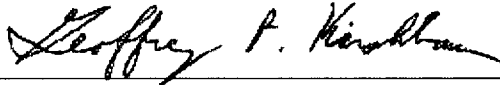
³¹ TWC §§13.254(g) and 13.2541(h); *see also* 16 TAC § 24.245(j).

³² *See Exhibit A.*

³³ *Id.*

³⁴ TEX. WATER CODE §13.2541(g), (i).

Respectfully submitted,

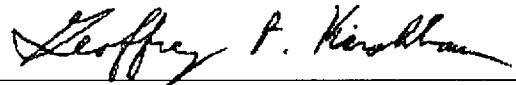
By: 

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Austin, Texas 78701
(512) 474-9100
(512) 474-9888 (fax)
gkirshbaum@terrillwaldrop.com

ATTORNEY FOR AQUA TEXAS, INC.

CERTIFICATE OF SERVICE

I certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record via electronic mail on May 3, 2021 in accordance with the Order Suspending Rules filed in Project No. 50664.


Geoffrey P. Kirshbaum

DOCKET NO. 51738

PETITION OF THE SANCTUARY TEXAS,	§	BEFORE THE PUBLIC UTILITY
LLC TO AMEND AQUA TEXAS, INC.'S	§	
CERTIFICATE OF CONVENIENCE AND	§	COMMISSION OF TEXAS
NECESSITY IN DENTON COUNTY BY	§	
EXPEDITED RELEASE	§	

AFFIDAVIT OF DARRYL WALDOCK

THE STATE OF TEXAS §
 §
 COUNTY OF TARRANT §

BEFORE ME, the undersigned official on this day personally appeared Darryl Waldock, who is personally known to me and first being duly sworn according to law, upon his oath deposed and said:

My name is Darryl Waldock. I am over the age of 18 years and reside in Tarrant County, Texas. I am of sound mind and fully competent to make this affidavit. I have personal knowledge of the facts stated herein, and they are true and correct.

I am the North Texas Area Manager for Aqua Texas, Inc. dba Aqua Texas ("Aqua"), Intervenor in the above styled and numbered case, and I am authorized to make this affidavit on behalf of Aqua.

The attached map, **Attachment 1**, was created by Dunaway Associates under my supervision and control. I am familiar with Aqua's facilities in the vicinity of the property tract for which The Sanctuary Texas, LLC ("Petitioner") seeks a streamlined expedited release ("SER") decertification from Aqua water certificate of convenience and necessity ("CCN") No. 13201 in PUC Docket No. 51738 (the "Property") and their location in relation to same. The Petition filed in this docket (the "Petition") is no different than the petition filed in Docket No. 50405 except that the Petitioner

appears to have carved out a small part of the 70.149 acres this time. That area is not within Aqua's CCN No. 13201 and appears to be the same area in which a home is located that is connected to Aqua's meter within the Property. That meter remains within the Property and Aqua's CCN area proposed for release. The change does not alter the facts on the ground as I previously presented them in Docket No. 50405. Further, I have had no conversations about the Property since that case was decided on October 16, 2020. I can neither confirm nor deny whether the conversations referenced in the Petitioner's January 15, 2021 affidavit by Mr. Marlon McMakin are accurately represented, but I do know they took place well before Petitioner filed its last version of the Petition in Docket No. 50405.

Attachment 1 shows the Property and the location of Aqua's four-inch water main line and active 5/8" x 3/4" residential meter within the Property. The location of that meter is at 601 Garza Lane, Little Elm, Texas 75068-3509 as reflected in **Attachment 2**, which is the last Aqua service bill sent for that location on January 31, 2020 for service through January 29, 2020.¹ The meter at that location was used to actively supply water to the Property before that date and remains on standby today. The four-inch water main and meter are facilities that are part of Aqua's Spanish Oaks Addition water system (PWS ID No. TX0610214) ("Spanish Oaks") which serves the Property and nearby areas.

In addition to Aqua's Spanish Oaks facilities within the Property, **Attachment 1** shows the layout of Aqua's Spanish Oaks facilities and meter locations immediately adjacent to the Property, which include: (1) a water plant that includes a groundwater well, pump station, 15,000 gallon ground storage tank, 900 gallon high pressure tank, chlorination equipment, and controls; (2) a flush valve; (3) seven other water meter service connections; and (4) a six-inch and a four-inch water

¹ The customer's name is redacted in **Attachment 2** for privacy protection.

main that connect to the four-inch water main located within the Property, creating a looped layout for the Spanish Oaks water system mains in the area. Aqua has constructed water facilities within the Property and adjacent CCN area with capacity that exceeds immediate need in order to respond quickly to anticipated new development within the Property. Aqua's Spanish Oaks water system serves approximately 34 connections in CCN No. 13201 and its water plant has the capacity to provide water to approximately 11 additional equivalent single-family connections. There are no outstanding requests for service from the undeveloped portions of the subject CCN area that will use the remainder of the existing capacity.

Aqua has provided water service to the Property in several ways: (1) performing acts and supplying funds to permit, plan, design, construct, own, and operate the Spanish Oaks water system facilities located inside the Property boundaries and adjacent to same; (2) performing acts and supplying funds necessary to obtain, transfer, and maintain the water CCN No. 13201 service area covering the Property under prevailing regulations; (3) performing acts and supplying funds necessary to obtain, transfer, renew, and maintain permits for the Spanish Oaks water system so that it may be used to serve the Property and CCN No. 13201 area that includes the Property; (4) maintaining a regional office in Fort Worth, Texas with personnel specifically dedicated to operations within Aqua's geographic North Texas Region water CCN No. 13201 service areas, including the Property and CCN No. 13201 area that includes the Property; and (5) analyzing and responding to past service inquiries and service requests for the Property.

CCNs and groundwater permits have value that purchasers of utilities will pay for when acquiring a utility because of the rights to serve the public that they accord and because the time and expense to acquire the CCNs and permits has already been spent. Decertification of the Property will impede Aqua's ability to serve areas of the CCN adjacent to the Property, potentially

increasing expense to all Aqua customers. Importantly, Aqua's four-inch water main within the Property benefits all Spanish Oaks water system customers by creating a looped water system main layout. The benefit of having a looped water system versus a dead-end water main is that it improves reliability by supplying water from two directions rather than one. During times of high usage, customers on a looped main will experience much better pressures than if they were on a dead end main. Looping allows some water service to continue even after a main break. Looping also reduces head loss (*i.e.*, energy loss) by reducing velocity by about half.

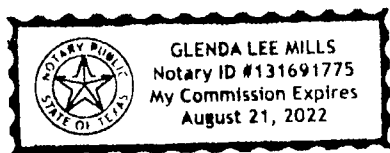
In sum, Aqua has performed numerous acts, supplied funds, and committed facilities to the Property. Aqua has also performed acts, supplied funds, and committed facilities to areas adjacent to the Property in CCN No. 13201. Aqua is incurring legal expenses and is likely to incur other professional expenses as a result of the decertification and Petition. If the decertification is approved, Aqua will be compelled to spend time and resources to make the filing required by TWC § 13.257(r)-(s). Aqua is actively supplying water to the Property and nearby properties. The Property receives service from Aqua through these acts, supplied funds, and facilities. Aqua stands ready to perform additional acts of service and commit additional facilities to the Property as necessary.

Further Affiant sayeth not.

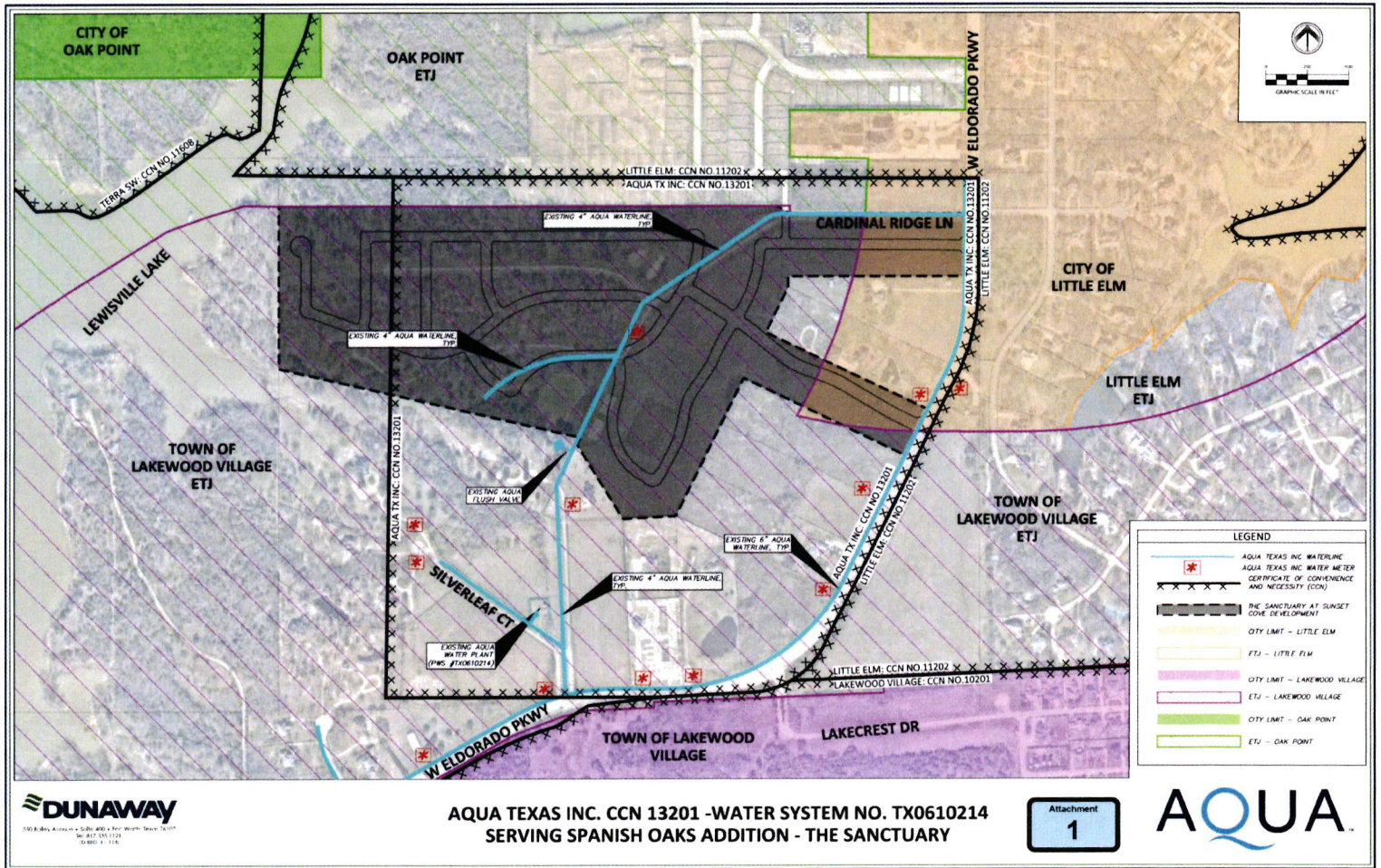


Darryl Waldock
North Texas Area Manager
Aqua Texas, Inc.

SUBSCRIBED AND SWORN TO BEFORE ME on this the 29 day of April, 2021, to which witness my hand and official seal.



Notary Public in and for
The State of Texas





Service To:
601 GARZA LN
LITTLE ELM, TX 75068-3509
Lot: 50327300 Block:

Account Number
001129334 0691886
FT WORTH WATER
1317000 PWSID # TX0610214

Aqua Texas, Inc.
762 W. Lancaster Avenue
Bryn Mawr, PA 19010-3489

Toll Free: **877.987.2782**
Fax: **866.780.8292**
www.aquaamerica.com

Questions about your water service?... Contact us before the due date.
Bill Date **January 31, 2020** Total Amount Due **\$ 86.30** Current Charges Due Date **February 24, 2020**

Meter Data	Meter	Size	Billing Period	Days	Read Type	Meter Readings	Usage	Units
	15243408	5/8	01/29/20	26	Actual	3900	0	Gallons
			01/03/20		Actual	3900		
			Total Days:	26		Total Usage:	0	Gallons

Billing Detail

Amount Owed from Last Bill	\$ 43.15
Total Payments Received	0.00
Remaining Balance	43.15
Water Base Facility Charge	45.06
Total Water Charges	45.06
FTCCR Water Credit Rider	2.34 Credit
Regulatory Assessment Fee	0.43
Amount Due ON or BEFORE 02/24/20	\$ 86.30
Amount Due AFTER 02/24/20	\$ 90.57

Message Center (see reverse side for other information)

- This is your final bill for service at this property.
- Would you like to quickly and easily learn important information about your water? Please let us know how you want to be contacted via our new automated notification system by clicking on the WaterSmart Alerts button at www.aquaamerica.com.



Aqua Texas, Inc. Final
762 W. Lancaster Avenue • Bryn Mawr, PA 19010-3489

Please Do Not Remit Payment To The Above Address

Cyc=31F2 1up=2189133

Seq=900

RETURN THIS PORTION WITH YOUR PAYMENT

MAKE CHECK PAYABLE TO:
Aqua TX

Account Number

001129334-0691886

BEFORE DUE DATE **02/24/2020** ▶ PAY THIS AMOUNT **\$86.30**

AFTER DUE DATE **02/24/2020** ▶ PAY THIS AMOUNT **\$90.57**

Amount Enclosed \$



AQUA TEXAS
PO BOX 70279
PHILADELPHIA PA 19176-0279



00112933406918860000000086303

D:12

Attachment

2

QUESTIONS ABOUT YOUR BILL ?

Toll Free: 877.WTR.AQUA or 877.987.2782

Fax: 866-780-8292

www.aquaamerica.com

If you have a billing question or complaint, call or write to us before the due date on your bill. When writing, please use a separate piece of paper and include your name, address, and account number. Notes written on the bill may delay processing of your payment. Our customer service address is listed on the front of the bill. You may also contact us for a rate schedule which is an explanation of how to verify that your bill is correct or for an explanation of our charges.

Please notify our office immediately upon changes of occupancy, ownership or mailing address, as the customer is responsible for all changes until we are notified. All water passing through the meter will be charged to the customer whether used, wasted or lost by leakage.

If your bill is based on zero usage, there may be a problem with your meter reading equipment. If there is a problem with your meter reading equipment, you will be responsible for the water usage or leakage not reported on this bill. Please call customer service if you have any questions or to have your meter reading equipment serviced.

EXPLANATION OF TERMS

Actual (A) Read: Meter reading obtained by a company employee or one of our automatic meter reading systems.

Customer Read: Meter reading obtained from our customer.

Employee Identification: All company employees carry an identification card showing their picture and employee number.

Estimated (E) Bill: When we are unable to read your meter, we base the bill on your past water use. If you receive an estimated bill, you may have a new bill by reading the meter and calling the company with that reading. Note, revised bills will not be issued after the due date of the estimated bill.

Late Charge: A penalty on past due balances.

Meter Reading: We attempt to read the water meter every billing period. We either have our meter reader visit your property or obtain the reading through one of our automatic meter reading systems.

Method of Payment: You can pay your bill by any of the following methods:

By mail: Place your check or money order in the enclosed pre-addressed envelope. Put a stamp on the envelope and mail it to us.
Aqua Texas: PO BOX 70279, PHILADELPHIA PA 19176-0279. DO NOT SEND CASH.

By phone: Customers with bank accounts or credit cards may pay their bills over the phone for a fee by calling this toll free number: 866.269.2906. Customers with bank accounts may also pay through their bank. (Call the company or your bank for details)

In Person: Pay in person (with cash or check) at convenient Western Union locations throughout Aqua Texas service territory. Payments are credited to your account the same day or the next business day if you make payments on a weekend or holiday.
Please call or visit www.aquaamerica.com to find the Western Union location closest to you.

ZipCheck®: A program in which your payment is automatically deducted from your bank account. You save the cost of postage and using bank checks. Details and applications are available from the company. Please call our Customer Service Department.

WaterSmart e-Billing: Switch to paperless billing today. Enjoy the convenience of viewing and paying your bill online. Visit us at www.aquaamerica.com to sign up today!

Payment Terms: You should pay your bill on or before the due date.

Rate Case Expense Surcharge: A charge to recover rate case expense.

Regulatory Assessment Fee: A fee used to pay the costs and expenses incurred by the Texas Commission on Environmental Quality in the regulation of retail public utilities.

Return Check Charge: If for any reason your check is returned to us from the bank, we will add a service charge to your account.

Sewer Base Facility Charge: A charge to recover the fixed costs of utility service regardless of usage.

Water Base Facility Charge: A charge to recover the fixed costs of utility service regardless of usage.



View your account, pay your current bill, check your daily balance, sign up for paperless billing, make a one-time payment.

[Get Started >](#)

[More Ways To Pay](#)

Save time and cut clutter with paperless billing!

Enroll today in WaterSmart e-Billing. You can cut the clutter of a paper bill, and we'll notify you by email when your bill is available to view online. It's simple, secure, and no additional fees.

Visit – AquaAmerica.com for more details.

DOCKET NO. 51738

**PETITION OF SANCTUARY TEXAS, §
LLC TO AMEND AQUA TEXAS, INC.'S §
CERTIFICATE OF CONVENIENCE §
AND NECESSITY IN DENTON §
COUNTY BY EXPEDITED RELEASE §**

**PUBLIC UTILITY COMMISSION
OF TEXAS**

2021 MAY 17 PM 2:44

COMMISSION STAFF'S RECOMMENDATION ON FINAL DISPOSITION

On January 20, 2021, Sanctuary Texas, LLC (Sanctuary) filed a petition for streamlined expedited release of approximately 69.113 acres of land within the boundaries of Aqua Texas, Inc.'s (Aqua Texas) water certificate of convenience and necessity (CCN) number 13201 in Denton County, Texas under Texas Water Code (TWC) § 13.2541(b) and 16 Texas Administrative Code (TAC) § 24.245(h).

On April 19, 2021, the administrative law judge (ALJ) filed Order No. 3, establishing a deadline for Staff of the Public Utility Commission of Texas (Staff) to file its recommendation on final disposition by May 10, 2021. On May 7, 2021 the ALJ filed Order No. 4, granting Staff's request for an extension to May 17, 2021. Therefore, this pleading is timely filed.

I. RECOMMENDATION ON FINAL DISPOSTION

Staff has reviewed Sanctuary's petition for a streamlined expedited release, and, as detailed in the memorandum of Patricia Garcia of the Infrastructure Division, recommends that the Sanctuary revise its mapping to leave the 100 foot by 100 foot section that removes the water meter from the area to be released and to remove the 10 foot by 570 foot strip that runs over the water line located on the property. The result would be that the water line remains certificated but that the land above the line would be decertificated.

Staff's recommendation is made so that the mapping clearly defines an area that is not receiving water service, and therefore, is eligible for streamlined expedited release. In its response to the petition, Aqua Texas asserts the following:

(1) Aqua has 2,930 linear feet of an active four-inch water main line located within the Property; (2) Aqua has a residential 5 / 8 " x 3 / 4 " meter located within the Property that until January 29 , 2020 was used to actively supply water to a billed residential connection located at 601 Garza Ln, Little Elm, TX 75068-3509 and remains on standby today; and (3) Aqua has other facilities immediately adjacent to the Property, and has performed various

acts and supplied funds in furtherance of service to the Property and Aqua's CCN No. 13201 area that includes the Property...¹

The Third Court of Appeals has held that “it is important to consider whether the facilities and lines are ‘committed’ to the tract seeking expedited release or ‘used’ to provide water to that tract.”² It is clear that the water line and meter are located on the tract and were previously used to provide service to a consuming facility with a service address of 601 Garza Lane, Little Elm, Texas 75068. It also appears that the consuming facility is located on the property owned by Sanctuary but has been removed from the area for which release is requested. What is not entirely clear from the filings in this docket, is whether the consuming facility is located within Aqua Texas’s CCN No. 13201.³

The map provided by Aqua Texas shows the location of the water meter and water line, but not the consuming facility,⁴ and the affidavit of Darryl Waldock states: “...the Petitioner appears to have carved out a small part of the 70.149 acres...[t]hat area is not within Aqua’s CCN No. 13201 and appears to be the same area in which a home is located that is connected to Aqua’s meter within the Property.”⁵ As far as Staff can tell, the information submitted by Sanctuary also has not included a map that clearly shows where the consuming facility associated with the water meter and line at issue in this proceeding is located. Therefore, Staff’s recommendation is based on the understanding that the consuming facility associated with the 601 Garza Lane service address is not within the area for which release has been requested and focuses on how to adjust the mapping to follow recent Commission precedent such that Staff can review the revised mapping and submit a subsequent recommendation that the petition be approved.

¹ Aqua Texas, Inc.’s Response to the Petition of the Sanctuary Texas, LLC for Streamlined Expedited Release at 5 (May 3, 2021) (Aqua Texas Response).

² *Tex Gen Land Office v. Crystal Clear Water Supply Corp.*, 449 S.W.3d 130, 140 (Tex. App.—Austin, 2014, pet denied).

³ If the consuming facility with a service address of 601 Garza Lane, Little Elm, Texas 75068 is not located within Aqua Texas’s CCN No. 13201, then Aqua Texas was not required to serve this property under 16 TAC § 24.157(a)(4), which permits a denial of service if a service applicant’s primary point of use is outside a utility’s certificated service area.

⁴ Aqua Texas Response, Exhibit A at Attachment 1.

⁵ *Id.*, Exhibit A at 1-2.

A. Water meters and the residences or other consuming facilities they serve must be removed from the area to be decertificated.

The Commission has held that a water meter and the consuming facility it serves cannot be located in the area for which streamlined expedited release is requested.⁶ In Docket No. 50404, the CCN holder owned and operated infrastructure on or in close proximity to the petitioner's entire acreage.⁷ The petitioners requested streamlined expedited release of a portion of their tract of land from the certificated service area. After consideration at the open meeting held on April 7, 2021, the Commission concluded that a water meter was still located in the area to be released even though the residence served by the water meter was outside of the requested area.⁸ The petition was remanded to allow the petitioners "the opportunity to amend the petition and address water meter 1528, along with any other relevant water meters, and any residences served by any of those meters that are on the tract of land for which release is sought."⁹ In effect, the Commission allowed the petitioners the opportunity to cure the defect in the petition by removing the water meter and the residence that water meter was used to serve from the tract of land to be released.

B. The Commission may decertificate the land and leave the underlying water lines certificated.

In Docket No. 51114, the Commission granted the release of the petitioner's property, but held that the water lines running below the property would remain certificated.¹⁰ In that case, the CCN holder had an eight-inch water line that ran across the western portion of the tract of land for about 1,000 feet¹¹. The Commission stated the following:

[t]he owner of a tract of land that meets certain conditions may petition to release the tract of land from the certificated area of a retail public utility that holds a certificate of convenience and necessity. If the tract of land is

⁶ *Petition of Sterling Deason O'Donnell and Darwin Deason, Co-Trustees of the Sterling Deason O'Donnell DD Trust Under Agreement of the DD 2014-B Grantor Retained Annuity Trust to Amend Marilee Special Utility District's Certificate of Convenience and Necessity in Collin County by Expedited Release*, Docket No. 50404, Order Remanding to Docket Management at 2 (Apr. 7, 2021).

⁷ *Id.*, Marilee Special Utility District's Objection to Commission Staff's Recommendation on Final Disposition, Exhibit A (Jul. 2, 2020).

⁸ *Id.*, Order Remanding to Docket Management at 1.

⁹ *Id.*, Order Remanding to Docket Management at 2.

¹⁰ *Petition of Imperial Heights, Ltd. to Amend Aqua Texas, Inc.'s Certificates of Convenience and Necessity in Harris County by Expedited Release*, Docket No. 51114, Order at Ordering Paragraph Nos. 1-2 (Dec. 17, 2020).

¹¹ *Id.*, Order at Finding of Fact No. 23.

not receiving utility service, the landowner is entitled to the requested release. However, the owner has no right to petition for decertification of, and the Commission has no authority to decertify, any facilities or equipment owned and operated by the CCN holder to provide retail water service or retail sewer service through the streamlined-expedited-release process under Texas Water Code 13.2541. Consequently, if the CCN holder has any facilities or equipment that lay on or under the tract of land subject to the petition for streamlined-expedited-release, such facilities and equipment remain certificated to the CCN holder even though the tract of land is release from the certificated service area.¹²

The Commission released the tract of land in the petition but did not decertify any of the CCN holder's equipment or facilities that lay on or under the petitioner's tract of land.¹³

C. Analysis

The mapping supporting Sanctuary's petition should be revised to more accurately reflect the Commission's orders in Docket Nos. 50404 and 51114. As filed, the Sanctuary's petition has removed both the water meter that was used to serve a house located at 601 Garza Lane, Little Elm, Texas 75068, and the water line running to the meter from the area for which release is requested. As in Docket No. 51114, Staff proposes that the water line remain certificated and that the land above the line be released. As in Docket No. 50404, Staff recommends the water meter be removed from the area for which release is requested, which is already reflected in the Sanctuary's mapping.

As an alternative, Staff recommends that it would be appropriate to leave the water meter certificated and decertify only the land on which the water meter sits.¹⁴ Under TWC 13.242(a):

...a retail public utility may not furnish, make available, render, or extend retail water or sewer utility service to any area to which retail water or sewer utility service is being lawfully furnished by another retail public utility without first having obtained a certificate of public convenience and necessity that includes *the area in which the consuming facility is located*.¹⁵

¹² *Id.*, Order at 1.

¹³ *Id.*, Order at Conclusion of Law No. 15 and Ordering Paragraph Nos. 1-2.

¹⁴ Staff is aware that a similar petition filed by Sanctuary was previously denied because of the presence of this water meter in the area to be released and offers this only as a possible alternative since the precedent regarding streamlined expedited release is continually evolving. *Petition of the Sanctuary Texas, LLC to Amend Aqua Texas, Inc.'s Certificate of Convenience and Necessity in Denton County by Expedited Release*, Docket No. 50405, Order at Findings of Fact Nos. 21-25 (Oct. 16, 2020).

¹⁵ TWC § 12.242(a) (emphasis added); *see also*, 24.247(a) ("Any retail public utility which possesses or is required by law to possess a certificate of convenience and necessity or a person who possesses facilities used to

Further, a legitimate reason for denial of service arises when the applicant's primary point of use is outside a utility's CCN.¹⁶ The term point of use is defined as "[t]he primary service connection point *where water is used* or sewage is generated."¹⁷

Both the statute and the rule reference the location of the consuming facility as determinative when addressing questions about when a CCN is necessary before providing service or when a utility that holds a CCN may deny service. Accordingly, the fact that the building at 106 Garza Lane, Little Elm, Texas 75068, which in this case is the consuming facility, has been removed from the area to be decertificated should be sufficient to support a finding that the property is not receiving service. In addition, leaving the water meter certificated and decertificating the land below more closely mirrors the treatment of the water lines that run under a property and the land above approved by the Commission in Docket No. 51114.

II. CONCLUSION

Staff respectfully requests the issuance of an order in accordance with the foregoing recommendation.

provide utility service must provide continuous and adequate service to every customer and every qualified applicant for service whose primary point of use is within the certificated area and may not discontinue, reduce or impair utility service..").

¹⁶ 16 TAC § 24.157(a)(4).

¹⁷ 16 TAC § 24.3(25) (emphasis added).

Dated: May 17, 2021

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

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Division Director

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DOCKET NO. 51738

CERTIFICATE OF SERVICE

I certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record via electronic mail on May 17, 2021, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/S/ Phillip Lehmann
Phillip Lehmann

Public Utility Commission of Texas

Memorandum

TO: Phillip Lehmann, Attorney
Legal Division

FROM: Patricia Garcia, Senior Engineering Specialist
Infrastructure Division

DATE: May 17, 2021

RE: Docket No. 51738 – *Petition of Sanctuary Texas, LLC to Amend Aqua Texas Inc.'s Certificate of Convenience and Necessity in Denton County by Expedited Release*

On January 20, 2021, Sanctuary Texas, LLC (Sanctuary) filed a petition for streamlined expedited release (SER) from Aqua Texas Inc.'s (Aqua Texas) water certificate of convenience and necessity (CCN) No. 13201 in Denton County, under Texas Water Code (TWC) § 13.2541(b) and 16 Texas Administrative Code (TAC) § 24.245(h). Sanctuary asserts that the land is at least 25 contiguous acres, is not receiving water service, and is located in Denton County, which is a qualifying county.

Sanctuary submitted a sworn affidavit attesting that the property was not receiving water service from Aqua Texas and a warranty deed confirming Sanctuary's ownership of the tract of land. In addition, Sanctuary submitted sufficient maps and digital data for determining the location of the requested release area within Aqua Texas's certificated service area.

On May 3, 2021, Aqua Texas filed a Response to Petition of the Sanctuary Texas, LLC for Streamlined Expedited Release. In the response Aqua Texas stated that the Petitioner is in fact receiving water service and is not eligible for SER, as Aqua Texas has a water main line and meter located within the property. Darryl Waldock, Aqua Texas's Area Manager-North Texas, submitted an affidavit attesting to the following: (1) Aqua Texas has 2,930 linear feet of an active four-inch water main line located within the Property; (2) Aqua Texas has a residential 5/8" x 3/4" meter located within the Property that until January 29, 2020 was used to actively supply water to a billed residential connection located at 601 Garza Lane, Little Elm, TX 75068-3509 and remains on standby today; and (3) Aqua Texas has other facilities immediately adjacent to the Property. A map confirming the location of the water main and a previous bill for water service provided to 601 Garza Lane was submitted with the response.

In its petition, Sanctuary proposes to exclude from the released property the land on which the house located at 601 Garza Lane, Little Elm, TX 75068-3509 sits. Sanctuary's mapping of the area requested for release also excludes a 100 foot by 100 foot section that includes the water

meter for the house and a 10 foot wide by 570 foot long strip that runs over and around the water line that connects to the water meter.

Sanctuary's proposal to exclude the strip of land running over and around the water line installed to serve the house at 601 Garza Lane is unnecessary and could cause confusion in the future about which utility is authorized to provide service as new structures needing water service are built on the property. In addition, the Commission has left water lines certificated, while decertificating the land above, in previous cases like Docket No. 51114.¹ Therefore, I recommend that Sanctuary revise its mapping to restore the 10 foot by 570 foot strip such that the final map prepared by Staff reflect that the water line remains certificated and only the land above the water line is decertificated. Making this change and leaving the 100 foot by 100 foot section that removes the water meter closely follows current Commission decisions.

As an alternative, I recommend that the water meter, like the water line, is eligible to remain certificated but that the land on which it sits should be decertificated. TWC § 13.242(a) ties the right to serve granted by a CCN to the location of a "consuming facility" rather than the location of the facilities used to serve a consuming facility such as a water line and meter. The Sanctuary's mapping already excludes the land on which the house at 601 Garza Lane, Little Elm, TX 75068-3509 is located. Therefore, the consuming facility that has been receiving water service from Aqua Texas, which is central to the TWC's provision on the right to serve, is not located in the area to be released. I recommend that the Commission reconsider the requirement to remove the land associated with a water meter that serves a consuming facility from an area to be released given that TWC § 13.242(a) ties the right to serve granted by a CCN to the location of a "consuming facility" and instead allows for the decertification of the land on which the water meter sits, while leaving the meter itself certificated, similar to how water lines have been treated.

¹ *Petition of Imperial Heights, Ltd. to Amend Aqua Texas, Inc 's Certificates of Convenience and Necessity in Harris County by Expedited Release*, Docket No. 51114, Order at Ordering Paragraph Nos. 1-2 (Dec. 17, 2020).

DOCKET NO. 51738

2021 JUL -3 PM 2:40

PETITION OF THE SANCTUARY
TEXAS, LLC TO AMEND AQUA
TEXAS, INC.'S CERTIFICATE OF
CONVENIENCE AND NECESSITY IN
DENTON COUNTY BY EXPEDITED
RELEASE

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PUBLIC UTILITY COMMISSION
OF TEXAS

AQUA TEXAS, INC.'S EXCEPTIONS TO PROPOSED ORDER

Aqua Texas, Inc. (Aqua or Intervenor) files these exceptions to the Proposed Order that would grant The Sanctuary Texas, LLC's (Petitioner) requested streamlined expedited release (SER) from Aqua's water CCN No. 13201 in this docket for Petitioner's property (Property) and which the Honorable Commission Administrative Law Judge (ALJ) distributed to the Parties and Commissioners on June 24, 2021 (Proposed Order).¹ In support, Aqua shows as follows.

I. EXCEPTIONS

Aqua has clearly informed the Commission (1) that there are no differences between Petitioner's SER request here and that denied by the Commission in Docket No. 50405² that warrant a different outcome; and (2) the Property is receiving water service from Aqua in various ways, including via facilities *within* the Property tract as proposed Finding of Fact No. 17 inexplicably disregards, describing Aqua's facilities as only in "proximity" to the tract without mention of Aqua's facilities *within* the tract in line with Aqua's evidence.³ Further, the Proposed Order would grant Petitioner's requested SER over Aqua's objections while omitting any discussion about Docket No. 50405 involving the same Petitioner, CCN territory, and relevant facts, or implementation of the SER standards recently announced by the Commissioners during

¹ Memorandum from ALJ to Commission Counsel and Parties with Proposed Order (Jun. 24, 2021).

² *Petition of the Sanctuary Texas, LLC to Amend Aqua Texas, Inc 's Certificate of Convenience and Necessity in Denton County by Expedited Release*, Docket No. 50405, Order (Oct. 16, 2020).

³ *Compare* Memorandum from ALJ to Commission Counsel and Parties with Proposed Order (Jun. 24, 2021), *with* Aqua's Response to Petition (May 3, 2021), Aqua's Responses to Commission Staff's First Request for Information (May 10, 2021), and Aqua's Response to Commission Staff's Recommendation on Final Disposition (May 24, 2021).

their May 21, 2021 open meeting.⁴ Aqua excepts to the Proposed Order in its entirety and incorporates its prior arguments against the release here.

Aqua specifically excepts to several findings of fact as follows. Finding of Fact No. 17 should reflect that Aqua's evidence provided by Mr. Darryl Waldock shows facilities *within* the Property *and* in proximity to it, not just in proximity to the tract. Aqua's lines and meter reflected on Mr. Waldock's map clearly show the locations of those facilities within the Property tract sought for SER. Similarly, Aqua excepts to Findings of Fact Nos. 24 through 28 related to Aqua's service to the Property as they are not factually correct and conflict with the evidence presented to the Commission showing that the Property receives water service from Aqua.

Aqua also excepts to proposed Conclusion of Law Nos. 9 and 10 because they misapply the law cited in proposed Conclusion of Law No. 9 in support of release; the cited provisions and court decision in conjunction with the Commission's recently announced standards support denial as the Commission has discretion to decide those standards within the applicable law and the standards expressed should lead to denial. Additionally, Aqua excepts to the absence of any consideration of Docket No. 50405 and res judicata in the context of this case. The decision here should be denial of the Petition as it was in Docket No. 50405 just last Fall. There have been no changes in the law since that decision within the PUC rules or otherwise—except for the discussion by the Commissioners during their May 21, 2021 open meeting.⁵ Finally, if the Proposed Order

⁴ Compare Memorandum from ALJ to Commission Counsel and Parties with Proposed Order (Jun. 24, 2021), with *Petition of the Sanctuary Texas, LLC to Amend Aqua Texas, Inc.'s Certificate of Convenience and Necessity in Denton County by Expedited Release*, Docket No. 50405, Order (Oct. 16, 2020) and *Petition of Carnegie Development, LLC to Amend James A. Dyche d/b/a Crest Water Company Certificate of Convenience and Necessity in Johnson County by Streamlined Expedited Release*, Docket No. 51352, Petition (Sep. 21, 2020) and May 21, 2021 Open Meeting Discussion of Item No. 34 at 45:15 – 47:17 (http://www.adminmonitor.com/tx/puct/open_meeting/20210521/, last checked July 6, 2021); *see also* Aqua's Response to Commission Staff's Recommendation on Final Disposition (May 24, 2021).

⁵ *Id.*

is adopted, Aqua would except to Conclusion of Law No. 13 because the Commission would be ignoring the broad definition of “service” found both in the Texas Water Code and its rules.⁶

Finally, Aqua excepts to proposed Ordering Paragraphs 1 and 3 through 8 as they would unlawfully approve the release of the Property from Aqua’s water CCN service area. While Aqua does not except to Ordering Paragraph No. 2, this order to leave Aqua’s facilities within the Property certificated confirms the Property receives service from Aqua and should lead to denial.

II. CONCLUSION AND PRAYER

Texas CCN holders are fatigued by the SER process, and the Commission should not remove CCN areas when the facts do not justify release. Yet, granting SER seems to have become an automatic reflex for the Commission regardless of the facts. This case presents facts that should preclude SER, particularly since the Commission just decided an identical SER request by the same Petitioner for the same tract in Aqua’s favor last year. Allowing Petitioners to gerrymander their request post-filing or leaving facilities certificated (which the proposed CCN map included with the order does not even show) does not help the situation.⁷ Further, if the Commission is trying to exclude Aqua’s facilities from the released area as opposed to generally leaving Aqua’s facilities certificated, the maps attached to the Proposed Order do not accurately implement that effort.⁸ Administering the SER process in this manner makes it extremely difficult for retail public utilities to plan service for developing areas, undermines regionalization efforts, and is unjust.

Intervenor Aqua Texas, Inc. respectfully requests that the Commission modify the Proposed Order in line with the exceptions presented herein and consistent with recent standards announced by the Commissioners, find that the Petition does not meet the streamlined expedited

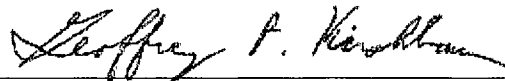
⁶ TWC § 13.002(21); *see also* 16 TAC § 24 3(33) (same definition).

⁷ If the intent here was to remove the release area surrounding Aqua’s facilities from the request, the proposed map attached to the Proposed Order does not do that accurately either. *See* Aqua’s Response to Petition (May 3, 2021), Affidavit of Darryl Waldock, Attachment 1 (showing facilities extending through the northeast quadrant of the Property and not just from the south into the middle where Aqua’s meter is located),

⁸ *Id.*

release requirements under Texas Water Code § 13.2541 or 16 TAC § 24.245(l), find the Petition cannot be granted because of the Commission's prior decision in Docket No. 50405, and deny the Petition. In the alternative, if the Commission removes the Property from Intervenor's CCN, the Commission must find that Intervenor is entitled to just and adequate compensation in an amount to be determined by the Commission before any other retail public utility may in any way render retail water or sewer service directly or indirectly to the public in the decertified area.

Respectfully submitted,

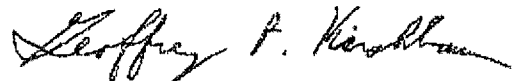
By: 

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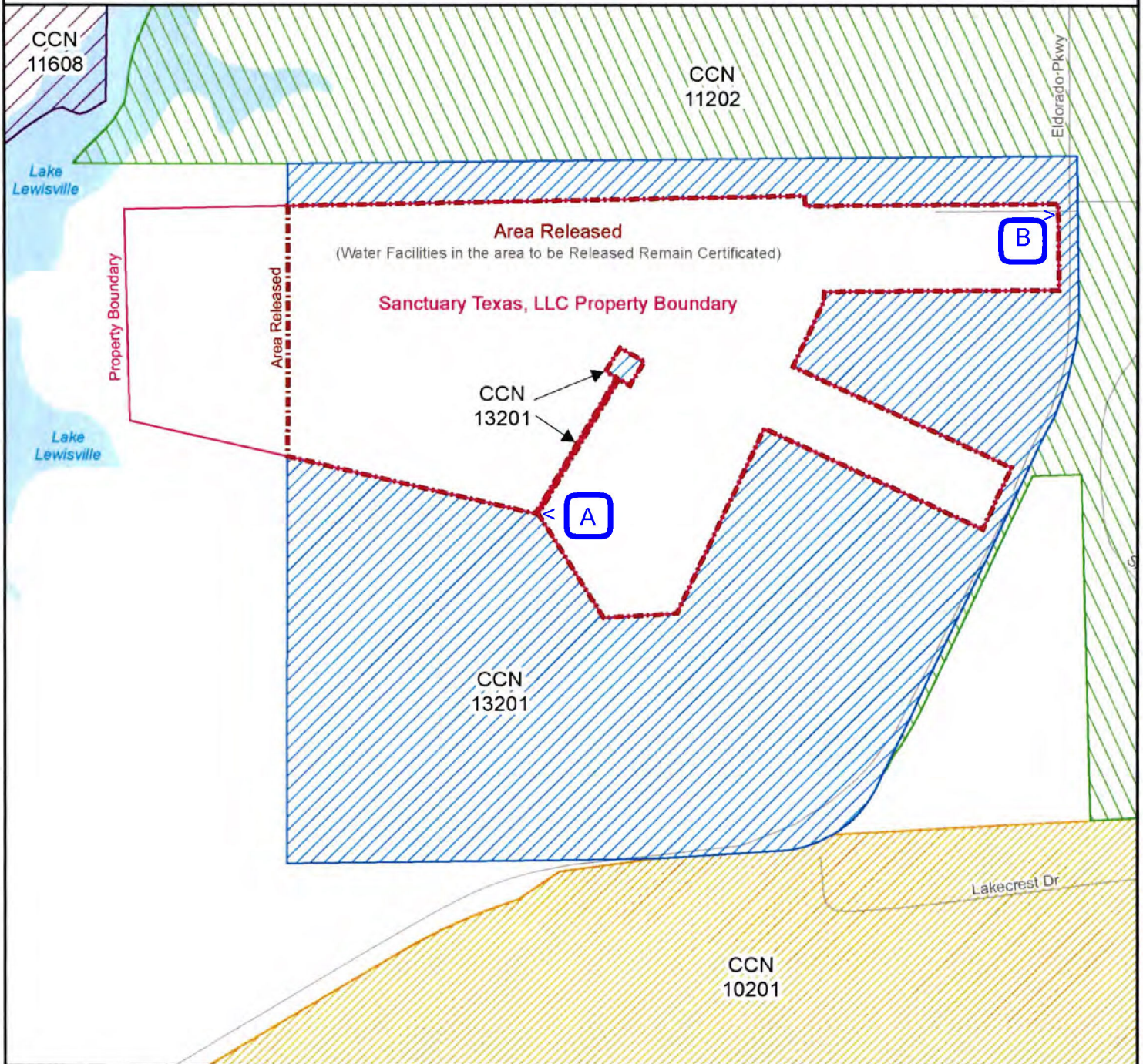
ATTORNEY FOR AQUA TEXAS, INC.

CERTIFICATE OF SERVICE

I certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record via electronic mail on July 8, 2021, in accordance with the Orders Suspending Rules filed in Project No. 50664.






Geoffrey P. Kirshbaum



Aqua Texas, Inc.
 Portion of Water CCN No. 13201
 PUC Docket No. 51738
 Petition by Sanctuary Texas, LLC to Amend
 Aqua Texas, Inc.'s CCN by Expedited Release in Denton County



Public Utility Commission of Texas
 1701 N. Congress Ave
 Austin, TX 78701

Water CCN

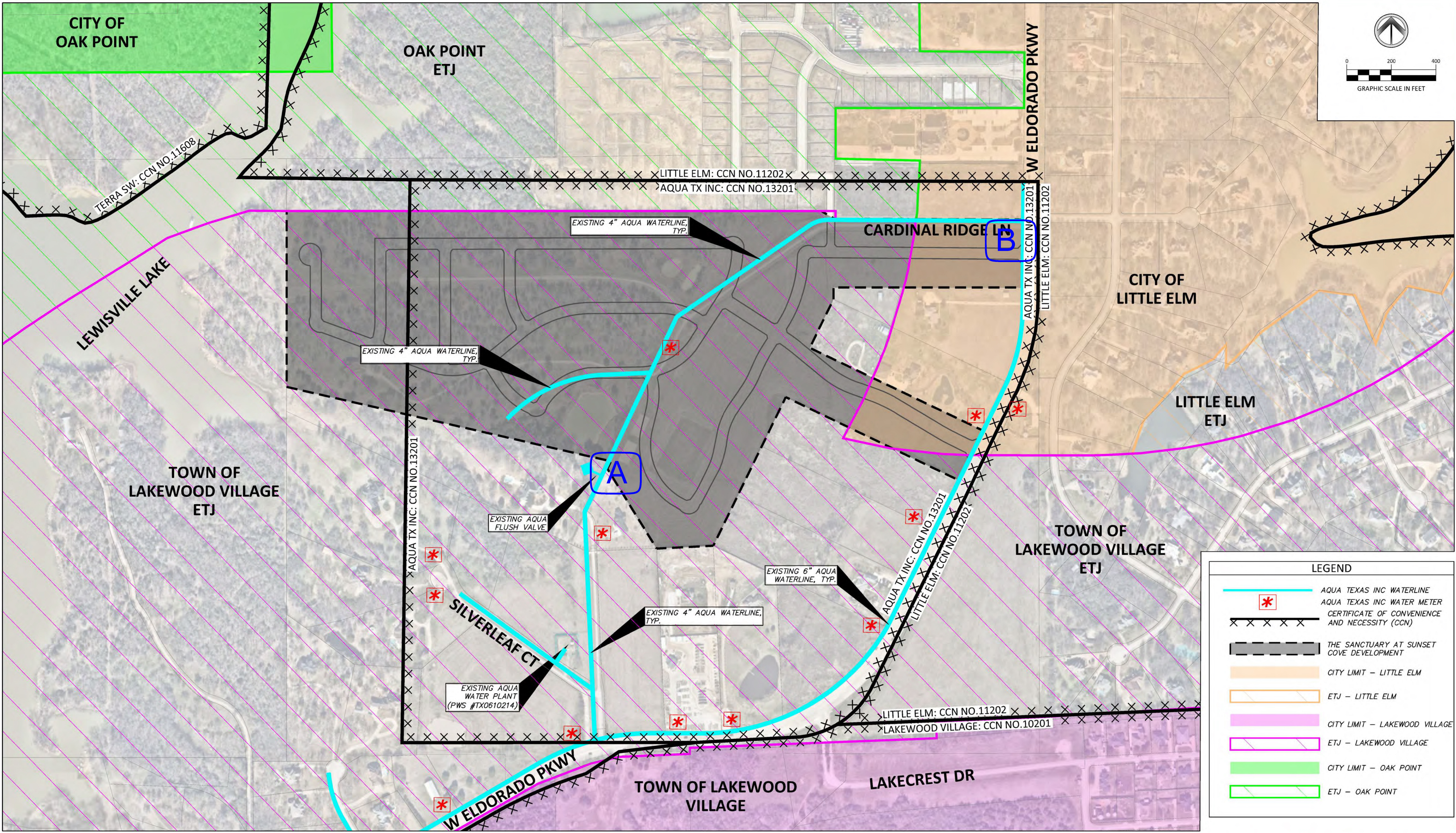
-  13201 - Aqua Texas Inc
-  11608 - Terra Southwest Inc
-  11202 - Town of Little Elm
-  10201 - City of Lakewood Village

-  Area Released
-  Property Boundary

0 250 500
 Feet



Map by: Komal Patel
 Date: July 16, 2021
 Project: 51738AquaTexas.mxd



LEGEND

- AQUA TEXAS INC WATERLINE
- AQUA TEXAS INC WATER METER
- CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN)
- THE SANCTUARY AT SUNSET COVE DEVELOPMENT
- CITY LIMIT - LITTLE ELM
- ETJ - LITTLE ELM
- CITY LIMIT - LAKEWOOD VILLAGE
- ETJ - LAKEWOOD VILLAGE
- CITY LIMIT - OAK POINT
- ETJ - OAK POINT

DOCKET NO. 51738

**PETITION OF THE SANCTUARY
TEXAS, LLC TO AMEND AQUA
TEXAS, INC.'S CERTIFICATE OF
CONVENIENCE AND NECESSITY IN
DENTON COUNTY BY EXPEDITED
RELEASE**

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PUBLIC UTILITY COMMISSION

2021 JUL 30 PM 2:05

OF TEXAS

FILED

ORDER

This Order addresses the petition by The Sanctuary Texas LLC for streamlined expedited release of a portion of a tract of land in Denton County from the service area under water certificate of convenience and necessity (CCN) number 13201. Aqua Texas, Inc. is the holder of CCN number 13201. For the reasons stated in this Order, the Commission releases the tract of land from Aqua Texas's certificated service area. In addition, the Commission amends Aqua Texas's CCN number 13201 to reflect the removal of the tract of land from the service area.

Following entry of this Order, the Commission will determine the amount of compensation, if any, to be awarded to Aqua Texas, which will be addressed by a separate order.

I. Findings of Fact

The Commission makes the following findings of fact.

Petitioner

1. The petitioner is a Texas limited liability company registered with the Texas secretary of state under filing number 803372809.

CCN Holder

2. Aqua Texas is a Texas corporation registered with the Texas secretary of state under filing number 800304878.
3. Aqua Texas holds CCN number 13201 that obligates it to provide retail water service in its certificated service area in Denton County.

Petition

4. On January 20, 2021, the petitioner filed a petition for streamlined expedited release of a portion of a tract of land from the CCN holder's service area under water CCN number 13201.

5. The petition includes the notarized affidavit of Marlon McMakin, petitioner's managing member, a general location map, a detailed map, a survey map with a metes-and-bounds description, plat map, and two special warranty deeds, each dated August 21, 2019.
6. On February 3, 2021, the petitioner supplemented the petition with digital mapping files.
7. In Order No. 2 filed on February 24, 2021, the administrative law judge (ALJ) found the petition administratively incomplete and insufficient.
8. On March 4, 2021, the petitioner supplemented the petition with digital mapping files.
9. On April 16, 2021, Commission Staff filed its supplemental recommendation on administrative completeness and proposed notice recommending that, though the petition requests streamlined expedited release of 69.113 acres, the portion of petitioner's 70.149-acre tract of land that overlaps the CCN holder's CCN is approximately 58.794 acres (release property).
10. In Order No. 3 filed on April 19, 2021, the ALJ found the petition administratively complete.

Notice

11. On January 20, 2021, the petitioner sent a copy of the petition by certified mail, return receipt requested, to the CCN holder.
12. The petitioner filed a certificate of service with its petition certifying that notice was provided as set forth above.
13. In Order No. 3 filed on April 19, 2021, the ALJ found the notice sufficient. - - - - -

Intervention

14. In Order No. 3 filed on April 19, 2021, the ALJ granted the CCN holder's motion to intervene.

Response to Petition

15. On February 5, 2021, the CCN holder filed initial comments on the petition.
16. On May 3, 2021, the CCN holder filed a response to the petition.
17. The CCN holder's response includes the notarized affidavit of Darryl Waldock, the CCN holder's north Texas area manager, with a map showing the location of the CCN holder's facilities in proximity to the tract in question and a bill that was sent by the CCN holder

for a water meter in proximity to the release property for water service through January 29, 2020.

The Tract of Land

18. The tract of land is approximately 70.149 acres, is in Denton County, and is comprised of three contiguous parcels.
19. The release property for which the petitioner seeks streamlined expedited release is approximately 58.794 acres.
20. The release property is located within the CCN holder's certificated service area.

Ownership of the Land

21. The petitioner acquired the tract of land by two special warranty deeds, each dated August 21, 2019.

Qualifying County

22. Denton County abuts Dallas and Tarrant counties and has a population of more than 47,500.
23. Dallas and Tarrant counties each have a population greater than one million people.

Water Service

24. The release property is not receiving actual water service from the CCN holder.
25. The CCN holder provides water service in the vicinity of, but not on, the release property.
26. The CCN holder has a four-inch water line on the release property that is connected to a four-inch water line and a six-inch water line that are not on the release property to create a looped water main layout. The looped water main layout provides service to customers of the Spanish Oaks water system.
27. The CCN holder has not committed or dedicated any facilities or lines to the release property for water service.
28. The CCN holder has no facilities or lines that provide water service to the release property.
29. The CCN holder has not performed any acts for or supplied anything to the release property.

Map and Certificate

30. On June 24, 2021, Commission Staff filed the proposed certificate and maps identifying the release property in relationship to the CCN holder's certificated service area.

II. Conclusions of Law

The Commission makes the following conclusions of law.

1. The Commission has authority over this petition for streamlined expedited release under Texas Water Code (TWC) §§ 13.254 and 13.2541.
2. The petitioner provided notice of the petition in compliance with 16 Texas Administrative Code (TAC) § 24.245(h)(3)(F).
3. No opportunity for a hearing on a petition for streamlined expedited release is provided under TWC §§ 13.254 or 13.2541 or 16 TAC § 24.245(h)(7).
4. Petitions for streamlined expedited release filed under TWC §§ 13.254 and 13.2541 and 16 TAC § 24.245(h) are not contested cases.
5. Landowners seeking streamlined expedited release under TWC §§ 13.254 and 13.2541 and 16 TAC § 24.245(h) are required to submit a verified petition through a notarized affidavit, and the CCN holder may submit a response to the petition.
6. To obtain release under TWC § 13.2541(b), a landowner must demonstrate that the landowner owns a tract of land that is at least 25 acres, that the tract of land is located in a qualifying county, and that the tract of land is not receiving service of the type that the current CCN holder is authorized to provide under the applicable CCN.
7. The petitioner owns the tract of land, which is at least 25 acres, for which it seeks streamlined expedited release through the petition.
8. Denton County is a qualifying county under TWC § 13.2541(b) and 16 TAC § 24.245(h)(2).
9. The release property is not receiving water service under TWC §§ 13.002(21) and 13.2541 and 16 TAC § 24.245(h), as interpreted in *Texas General Land Office v. Crystal Clear Water Supply Corporation*, 449 S.W.3d 130 (Tex. App.—Austin 2014, pet. denied).
10. The petitioner is entitled under TWC § 13.2541(b) to the release of the release property from the CCN holder's certificated service area under CCN number 13201.

11. After the date of this Order, the CCN holder has no obligation to provide retail water service to the release property.
12. The Commission may release only the property of the landowner from a CCN under TWC § 13.2541(b). The Commission has no authority to decertificate any facilities or equipment owned and operated by the CCN holder to provide retail water service through the streamlined-expedited-release process under TWC § 13.2541(b).
13. The time that the petition is filed is the only relevant time period to consider when evaluating whether a tract of land is receiving water or sewer service under TWC § 13.2541(b). Whether a tract might have previously received water or sewer service is irrelevant.
14. The Commission processed the petition in accordance with the TWC and Commission rules.
15. Under TWC § 13.257(r) and (s), the CCN holder is required to record certified copies of the approved certificates and maps, along with a boundary description of the service area, in the real property records of Denton County no later than the 31st day after the date the CCN holder receives this Order.
16. A retail public utility may not under TWC § 13.254(d) provide retail water service to the public within the release property unless just and reasonable compensation under TWC § 13.254(g) has been paid to the CCN holder.

III. Ordering Paragraphs

In accordance with these findings of fact and conclusions of law, the Commission issues the following orders.

1. The Commission releases the release property from the CCN holder's certificated service area under CCN number 13201.
2. The Commission does not decertificate any of the CCN holder's equipment or facilities that may lay on or under the release property.
3. The Commission amends CCN number 13201 in accordance with this Order.
4. The Commission approves the attached map.
5. The Commission issues the attached certificate.

6. The CCN holder must file in this docket proof of the recording required in TWC § 13.257(r) and (s) within 45 days of the date of this Order.
7. The proceeding to determine the amount of compensation to be awarded to the CCN holder, if any, commences with the filing of this Order in accordance with the schedule adopted in Order No. 3. Any decision on compensation will be made by a separate order.
8. The Commission denies all other motions and any other requests for general or specific relief not expressly granted by this Order.

Signed at Austin, Texas the 30th day of July 2021.

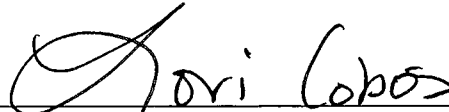
PUBLIC UTILITY COMMISSION OF TEXAS



PETER LAKE, CHAIRMAN



WILL MCADAMS, COMMISSIONER



LORI COBOS, COMMISSIONER



Public Utility Commission of Texas

By These Presents Be It Known To All That

Aqua Texas, Inc.

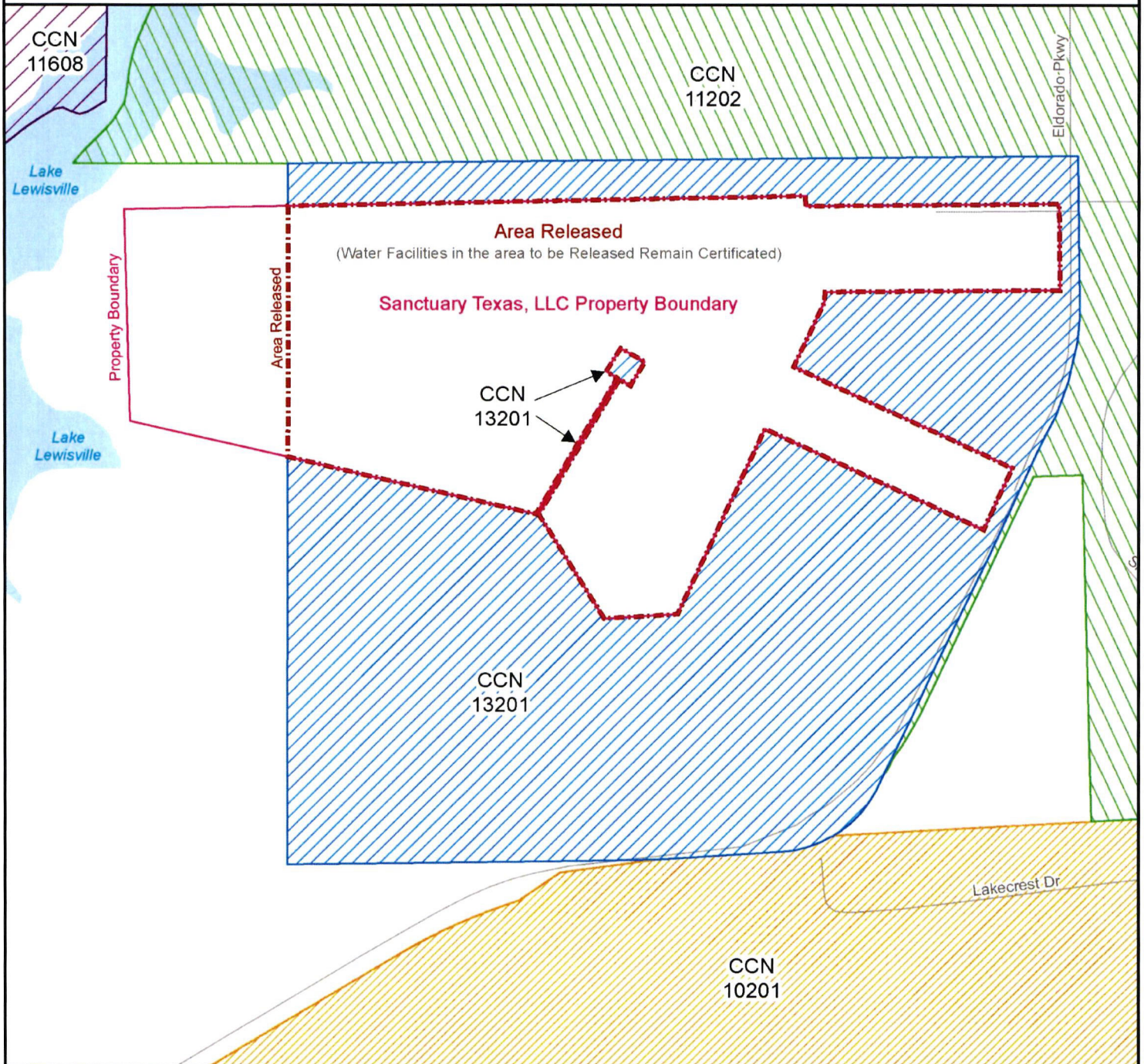
having obtained certification to provide water utility service for the convenience and necessity of the public, and it having been determined by this Commission that the public convenience and necessity would in fact be advanced by the provision of such service, Aqua Texas, Inc. is entitled to this

Certificate of Convenience and Necessity No. 13201

to provide continuous and adequate water utility service to that service area or those service areas in Anderson, Bosque, Camp, Cherokee, Collin, Cooke, Denton, Erath, Grayson, Gregg, Henderson, Hood, Hunt, Johnson, Kaufman, Marion, McLennan, Parker, Smith, Somervell, Tarrant, Wise, and Wood Counties as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 51738 are on file at the Commission offices in Austin, Texas; and are matters of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty of the Aqua Texas, Inc. to provide such utility service in accordance with the laws of this State and Rules of this Commission, subject only to any power and responsibility of this Commission to revoke or amend this Certificate in whole or in part upon a subsequent showing that the public convenience and necessity would be better served thereby.




Issued at Austin, Texas, this 24th day of June 2021.

Aqua Texas, Inc.
Portion of Water CCN No. 13201
PUC Docket No. 51738
Petition by Sanctuary Texas, LLC to Amend
Aqua Texas, Inc.'s CCN by Expedited Release in Denton County



Public Utility Commission of Texas
1701 N. Congress Ave
Austin, TX 78701

Water CCN

-  13201 - Aqua Texas Inc
-  11608 - Terra Southwest Inc
-  11202 - Town of Little Elm
-  10201 - City of Lakewood Village

-  Area Released
-  Property Boundary

0 250 500
Feet



Map by: Komal Patel
Date: July 16, 2021
Project: 51738AquaTexas.mxd

DOCKET NO. 51955

PETITION OF AQUA TEXAS, INC.	§	PUBLIC UTILITY COMMISSION
AND PARKER COUNTY SPECIAL	§	
UTILITY DISTRICT FOR APPROVAL	§	OF TEXAS
OF SERVICE AREA CONTRACT	§	
UNDER TEXAS WATER CODE §	§	
13.248 AND TO AMEND	§	
CERTIFICATES OF CONVENIENCE	§	
AND NECESSITY IN PARKER	§	
COUNTY - ESTANCIA	§	

NOTICE OF APPROVAL

This Notice of Approval addresses the application by Aqua Texas, Inc. (Aqua) and Parker County Special Utility District (PCSUD) for approval of a service area contract under Texas Water Code (TWC) § 13.248 and to amend water certificates of convenience and necessity (CCNs) in Parker County. The petition seeks enforcement of an agreed transfer of approximately 45 acres of property within the Estancia development from the water service area of PCSUD CCN number 12313 to the water service area of Aqua CCN number 13201. While the Commission does not enforce agreements, the Commission approves the service area contract and amends water CCN numbers 12313 and 13201 accordingly.

I. Findings of Fact

The Commission makes the following findings of fact.

Applicants

1. Aqua Texas, Inc. is a retail public utility that provides retail water utility service in Parker County under CCN number 13201.
2. Aqua Texas, Inc. is a domestic for-profit corporation registered with the Texas Secretary of State under file number 800304878.
3. Parker County Special Utility District is special utility district organized and operating under Texas Special District Local Laws Code, Chapter 7202, TWC Chapters 49 and 65, and Section 59 Article XVI of the Texas Constitution that provides retail water utility service in Parker and Palo Pinto Counties under CCN number 12313.

Application

4. On March 25, 2021, Aqua and PCSUD entered into an agreement (the service area contract) whereby they agreed to transfer approximately 45-acres of undeveloped land included within PCSUD CCN number 12313 to Aqua CCN number 13201 to accommodate development of property owned by Graford Holdings, LLC as the Estancia residential subdivision.
5. On March 30, 2021, Aqua and PCSUD jointly filed the Petition at issue in this proceeding for approval of the service area contract and its enforcement by the Commission by amending Aqua CCN number 13201 and PCSUD CCN number 12313 to reflect the agreed transfer of 45-acres of water service area from PCSUD to Aqua.
6. The petition included a copy of the service area contract executed by Aqua and PCSUD.
7. There are no active water connections or facilities within the 45 acres of water service area that will be transferred from PCSUD to Aqua.
8. There are no customers currently being provided service within the requested 45 acres of water service area to be transferred.
9. There will be no transfer of water system assets, facilities, or customers between Aqua and PCSUD as a result of the service area contract or application.
10. In Order No. 2 filed on May 3, 2021, the administrative law judge (ALJ) found the Application administratively complete.

Notice

11. Commission Staff indicated in its recommendation filed on April 29, 2021 that customer notice requirements found in 16 Texas Administrative Code (TAC) § 24.253(c)(1) are not applicable because there are no affected customers in the service areas to be transferred.
12. Commission Staff indicated in its recommendation filed on April 29, 2021 that customer notice requirements found in 16 TAC § 24.253(c)(2)-(3) are applicable because PCSUD's decision to enter Applicants' service area contract was discussed at a PCSUD board meeting.

13. Commission Staff determined in its recommendation filed on April 29, 2021 that PCSUD and Aqua complied with 16 TAC § 24.253(c)(2)-(3) by including in the Application: (1) an affidavit attesting to notice, signed by a representative of PCSUD, and (2) the meeting agenda and minutes for the applicable PCSUD meeting from December 17, 2020 where the decision to enter Applicants' service area contract was discussed.
14. In Order No. 2 filed on May 3, 2021, following Commission Staff's April 29, 2021 recommendation, the presiding ALJ found that the Application was administratively complete and no further notice necessary.

Certificates and Maps

15. On June 14, 2021, Commission Staff emailed its proposed maps, tariffs, and certificates to the Applicants.
16. On June 18, 2021, and on June 28, 2021, PCSUD and Aqua filed consents to the proposed maps and the applicable tariffs and certificates.
17. On July 7, 2021, Commission Staff filed the proposed maps, tariffs, and certificates as attachments to its final recommendation.

Evidentiary Record

18. On July 14, 2021, the parties filed a joint motion to admit evidence and proposed notice of approval.
19. On August 5, 2021, Order No. 4 was issued, admitting the following evidence into the record of this proceeding: (a) Aqua and PCSUD's application for approval of a service area contract, filed on March 30, 2021; (b) Commission Staff's recommendation on administrative completeness and proposed procedural schedule filed on April 29, 2021; (c) PCSUD's consent form filed on June 18, 2021; (d) Aqua's consent form filed on June 28, 2021; (e) Commission Staff's final recommendation and all attachments filed on July 7, 2021; and (f) Aqua's supplemental application information related to minor tariff change required by application, filed on July 23, 2021.

Informal Disposition

20. More than 15 days have passed since the completion of the notice provided in this docket.

21. No person filed a protest or motion to intervene.
22. Aqua, PCSUD, and Commission Staff are the only parties to this proceeding.
23. No party requested a hearing and no hearing is needed.
24. Commission Staff recommended approval of the Application.
25. This decision is not adverse to any party.

II. Conclusions of Law

The Commission makes the following conclusions of law.

1. The Commission has jurisdiction and authority over the application pursuant to Texas Water Code (TWC) §§ 13.041 and 13.248.
2. Aqua and PCSUD are retail public utilities as defined in TWC § 13.002(19) and 16 TAC § 24.3(31).
3. The Commission processed the application in accordance with the Administrative Procedure Act,¹ the TWC, and Commission rules.
4. Under TWC § 13.248, contracts between retail public utilities designating areas to be served by those retail public utilities, when approved by the Commission, are valid, enforceable, and incorporated into the affected CCNs.
5. The Application meets the requirements of 16 TAC § 24.253.
6. Notice of the Application complies with TWC § 13.248 and 16 TAC § 24.253.
7. Under TWC § 13.257(r) and (s), and as reflected in 16 TAC § 24.235(e), Aqua and PCSUD are required to record certified copies of the approved CCNs and maps, along with boundary descriptions of their respective service areas, in the real property records of Parker County within 31 days of receiving this Notice of Approval.
8. The requirements for informal disposition in 16 TAC § 22.35 have been met in this proceeding

¹ Tex. Gov't Code §§ 2001.001–.903.

III. Ordering Paragraphs

In accordance with these findings of fact and conclusions of law, the Commission issues the following orders.

1. The Commission approves the service area contract.
2. The Commission amends Aqua's water CCN number 13201 in accordance with this Notice of Approval.
3. The Commission amends PCSUD water CCN number 12313 in accordance with this Notice of Approval.
4. The Commission approves the tariff and maps attached to this Notice of Approval.
5. The Commission issues the certificates attached to this Notice of Approval.
6. Aqua Texas, Inc. must serve every customer and qualified applicant for water service within the certificated area added to water CCN number 13201, and such service must be continuous and adequate.
7. PCSUD must serve every customer and qualified applicant for water service within the certificated area of water CCN number 12313, and such service must be continuous and adequate.
8. Aqua and PCSUD must each comply with the recording requirements in TWC § 13.257(r)-(s) for the areas in Parker County affected by the application and submit to the Commission evidence of the recording no later than 45 days after receipt of this Notice.
9. The Commission denies all other motions and any other requests for general or specific relief not expressly granted herein

Signed at Austin, Texas the 5th day of August, 2021.

PUBLIC UTILITY COMMISSION OF TEXAS

A handwritten signature in black ink, appearing to read 'G. R. Siemankowski', written over a horizontal line.

GREGORY R. SIEMANKOWSKI
ADMINISTRATIVE LAW JUDGE

W2013

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WATER UTILITY TARIFF
North Region
Docket No. 51955

Aqua Texas, Inc. dba Aqua Texas
(North Region)
(Utility Name)

1106 Clayton Lane, Suite 400W
(Business Address)

Austin, Texas 78723
(City, State, Zip Code)

(512) 990-4400
(Area Code/Telephone)

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

13201

This tariff is effective in the following counties:

See attached Table – North Region

The following is a list of cities where Aqua Texas – North Region provides water service:

City of Stockton Bend, City of Granbury, The Town of Lakewood Village, City of Rhome, Town of Shady Shores, and City of Waco

The rates set or approved by the city for the systems entirely within its corporate boundary are not presented in this tariff. Those rates are not under the original jurisdiction of the PUC and will have to be obtained from the city or utility. This tariff applies to outside city customers of systems that provide service inside and outside of a city's corporate boundary.

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

See attached Table A – North Region

TABLE OF CONTENTS

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

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SECTION 2.20 -- SPECIFIC UTILITY SERVICE RULES AND POLICIES	12
SECTION 3.0 -- EXTENSION POLICY	17
SECTION 3.20 -- SPECIFIC EXTENSION POLICY	18

APPENDIX A -- DROUGHT CONTINGENCY PLAN

APPENDIX B -- SAMPLE SERVICE AGREEMENT

APPENDIX C -- PASS THROUGH AND TRUE-UP PROVISIONS

Table A – North Region			
System Name	Subdivision/ Area Served	PWS ID	County
Dogwood Hills North	Dogwood Hills North	0010038	Anderson
Dogwood Hills East	Dogwood Hills East	0010039	Anderson
Lame Duck Water System	Lame Duck	0180072	Bosque
China Spring Ranches	China Spring Ranches	0180082	Bosque and McLennan
Cherokee Point Water Co.	Cherokee Point	0320015	Camp
Eagles Bluff	Eagles Bluff Cedar Bay Shell Shores	0370052	Cherokee and Smith
FRF Water Systems 1345678	FRF	0490042	Cooke
Wren Water System	Wren	0610009	Denton
Woodland Hills	Woodland Hills	0610084	Denton
Hidden Valley Water System	Hidden Valley	0610099	Denton
Saratoga Estates	Saratoga Estates	0610163	Denton
Foxbane Combined WS	Foxbane Riggs Place Estates Double Tree Estates Sage Meadows Payton Place	0610164	Denton
Songbird Addition	Songbird	0610165	Denton
Hanby Acres	Hanby Acres Hanby View Estates	0610166	Denton
Ponder Acres Water System	Ponder Acres	0610201	Denton
Trail Creek Water System	Indian Trail Collingswood Prop Wash Avery Ranch Guy James Ranch	0610203	Denton
Cinnamon Ridge	Cinnamon Ridge Drop M Estates Sunny Ranches	0610209	Denton
Dove Hollow Water System	Dove Hollow	0610210	Denton
Willow Wood Addition Meadow Vista	Meadow Vista Willow Wood	0610212	Denton
Spanish Oaks Addition	Spanish Oaks	0610214	Denton
Spring Hill Estates	Spring Hill Estates	0610218	Denton
Stony Hills Water System	Stony Hills	0610220	Denton
Old Stony Estates	Old Stony Estates	0610224	Denton
Sunny Ranches	Sunny Ranches	0610229	Denton
Ponderosa Ranch	Ponderosa Ranch Hill Country Way Estates	0610233	Denton
Radecke Road Water System	Radecke Road	0610234	Denton
Stone Valley Farm	Stone Valley Farm	0610236	Denton

Table A – North Region (Continued)			
System Name	Subdivision/ Area Served	PWS ID	County
Willow Springs Addition	Willow Springs	0610237	Denton
Shale Creek Community	Shale Creek	0610238	Denton, Wise
Mountain Lakes Addition	Mountain Lakes	0720037	Erath
Heritage Estates	Heritage Estates	0910139	Grayson
Forest Lake Subdivision	Forest Lake Forest Park Timber Lakes	0920026	Gregg
Lake Utility Co.	Lake Utilities Dorsey Estates Peninsula Point Timber Lake Estates	1070059	Henderson
Lake Palestine Water Co.	Lake Palestine Water Parkside Shores Cherokee Estates Forest Grove South Holly Hills Lake Point Estates Sunrise Shores Twin Oaks Estates Woodland Hills Woodridge	1070198	Henderson
Phoenix Water Works	Phoenix	1070211	Henderson
High Point Water Co.	High Point	1070233	Henderson
Safari Water System	Safari Waters Ranch Champions Ranch	1070247	Henderson
Rock Harbor Estates	Rock Harbor Estates	1110024	Hood
Sandy Beach Subdivision	Sandy Beach	1110026	Hood
Whippoorwill Bay Subdivision	Whippoorwill Bay	1110027	Hood
Brazos River Acres	Brazos River Acres	1110028	Hood
Mountain View Subdivision	Mountain View Knob Hill	1110035	Hood
River Country Acres	River Country Acres	1110045	Hood
Eastwood Village	Eastwood Village East Park	1110052	Hood
Lake Country Acres	Lake Country Acres Big Timber Estates	1110059	Hood and Parker
North Fork Creek	North Fork Creek I	1110074	Hood
River Run Subdivision	River Run	1110076	Hood
Sunset Acres Subdivision	Sunset Acres	1110077	Hood
Blue Water Shores	Blue Water Shores	1110079	Hood
Nolan Creek Estates	Nolan Creek Estates	1110080	Hood
Plaza East	Plaza East	1110082	Hood

Table A – North Region (Continued)			
System Name	Subdivision/ Area Served	PWS ID	County
Hunterwood Subdivision Water System	Hunterwood Lakeside Hills	1110083	Hood
Sunchase Meadows	Sunchase Meadows Sunchase Hills Sunchase Village	1110087	Hood
North Fork Creek II	North Fork Creek II Meadowlark Addition	1110088	Hood
Country Meadows Subdivision	Country Meadows	1110089	Hood
Midhaven Estates	Midhaven Estates	1110094	Hood
Mallard Pointe Subdivision	Mallard Pointe	1110112	Hood
Peninsula Addition	Peninsula	1110115	Hood
Bentwater on Lake Granbury	Bentwater on Lake Granbury	1110116	Hood
Rockwall East Mini Ranch	Rockwall East Mini Ranch	1160011	Hunt
Holiday Estates Water	Holiday Estates	1160028	Hunt
Quinlan North Subdivision	Quinlan North	1160063	Hunt
Quinlan South Subdivision	Quinlan South	1160064	Hunt
Barrow Subdivision	Barrow Christy Vista	1160066	Hunt
Crazy Horse Subdivision	Crazy Horse	1160067	Hunt
Oak Ridge Estates	Oak Ridge Estates	1160079	Hunt
Country Wood Estates	Country Wood Estates M G M Estates	1160093	Hunt
Oakview Farms Subdivision	Oakview Farm Village Creek Estates	1260010	Johnson
Peaceful Meadows Subdivision	Peaceful Meadows	1260067	Johnson
Shady Hills Estates Water System	Shady Hills Estates	1260071	Johnson
Shady Meadows Estates	Shady Meadows Estates	1260072	Johnson
Garden Acres	Garden Acres	1260092	Johnson
Walden Estates	Walden Estates	1260101	Johnson
China Spring Water Company	China Spring	1550021	McLennan
North County Water Supply	North County Water Supply	1550049	McLennan
Western Hills Water System	Western Hills Brettwood Addition Lazy Acres Schwann Lane Westlake Addition Park One	1550072	McLennan
T & A Water System	T & A Water System	1550085	McLennan
Rivercrest Water Co.	Rivercrest	1550089	McLennan
Smith Water	Smith Water	1550091	McLennan

Table A – North Region (Continued)			
System Name	Subdivision/ Area Served	PWS ID	County
V L S	V L S	1550113	McLennan
Tubbs Water System	Tubbs Water System	1550125	McLennan
Goodall Water System	Goodall Water System	1550126	McLennan
North Bosque Estates Water Supply	North Bosque Estates	1550129	McLennan
Behringer Water System	Behringer	1550130	McLennan
Crestwood Water Co.	Crestwood	1580016	Marion
Tanglewood Estates	Tanglewood Estates	1840011	Parker
Live Oak Hills Addition	Live Oak Hills	1840012	Parker
Ashcreek Addition	Ashcreek Acres Reynolds Creek Estates	1840013	Parker
Springtown Subdivision	Springtown	1840015	Parker
La Junta	La Junta	1840016	Parker
Agnes Subdivision	Agnes	1840017	Parker
Lazy Bend Estates	Lazy Bend Estates	1840018	Parker
Shangri La Subdivision	Shangri La West Forty Acres Azle West 40 Canyon Country Estates Cherry Valley	1840021	Parker
Flat Rock Estates	Flat Rock Estates	1840035	Parker
Deer Butte Subdivision	Deer Butte Ranchos	1840037	Parker
Remuda Ranch Estates	Remuda Ranch Estates	1840047	Parker
Windsor Estates	Windsor Estates	1840076	Parker
Kinbrook Estates	Kinbrook Estates	1840094	Parker
Sandy Acres Addition	Sandy Acres Fox Hollow	1840098	Parker
Timbercreek Valley	Timbercreek Valley	1840108	Parker
Saddle Club Estates	Saddle Club Estates Oaks Subdivision Estancia	1840130	Parker
Boling Ranch Estates	Boling Ranch Estates	1840133	Parker
Woodlands of Parker County & Old Bank	Woodlands of Parker County Old Bankhead Highway The Woodlands	1840138	Parker
Enchanted Lakes Water System	Enchanted Lakes	2120045	Smith
WWW Water System	WWW Water System	2120077	Smith
Squaw Creek Subdivision Water System	Squaw Creek	2130021	Somervell
Greenfields on Squaw Creek	Greenfields on Squaw Creek	2130036	Somervell
Cottonwood Hills Estates	Cottonwood Hills Estates	2200045	Tarrant
Linkwood Estates Subdivision	Linkwood Estates	2200061	Tarrant

Table A – North Region (Continued)			
System Name	Subdivision/ Area Served	PWS ID	County
Slay Estates	Slay Estates	2200072	Tarrant
Blue Mound Estates	Blue Mound Estates	2200100	Tarrant
Southwood Addition	Southwood	2200108	Tarrant
Avondale Heights	Avondale Heights	2200184	Tarrant
Eagles Nest	Eagles Nest	2200185	Tarrant
Lunar Lane Water System	Lunar Lane Oak Grove Acres	2200208	Tarrant
Silver Creek Estates	Silver Creek Estates	2200277	Tarrant
Ranch Oaks Subdivision	Ranch Oaks	2200291	Tarrant
North Ridge Estates	North Ridge Estates	2200326	Tarrant
North Fork Estates	North Fork Estates North Fork Addition	2200329	Tarrant
Sun Valley Estates Water Supply	Sun Valley Estates	2200337	Tarrant
Savanna Estates	Savanna Estates	2200338	Tarrant
Van Zandt Farms	Van Zandt Farms	2200341	Tarrant
Carson Ranch	Carson Ranch	2200343	Tarrant
The Resort at Eagle Mountain Lake	The Resort	2200344	Tarrant
Prairie Ridge Estates	Prairie Ridge Estates	2200348	Tarrant
Sunshine Meadows Water Utility	Sunshine Meadows By Well Lexington	2490040	Wise
Highland Meadows Water System	Highland Meadows	2490042	Wise
Strawberry Estates	Strawberry Estates	2490045	Wise
Mesa Ridge Subdivision	Mesa Ridge	2490047	Wise
Diamond Ridge	Diamond Ridge	2490052	Wise
Reatta Estates	Reatta Estates	2490056	Wise
Highland Hills	Highland Hills	2490057	Wise
Chisholm Springs	Chisholm Springs	2490060	Wise
Hawk Ridge	Hawk Ridge	2490077	Wise
Clear Lakes	Clear Lakes	2500017	Wood

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

Monthly Minimum Charges by Meter Size (Includes 0 gallons)

Meter Size	Year 1 (Partial) 5/1/2013 through 12/31/2013	Year 2 Beginning 1/1/2014	Year 3 Beginning 1/1/2015 Until Changed
5/8" x 3/4"	\$45.06	\$45.06	\$45.06
1"	\$112.65	\$112.65	\$112.65
1½ "	\$225.30	\$225.30	\$225.30
2"	\$360.48	\$360.48	\$360.48
3"	\$720.96	\$720.96	\$720.96
4"	\$1,126.50	\$1,126.50	\$1,126.50
6"	\$2,253.00	\$2,253.00	\$2,253.00
8"	\$3,604.80	\$3,604.80	\$3,604.80
10"	\$5,181.90	\$5,181.90	\$5,181.90
12"	\$9,687.90	\$9,687.90	\$9,687.90

Gallage Charge: Per 1,000 gallons used

	Year 1 (Partial) 5/1/2013 through 12/31/2013	Year 2 Beginning 1/1/2014	Year 3 Beginning 1/1/2015 Until Changed
1 to 5,000 gallons	\$2.40	\$2.65	\$2.85
5,001 to 10,000 gallons	\$4.70	\$4.82	\$4.95
10,001 to 20,000 gallons	\$7.13	\$7.13	\$7.13
20,001 and over	\$7.60	\$7.60	\$7.60

Regional Pass-Through Gallonage Charge:..... \$0.4224 per 1,000 gallons
(Increase from \$0.3751 to \$0.4224 per 1,000 gallons, Effective March 1, 2021; ***Tariff Control No. 51832***)

Federal Tax Change Credit Rider: (7.23%) of the monthly retail bill
(Effective May 1, 2018; ***Docket No. 48197***)

Federal Tax Change Credit Rider: (5.20%) of the monthly retail bill
(Effective January 1, 2019; ***Docket No. 48197***)

Monthly Minimum Charge for any meter size larger than 12" will be calculated using American Water Works Association (AWWA) approved meter equivalency factors.

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 – Rates

Minimum Monthly Charges*

Monthly Minimum Charges by Meter Size (Includes 0 gallons)

Meter Size	Year 1 - beginning 9/1/2013	Year 2 beginning 9/1/2014 Until Changed
5/8" x 3/4"	\$41.00	\$45.06
1"	\$102.50	\$112.65
1½"	\$205.00	\$225.30
2"	\$328.00	\$360.48
3"	\$656.00	\$720.96
4"	\$1,025.00	\$1,126.50
6"	\$2,050.00	\$2,253.00
8"	\$3,280.00	\$3,604.80
10"	\$4,715.00	\$5,181.90
12"	\$8,815.00	\$9,687.90

* Monthly Minimum Charge for any meter size larger than 12" will be calculated using American Water Works Association (AWWA) approved meter equivalency factors.

Gallage Charge: Per 1,000 gallons used

	Year 1 - beginning 9/1/2013	Year 2 - Beginning 9/1/2014 Until changed
1 to 20,000 gallons	\$3.66	\$3.66
20,001 to 30,000 gallons	\$4.20	\$4.20
Over 30,000 gallons	\$4.75	\$4.75

Regional Pass-Through Gallage Charge:.....\$0.4224 per 1,000 gallons
(effective March 1, 2021; *Tariff Control No. 51832*)

Federal Tax Change Credit Rider: (7.23%) of the monthly retail bill
(Effective May 1, 2018; *Docket No. 48197*)

Federal Tax Change Credit Rider: (5.20%) of the monthly retail bill
(Effective January 1, 2019; *Docket No. 48197*)

SECTION 1.0 -- RATE SCHEDULE (Continued)

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

Cash X (If in person at designated locations), Check X, Money Order X, Credit Card X,

Other (specify) Electronic Billing and Payment (See Section 2.06 Billing)

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.

UNAFFILIATED THIRD PARTIES WHO ACCEPT AND PROCESS CASH, CREDIT CARD, OR ELECTRONIC PAYMENTS FOR UTILITY BILLS MAY REQUIRE PAYMENT OF AN ADDITIONAL CONVENIENCE CHARGE FOR THIS SERVICE.

REGULATORY ASSESSMENT 1.0%

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

Section 1.02 - Miscellaneous Fees

TAP FEE \$1,100.00

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

TAP FEE (Unique costs) ACTUAL COST

FOR EXAMPLE, A ROAD BORE FOR CUSTOMERS OUTSIDE A SUBDIVISION IS A UNIQUE COST. UNIQUE COSTS WILL BE DETERMINED ON A CASE-BY-CASE BASIS.

TAP FEE (Larger meter) ACTUAL COST

THIS TAP FEE IS BASED ON THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METERS LARGER THAN STANDARD 5/8" x 3/4" METERS. UNIQUE COSTS, SUCH AS ROAD BORES, WILL BE CHARGED IN ADDITION TO THIS TAP FEE AT THEIR ACTUAL COST OF INSTALLATION.

RECONNECTION FEE

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

a) Non-payment of bill (Maximum \$25.00) \$25.00

b) Customer's request that service be disconnected \$75.00

TRANSFER FEE \$50.00

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

LATE CHARGE 10%

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

RETURNED CHECK CHARGE \$25.00

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

SECTION 1.0 -- RATE SCHEDULE (Continued)

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

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

METER TEST FEE\$25.00

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

METER/SERVICE RELOCATION FEE (Customer's Request).....ACTUAL COST

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

STANDARD METER INSTALLATION FEE.....\$150.00

TO BE CHARGED WHEN UNMETERED SERVICE EXISTS ON THE SYSTEM THAT SHOULD BE METERED TO BE IN COMPLIANCE WITH THE UTILITY'S TARIFF BUT THE CONVERSION OF THE SERVICE WOULD NOT REQUIRE A FULL TAP AND ALL OF ITS COSTS. THIS FEE WILL BE A SHARING OF COSTS BETWEEN THE CUSTOMER AND THE UTILITY. THE CUSTOMER MAY HAVE THE OPTION OF PAYING THE FEE OVER NO MORE THAN THREE (3) MONTHS.

CUSTOMER SERVICE INSPECTION FEE.....\$100.00

SERVICE APPLICANTS MAY CHOOSE TO HAVE CUSTOMER SERVICE INSPECTIONS REQUIRED BY TCEQ RULE 290.46(j) PERFORMED BY ANY STATE LICENSED INSPECTOR OF THEIR CHOICE. UNLESS THE SERVICE APPLICANT CHOOSES TO ARRANGE FOR AND PAY FOR THE INSPECTION INDEPENDENTLY, THE UTILITY MAY CHARGE SERVICE APPLICANTS THE CUSTOMER SERVICE INSPECTION FEE AT THE TIME THEY APPLY FOR SERVICE. IF A RE-INSPECTION IS REQUIRED TO BRING PLUMBING INTO COMPLIANCE WITH APPLICABLE REQUIREMENTS OR IF AN EXTRA INSPECTION APPOINTMENT IS REQUIRED BECAUSE A CUSTOMER DOES NOT PERMIT PERFORMANCE OF AN INSPECTION AT A PREVIOUSLY AGREED UPON APPOINTMENT TIME, THE CUSTOMER MAY CHOOSE TO HAVE ANY STATE LICENSED INSPECTOR OF THEIR CHOICE PERFORM THE INSPECTION. IF THE CUSTOMER CHOOSES TO HAVE THE UTILITY PERFORM THE INSPECTION OR RE-INSPECTION, THE CUSTOMER WILL BE CHARGED \$100.00 FOR EACH REQUIRED INSPECTION, RE-INSPECTION OR AGREED UPON INSPECTION APPOINTMENT AND WILL PAY THE UTILITY THE TOTAL AMOUNT OWED AT THE TIME AN INSPECTION OR RE-INSPECTION IS PERFORMED. THE UTILITY MAY, AT ITS OPTION, INCLUDE THE ADDITIONAL CHARGE OR CHARGES ON THE NEXT MONTH'S UTILITY BILL RATHER THAN REQUIRING PAYMENT AT THE TIME OF THE INSPECTION OR RE-INSPECTION. THE UTILITY MAY USE UTILITY EMPLOYEES OR MAY HAVE THE INSPECTION PERFORMED BY A LICENSED THIRD PARTY CONTRACTOR.

SECTION 1.0 -- RATE SCHEDULE (Continued)

ILLEGAL RECONNECTION, LOCK REMOVAL OR DAMAGE FEE.....\$85.00

IN ORDER TO REIMBURSE THE UTILITY WITHOUT BURDENING OTHER CUSTOMERS WITH HIGHER RATES FOR THE ADDITIONAL COST OF SERVICE TRIPS TO DISCONNECT A CUSTOMER/ACCOUNT HOLDER WHO HAS BEEN DISCONNECTED FOR NONPAYMENT AND TO PAY FOR THE COST OF BROKEN OR CUT LOCKS AND SERVICE TIME, THIS FEE SHALL BE ASSESSED TO THE ACCOUNT HOLDER OF ANY DELINQUENT ACCOUNT THAT HAS BEEN DISCONNECTED FOR NONPAYMENT BY VALVING OFF, LOCKING OR REMOVING THE METER WHEN SERVICE TO THE PREMISES IS SUBSEQUENTLY RECONNECTED BY NON-UTILITY PERSONNEL BY CUTTING OR REMOVING THE LOCK, REOPENING THE VALVE, OR REMOVING OR BYPASSING THE METER WITHOUT AUTHORIZATION BY THE UTILITY. THIS FEE MAY BE CHARGED EACH TIME AN EVENT OCCURS AND SERVICE WILL NOT BE RECONNECTED UNTIL THIS FEE IS PAID IN ADDITION TO ANY OTHER BALANCES AND RECONNECT FEES. THIS FEE SHALL NOT BE CHARGED IF A FEE FOR A DAMAGED METER IS CHARGED OR IF THE ACCOUNT HOLDER OR HIS/HER REPRESENTATIVE INFORMS THE UTILITY WITHIN 24 HOURS AFTER DISCOVERING THAT SERVICE HAS BEEN RESTORED WITHOUT AUTHORIZATION OF THE UTILITY: (1) THAT SERVICE WAS RECONNECTED WITHOUT THE ACCOUNT HOLDER'S PERMISSION; AND (2) THE ACCOUNT HOLDER AGREES TO PAY FOR ALL WATER USED.

DAMAGED METER AND APPURTENANCES FEEACTUAL COST

THIS FEE SHALL BE ASSESSED TO THE ACCOUNT HOLDER OF ANY DELINQUENT ACCOUNT THAT HAS BEEN DISCONNECTED FOR NONPAYMENT BY VALVING OFF OR LOCKING THE METER WHEN THE METER AND/OR METER APPURTENANCES, SUCH AS AN AMR UNIT OR CURB STOP, ARE DAMAGED IN ORDER TO RESTORE WATER SERVICE TO THE ACCOUNT HOLDER'S ORIGINAL PLACE OF SERVICE REQUIRING THE UTILITY TO REPAIR OR REPLACE THEM. THE ACCOUNT HOLDER SHALL BE CHARGED THE FULL COST OF REPAIRING AND/OR REPLACING ALL DAMAGED PARTS AS THE UTILITY DEEMS NECESSARY, INCLUDING LABOR AND VEHICLE COSTS. THIS WILL INCLUDE REPLACEMENT OF VALVES OR CURB STOPS THAT HAVE HAD THEIR LOCKING EYES BROKEN OFF THE FLANGES.

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE:

WHEN AUTHORIZED IN WRITING BY PUC AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [16 TAC § 24.25(b)(2)(G)]

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 1.0 -- RATE SCHEDULE (Continued)

REGIONAL TEMPORARY WATER RATE:

UNLESS OTHERWISE SUPERSEDED BY PUC ORDER OR RULE, IF THE UTILITY IS ORDERED BY A COURT OR GOVERNMENTAL BODY OF COMPETENT JURISDICTION TO REDUCE ITS PUMPAGE, PRODUCTION OR WATER SALES, AQUA TEXAS SHALL BE AUTHORIZED TO INCREASE ITS APPROVED LINE ITEM CHARGES PER 1,000 GALLONS USED (GALLONAGE CHARGE & REGIONAL PASS-THROUGH GALLONAGE CHARGE) BY THE AMOUNT OF THE REGIONAL TEMPORARY WATER RATE INCREASE ("RTWR") CALCULATED ACCORDING TO THE FORMULA:

$$RTWR = (((PRR)(CGC)(R))/(1-R))*((APV)/(RPV))$$

Where:

- RTWR = Regional Temporary Water Rate increase per 1,000 gallons
CGC = current total volume charge per 1,000 gallons used
(Gallonage Charge + Regional Pass-Through gallonage charge)
R = water use reduction expressed as a decimal fraction (the pumping restriction)
PRR = percentage of revenues to be recovered expressed as a decimal fraction, for this tariff PRR shall equal 0.5
APV = Annual Pumped and/or Purchased volume from the most recent rate application for the system or systems where the temporary restrictions are imposed; or the most recent 12 months if more than 3 years have passed since the most recent rate application was filed; and
RPV = Annual Pumped and Purchased volume for Region from the most recent rate application; or the most recent 12 months if more than 3 years have passed since the most recent rate application was filed

To implement the Regional Temporary Water Rate, Aqua Texas must comply with all notice and other requirements of § 24.21(I).

REGIONAL PASS-THROUGH GALLONAGE CHARGE ADJUSTMENT:

SEE ATTACHED APPENDIX C.

FEDERAL TAX CHANGE CREDIT RIDER (FTCCR):

The Federal Tax Change Credit Rider gives effect to the Tax Cuts and Jobs Act of 2017, which changed the federal corporate tax rate from 35% to 21%, by reducing the cost of service paid by customers taking service under this rate tariff. The FTCCR will provide credits to customers taking service under this rate tariff.

SECTION 2.0 - SERVICE RULES AND REGULATIONS

Section 2.01 – Public Utility Commission of Texas (PUC or Commission) Rules

The utility will have the most current PUC Substantive Rules, Chapter 24, Water Rates, available at its office for reference purposes. The Rules and this tariff shall be available for public inspection and reproduction at a reasonable cost. The latest Rules or Commission approved changes to the Rules supersede any rules or requirements in this tariff.

Section 2.02 - Application for and Provision of Water Service

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

After the applicant has met all the requirements, conditions and regulations for service, the utility will install a tap, meter and utility cut-off valve and/or take all necessary actions to initiate service. The utility will serve each qualified applicant for service within ten 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. Notwithstanding any statement in this tariff to the contrary, the utility will serve each qualified applicant for service within the time limits prescribed in 16 TAC § 24.161 (a)-(b) as that rule may be amended by the PUC.

Where service has previously been provided, service will be reconnected within three working days after the applicant has met the requirements for reconnection.

The customer will be responsible for furnishing and laying the necessary customer service pipe from the meter location to the place of consumption. Customers may be required to install a customer owned cut-off valve on the customer's side of the meter or connection.

Section 2.03 - Refusal of Service

The utility may decline to serve an applicant until the applicant has complied with the regulations of the regulatory agencies (state and municipal regulations) and for the reasons outlined in the PUC 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 a complaint may be filed with the Commission.

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 of this tariff. The utility will keep records of the deposit and credit interest in accordance with PUC Rules.

Section 2.04 - Customer Deposits

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.

SECTION 2.0 - SERVICE RULES AND REGULATIONS (Continued)

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

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

Section 2.05 - Meter Requirements, Readings, and Testing

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

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

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

Section 2.06 - Billing

Bills from the Utility will be mailed monthly unless authorized by the Commission or the customer voluntarily elects to be billed through a paperless electronic billing system which uses standard forms, protocols and conformation processes established and maintained by the utility or unaffiliated third parties providing online billing and payment services that are approved by the Utility. The due date to pay bills for utility service will be at least 21 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 or electronic mailing by the Utility or the Utility's billing service 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 processor 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 work day after the due date.

SECTION 2.0 - SERVICE RULES AND REGULATIONS (Continued)

A late penalty of 10% will be charged on delinquent bills. Customer payments post marked by the due date will not incur a late penalty. The penalty on delinquent bills will not be applied to any balance to which the penalty was applied in a previous billing. The utility must maintain a record of the date of mailing to charge the late penalty.

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

Cash Payments at Non-utility payment locations or Credit Card Payments – The Utility may use unaffiliated third parties to accept and process utility bill cash payments at non-utility payment locations or to accept and process utility bill credit card payments. Any charges required by the third party to accept and process such utility bill payments are the responsibility of the customer and are in addition to utility bill amounts.

Electronic Billing and Payment – A customer may voluntarily elect to be billed through a paperless electronic billing system which uses standard forms, protocols and conformation processes established and maintained by the Utility or unaffiliated third parties providing online billing and payment services that are approved by the Utility. Any charges required by the third party to process the electronic bill or payment are the responsibility of the customer and are in addition to utility bill amounts. In administering this electronic billing option, the Utility does not send the customer paper bills. Customers may sign up for electronic billing at www.aquaamerica.com. Required information that otherwise accompanies a paper bill is transmitted to the customer electronically, or an Internet link access to such information is transmitted electronically to the customer. Any applicable disconnection notice continues to be sent to the customer via United States mail. The Utility may utilize unaffiliated third parties to electronically transmit bills to the customer. The Utility is not responsible for any loss resulting from the customer's election to receive bills electronically, including but not limited to, any loss associated with damage to the customer's computer equipment or facilities and any loss associated with a third party's unauthorized use of the customer's information. Either the Utility or customer may, upon thirty (30) days' notice to the other party, terminate electronic transmission of bills without any liability to the terminating party resulting from such termination, and without affecting the customer's obligation to pay all amounts due to the Utility. In such event, the Utility will begin to issue paper bills via United States mail to the customer as soon as reasonably practical. The Utility reserves the right to determine whether or not a customer is eligible to be billed through its paperless electronic billing system. A customer that elects electronic billing, who is a combination water and sewer service customer of the Utility, will receive electronic billing for both services.

Third party charges for processing utility bill payments- Any charges required by a third party to accept or process a cash utility bill payment at a non-utility payment location, a credit card utility bill payment, or an electronic utility bill or payment are the responsibility of the customer and are in addition to utility bill amounts.

SECTION 2.0 - SERVICE RULES AND REGULATIONS (Continued)

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

Section 2.07 - Service Disconnection

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

The utility is encouraged to offer a deferred payment plan to a customer who cannot pay an outstanding bill in full and is willing to pay the balance in reasonable installments. However, a customer's utility service may be disconnected if a bill has not been paid or a deferred payment agreement entered into within 31 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 PUC Rules.

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

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

Section 2.08 – Reconnection of Service

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

Section 2.09 - Service Interruptions

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

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

SECTION 2.0 - SERVICE RULES AND REGULATIONS (Continued)

Section 2.10 - Quality of Service

The utility will plan, furnish, and maintain production, treatment, storage, transmission, and distribution facilities of sufficient size and capacity to provide a continuous and adequate supply of water for all reasonable consumer uses. Unless otherwise authorized by the Commission, the utility will maintain facilities as described in the PUC Rules or in the TCEQ's "Rules and Regulations for Public Water Systems." The utility will not provide supply for fire prevention, fire flow, or firefighting services as part of standard retail water utility service.

Section 2.11 - Customer Complaints and Disputes

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

SECTION 2.20 - SPECIFIC UTILITY SERVICE RULES AND REGULATIONS

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.

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

The utility adopts the administrative rules of the PUC, as the same may be amended from time to time, as its company specific service rules and regulations. These rules will be kept on file at the company's offices for customer inspection during regular business hours. In the event of a conflict between the PUC's amended rules and the provisions of this tariff, the amended rules shall prevail. Where necessary, any conflicting provision of this tariff shall be deemed to have been superseded by the PUC rule in question to the degree that the utility may conduct its lawful business in conformance with all requirements of said rule.

All payments for utility service shall be delivered or mailed to the remittance address on the utility bill received or paid using any method described on the utility bill received. Cash payments are only accepted in person at designated payment locations as described in the utility bill received. If the utility or its authorized agent 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 payer 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.

Customers shall not be allowed to use the utility's cutoff valve on the utility's side of the meter. Existing customers may install cutoff valves on their side of the meter and are encouraged to do so. All new customers must install customer-owned and maintained cutoff valves on their side of the meter.

No water connection from any public drinking water supply system shall be made to any establishment where an actual or potential contamination or system hazard exists without an air gap separation between the drinking water supply and the source of potential contamination. The containment air gap is sometimes impractical and, instead, reliance must be placed on individual internal air gaps or mechanical backflow prevention devices.

Under these conditions, additional protection shall be required at the meter in the form of a backflow prevention device (in accordance with AWWA Standards C510 and C511, and AWWA Manual M14) on those establishments handling substances deleterious or hazardous to the public health. The water purveyor need not require backflow protection at the water service entrance if an adequate cross-connection control program is in effect that includes an annual inspection and testing by a certified backflow prevention device tester. It will be the responsibility of the water purveyor to ensure that these requirements are met.

SECTION 2.20 - SPECIFIC UTILITY SERVICE RULES AND REGULATIONS (Continued)

Customer shall be liable for any damage or injury to utility-owned property or personnel shown to be caused by the customer, his invitees, his agents, his employees, or others directly under his control.

Limitation on Product/Service Liability. - Public water utilities are required to deliver water to the customer's side of the meter or service connection that meets the potability and pressure standards of the TCEQ. The utility will not accept liability for any injury or damage to individuals or their property occurring on the customer's side of the meter when the water delivered meets these state standards. The utility makes no representations or warranties (expressed or implied) that customer's appliances will not be damaged by disruptions of or fluctuations in water service whatever the cause. The utility will not accept liability for injuries or damages to persons or property due to disruption of water service caused by: (1) acts of God, (2) acts of third parties not subject to the control of the utility if the utility has undertaken such preventive measures as are required by TCEQ rules, (3) electrical power failures in water systems not required by TCEQ rule to have auxiliary power supplies, or (4) termination of water service pursuant to the utility's tariff and the PUC's rules. The utility is not required by law and does not provide fire prevention, fire flow, or firefighting services. The utility therefore does not accept liability for fire-related injuries or damages to persons or property caused or aggravated by the availability (or lack thereof) of water or water pressure (or lack thereof) during fire emergencies. The utility will accept liability for any injury or damage to individuals or their property directly caused by defective utility plant facilities (e.g., leaking water lines or meters) or the repairs to or construction of the utility's facilities.

If the services of a registered professional engineer are required as a result of an application for service received by the utility for service to that applicant's service extension only, such engineer will be selected by the utility and the applicant, and the applicant shall bear all expenses incurred therein.

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. Any applicant who places unique or non-standard service demands on the system may be required to provide contributions in aid of construction (as may be allowed by PUC rule) for the actual costs of, any additional facilities required to maintain compliance with the PUC minimum design criteria for water production, treatment, pumping storage and transmission.

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 entitled to a written explanation of such costs prior to 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 have the right to appeal such costs to the PUC 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.

Tap fees may be increased by unique costs not normally incurred as may be permitted by 16 TAC § 24.163(a)(1)(C).

SECTION 2.20 - SPECIFIC UTILITY SERVICE RULES AND REGULATIONS (Continued)

The utility adopts the Uniform Plumbing Code pursuant to TCEQ Rule 290.46(i). The piping and other equipment on the premises furnished by the customer will be maintained by the customer at all times in conformity with the requirements of the TCEQ, the Uniform Plumbing Code and with the service rules and regulations of the utility. The customer will bring out his service line to his property line at the point on the customer's property mutually acceptable to the customer and the utility subject to such requirements as may exist by TCEQ rule. No meters smaller than those identified in Section 1.0 of this tariff will be connected. No pipe or pipe fitting which contains more than 8.0% lead can be used for the installation or repair of plumbing at any connection which provides water for human use. No solder or flux which contains more than 0.2% lead can be used at any connection which provides water for human use.

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

Threats to or assaults upon utility personnel shall result in criminal prosecution.

Except in cases where the customer has a contract with the utility for reserve or auxiliary service, no other water service will be used by the customer on the same installation in conjunction with the utility's service, either by means of a cross-over valve or any other connection. Customer shall not connect, or allow any other person or party to connect, onto any water lines on his premises. Two places shall not be permitted to be supplied with one service pipe where there is a water main abutting the premises.

No connection shall be allowed which allows water to be returned to the public drinking water supply. No backflow prevention device shall be permitted to be installed in the customer's plumbing without notice to and written permission from the utility. Any backflow prevention devices so installed shall be inspected annually by a licensed backflow prevention device inspector or appropriately licensed plumber and a written report of such inspection delivered to the utility.

No application, agreement or contract for service may be assigned or transferred without the written consent of the utility.

SECTION 2.20 - SPECIFIC UTILITY SERVICE RULES AND REGULATIONS (Continued)

It is agreed and understood that any and all meters, water lines and other equipment furnished by the utility (excepting the customer's individual service lines from the point of connection to customer's structures on customer's premises) are and shall remain the sole property of the utility, and nothing contained herein or in a contract/application for service shall be construed to reflect a sale or transfer of any such meters, lines or equipment to any customer. All tap and extension charges shall be for the privilege of connecting to said water lines and for installation, not purchase, of said meters and lines.

Applicants for service at new consuming facilities or facilities which have undergone extensive plumbing modifications are required to deliver to the utility a certificate that their facilities have been inspected by a state-licensed inspector and that they are in compliance with all applicable plumbing codes and are free of potential hazards to public health and safety. Service may be denied until the certificate is received or any identified violations or hazards are remedied. The utility is not required to perform these inspections for the applicant/customer, but will assist the applicant/customer to locate and obtain the services of a licensed inspector in a timely manner. When potential sources of contamination are identified which, in the opinion of the inspector or the utility, require the installation of a state-approved backflow prevention device, such back flow prevention device shall be installed on the customer's service line or other necessary plumbing facilities by an appropriately licensed plumber/backflow prevention device specialist at the customer's expense. The backflow prevention device shall be maintained by the customer at his expense and inspected annually by a licensed inspector. Copies of the annual inspection report must be provided to the utility. Failure to comply with this requirement may constitute grounds for termination of water service with notice.

All customers or service applicants shall provide access to meters and utility cutoff valves at all times reasonably necessary to conduct ordinary utility business and after normal business hours as needed to protect and preserve the integrity of the public drinking water supply. Access to meters and cutoff valves shall be controlled by the provisions of 16 TAC § 24.169(c).

Where necessary to serve an applicant's property, the utility may require the applicant to provide it a permanent recorded public utility easement on and across the applicant's real property sufficient to provide service to that applicant.

Service applicants may be required to comply with any pre-condition to receiving service not printed herein as may exist under PUC rule (customer service, health and safety, water conservation, or environmental), USEPA rule, TWDB rule, local water or conservation district rule or health department rule. Existing customers shall be required to comply with such rules, including modification of their plumbing and/or consumption patterns, after notice.

Customers must make meters accessible to the Utility and its personnel. If they do not, the Utility may require the removal of the meter to another location according to 16 TAC § 24.169(c) of the PUC's rules. The Utility will give the customer the option of converting to a remote radio read meter at the customer's expense in lieu of bearing the cost of relocating the meter and any Utility water lines necessitated by the customer's actions. If the customer does not accept this option, the customer will be charged for all incurred meter relocation costs. Before relocating the meter, the utility must provide the customer with written notice of its intent to do so.

SECTION 2.20 - SPECIFIC UTILITY SERVICE RULES AND REGULATIONS (Continued)

This notice must include information on the estimated cost of relocating the meter, an explanation of the condition hindering access and what the customer can do to correct that condition, and information on how to contact the utility. The notice must give the customer a reasonable length of time to arrange for utility access so the customer may avoid incurring the relocation cost. A copy of the notice given to the customer shall be filed with the utility's records on the customer's account.

Customers shall not enclose meters with fences or other artificial barriers. If there is a fence in front of a meter, the customer shall install a gate or stile with 300 pound-load bearing capacity to enable meter readers and service crews to obtain ready access to the utility's property.

SECTION 3.0 - EXTENSION POLICY

Section 3.01 - Standard Extension Requirements

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

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

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

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

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

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

Residential customers not covered under Section 3.01 will be charged the equivalent of the costs of extending service to their property from the nearest transmission or distribution line even if that line does not have adequate capacity to serve the customer. However, if the customer places unique, non-standard service demands upon the system, the customer may be charged the full 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.

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 TCEQ minimum design criteria for facilities used in the production, transmission, pumping, or treatment of water or TCEQ minimum requirements. For purposes of this tariff, 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.

SECTION 3.20 - SPECIFIC UTILITY EXTENSION POLICY

The utility adopts the administrative rules of the PUC, as amended from time to time, as its company specific extension policy. These rules will be kept on file at the company's business office for customer inspection during normal business hours. In the event of a conflict between the PUC's amended rules and the provisions of this tariff, the amended rules shall prevail. Where necessary, any conflicting provision of this tariff shall be deemed to have been superseded by the PUC rule in question to the degree that the utility may conduct its lawful business in conformance with all requirements of said rule.

When an individual residential applicant requires an extension of a main line beyond 200 feet, the charge to that applicant shall be the actual cost of such extension in excess of 200 feet, plus the applicable tap fee plus such other approved costs as may be provided in this tariff and/or PUC rules.

Residential tap fees may be increased by other unique costs not normally incurred as permitted by PUC rule. Larger meter taps shall be made at actual cost associated with that tap which shall include such extraordinary expenses.

Any service extension to a subdivision (recorded or unrecorded) may be subject to the provisions and restrictions of 16 TAC § 24.163(d) and this tariff. 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 based upon the capacities of production, transmission, storage, pumping and treatment facilities, compliant with the TCEQ minimum design criteria, which must be committed to such extension. As provided by 16 TAC § 24.163(d)(4), for purposes of this tariff, commercial, industrial, and wholesale customers shall 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 TCEQ minimum design criteria for water production, treatment, pumping, storage and transmission.

Unless expressly exempted by PUC rule or order, each point of use (as defined by 16 TAC § 24.3) must be individually metered.

The imposition of additional extension costs or charges as provided by Sections 2.20 and 3.20 of this tariff shall be subject to appeal as provided in this tariff, PUC 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 entitled to 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 have the right to appeal such costs to the PUC 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. Unless the PUC or other regulatory authority enters interlocutory orders to the contrary, service to the applicant may be delayed until such appeal is resolved.

SECTION 3.20 - SPECIFIC UTILITY EXTENSION POLICY (Continued)

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 applications forms will be available for applicant pick up 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.

The utility shall serve each qualified service applicant within its CCN service area as soon as practical after receiving a completed service application. All service requests will be fulfilled within the time limits prescribed by PUC rules once the applicant has met all conditions precedent to achieving a 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 PUC service dates shall not become applicable until the service applicant has met all conditions precedent to becoming a "qualified service applicant" as defined herein or by PUC rules.

The utility is not required to extend service to any applicant outside of its CCN service area and will only do so, at the utility's sole option, under terms and conditions mutually agreeable to the utility and the applicant and upon extension of the utility's certificated service area boundaries by the PUC. Service applicants may be required to bear the cost of the service area amendment.

A "qualified service applicant" is an applicant who has: (1) met all of the utility's requirements of service contained in this tariff, PUC rules and/or PUC order, (2) has made all payments for tap fees and extension charges, (3) has provided all necessary easements and rights-of-way necessary to provide service to the requested location, including staking said easements or rights-of-way where necessary, (4) delivered an executed customer service inspection certificate to the utility and (5) has executed a customer service application for each location to which service is being requested.

Where a new tap or service connection is required, the service applicant shall be required to submit a written service application and request that a tap be made. The tap request must be accompanied with a plat, map, diagram or written metes and bounds description of precisely where the applicant desires each tap or service connection is to be made and, if necessary, where the meter is to be installed, along the applicant's property line. The actual point of connection and meter installation must be readily accessible to utility personnel for inspection, servicing and meter reading while being reasonably secure from damage by vehicles and mowers. If the utility has more than one main adjacent to the service applicant's property, the tap or service connection will be made to the utility's nearest service main with adequate capacity to service the applicant's full potential service demand. 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, applicant may refer the matter to the PUC for resolution. Unless otherwise ordered by the PUC, the tap or service connection will not be made until the location dispute is resolved.

SECTION 3.20 - SPECIFIC UTILITY EXTENSION POLICY (Continued)

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. The developer shall be required to obtain all necessary easements and rights-of-way required to extend the utility's existing service facilities from their nearest point with adequate service capacity (as prescribed by PUC rules and local service conditions) to and throughout the developer's property. The easements shall be sufficient to allow the construction, installation, repair, maintenance, testing, and replacement of any and all utility plant necessary to provide continuous and adequate service to each and every potential service location within the property at full occupancy. Unless otherwise restricted by law, well plant sites shall convey with unrestricted rights to produce water for public drinking water supply. The developer shall be required to provide the utility with a minimum of a 160 ft. radius sanitary control easement or fee simple real property conveyance around the proposed well site acceptable to the PUC for each water well site to be located within the developer's property or otherwise being obtained to serve the developer's property. Unless otherwise agreed to by the utility, pipe line right-of-way easements must be at least 15 ft. wide to allow adequate room to facilitate backhoe and other heavy equipment operation and meters. Easements must be provided for all production, storage, treatment, pressurization and disposal sites which are sufficient to construct and maintain all weather roads as prescribed by PUC rules. All easements shall be evidenced, at developer's expense, by recorded county-approved subdivision plat or by specific assignment supported by metes and bounds survey from a surveyor licensed by the State of Texas.

Prior to the extension of utility service to developers (as defined by PUC rules) or new subdivisions, the Developer shall comply with the following:

- (a) The developer shall make a written request for service to property that is to be subdivided and developed. The developer shall submit to the utility a proposed plat on a scale of one inch (1") to two hundred feet (200') for review and determination of required easements, utility plant, and plant location. If sewer service is requested, the plat must contain elevation data. A reconcilable deposit in an amount set by the utility may be required to cover preliminary engineering, legal and copy cost to be incurred by the utility in reviewing and planning to meet this service request. The plat and/or accompanying information shall identify the type, location and number of houses and other planned structures that will be requiring utility service. If other than residential structures are to be located on the property, all other types of anticipated businesses and their service demands shall be identified with specificity. All areas requiring special irrigation and/or other unique water demands must be identified. To the extent reasonably possible, this information must be precise so that adequate facilities can be designed and constructed to meet all future service demands without hazard to the public, other utility customers and/or the environment.
- (b) After the requirements of easements and rights-of-way have been determined, a red line copy will be returned by the utility to the developer for final plat preparation.
- (c) Copies of all proposed plats and plans must be submitted to the utility prior to their submission to the county for approval to insure that they are compatible with the adequate long-term utility needs of potential service customers. Copies will be returned after review by the utility so that necessary changes may be incorporated into the developer's final submitted plat(s) and plans.

SECTION 3.20 - SPECIFIC UTILITY EXTENSION POLICY (Continued)

- (d) The utility shall be provided with three (3) certified copies of the final plat(s) approved by the County Commissioners Court. At this time, the utility will begin engineering the facilities necessary to serve the property. Plans and specifications will be prepared and submitted to the TCEQ by the utility if required by law. If further plat or plans changes are necessary to accommodate the specific service needs of the property and the anticipated customer demands, the developer will be so notified. Plat amendments must be obtained by the developer. The developer shall be notified when all required TCEQ or other governmental approvals or permits have been received. No construction of utility plant which requires prior TCEQ plans approval shall be commenced until that approval has been received by the utility and any conditions imposed by the TCEQ in association with its approvals have been satisfied.
- (e) The developer shall be required to post bond or escrow the funds necessary to construct all required utility plant, except individual taps, meters and sewer connections, required to serve the property. Construction shall not commence until funds are available. If the construction is to be done in coordination with the phased development of the property, funds must be provided in advance which are sufficient to complete each phase. No phase or facilities for any phase shall be constructed prior to the bonding or escrowing of all funds associated with that phase.
- (f) At the sole option of the utility, the developer may be required to execute a Developer Extension Contract setting forth all terms and conditions of extending service to their property including all contributions-in-aid of construction and developer reimbursements, if any.
- (g) The utility may require the developer to commence construction of subdivision improvements within three (3) months of utility plans approval or the utility may abate its construction activities until full development construction begins. If the developer stops construction of subdivision improvements for any purpose, the utility may abate its construction for a similar period.
- (h) As soon as the roads are rough cut and prior to paving, extension lines will need to be constructed at each road crossing. The developer must notify the utility sufficiently in advance of this development stage to allow for the necessary utility construction without disruption to other service operations of the utility. Failure to provide adequate advance notice and cooperation in the construction of necessary utility plant may result in additional delays in obtaining service to the property. The developer shall be required to pay for all additional costs of road boring or other remedial construction necessary to install adequate utility plant throughout the affected property.
- (i) The developer, not the utility, shall insure that developer's employees, agents, contractors and others under its control coordinate their work or construction throughout the property with the utility to insure the orderly and timely construction of all utility plant necessary to serve the public.

SECTION 3.20 - SPECIFIC UTILITY EXTENSION POLICY (Continued)

Within its CCN service area, the utility shall bear the cost of the first 200 feet of any water main or sewer collection line necessary to extend service to an individual residential service applicant within a platted subdivision unless the utility can document:

- (a) 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; or,
- (b) that the developer defaulted on the terms and conditions of a written agreement or contract existing between the utility and the developer or the terms of this tariff regarding payment for services, extensions, or other requirements; or in the event the developer declared bankruptcy and was therefore unable to meet obligations; and,
- (c) that the residential service applicant purchased the property from the developer after the developer was notified of the need to provide facilities to the utility. A residential service applicant may be charged the remaining costs of extending service to his property; provided, however, that the residential service applicant may only be required to pay the cost equivalent to the cost of extending the nearest water main, whether or not that line has adequate capacity to serve that residential service applicant.

The following criteria shall be considered to determine the residential service applicant's cost for extending service:

- (1) The residential service applicant shall not be required to pay for costs of main extensions greater than 2" in diameter for water distribution.
- (2) Exceptions may be granted by the Commission if:
 - (a) 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;
 - (b) larger minimum line sizes are required under subdivision platting requirements or applicable building codes.
- (3) 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.

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

A service applicant requesting a one inch meter for a lawn sprinkler system to service a residential lot is not considered nonstandard service.

APPENDIX A -- DROUGHT CONTINGENCY PLAN
(Utility must attach copy of TCEQ approved Drought Contingency Plan)

APPENDIX B - SAMPLE SERVICE AGREEMENT
(Utility must attach a sample service agreement)

APPENDIX- C
Aqua Texas - North Region Water Utility Tariff
Regional Pass-Through Gallonage Charge True- up/Adjustment Provision and Report

The purpose of this true-up/adjustment provision is to true-up and adjust Aqua Texas' authorized Regional Pass-Through Gallonage Charge each year in an effort to provide the best opportunity for regional revenue collected from the charge to align with certain types and amounts of pass-through costs Aqua Texas has incurred in the preceding year for the region using a process that does not require the expense of a full rate proceeding. Additionally, this process is intended to ensure that Aqua Texas balances the collections versus the pass-through costs annually. The types of pass-through costs that form the basis for the Regional Pass-Through Gallonage Charge may be regional costs, fees, rates and charges imposed by governmental entities, water authorities or districts having jurisdiction over Aqua Texas or its operations or by non-affiliated third party water suppliers or water rights holders selling water or water rights to Aqua Texas.

- 1) Regional Pass-Through Gallonage Charge true-up and adjustment calculations shall use historic, actual gallons billed to all regional retail water customers in the previous completed calendar year.
- 2) Amounts referred to in gallons shall be per 1,000 gallons, unless otherwise specified.
- 3) Aqua Texas has provided a list of all expenses (see attached) to be included in the regional pass through costs. The PUC has approved the attached list.
- 4) Aqua Texas shall only collect costs directly associated with the production of water in the pass-through and specifically shall not include impact fees and other fees associated with plant and equipment.
- 5) Normalization shall not be used in any pass through calculations.
- 6) No charges by affiliates (as defined by the Texas Water Code) of Aqua Texas shall be included in the pass through.
- 7) True-up Report to the regulatory authority ("Report"): Between the end of each calendar year and the following February 28, Aqua Texas shall provide a Report that reconciles the total Regional Pass-Through Gallonage Charge revenues billed during the previous completed calendar year within the North region to the total amount of all regional passed-through costs incurred during that year as reflected in the general ledger. The Report shall include the amount paid to each entity for allowed passed through costs, the names of the entities paid by Aqua Texas, and the total of costs incurred requested for the purpose of an adjusted Regional Pass-Through Gallonage Charge. Any supporting documentation shall be attached to the report. Aqua Texas may submit information regarding new district charges in the Report (other than fines or penalties - see 4 above). New district charges associated with newly acquired systems shall not be included unless otherwise approved in a rate determination or proceeding. Aqua Texas will not include new purchase water agreements unless approved in a rate proceeding.

APPENDIX- C (Continued)
Aqua Texas - North Region Water Utility Tariff
Regional Pass-Through Gallonage Charge True- up/Adjustment Provision and Report

- 8) The true-up calculation for a completed calendar year Report shall be as follows:
- a) Regional Pass-Through Gallonage Charge revenues billed during completed calendar year.....\$XXXX
 - b) Regional passed-through costs actually incurred during completed calendar year.....\$XXXX
 - c) Difference between a) and b).....\$XXXX

where, **a) - b) = c)**

Annual Regional Pass-Through Gallonage Charge recalculations shall follow the following formula:

- b) Same as b) above.\$XXXX
- c) Same difference as c) above\$XXXX
- d) Total adjusted regional pass-through costs subject to adjusted Regional Pass-Through Gallonage Charge.....\$XXXX

where, **b) - c) = d)**

Divided by:

Actual historic gallons billed to all regional customers in completed calendar year.....\$XXXX

Equals:

Regional Pass-Through Gallonage Charge as adjusted\$XXXX

where **d) ÷ e) = f)**

Notice of any adjustments to the pass-through will be sent to the PUC or regulatory authority and to the affected customers. Notice to the customers may be in the form of a billing insert and must track the language required in 16 TAC § 24.21(h)(4)(B).

APPENDIX- C (Continued)

Aqua Texas - North Region Water Utility Tariff

Regional Pass-Through Gallonage Charge True- up/Adjustment Provision and Report

- 9) With the Report Aqua Texas files on February 28 setting forth its calculation and supporting documentation for its adjusted Regional Pass-Through Gallonage Charge in accordance with 5) and 6) above, Aqua Texas shall include a tariff page that incorporates the adjusted Regional Pass-Through Gallonage Charge reflected in the Report. Aqua Texas shall implement the adjusted filed rate as follows.
 - a) Aqua Texas will bill the adjusted Regional Pass-Through Gallonage Charge for service rendered on or after March 1 each year and thereafter until the rate is modified.
 - b) The first bill received each year incorporating the adjusted Regional Pass-Through Gallonage Charge will be prorated to apply the adjusted charge to service during those days in the billing cycle on or after March 1.
 - c) The PUC or a successor agency with authority to regulate investor-owned utility rates (regulatory authority) shall review the Report and provide the results of its review to Aqua Texas in writing within 45 days after Aqua Texas submits the Report. If no written response is provided to Aqua Texas during that time, the adjusted Regional Pass-Through Gallonage Charge filed with the Report shall stand until modified.
 - d) The PUC may dispute the calculation or supporting documentation as presented in the Report. If so, Aqua Texas and the PUC shall work in good faith to attempt resolution of the dispute.
 - e) The process of implementing the Regional Pass-Through Gallonage Charge True-up/Adjustment and the regulatory authority's review of same is an informal proceeding and not a contested case hearing. However, if a dispute between Aqua Texas and the regulatory authority cannot be resolved through negotiation, only the PUC or Aqua Texas may request a hearing on Regional Pass-Through Gallonage Charge true-ups/adjustments. It shall not be considered a rate case under the Texas Water Code or PUC (or other regulatory authority) rules, and Texas Water Code § 13.187 shall not apply.
 - f) In the event of a dispute or hearing concerning the Regional Pass-Through Gallonage Charge reflected in the tariff page filed with the Report, the filed rate shall be considered effective on an interim basis and previous charges will be adjusted in the next annual true-up, except that adjustments to the pass-through exceeding 50 percent may require immediate refunds or credits as directed by the regulatory authority. If the filed rate is modified pursuant to dispute or hearing resolution, a replacement tariff page shall be filed with the regulatory authority reflecting the modified rate.
 - g) Notwithstanding the procedures outlined herein, if the Report indicates an increase to Aqua Texas' Regional Pass-through Gallonage Charge is appropriate for the calendar year assessed, Aqua Texas may elect not to implement the increase. Aqua Texas will submit a written notification of such an election with the Report, indicating the amount of foregone pass through revenues. Foregone pass through revenues due to such election shall not be collected.
 - h) This pass through provision is not intended to negate any authority granted to the regulatory authority.

APPENDIX- C (Continued)
Aqua Texas - North Region Water Utility Tariff
Regional Pass-Through Gallonage Charge True- up/Adjustment Provision and Report
(Continued)

Aqua Texas regional pass-through approved entity list

Entities on the list as of 2/8/2015

The regulating commission approved the pass through of costs per contract or permit, existing as of 12/31/2014, for base rates and gallonage charges made by the following entities.

North Region - Water:

Bethesda Water Supply
Cash Special Utility District
Fort Worth, City of
Granbury, City of
Kilgore, City of
Longview, City of
MacBee SUD
Palestine, City of
Waco, City of
Walnut Creek SUD
Lakes Cities MUA
Southern Trinity GCD
Upper Trinity GCD
Neches and Trinity Valley GCD
North Texas GCD
Northern Trinity GCD
Prairielands GCD
Red River GW



Public Utility Commission of Texas

By These Presents Be It Known To All That

Parker County Special Utility District

having obtained certification to provide water utility service for the convenience and necessity of the public, and it having been determined by this Commission that the public convenience and necessity would in fact be advanced by the provision of such service, Parker County Special Utility District is entitled to this

Certificate of Convenience and Necessity No. 12313

to provide continuous and adequate water utility service to that service area or those service areas in Palo Pinto and Parker Counties as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 51955 are on file at the Commission offices in Austin, Texas; and are matters of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty of the Parker County Special Utility District to provide such utility service in accordance with the laws of this State and Rules of this Commission, subject only to any power and responsibility of this Commission to revoke or amend this Certificate in whole or in part upon a subsequent showing that the public convenience and necessity would be better served thereby.



Public Utility Commission of Texas

By These Presents Be It Known To All That

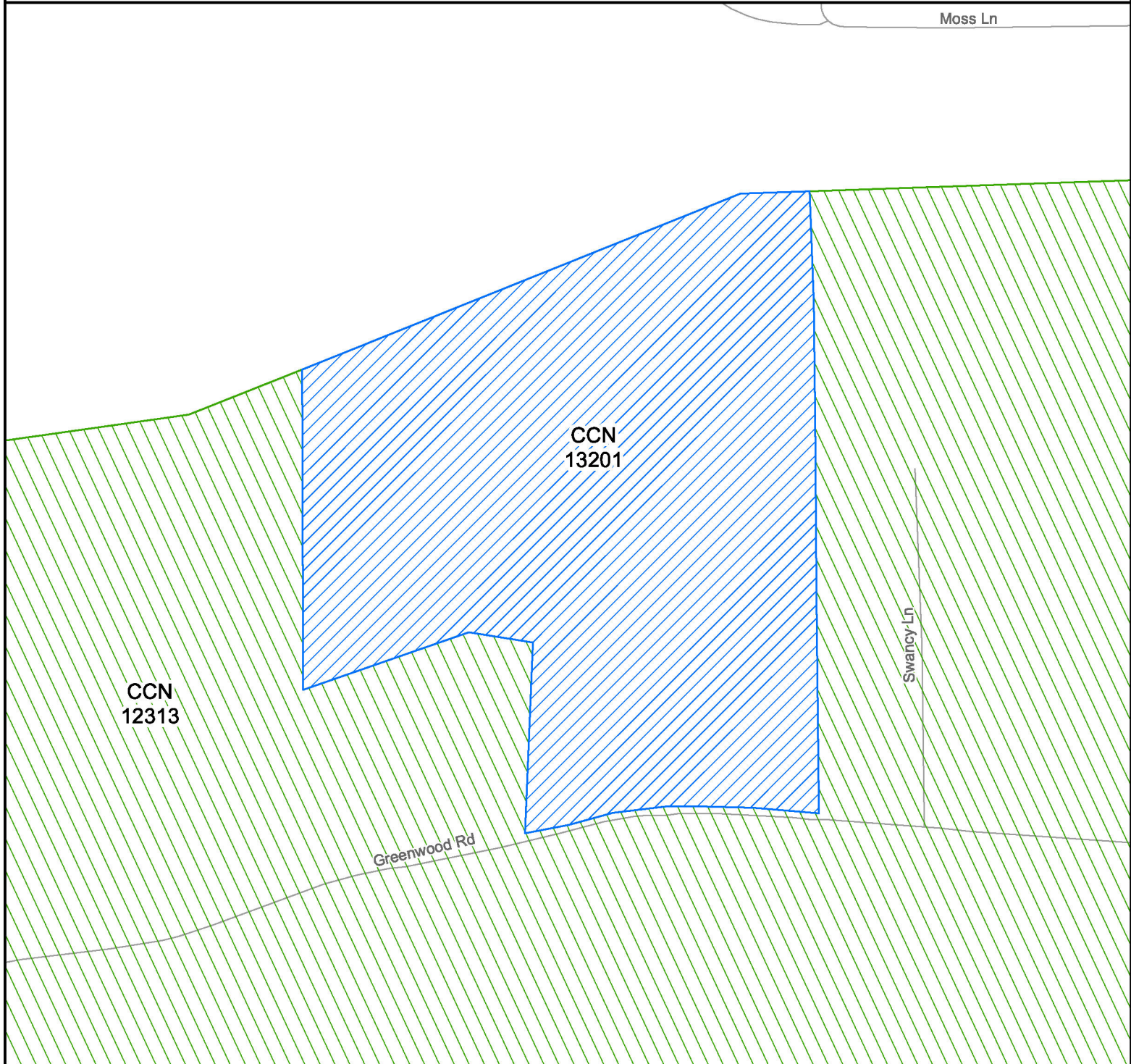
Aqua Texas, Inc.

having obtained certification to provide water utility service for the convenience and necessity of the public, and it having been determined by this Commission that the public convenience and necessity would in fact be advanced by the provision of such service, Aqua Texas, Inc. is entitled to this

Certificate of Convenience and Necessity No. 13201

to provide continuous and adequate water utility service to that service area or those service areas in Anderson, Bosque, Camp, Cherokee, Collin, Cooke, Denton, Erath, Grayson, Gregg, Henderson, Hood, Hunt, Johnson, Kaufman, Marion, McLennan, Parker, Smith, Somervell, Tarrant, Wise, and Wood Counties as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 51955 are on file at the Commission offices in Austin, Texas; and are matters of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty of the Aqua Texas, Inc. to provide such utility service in accordance with the laws of this State and Rules of this Commission, subject only to any power and responsibility of this Commission to revoke or amend this Certificate in whole or in part upon a subsequent showing that the public convenience and necessity would be better served thereby.

Aqua Texas, Inc.
Portion of Water CCN No. 13201
PUC Docket No. 51955
13.248 Agreement Amended CCN No. 13201 and
Decertified a Portion of Parker County Special Utility District, CCN No. 12313 in Parker County



Public Utility Commission of Texas
1701 N. Congress Ave
Austin, TX 78701

Water CCN

-  13201 - Aqua Texas Inc
-  12313 - Parker County SUD

0 200 400
Feet



Map by: Komal Patel
Date created: June 8, 2021
Project Name: 51955AquaTexas.mxd



P O Box 1504
Decatur, TX 76234

(940) 627-3059

info@aandywater.com
www.aandywater.com

Estimate

Date	Estimate #
9/15/2021	1136

Aqua Texas, Inc.
9450 Silver Creek Rd
Ft Worth, TX 76108

Location	P.O. No.
	Fort Worth

Description	Qty	Cost	Total
Spanish Oaks - Estimate Only			
Removal of approximate 2,410 ft of 4" water main and back fill ditch lines to as normal conditions as possible.	1	32,535.00	32,535.00
Any yard restoration that may be requested will be an additional cost \$20 per foot.		0.00	0.00
Mowing and trimming trees away from main to access main during removal.	1	8,700.00	8,700.00
Placing blow off at each end.	2	5,000.00	10,000.00

All other expense will require a signature and any and all modifications will add additional cost to original invoice and/ or estimate.

Subtotal	\$51,235.00
Sales Tax (0.0%)	\$0.00
Total	\$51,235.00

Customer Signature

Business Segment

Major Location

Asset Location

Asset Id	Utility Account	Asset Description	Property Unit Property	Work Order Number	Vintage	In Service	Accum Qty	Accum Cost	Allocated Reserve	Net Value
1-Water										
Texas North Water										
Spanish Oaks Addition WA PWS # 0610214										
7877378	331400-T&D Mains	Piping - Water: Diameter 4; Type Phase 1 PVC;	Inactive Mains:Plast/PVC/I <6":	W0001	1995	OCT-95	B 22,942	\$174,026.36	\$73,938.07	A \$100,088.29
Total: Inactive Mains:Plast/PVC/HDPE <6":							22,942	\$174,026.36	\$73,938.07	\$100,088.29
Total: 331400-T&D Mains								\$174,026.36	\$73,938.07	\$100,088.29
10413733	333400-Services	Service Line:1"	Service Line:1":	31700017503	2012	FEB-12	1	\$4,187.65	\$1,701.81	\$2,485.84
Total: Service Line:1":							1	\$4,187.65	\$1,701.81	\$2,485.84
Total: 333400-Services								\$4,187.65	\$1,701.81	\$2,485.84
Asset Location Total:								\$178,214.01	\$75,639.88	\$102,574.13
Major Location Total:								\$178,214.01	\$75,639.88	\$102,574.13
Business Segment Total:								\$178,214.01	\$75,639.88	\$102,574.13
Company Total:								\$178,214.01	\$75,639.88	\$102,574.13
Grand Total for Selected Assets:							22,943	\$178,214.01	\$75,639.88	\$102,574.13

$10,507.60 = \text{NBV of abandoned 4" Main}$
 $2,485.84 = \text{NBV of abandoned 1" service line}$
 $12,993.44 = \text{NBV of total abandoned property}$

10/4/21

Business Segment

Major Location

Asset Location

Asset Id	Utility Account	Asset Description	Property Unit Property	Work Order Number	Vintage	In Service	Accum Qty	Accum Cost	Allocated Reserve	Net Value
1-Water										
Texas North Water										
Spanish Oaks Addition WA PWS # 0610214										
7842026	303000-Land & Land Rights	Easements	Easements:	CX001254303	2003	JUL-03	1	\$4,322.93	(\$33.51)	\$4,356.44
7918059	303000-Land & Land Rights	EASEMENT SPANISH OAKS	Easements:	99123406706	2004	JUN-04	1	\$810.49	\$11.67	\$798.82
Total: Easements:							2	\$5,133.42	(\$21.84)	\$5,155.26
7874880	303000-Land & Land Rights	Water Plant, Easement on Unplotted Lot adj to Lot 33	Land in Fee:	W0001	1995	OCT-95	1	\$2,461.63	(\$15.12)	\$2,476.75
Total: Land in Fee:							1	\$2,461.63	(\$15.12)	\$2,476.75
Total: 303000-Land & Land Rights								\$7,595.05	(\$36.96)	\$7,632.01
7872656	304000-Structures & Improvements	Standard Chain Link Fence and Gate, 3 strand BW	Fence or Wall system:	W0001	1995	OCT-95	1	\$4,291.73	\$2,994.16	\$1,297.57
Total: Fence or Wall system:							1	\$4,291.73	\$2,994.16	\$1,297.57
7856013	304000-Structures & Improvements	Spanish Oaks, Rehab Pump Bldg & Tanks	Site Improvement:	31700035398	2006	JAN-06	0	\$3,137.04	\$1,361.44	\$1,775.60
Total: Site Improvement:							0	\$3,137.04	\$1,361.44	\$1,775.60
58111299	304000-Structures & Improvements	12,000 BTU A/C Unit for PLant #1	Structure:	31700010172	2020	JUL-20	1	\$865.97	\$27.08	\$838.89
Total: Structure:							1	\$865.97	\$27.08	\$838.89

Business Segment

Major Location

Asset Location

Asset Id	Utility Account	Asset Description	Property Unit Property	Work Order Number	Vintage	In Service	Accum Qty	Accum Cost	Allocated Reserve	Net Value
1-Water										
Texas North Water										
Spanish Oaks Addition WA PWS # 0610214										
54633182	304000-Structures & Improvements	Building, complete	Well House Improvements:	31700010166	2020	NOV-20	0	\$13,207.51	\$438.78	\$12,768.73
Total: Well House Improvements:							0	\$13,207.51	\$438.78	\$12,768.73
Total: 304000-Structures & Improvements								\$21,502.25	\$4,821.46	\$16,680.79
14561895	307200-Wells & Springs	Removed 1 Pipe Joint, SpanishOaks,3/20/13	Piping - Other:	31700018850	2013	APR-13	1	\$3,672.33	\$755.61	\$2,916.72
Total: Piping - Other:							1	\$3,672.33	\$755.61	\$2,916.72
7908778	307200-Wells & Springs	Well-6" Dia., 367' Deep	Wells,Springs,Int:W0001		1995	OCT-95	1	\$22,115.57	\$14,478.73	\$7,636.84
Total: Wells,Springs,Intakes:							1	\$22,115.57	\$14,478.73	\$7,636.84
Total: 307200-Wells & Springs								\$25,787.90	\$15,234.34	\$10,553.56
45944117	309200-Supply Mains	Valve & Valve Vault	Valve & Valve Vault:	31700009924	2019	AUG-19	2	\$8,923.54	\$398.03	\$8,525.51
48982391	309200-Supply Mains	Check Valve	Valve & Valve Vault:	31700010172	2019	FEB-19	1	\$1,026.05	\$45.77	\$980.28
Total: Valve & Valve Vault:							3	\$9,949.59	\$443.79	\$9,505.80
Total: 309200-Supply Mains								\$9,949.59	\$443.79	\$9,505.80
7824307	311000-Pumping Equipment	Repairs to Pump House Piping to Booster Pumps, Spanish Oaks, 10/20/07	Inactive Mains:Unspec size/type:	31700040991	2008	JAN-08	0	\$5,866.70	\$1,856.74	\$4,009.96
Total: Inactive Mains:Unspec size/type:							0	\$5,866.70	\$1,856.74	\$4,009.96

Business Segment

Major Location

Asset Location

Asset Id	Utility Account	Asset Description	Property Unit Property	Work Order Number	Vintage	In Service	Accum Qty	Accum Cost	Allocated Reserve	Net Value
1-Water										
Texas North Water										
Spanish Oaks Addition WA PWS # 0610214										
17451471	311000-Pumping Equipment	Miscellaneous Equipment	Miscellaneous Equipment:	31700010172	2014	MAR-14	1	\$242.15	\$41.93	\$200.22
Total: Miscellaneous Equipment:							1	\$242.15	\$41.93	\$200.22
61038334	311000-Pumping Equipment	Rplc 5HP Booster Pump	Pump:0-5 Horsepower:	31700010172	2021	JUN-21	1	\$5,145.28	(\$10.74)	\$5,156.02
15019504	311000-Pumping Equipment	Booster Pump Repair,SpanishOaks,5/20/13	Pump:0-5 Horsepower:	31700018850	2013	MAY-13	1	\$970.93	\$191.33	\$779.60
27868158	311000-Pumping Equipment	Pump:0-5 Horsepower	Pump:0-5 Horsepower:	31700010961	2016	MAY-16	1	\$3,968.64	\$46.91	\$3,921.73
48982379	311000-Pumping Equipment	5 HP Booster Pump #2	Pump:0-5 Horsepower:	31700010172	2019	FEB-19	1	\$5,157.98	\$26.13	\$5,131.85
58111296	311000-Pumping Equipment	2 - 5HP Booster Pump PLnat 1	Pump:0-5 Horsepower:	31700010172	2020	AUG-20	2	\$6,798.49	(\$47.29)	\$6,845.78
7891129	311000-Pumping Equipment	Pumps - Water: Type Unknown; Horsepower 0-5;	Pump:0-5 Horsepower:	W0001	1995	OCT-95	1	\$1,697.74	\$100.34	\$1,597.40
7825437	311000-Pumping Equipment	Booster Pump Repair, Spanish Oaks, 5/13/08	Pump:0-5 Horsepower:	31700040991	2008	AUG-08	0	\$698.38	\$221.03	\$477.35
15019507	311000-Pumping Equipment	5HP Booster Pump, Spanish Oaks, 4/25/13	Pump:0-5 Horsepower:	31700018850	2013	MAY-13	1	\$2,433.28	\$479.50	\$1,953.78

Business Segment

Major Location

Asset Location

Asset Id	Utility Account	Asset Description	Property Unit Property	Work Order Number	Vintage	In Service	Accum Qty	Accum Cost	Allocated Reserve	Net Value
1-Water										
Texas North Water										
Spanish Oaks Addition WA PWS # 0610214										
14261566	311000-Pumping Equipment	5HP Well Pump&Mtr,SpanishOaks,3/1	Pump:0-5 Horsepower:	31700018850	2013	MAR-13	1	\$5,015.19	\$93.16	\$4,922.03
Total: Pump:0-5 Horsepower:							9	\$31,885.91	\$1,100.37	\$30,785.54
7892370	311000-Pumping Equipment	Pumps - Water: Type Plant Site Package; Horsepower <=20;	Pump:16-20 Horsepower:	W0001	1995	OCT-95	1	\$10,509.02	\$621.12	\$9,887.90
Total: Pump:16-20 Horsepower:							1	\$10,509.02	\$621.12	\$9,887.90
Total: 311000-Pumping Equipment								\$48,503.78	\$3,620.16	\$44,883.62
28407226	320300-Water Treatment Equipment	3/4" Sand Seperator AutoPurge, SpanishOaks	Filter Tanks:	31700010172	2016	JUN-16	1	\$1,243.53	\$150.55	\$1,092.98
28407223	320300-Water Treatment Equipment	Sand Separator; Spanish Oaks	Filter Tanks:	31700010172	2016	JUN-16	1	\$1,773.96	\$214.76	\$1,559.20
Total: Filter Tanks:							2	\$3,017.49	\$365.31	\$2,652.18
58111305	320300-Water Treatment Equipment	Dump Valve on Sand Sperator	Treatment Equipment:	31700010172	2020	NOV-20	1	\$3,086.92	\$88.98	\$2,997.94
10414287	320300-Water Treatment Equipment	Treatment Equipment	Treatment Equipment:	31700017221	2012	FEB-12	0	\$196.97	\$42.01	\$154.96
58111302	320300-Water Treatment Equipment	Repair Chlorine Leak	Treatment Equipment:	31700010172	2020	NOV-20	1	\$614.87	\$17.72	\$597.15
11253684	320300-Water Treatment Equipment	Treatment Equipment	Treatment Equipment:	31700017221	2012	APR-12	0	\$40.88	\$8.72	\$32.16

Business Segment

Major Location

Asset Location

Asset Id	Utility Account	Asset Description	Property Unit Property	Work Order Number	Vintage	In Service	Accum Qty	Accum Cost	Allocated Reserve	Net Value
1-Water										
Texas North Water										
Spanish Oaks Addition WA PWS # 0610214										
15684861	320300-Water Treatment Equipment	Rprd CL2 Leak, Spanish Oaks, 7/23/13	Treatment Equipment:	31700017221	2013	AUG-13	1	\$848.67	\$161.45	\$687.22
61038337	320300-Water Treatment Equipment	Rplc Chlorine Lline 1" 19 lf	Treatment Equipment:	31700010172	2021	JUN-21	1	\$1,090.32	\$9.43	\$1,080.89
48982388	320300-Water Treatment Equipment	Sand Separor	Treatment Equipment:	31700010172	2019	FEB-19	1	\$1,055.25	\$54.75	\$1,000.50
7902321	320300-Water Treatment Equipment	Hypochlorinator	Treatment Equipment:	W0001	1995	OCT-95	1	\$886.49	\$536.61	\$349.88
11823972	320300-Water Treatment Equipment	Rprd Leak @ CL2 Line,Spanish Oaks,5/12	Treatment Equipment:	31700017221	2012	JUN-12	1	\$776.11	\$165.55	\$610.56
Total: Treatment Equipment:							7	\$8,596.48	\$1,085.23	\$7,511.25
Total: 320300-Water Treatment Equipment								\$11,613.97	\$1,450.54	\$10,163.43
7887043	330400-Dist Reservoirs & Standpipes	Plant Site Yard Piping Package	Miscellaneous Equipment:	W0001	1995	OCT-95	1	\$3,344.17	\$1,958.29	\$1,385.88
14561892	330400-Dist Reservoirs & Standpipes	.5HP Air Compressor, SpanishOaks, 3/19/13	Miscellaneous Equipment:	31700018850	2013	APR-13	1	\$91.88	\$16.91	\$74.97
Total: Miscellaneous Equipment:							2	\$3,436.05	\$1,975.20	\$1,460.85
7898874	330400-Dist Reservoirs & Standpipes	880 Gallon Welded Pressure Tank	Structure:	W0001	1995	OCT-95	1	\$2,341.42	\$1,371.10	\$970.32

Business Segment

Major Location

Asset Location

Asset Id	Utility Account	Asset Description	Property Unit Property	Work Order Number	Vintage	In Service	Accum Qty	Accum Cost	Allocated Reserve	Net Value
1-Water										
Texas North Water										
Spanish Oaks Addition WA PWS # 0610214										
7898867	330400-Dist Reservoirs & Standpipes	15400 Gallon Welded Ground Storage	Structure:	W0001	1995	OCT-95	1	\$21,634.70	\$12,668.91	\$8,965.79
Total: Structure:							2	\$23,976.12	\$14,040.01	\$9,936.11
28407216	330400-Dist Reservoirs & Standpipes	GST Suction Tube Riser, Spanish Oaks	Yard Piping:	31700010172	2016	JUN-16	15	\$3,940.96	\$461.55	\$3,479.41
Total: Yard Piping:							15	\$3,940.96	\$461.55	\$3,479.41
Total: 330400-Dist Reservoirs & Standpipes								\$31,353.13	\$16,476.76	\$14,876.37
7836734	331400-T&D Mains	Main Break Repairs, 8/09-12/09, Spanish Oaks	Inactive Mains:Plast/PVC/ <6":	31700040995	2010	JAN-10	0	\$3,053.50	\$556.44	\$2,497.06
7877378	331400-T&D Mains	Piping - Water: Diameter 4; Type Phase 1 PVC;	Inactive Mains:Plast/PVC/ <6":	W0001	1995	OCT-95	22,942	\$174,026.36	\$73,996.56	\$100,029.80
Total: Inactive Mains:Plast/PVC/HDPE <6":							22,942	\$177,079.86	\$74,553.00	\$102,526.86
7841027	331400-T&D Mains	Main Break Repair, Spanish Oaks, 2/02/07	Inactive Mains:Unspec size/type:	31700040995	2007	MAR-07	0	\$589.63	\$136.10	\$453.53
7841032	331400-T&D Mains	Main Break Repairs 6/06-10/06-Spanish Oaks	Inactive Mains:Unspec size/type:	31700040995	2006	NOV-06	0	\$488.42	\$120.65	\$367.77
7841037	331400-T&D Mains	Main Break Repairs, 11/2006, Spanish Oaks	Inactive Mains:Unspec size/type:	31700040995	2006	DEC-06	1	\$788.34	\$194.74	\$593.60
12038998	331400-T&D Mains	Mains:Unspecified size/type:	Inactive Mains:Unspec size/type:	31700017446	2012	JUL-12	0	\$161.32	\$24.17	\$137.15

Business Segment

Major Location

Asset Location

Asset Id	Utility Account	Asset Description	Property Unit Property	Work Order Number	Vintage	In Service	Accum Qty	Accum Cost	Allocated Reserve	Net Value
1-Water										
Texas North Water										
Spanish Oaks Addition WA PWS # 0610214										
7841022	331400-T&D Mains	Main Break Repair, Spanish Oaks, 12/08	Inactive Mains:Unspec size/type:	31700040995	2009	MAY-09	0	\$475.92	\$94.44	\$381.48
Total: Inactive Mains:Unspec size/type:							1	\$2,503.63	\$570.10	\$1,933.53
18692620	331400-T&D Mains	Mains:Valves (4" & under)	Mains:Valves (4" & under):	31700009924	2014	JUL-14	1	\$2,090.99	\$245.56	\$1,845.43
Total: Mains:Valves (4" & under):							1	\$2,090.99	\$245.56	\$1,845.43
7929944	331400-T&D Mains	WATERLINE BLANKET SPANISH OAKS	Miscellaneous Equipment:	CX002160331	2002	DEC-02	1	\$6,480.00	\$2,020.57	\$4,459.43
Total: Miscellaneous Equipment:							1	\$6,480.00	\$2,020.57	\$4,459.43
7905775	331400-T&D Mains	Piping - Water: Diameter 4; Type Valve;	Valve & Valve Vault:	W0001	1995	OCT-95	7	\$2,057.67	\$874.93	\$1,182.74
Total: Valve & Valve Vault:							7	\$2,057.67	\$874.93	\$1,182.74
Total: 331400-T&D Mains								\$190,212.15	\$78,264.15	\$111,948.00
40028953	333400-Services	Service Line:1"	Service Line:1":	31700018312	2018	SEP-18	1	\$3,863.07	\$560.42	\$3,302.65
22653807	333400-Services	Service Line:1"	Service Line:1":	31700018312	2015	MAY-15	1	\$3,857.03	\$1,076.04	\$2,780.99
10413733	333400-Services	Service Line:1"	Service Line:1":	31700017503	2012	FEB-12	1	\$4,187.65	\$1,729.05	\$2,458.60

Business Segment

Major Location

Asset Location

Asset Id	Utility Account	Asset Description	Property Unit Property	Work Order Number	Vintage	In Service	Accum Qty	Accum Cost	Allocated Reserve	Net Value
1-Water										
Texas North Water										
Spanish Oaks Addition WA PWS # 0610214										
56042832	333400-Services	Service Line:1"	Service Line:1"	31700018312	2021	JAN-21	4	\$6,694.87	\$112.06	\$6,582.81
57196784	333400-Services	Service Line:1"	Service Line:1"	31700017503	2021	MAR-21	8	\$2,291.87	\$38.36	\$2,253.51
Total: Service Line:1"							15	\$20,894.49	\$3,515.93	\$17,378.56
52047702	333400-Services	Service Line:3/4"	Service Line:3/4"	31700017503	2020	JUN-20	3	\$886.97	\$49.49	\$837.48
10899562	333400-Services	Service Line:3/4"	Service Line:3/4"	31700018312	2012	MAR-12	1	\$95.21	\$39.31	\$55.90
Total: Service Line:3/4"							4	\$982.18	\$88.80	\$893.38
45944112	333400-Services	Service Line:5/8"	Service Line:5/8"	31700009924	2019	AUG-19	1	\$293.47	\$29.47	\$264.00
Total: Service Line:5/8"							1	\$293.47	\$29.47	\$264.00
7895615	333400-Services	Tap Installation (9903 Prior Rate Case)	Service Line:Unspecified size:	31713515716	1999	MAY-99	0	\$498.75	\$495.34	\$3.41
7860862	333400-Services	SERVICE BLANKET SPANISH OAKS	Service Line:Unspecified size:	31700003901	2005	JAN-05	1	\$36.78	\$26.68	\$10.10

Business Segment

Major Location

Asset Location

Asset Id	Utility Account	Asset Description	Property Unit Property	Work Order Number	Vintage	In Service	Accum Qty	Accum Cost	Allocated Reserve	Net Value
1-Water										
Texas North Water										
Spanish Oaks Addition WA PWS # 0610214										
23315259	333400-Services	Service Line:Unspecified size:	Service Line:Unspecified size:	31700017503	2015	JUL-15	0	\$377.50	\$105.32	\$272.18
Total: Service Line:Unspecified size:							1	\$913.03	\$627.34	\$285.69
Total: 333400-Services								\$23,083.17	\$4,261.54	\$18,821.63
7931177	334400-Meters & Meter Installations	Cost of Taps 8/05-12/05	Meter:Unspecifier size:	31700021437	2006	AUG-06	0	\$777.48	\$353.67	\$423.81
7930076	334400-Meters & Meter Installations	METERS SPANISH OAKS	Meter:Unspecifier size:	3170005901	2005	JAN-05	0	\$400.00	\$193.89	\$206.11
7931172	334400-Meters & Meter Installations	Cost of Taps 1/06-6/06	Meter:Unspecifier size:	31700021437	2006	AUG-06	0	\$460.29	\$209.38	\$250.91
Total: Meter:Unspecified size:							0	\$1,637.77	\$756.94	\$880.83
Total: 334400-Meters & Meter Installations								\$1,637.77	\$756.94	\$880.83
Asset Location Total:								\$371,238.76	\$125,292.73	\$245,946.03
Major Location Total:								\$371,238.76	\$125,292.73	\$245,946.03
Business Segment Total:								\$371,238.76	\$125,292.73	\$245,946.03
Company Total:								\$371,238.76	\$125,292.73	\$245,946.03
Grand Total for Selected Assets:							23,022	\$371,238.76	\$125,292.73	\$245,946.03



AQUA TEXAS, INC
9450 Silver Creek Drive
Fort Worth, TX 76108

PURCHASE ORDER NUMBER
70273

THIS NUMBER MUST APPEAR ON ALL INVOICES, PACKAGES,
CARTONS, BILLS OF LADING, AND PACKING SLIPS.

REQUISITION NUMBER
504452

DATE: 09/23/2021

SHIP VIA:
FOB:
FREIGHT TERMS: NOT APPLICABLE
DUE DAYS: 30

VENDOR: 46307
KORMAN REALTY CONSULTANTS LLC
1401 FOCH STREET
SUITE 150
FT WORTH TX 76107

SHIP TO: NORTH TEXAS - FORT WORTH
AQUA TEXAS, INC
9450 SILVER CREEK RD
FORT WORTH TX 76108

VENDOR
CONTACT:
PHONE: 817 870-0420
EMAIL: POFILECABINET@AQUAAMERICA.COM

BUYER: *Internal Use Only*
CONTACT: BERNIE THOMPSON
PHONE:
EMAIL: BFTHOMPSON@AQUAAMERICA.COM

REQUESTER
CONTACT: GLENDA MILLS-NORTH-FT WORTH
PHONE: -817-367-1405
EMAIL: GLMILLS@AQUAAMERICA.COM

LINE	QTY	UOM	DESCRIPTION	UNIT PRICE	EXTENDED PRICE
1	10,000.0000	EACH	<p>PURCHASE ORDER CURRENCY: US DOLLAR CONFIRMING ORDER DO NOT SEND VENDOR COPY</p> <p>CCN DECERTIFICATION SPANISH OAKS - THE SANCTUARY T DELIVER ON SEPTEMBER 24, 2021 ITEM DETAIL: CCN DECERTIFICATION SPANISH OAKS - THE SANCTUARY TEXAS - CCN DECERTIFICATION - 70.146 ACRES - APPRAISER AU = 7000 633800</p> <p>PURCHASE ORDER SUMMARY GOODS TOTAL: ORDER TOTAL:</p> <p>CONFIRMING ORDER</p>	1.00000	10,000.00
TOTAL AMOUNT:					\$10,000.00

The material, labor and services above shall be furnished in accordance with the Standard Provisions printed on the reverse side of the Purchase Order and in accordance with any documents made a part hereof by the Company by attachment or reference, and shall have the same effect as though fully set forth above. The Purchase Order embodies the entire agreement between the parties and the supercedes all prior negotiations and communications.
The Company will not recognize any charges in this Purchase Order except through the medium of its Official Change Order Form.

MANAGER OF PURCHASING

September 21, 2021

Mr. Robert Laughman
Aqua Texas, Inc.
1106 Clayton Lane, Suite 400W
Austin, Texas 78723

Mr. Darryl Waldock
Aqua Texas, Inc.
9450 Silver Creek Road
Fort Worth, Texas 76108

SUBJECT: DOCKET NO. 51738; PETITION BY THE SANCTUARY TEXAS, LLC FOR EXPEDITED RELEASE FROM WATER CCN NO. 13201 HELD BY AQUA TEXAS IN DENTON COUNTY BEFORE THE PUBLIC UTILITY COMMISSION OF TEXAS

Dear Mr. Laughman & Mr. Waldock,

At your request, we are pleased to provide appraisal services regarding property that is the subject of the above-described matter. *This letter, when signed by you, shall constitute our agreement regarding our engagement.*

This assignment will be developed and prepared in conformity with and subject to the requirements of the Appraisal Institute's Code of Professional Ethics, the Uniform Standards of Professional Appraisal Practice, the Public Utility Commission, and the State of Texas. Additionally, we have not performed any services related to the property prior to this assignment.

Our fee for this assignment will be **\$10,000** for an appraisal report, with all work after completion of the appraisal invoiced on an hourly rate basis. The appraisal is intended to be used by the client for the proposed expedited release of the subject property in the above-described matter.

Work will be billed by the tenth of every month, with the full amount due ³⁰ ~~15~~ days after the invoice date. In addition to our fees, we are to be reimbursed for all direct expenses including, but not limited to, delivery services, legal documents, travel, mileage, exhibits, photographs, copying, etc. ~~Prior to commencement of this engagement, we require a \$5,000 retainer.~~ *DW*

Our current hourly rates are as follows:

Joshua M. Korman	\$ 400.00
John Kostohryz	\$ 300.00
Wynn Tucker	\$ 250.00
Associate Appraiser	\$ 150.00
Research Analyst	\$ 75.00

A KOR Group principal will make himself available to review each invoice with a designated client representative as to the necessity and reasonableness of the work performed. It is the responsibility of the client to review the invoices for work performed within 10 days upon receipt of each invoice.

Mr. Laughman & Mr. Waldock
September 21, 2021
Page 2

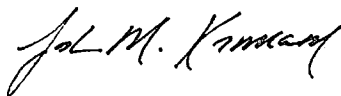
The file and work product produced regarding this assignment are the exclusive property of KOR Group and subject to peer review by State and Federal Agencies and by the Appraisal Institute. Additionally, we will make a copy of the file available to the client at their request or at the request of the court or the Public Utility Commission.

It is understood that our engagement and payment for the services rendered hereunder are not dependent or contingent upon any loan commitment, transaction, trial outcome, opinions rendered, or any funds received by you over and above the fee stated herein.

This contract is cancelable on a 10-day written notice. Should either party cancel this contract, the outstanding balance for professional services shall be due within 30 days of such act.

If the above agreement meets with your approval, please execute this proposal, and return the original. We look forward to working with you on this project.

Very Truly Yours,



Joshua M. Korman

AGREED:



By: Robert Laughman

Digitally signed by: Robert Laughman
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