



Control Number: 51877



Item Number: 1

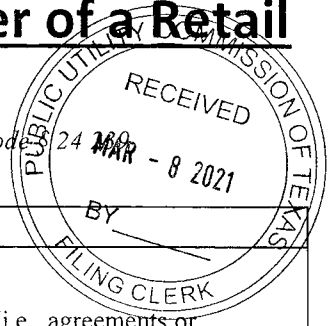
Addendum StartPage: 0



Application for Sale, Transfer, or Merger of a Retail

51877 Public Utility

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



Sale, Transfer, or Merger (STM) Application Instructions

- I. **COMPLETE:** In order for the Commission to find the application sufficient for filing, the Applicant should:
 - i. Provide an answer to every question and submit any required attachment applicable to the STM request (i.e., agreements or contracts).
 - ii. Use attachments or additional pages to answer questions as necessary. If you use attachments or additional pages, reference their inclusion in the form.
 - iii. Provide all mapping information as detailed in Part G: Mapping & Affidavits.
- II. **FILE:** Seven (7) copies of the completed application with numbered attachments. One copy should be filed with no permanent binding, staples, tabs, or separators; and 7 copies of the portable electronic storage medium containing the digital mapping data.
 - i. **SEND TO:** Public Utility Commission of Texas, Attention: Filing Clerk, 1701 N. Congress Avenue, P.O. Box 13326, Austin, Texas 78711-3326 (**NOTE: Electronic documents may be sent in advance of the paper copy, however they will not be processed and added to the Commission's on-line Interchange until the paper copy is received and file-stamped in Central Records.**)
- III. The application will be assigned a docket number, and an administrative law judge (ALJ) will issue an order requiring Commission Staff to file a recommendation on whether the application is sufficient. The ALJ will issue an order after Staff's recommendation has been filed:
 - i. **DEFICIENT (Administratively Incomplete):** Applicants will be ordered to provide information to cure the deficiencies by a certain date, usually 30 days from ALJ's order. ***Application is not accepted for filing.***
 - ii. **SUFFICIENT (Administratively Complete):** Applicants will be ordered by the ALJ to give appropriate notice of the application using the notice prepared by Commission Staff. ***Application is accepted for filing.***
- IV. Once the Applicants issue notice, a copy of the actual notice sent and an affidavit attesting to notice should be filed in the docket assigned to the application. Recipients of notice may request a hearing on the merits.

HEARING ON THE MERITS: An affected party may request a hearing within 30 days of notice. In this event, the application may be referred to the State Office of Administrative Hearings (SOAH) to complete this request.
- V. **TRANSACTION TO PROCEED:** at any time following the provision of notice, or prior to 120 days from the last date that proper notice was given, Commission Staff will file a recommendation for the transaction to proceed as proposed or recommend that the STM be referred to SOAH for further investigation. The Applicants will be required to file an update in the docket to the ALJ every 30 days following the approval of the transaction. The transaction must be completed within six (6) months from the ALJ's order (Note: The Applicants may request an extension to the 6 month provision for good cause).
- VI. **FILE:** Seven (7) copies of completed transaction documents and documentation addressing the transfer or disposition of any outstanding deposits. After receiving all required documents from the Applicants, the application will be granted a procedural schedule for final processing. The Applicants are requested to consent in writing to the proposed maps and certificates, or tariff if applicable.
- VII. **FINAL ORDER:** The ALJ will issue a final order issuing or amending the applicable CCNs.

FAQ:

Who can use this form?

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

Who is required to use this form?

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

Terms

Transferor: Seller

Transferee: Purchaser

CCN: Certificate of Convenience and Necessity

STM: Sale, Transfer, or Merger

IOU: Investor Owned Utility

Application Summary

Transferor: L and T Waterworks LLC

(selling entity)

CCN No.s: 12919 and 12993

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

Transferee: Monarch Utilities I L.P.

(acquiring entity)

CCN No.s: 12983

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

County(ies): Freestone and Henderson

Table of Contents

| | |
|--|----|
| Sale, Transfer, or Merger (STM) Application Instructions | 1 |
| Part A: General Information | 3 |
| Part B: Transferor Information | 3 |
| Part C: Transferee Information | 4 |
| Part D: Proposed Transaction Details | 6 |
| Part E: CCN Obtain or Amend Criteria Considerations | 8 |
| Part F: TCEQ Public Water System or Sewer (Wastewater) Information | 9 |
| Part G: Mapping & Affidavits | 10 |
| Part H: Notice Information | 12 |
| Appendix A: Historical Financial Information (Balance Sheet and Income Schedule) | 15 |
| Appendix B: Projected Information | 18 |

Please mark the items included in this filing

| | |
|--|-----------------------------------|
| <input checked="" type="checkbox"/> Contract, Lease, Purchase, or Sale Agreement | Part A: Question 1 |
| <input checked="" type="checkbox"/> Tariff including Rate Schedule | Part B: Question 4 |
| <input type="checkbox"/> List of Customer Deposits | Part B: Question 5 |
| <input checked="" type="checkbox"/> Partnership Agreement | Part C: Question 7 |
| <input type="checkbox"/> Articles of Incorporation and By-Laws (WSC) | Part C: Question 7 |
| <input checked="" type="checkbox"/> Certificate of Account Status | Part C: Question 7 |
| <input checked="" type="checkbox"/> Financial Audit | Part C: Question 10 |
| <input type="checkbox"/> Application Attachment A & B | Part C: Question 10 |
| <input checked="" type="checkbox"/> Disclosure of Affiliated Interests | Part C: Question 10 |
| <input checked="" type="checkbox"/> Capital Improvement Plan | Part C: Question 10 |
| <input checked="" type="checkbox"/> List of Assets to be Transferred | Part D: 11.B |
| <input type="checkbox"/> Developer Contribution Contracts or Agreements | Part D: 11.D |
| <input checked="" type="checkbox"/> Enforcement Action Correspondence | Part E: Question 18 (Part D: Q12) |
| <input checked="" type="checkbox"/> TCEQ Compliance Correspondence | Part F: Question 22 |
| <input type="checkbox"/> TCEQ Engineering Approvals | Part F: Question 24 |
| <input type="checkbox"/> Purchased Water Supply or Treatment Agreement | Part F: Question 26 |
| <input checked="" type="checkbox"/> Detailed (large scale) Map | Part G: Question 29 |
| <input checked="" type="checkbox"/> General Location (small scale) Map | Part G: Question 29 |
| <input checked="" type="checkbox"/> Digital Mapping Data | Part G: Question 29 |
| <input checked="" type="checkbox"/> Signed & Notarized Oath | Page 13-14 |

Part A: General Information

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

Monarch Utilities I L.P.(Monarch), an indirect, wholly owned subsidiary of Southwest Water Company, is purchasing the water utility assets of L and T Waterworks LLC (L&T) through an asset purchase agreement signed 10-20-2020 (see Appendix A). Monarch will add the service areas to its existing water CCN 12983 areas. A portion of the area requested is to be dually certified with CCN 10793 and a small portion is to be decertified from CCN 10791.

2. The proposed transaction will require (check all applicable):

For **Transferee** (Purchaser) CCN:

- ☐ Obtaining a NEW CCN for Purchaser
☒ Transfer all CCN into Purchaser's CCN (Merger)
☐ Transfer Portion of CCN into Purchaser's CCN
☐ Transfer all CCN to Purchaser and retain Seller CCN
☒ Uncertificated area added to Purchaser's CCN
X Dual certification for small area with an adjacent CCN

For **Transferor** (Seller) CCN:

- ☒ Cancellation of Seller's CCN
☐ Transfer of a Portion of Seller's CCN to Purchaser
☐ Only Transfer of Facilities, No CCN or Customers
☐ Only Transfer of Customers, No CCN or Facilities
☐ Only Transfer CCN Area, No Customers or Facilities

Part B: Transferor Information

Questions 3 through 5 apply only to the *transferor* (current service provider or seller)

3. A. Name: L and T Waterworks, LLC

(individual, corporation, or other legal entity)

☐ Individual

☐ Corporation

☐ WSC

☒ Other: LLC

- B. Mailing Address: P. O. Box 764 Chandler, TX 75758

Phone: (903) 724-8372

Email: _____

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

Name: Rayjeana Logan

Title: Co-Owner

Mailing Address: P. O. Box 764 Chandler, TX 75758

Phone: (903) 724-8372

Email: rayjeanalogan@hotmail.com

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

- A. Effective date for most recent rates: March 20, 2007

- B. Was notice of this increase provided to the Public Utility Commission of Texas (Commission) or a predecessor regulatory authority?

☐ No

☒ Yes

Application or Docket Number: Athens: TCEQ Docket 35338, Moody: TCEQ Docket 35339

If the transferor is a Water Supply or Sewer Service Corporation, provide a copy of the current tariff.

5. For the customers that will be transferred following the approval of the proposed transaction, check all that apply:

☐ There are no customers that will be transferred

☒ # of customers without deposits held by the transferor 123

☐ # of customers with deposits held by the transferor*

*Attach a list of all customers affected by the proposed transaction that have deposits held, and include a customer indicator (name or account number), date of each deposit, amount of each deposit, and any unpaid interest on each deposit.

Part C: Transferee Information

Questions 6 through 10 apply only to the *transferee* (purchaser or proposed service provider)

6. A. Name: Monarch Utilities I L.P.

(individual, corporation, or other legal entity)

☐ Individual ☐ Corporation ☐ WSC ☒ Other: L P

B. Mailing Address: 12535 Reed Road Sugar Land, TX 77478

Phone: (830) 207-5800 Email: swwc.com

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

Name: George Freitag Title: Regulatory Manager

Address: 1620 Grand Avenue Parkway, Suite 140 Pflugerville, TX 78660

Phone: (512) 219-2288 Email: gfreitag@swwc.com

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

☐ No ☒ Yes ☐ N/A

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

☐ No ☒ Yes ☐ N/A

7. The legal status of the transferee is:

☐ Individual or sole proprietorship

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

☐ Corporation

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

☐ Non-profit, member-owned, member controlled Cooperative Corporation [Article 1434(a) Water Supply or Sewer Service Corporation, incorporated under TWC Chapter 67]

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

☐ Articles of Incorporation and By-Laws established (*attach*)

☐ Municipally-owned utility

☐ District (MUD, SUD, WCID, FWSD, etc.)

- ☐ County
- ☐ Affected County (a county to which Subchapter B, Chapter 232, Local Government Code, applies)
- ☐ Other (please explain): _____

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

Name: _____

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

Name: Robert MacLean, Kirk Michael, Richard Rich

Position: CEO, CFO, and COO

Ownership % (if applicable): 0.00%

Address: 12535 Reed Road Sugar Land, TX 77478

Phone: (830) 207-6100

Email: swwc.com

Name: Jeffrey L. McIntyre

Position: President

Ownership % (if applicable): 0.00%

Address: 12535 Reed Road Sugar Land, TX 77478

Phone: (830) 207-6100

Email: swwc.com

Name: Joseph Park

Position: Secretary, VP, General Counsel

Ownership % (if applicable): 0.00%

Address: 12535 Reed Road Sugar Land, TX 77478

Phone: (830) 207-6100

Email: swwc.com

Name: Joshua Abbotoy

Position: Associate Secretary

Ownership % (if applicable): 0.00%

Address: 12535 Reed Road Sugar Land, TX 77478

Phone: (830) 207-6100

Email: swwc.com

10. **Financial Information**

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

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

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

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

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

Part D: Proposed Transaction Details

11. A. Proposed Purchase Price: \$ _____ **see Asset Purchase Agreement (Confidential)**

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

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

☐ No ☒ Yes ☐ N/A

Total Original Cost of Plant in Service: \$ _____ **see details filed Confidentially**

Accumulated Depreciation: \$ _____

Net Book Value: \$ _____

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

☒ No ☐ Yes

Total Customer CIAC: \$ _____

Accumulated Amortization: \$ _____

D. **Developer CIAC**: Did the transferor receive any developer contributions to pay for the assets proposed to be transferred in this application? If so, identify which assets were funded by developer contributions on the list of assets and provide any applicable developer agreements.

☒ No ☐ Yes

Total developer CIAC: \$ _____

Accumulated Amortization: \$ _____

12. A. Are any improvements or construction required to meet the minimum requirements of the TCEQ or Commission and to ensure continuous and adequate service to the requested area to be transferred plus any area currently certificated to the transferee Applicant? Attach supporting documentation and any necessary TCEQ approvals, if applicable.

☐ No ☒ Yes

See Attachment

B. If yes, describe the source and availability of funds and provide an estimated timeline for the construction of any planned or required improvements:

Monarch has adequate access to capital through a variety of sources including internally generated funds and revolving loans. Monarch intends to alleviate most deficiencies within one year of acquisition but will not know the exact details until detailed analysis after acquisition.

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

L and T Waterworks LLC (L and T) provides service to two separate water systems under two separate CCNs and tariffs. CCN 12993 (Athens) is to be transferred as is. A portion of the requested water service area for CCN 12919 (Moody) is in the area currently certificated to Turlington WSC (CCN 10793). It has agreed to be dually certified to that area - see letter attached. A small portion of the requested area of CCN 12919 is to be decertified from South Freestone WSC (CCN 10791). It has agreed to be decertified - see letter attached.

14. Complete the following proposed entries (listed below) as shown in the books of the Transferee (purchaser) after the acquisition. Debits (positive numbers) should equal credits (negative numbers) so that all line items added together equal zero. Additional entries may be made; the following are suggested only, and not intended to pose descriptive limitations:

Utility Plant in Service: \$ _____

Accumulated Depreciation of Plant: \$ _____ **see details filed Confidentially**

Cash: \$ _____

Notes Payable: \$ _____

Mortgage Payable: \$ _____

(Proposed) Acquisition Adjustment*: \$ _____

* Acquisition Adjustments will be subject to review under 16 TAC § 24 41(d) and (e)

Other (NARUC account name & No.): _____

Other (NARUC account name & No.): _____

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

Monarch intends to charge the approved user rates and service charges found on the existing tariffs issued to L and T.

B. If transferee is an IOU, state whether or not the transferee intends to file with the Commission, or an applicable municipal regulatory authority, an application to change rates for some or all of its customers as a result of the transaction within the next twelve months. If so, provide details below:

Monarch has an ongoing system-wide rate application (Docket 50944) that affects its current customers only. The rates for the L and T customers will not be changed within the next 12 months.

Part E: CCN Obtain or Amend Criteria Considerations

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

The proposed transaction will have a positive effect on quality of service. Monarch intends to make various upgrades and improvements as needed to both of the water systems. Customers will benefit by receiving service from an established utility company. Monarch will provide operations and customer service that meets the standards of both the PUC and the TCEQ.

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

SouthWest, the parent company of Monarch, has the necessary financial, managerial, and technical resources to continue providing quality services to the systems and customers to be transferred. SouthWest, through its subsidiaries, has been successfully operating in Texas for over 50 years. Besides Monarch Utilities I LP (Class A), SouthWest's subsidiaries in Texas also include SWWC Utilities, Inc. (also a Class A) and Midway Water Utilities, Inc. (Class B). In addition to licensed operators, SouthWest's management and operations staff includes engineers, environmental health and safety managers, financial managers, and experienced customer service agents.

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

☐

No

☒

Yes

See Attachment

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

The two systems serve existing residences in a semi-rural area. There are no plans to expand the service areas. Neither the land nor the environmental integrity will be adversely affected by the proposed transaction.

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

Service to the customers of the two small systems will be improved by having an owner that has substantial experience successfully operating water and wastewater utilities in Texas. Monarch has systems nearby and intends to operate the acquired systems out of its regional service center. Customer service will be provided by Monarch's centralized Texas business center. In general, Monarch will provide high-quality customer service that meets or exceeds PUC and TCEQ standards.

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

City of Fairfield, Thompson Water and Construction, Turlington WSC, South Freestone WSC, Ward Prairie WSC, Bethel Ash WSC, Payne Springs WSC, City of Eustace, City of Athens,

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

Complete Part F for EACH Public Water or Sewer system to be transferred subject to approval of the transaction.
Attach a separate sheet with this information if you need more space for additional systems being transferred.

22. A. For Public Water System (PWS):TCEQ PWS Identification Number: 1070235 (7 digit ID)Name of PWS: Athens Water SystemDate of last TCEQ compliance inspection: February 22, 2019 (attach TCEQ letter)

Subdivisions served: _____

B. For Sewer service:TCEQ Water Quality (WQ) Discharge Permit Number: WQ - _____ (8 digit ID)Name of Wastewater Facility: n/a

Name of Permittee: _____

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

Subdivisions served: _____

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

| Water | | | | Sewer | |
|--------------------------|--------------|--|-------|--------------------------|-------------|
| | Non-metered | | 2" | | Residential |
| 47 | 5/8" or 3/4" | | 3" | | Commercial |
| | 1" | | 4" | | Industrial |
| | 1 1/2" | | Other | | Other |
| Total Water Connections: | | | 47 | Total Sewer Connections: | |

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

| Description of the Capital Improvement: | Estimated Completion Date: | Estimated Cost: |
|---|----------------------------|-----------------|
| See Attachment | | |
| | | |
| | | |

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

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

Water: _____ Sewer: _____

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

Complete Part F for EACH Public Water or Sewer system to be transferred subject to approval of the transaction.
Attach a separate sheet with this information if you need more space for additional systems being transferred.

22. A. For Public Water System (PWS):TCEQ PWS Identification Number: 0810038 (7 digit ID)Name of PWS: Moody Water SystemDate of last TCEQ compliance inspection: March 29, 2019 (attach TCEQ letter)

Subdivisions served: _____

B. For Sewer service:TCEQ Water Quality (WQ) Discharge Permit Number: WQ - (8 digit ID)Name of Wastewater Facility: n/a

Name of Permittee: _____

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

Subdivisions served: _____

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

| Water | | | | Sewer | |
|--------------------------|--------------|--|-------|--------------------------|-------------|
| | Non-metered | | 2" | | Residential |
| 76 | 5/8" or 3/4" | | 3" | | Commercial |
| | 1" | | 4" | | Industrial |
| | 1 1/2" | | Other | | Other |
| Total Water Connections: | | | 76 | Total Sewer Connections: | |

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

| Description of the Capital Improvement: | Estimated Completion Date: | Estimated Cost: |
|---|----------------------------|-----------------|
| See Attachment | | |
| | | |
| | | |

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

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

Water: _____ Sewer: _____

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

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

Capacity is purchased from: _____

Water: _____

Sewer: _____

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

☒ No ☐ Yes

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

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

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

☒ No ☐ Yes:

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

☐ No ☒ Yes:

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

| Name (as it appears on license) | Class | License No. | Water or Sewer |
|---------------------------------|----------|---------------------------------|-----------------------------------|
| Ronnie Lawson | CGW, CWD | WG0014571, WD0012177, CI0009650 | Water, Customer Service Inspector |
| Jesse Donelson | CGW | WG0008785, CI0010773 | Water, Customer Service Inspector |
| Donald G Herriage | AW | WO0017031, CI0010773 | Water, Customer Service Inspector |
| Michael L Barnett | CGW | WG0017602, CI0010746 | Water, Customer Service Inspector |

Part G: Mapping & Affidavits

ALL applications require mapping information to be filed in conjunction with the STM application.
Read question 29 A and B to determine what information is required for your application.

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

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

- iii. To maintain the integrity of the scale and quality of the map, copies must be exact duplicates of the original map. Therefore, copies of maps cannot be reduced or enlarged from the original map, or in black and white if the original map is in color.

- 2. A detailed (large scale) map identifying the requested area in reference to verifiable man-made and natural landmarks such as roads, rivers, and railroads. The Applicant should adhere to the following guidance:
 - i. The map must be clearly labeled and the outer boundary of the requested area should be marked in reference to the verifiable man-made or natural landmarks. These verifiable man-made or natural landmarks must be labeled and marked on the map as well.
 - ii. If the application requests an amendment for both water and sewer certificated service area, separate maps need to be provided for each.
 - iii. To maintain the integrity of the scale and quality of the map, copies must be exact duplicates of the original map. Therefore, copies of maps cannot be reduced or enlarged from the original map, or in black and white if the original map is in color.
 - iv. The outer boundary of the requested area should not be covered by any labels, roads, city limits or extraterritorial jurisdiction (ETJ) boundaries.

B. For applications that are requesting to include area not currently within a CCN, or for applications that require a CCN amendment (any change in a CCN boundary), such as the transfer of only a portion of a certificated service area, provide the following mapping information with each of the seven (7) copies of the application:

- 1. A general location (small scale) map identifying the requested area with enough detail to locate the requested area in reference to the nearest county boundary, city, or town. Please refer to the mapping guidance in part A 1 (above).
- 2. A detailed (large scale) map identifying the requested area with enough detail to accurately locate the requested area in reference to verifiable man-made or natural landmarks such as roads, rivers, or railroads. Please refer to the mapping guidance in part A 2 (above).
- 3. One of the following identifying the requested area:
 - i. A metes and bounds survey sealed or embossed by either a licensed state land surveyor or a registered professional land surveyor. Please refer to the mapping guidance in part A 2 (above);
 - ii. A recorded plat. If the plat does not provide sufficient detail, Staff may request additional mapping information. Please refer to the mapping guidance in part A 2 (above); or
 - iii. Digital mapping data in a shapefile (SHP) format georeferenced in either NAD 83 Texas State Plane Coordinate System (US Feet) or in NAD 83 Texas Statewide Mapping System (Meters). The digital mapping data shall include a single, continuous polygon record. The following guidance should be adhered to:
 - a. The digital mapping data must correspond to the same requested area as shown on the general location and detailed maps. The requested area must be clearly labeled as either the water or sewer requested area.
 - b. A shapefile should include six files (.dbf, .shp, .shx, .sbx, .sbn, and the projection (.prj) file).
 - c. The digital mapping data shall be filed on a data disk (CD or USB drive), clearly labeled, and filed with Central Records. Seven (7) copies of the digital mapping data is also required.

Part H: Notice Information

The following information will be used to generate the proposed notice for the application.

DO NOT provide notice of the application until it is found sufficient and the Applicants are ordered to provide notice.

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

MOODY SYSTEM

The total acreage of the requested area is approximately: 1,259.00

Number of customer connections in the requested area: 76

Affected subdivision : no specific subdivision

The closest city or town: Fairfield

Approximate mileage to closest city or town center: 1

Direction to closest city or town: W

The requested area is generally bounded on the North by: Lazy Way Road and Pratt Drive

on the East by: County Road 520 and Private Road 515

on the South by: County Road 510

on the West by: Farm to Market Road 1580

31. A copy of the proposed map will be available at: 1620 Grand Avenue Parkway, Suite 140 Pflugerville, TX 78660

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

☒ All of the customers will be charged the same rates they were charged before the transaction.

☐ All of the customers will be charged different rates than they were charged before the transaction.

☐ higher monthly bill ☐ lower monthly bill

☐ Some customers will be charged different rates than they were charged before
(i.e. inside city limit customers)

☐ higher monthly bill ☐ lower monthly bill

Part H: Notice Information

The following information will be used to generate the proposed notice for the application.

DO NOT provide notice of the application until it is found sufficient and the Applicants are ordered to provide notice.

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

ATHENS SYSTEM

The total acreage of the requested area is approximately: 516.00

Number of customer connections in the requested area: 47

Affected subdivision : no specific subdivision

The closest city or town: Athens

Approximate mileage to closest city or town center: 6

Direction to closest city or town: NW

The requested area is generally bounded on the North by: County Road 3913

on the East by: County Road 3914

on the South by: U S Highway 175

on the West by: U S Highway 175 and County Road 3913

31. A copy of the proposed map will be available at: 1620 Grand Avenue Parkway, Suite 140 Pflugerville, TX 78660

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

☒ All of the customers will be charged the same rates they were charged before the transaction.

☐ All of the customers will be charged different rates than they were charged before the transaction.

☒ higher monthly bill ☐ lower monthly bill

☐ Some customers will be charged different rates than they were charged before
(i.e. inside city limit customers)

☐ higher monthly bill ☐ lower monthly bill

Oath for Transferor (Transferring Entity)

STATE OF Texas

COUNTY OF Henderson

I, Raujeana C. Logan being duly sworn, file this application for sale,
merger, consolidation, acquisition, lease, or transfer,
rental, as Owner

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

I attest that, in such capacity, I am qualified and authorized to file and verify such application, am personally familiar with the documents filed with this application, and have complied with all the requirements contained in the application; and, that all such statements made and matters set forth therein with respect to Applicant are true and correct. Statements about other parties are made on information and belief. I further state that the application is made in good faith and that this application does not duplicate any filing presently before the Commission.

I further state that I have provided to the purchaser or transferee a written disclosure statement about any contributed property as required under Texas Water Code § 13.301(j) and copies of any outstanding enforcement Orders of the Texas Commission on Environmental Quality, the Public Utility Commission of Texas, or Attorney General and have also complied with the notice requirements in Texas Water Code § 13.301(k).

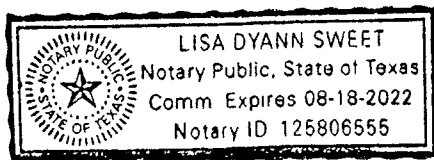
Raujeana C. Logan
AFFIANT
(Utility's Authorized Representative)

If the Affiant to this form is any person other than the sole owner, partner, officer of the Applicant, or its attorney, a properly verified Power of Attorney must be enclosed.

SUBSCRIBED AND SWORN BEFORE ME, a Notary Public in and for the State of Texas

this day the 5 of February 2021

SEAL



Lisa D. Sweet
NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS

Lisa D. Sweet
PRINT OR TYPE NAME OF NOTARY

My commission expires: 8-18-2022

Oath for Transferor (Transferring Entity)

STATE OF Texas

COUNTY OF Freestone

I, Rayhana C. Logan being duly sworn, file this application for sale,
merger, consolidation, acquisition, lease, or transfer,
rental, as Owner

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

I attest that, in such capacity, I am qualified and authorized to file and verify such application, am personally familiar with the documents filed with this application, and have complied with all the requirements contained in the application; and, that all such statements made and matters set forth therein with respect to Applicant are true and correct. Statements about other parties are made on information and belief. I further state that the application is made in good faith and that this application does not duplicate any filing presently before the Commission.

I further state that I have provided to the purchaser or transferee a written disclosure statement about any contributed property as required under Texas Water Code § 13.301(j) and copies of any outstanding enforcement Orders of the Texas Commission on Environmental Quality, the Public Utility Commission of Texas, or Attorney General and have also complied with the notice requirements in Texas Water Code § 13.301(k).

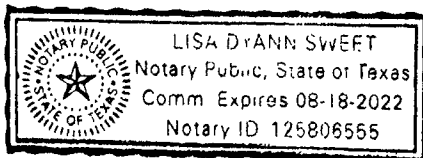
Rayhana C. Logan
AFFIANT
(Utility's Authorized Representative)

If the Affiant to this form is any person other than the sole owner, partner, officer of the Applicant, or its attorney, a properly verified Power of Attorney must be enclosed.

SUBSCRIBED AND SWORN BEFORE ME, a Notary Public in and for the State of Texas

this day the 5 of February 2021

SEAL



Lisa D. Sweet
NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS
Lisa D. Sweet
PRINT OR TYPE NAME OF NOTARY

My commission expires: 8-18-2022

Oath for Transferee (Acquiring Entity)

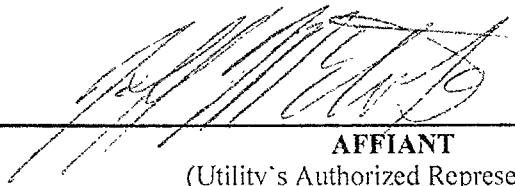
STATE OF Texas

COUNTY OF Fort Bend

I, Jeffrey L. McIntyre being duly sworn, file this application for sale, transfer, merger, consolidation, acquisition, lease, or rental, as President, Monarch Utilities I L.P.
(owner, member of partnership, title as officer of corporation, or authorized representative)

I attest that, in such capacity, I am qualified and authorized to file and verify such application, am personally familiar with the documents filed with this application, and have complied with all the requirements contained in the application; and, that all such statements made and matters set forth therein with respect to Applicant are true and correct. Statements about other parties are made on information and belief. I further state that the application is made in good faith and that this application does not duplicate any filing presently before the Commission.

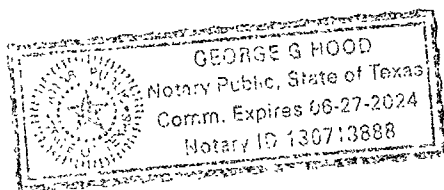
I further state that I have been provided with a copy of the 16 TAC § 24.239 Commission rules. I am also authorized to agree and do agree to be bound by and comply with any outstanding enforcement orders of the Texas Commission on Environmental Quality, the Public Utility Commission of Texas or the Attorney General which have been issued to the system or facilities being acquired and recognize that I will be subject to administrative penalties or other enforcement actions if I do not comply.

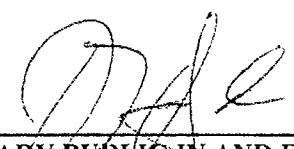

AFFIANT
(Utility's Authorized Representative)

If the Affiant to this form is any person other than the sole owner, partner, officer of the Applicant, or its attorney, a properly verified Power of Attorney must be enclosed.

SUBSCRIBED AND SWORN BEFORE ME, a Notary Public in and for the State of Texas
this day the 5th of MARCH, 20 21

SEAL




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

George G. Hood
PRINT OR TYPE NAME OF NOTARY

My commission expires: 6/27/24

Contract, Lease, Purchase, or Sale Agreement

Part A: Question 1

**Confidential Documents
to be submitted separately**

Tariff Including Rate Schedule

Part B: Question 4



ATHENS SYSTEM

WATER UTILITY TARIFF

Docket Number: 43001

FOR

Curtis D. Logan dba L and T Waterworks, LLC
Formally W.R. Coffey dba Athens Land Company

Curtis D. Logan dba L and T Waterworks, LLC
(Utility Name)

P.O. Box 1217
(Business Address)

Palestine, Texas 75833
(City, State, Zip Code)

(903) 477-0501
(Area Code/Telephone)

This tariff is effective for utility operations under the following Certificate of Convenience and Necessity:
12993

This tariff is effective in the following county:
Henderson

This tariff is effective in the following cities or unincorporated towns (if any):
None

This tariff is effective in the following subdivisions or systems:
Athens Land Company (PWS ID#1070235)

TABLE OF CONTENTS

| | |
|---|----|
| SECTION 1.0-RATE SCHEDULE..... | 2 |
| SECTION 2.0- SERVICE RULES AND POLICIES | 4 |
| SECTION 3.0- EXTENSION POLICY | 13 |
| APPENDIX A - DROUGHT CONTINGENCY PLAN | 18 |
| APPENDIX B- APPLICATION FOR SERVICE | 19 |

(formerly W.R. Coffey dba Athens Land Company)

(Utility Name)

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

| <u>Meter Size</u> | <u>Monthly Minimum Charge</u> | <u>Gallonge Charge</u> |
|-------------------|--|--|
| 5/8" or 3/4" | <u>\$26.00</u> (Includes <u>1,000</u> gallons) | <u>\$4.00</u> per 1000 gallons over the minimum |

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

Cash X, Check X, Money Order X, Credit Card, Other

(specify) _____

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

REGULATORY ASSESSMENT 1.0%

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 Fee

TAP FEE \$600.00

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

TAP FEE (Unique costs) Actual Cost

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

TAP FEE (Large meter) Actual Cost

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

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

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

SECTION 1.0 – RATE SCHEDULE (Continued)

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.

RECONNECTION FEE

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

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

TRANSFER FEE \$25.00

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

LATE CHARGE (EITHER \$5.00 OR 10% OF THE BILL) \$25.00

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 \$20.00

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

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

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

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE

WHEN AUTHORIZED IN WRITING BY PUC AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [P.U.C. SUBST. R. 24.21(k)(2)]

LINE EXTENSION AND CONSTRUCTION CHARGES:

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

SECTION 2.0 -- SERVICE RULES AND POLICIES

The utility will have the most current Public Utility Commission of Texas (PUC or Commission) rules relating to Water and Wastewater Utility regulations, available at its office for reference purposes. The rules and this tariff shall be available for public inspection and reproduction at a reasonable cost. The latest rules or Commission approved changes to the rules supersede any rules or requirements in this tariff.

Section 2.01 - Application for Water Service

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

Section 2.02 - Refusal of Service

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

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

(A) Customer Deposits

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

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

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

SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

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

(B) Tap or Reconnect Fees

A new customer requesting service at a location where service has not previously been provided must pay a tap fee as provided in Section 1.0. A customer requesting service where service has previously been provided must pay a reconnect fee as provided in Section 1.0. Any applicant or existing customer required to pay for any costs not specifically set forth in the rate schedule pages of this tariff shall be given a written explanation of such costs prior to request for payment and/or commencement of construction. If the applicant or existing customer does not believe that these costs are reasonable or necessary, the applicant or existing customer shall be informed of their right to appeal such costs to the 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.

Fees in addition to the regular tap fee may be charged if listed specifically in Section 1 to cover unique costs not normally incurred as permitted by PUC rules 24.86(a)(1)(C). For example, a road bore for customers outside a subdivision or residential area could be considered a unique cost.

(C) Easement Requirement

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

SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

Section 2.04 - Utility Response to Applications for Service

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

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

Section 2.05 - Customer Responsibility

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

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

Section 2.06 - Customer Service Inspections

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

SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

Section 2.07 - Back Flow Prevention Devices

No water connection shall be allowed to any residence or establishment where an actual or potential contamination hazard exists unless the public water facilities are protected from contamination by either an approved air gap, backflow prevention assembly, or other approved device. The type of device or backflow prevention assembly required shall be determined by the specific potential hazard identified in Title 30 Texas Administrative Code (TAC) §290.47(i) Appendix I, Assessment of Hazards and Selection of Assemblies of the TCEQ Rules and Regulations for Public Water Systems.

The use of a backflow prevention assembly at the service connection shall be considered as additional backflow protection and shall not negate the use of backflow protection on internal hazards as outlined and enforced by local plumbing codes. When a customer service inspection certificate indicates that an adequate internal cross-connection control program is in effect, backflow protection at the water service entrance or meter is not required.

At any residence or establishment where it has been determined by a customer service inspection, that there is no actual or potential contamination hazard, as referenced in 30 TAC §290.47(i) Appendix I, Assessment of Hazards and Selection of Assemblies of the TCEQ Rules and Regulations for Public Water Systems, then a backflow prevention assembly or device is not required. Outside hose bibs do require, at a minimum, the installation and maintenance of a working atmospheric vacuum breaker.

All backflow prevention assemblies or devices shall be tested upon installation by a TCEQ certified backflow prevention assembly tester and certified to be operating within specifications. Backflow prevention assemblies which are installed to provide protection against health hazards must also be tested and certified to be operating within specifications at least annually by a certified backflow prevention assembly tester.

If the utility determines that a backflow prevention assembly or device is required, the utility will provide the customer or applicant with a list of TCEQ certified backflow prevention assembly testers. The customer will be responsible for the cost of installation and testing, if any, of backflow prevention assembly or device. The customer should contact several qualified installers to compare prices before installation. The customer must pay for any required maintenance and annual testing and must furnish a copy of the test results demonstrating that the assembly is functioning properly to the utility within 30 days after the anniversary date of the installation unless a different date is agreed upon.

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

Section 2.08 - Access to Customer's Premises

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

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

Section 2.09 - Meter Requirements, Readings, and Testing

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

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

SECTION 2.0 -- SERVICE RULES AND POLICIES(Continued)

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

Section 2.10 - Billing

(A) Regular Billing

Bills from the utility will be mailed monthly unless otherwise authorized by the Commission. The due date of bills for utility service will be at least sixteen (16) days from the date of issuance. The postmark on the bill or, if there is no postmark on the bill, the recorded date of mailing by the utility will constitute proof of the date of issuance. Payment for utility service is delinquent if full payment, including late fees and the regulatory assessment, is not received at the utility or the utility's authorized payment agency by 5:00 p.m. on the due date. If the due date falls on a holiday or weekend, the due date for payment purposes will be the next workday after the due date.

(B) Late Fees

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

(C) Information on Bill

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

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

(D) Prorated Bills

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

Section 2.11- Payments

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

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

Section 2.12 - Service Disconnection

(A) With Notice

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

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

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

B) Without Notice

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

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

Section 2.13 - Reconnection of Service

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

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

Section 2.14 - Service Interruptions

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

Section 2.15 - Quality of Service

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

Section 2.16 - Customer Complaints and Disputes

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

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

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

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

Section 2.17 - Customer Liability

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

SECTION 3.0--EXTENSION POLICY

Section 3.01 - Standard Extension Requirements

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

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

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

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

Section 3.02 - Costs Utilities and Service Applicants Shall Bear

Within its certified area, the utility will pay the cost of the first 200 feet of any water main or distribution line necessary to extend service to an individual residential customer within a platted subdivision.

However, if the residential customer requesting service purchased the property after the developer was notified in writing of the need to provide facilities to the utility, the utility may charge for the first 200 feet. The utility must also be able to document that the developer of the subdivision refused to provide facilities compatible with the utility's facilities in accordance with the utility's approved extension policy after receiving a written request from the utility.

SECTION 3.0 -- EXTENSION POLICY (Continued)

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

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

Exceptions may be granted by the TCEQ if:

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

If an exception is granted by the TCEQ, 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 certified area, industrial, and wholesale customers shall be treated as developers. A service applicant requesting a one inch meter for a lawn sprinkler system to service a residential lot is not considered nonstandard service.

If an applicant requires service other than the standard service provided by the utility, such applicant will be required to pay all expenses incurred by the utility in excess of the expenses that would be incurred in providing the standard service and connection beyond 200 feet and throughout his property including the cost of all necessary transmission facilities.

SECTION 3.0 -- EXTENSION POLICY (Continued)

The utility will bear the full cost of any over-sizing 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.

Section 3.03 - Contributions in Aid of Construction

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

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

Any service extension to a subdivision (recorded or unrecorded) may be subject to the provisions and restrictions of PUC rules 24.86(d). When a developer wishes to extend the system to prepare to service multiple new connections, the charge shall be the cost of such extension, plus a pro-rata charge for facilities which must be committed to such extension compliant with the TCEQ minimum design criteria. As provided by PUC rules 24.85(e)(3), for purposes of this section, commercial, industrial, and wholesale customers shall be treated as developers.

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

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

SECTION 3.0 -- EXTENSION POLICY (Continued)

Section 3.04 - Appealing Connection Costs

The imposition of additional extension costs or charges as provided by Sections 3.0 - Extension Policy of this tariff shall be subject to appeal as provided in this tariff, 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 given a written explanation of such costs prior to payment and/or commencement of construction. If the applicant does not believe that these costs are reasonable or necessary, the applicant shall be informed of the right to appeal such costs to the 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.

Section 3.05 - Applying for Service

The utility will provide a written service application form to the applicant for each request for service received by the utility's business offices. A separate application shall be required for each potential service location if more than one service connection is desired by any individual applicant. Service application forms will be available at the utility's business office during normal weekday business hours. Service applications will be sent by prepaid first class United States mail to the address provided by the applicant upon request. Completed applications should be returned by hand delivery in case there are questions which might delay fulfilling the service request. Completed service applications may be submitted by mail if hand delivery is not possible.

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

SECTION 3.0 -- EXTENSION POLICY (Continued)

Section 3.06 - Qualified Service Applicant

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

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

Section 3.07 - Developer Requirements

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



MOODY SYSTEM

WATER UTILITY TARIFF

Docket Number: 43002

FOR

Curtis D Logan dba L and T Waterworks, LLC
Formally W.R. Coffey dba Moody Land Company

Curtis D. Logan dba L and T Waterworks, LLC
(Utility Name)

P.O. Box 1217
(Business Address)

Palestine, Texas 75833
(City, State, Zip Code)

(903) 477-0501
(Area Code/Telephone)

This tariff is effective for utility operations under the following Certificate of Convenience and Necessity:
12919

This tariff is effective in the following county:
Freestone

This tariff is effective in the following cities or unincorporated towns (if any):
None

This tariff is effective in the following subdivisions or systems:
Moody Land Company (PWS ID#0810038)

TABLE OF CONTENTS

| | |
|---|----|
| SECTION 1.0-RATE SCHEDULE..... | 2 |
| SECTION 2.0- SERVICE RULES AND POLICIES | 4 |
| SECTION 3.0- EXTENSION POLICY | 13 |
| APPENDIX A - DROUGHT CONTINGENCY PLAN | 18 |
| APPENDIX B- APPLICATION FOR SERVICE | 19 |

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

| <u>Meter Size</u> | <u>Monthly Minimum Charge</u> | <u>Gallonage Charge</u> |
|-------------------|--|--|
| 5/8" or 3/4" | <u>\$26.00</u> (Includes <u>1,000</u> gallons) | <u>\$4.00</u> per 1000 gallons over the minimum |

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

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

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

REGULATORY ASSESSMENT..... 1.0%

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 Fee

TAP FEE \$600.00

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

TAP FEE (Unique costs) Actual Cost

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

TAP FEE (Large meter) Actual Cost

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

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

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

SECTION 1.0 – RATE SCHEDULE (Continued)

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.

RECONNECTION FEE
THE RECONNECT FEE MUST BE PAID BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS (OR OTHER REASONS LISTED UNDER SECTION 2.0 OF THIS TARIFF):
a) Nonpayment of bill (Maximum \$25.00) \$25.00
b) Customer's request that service be disconnected \$25.00

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

LATE CHARGE (EITHER \$5.00 OR 10% OF THE BILL)..... \$25.00
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..... \$20.00
RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50)..... \$50.00
COMMERCIAL & NON-RESIDENTIAL DEPOSIT1/6TH OF ESTIMATED ANNUAL BILL

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. [PUC §24.21(k)(2)]

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

SECTION 2.0 -- SERVICE RULES AND POLICIES

The utility will have the most current Public Utility Commission of Texas (PUC or Commission) rules relating to Water and Wastewater Utility regulations, available at its office for reference purposes. The rules and this tariff shall be available for public inspection and reproduction at a reasonable cost. The latest rules or commission approved changes to the rules supersede any rules or requirements in this tariff.

Section 2.01 - Application for Water Service

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

Section 2.02 - Refusal of Service

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

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

(A) Customer Deposits

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

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

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

SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

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

(B) Tap or Reconnect Fees

A new customer requesting service at a location where service has not previously been provided must pay a tap fee as provided in Section 1.0. A customer requesting service where service has previously been provided must pay a reconnect fee as provided in Section 1.0. Any applicant or existing customer required to pay for any costs not specifically set forth in the rate schedule pages of this tariff shall be given a written explanation of such costs prior to request for payment and/or commencement of construction. If the applicant or existing customer does not believe that these costs are reasonable or necessary, the applicant or existing customer shall be informed of their right to appeal such costs to the 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.

Fees in addition to the regular tap fee may be charged if listed specifically in Section 1 to cover unique costs not normally incurred as permitted by PUC 24.86(a)(1)(C). For example, a road bore for customers outside a subdivision or residential area could be considered a unique cost.

(C) Easement Requirement

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

SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

Section 2.04 - Utility Response to Applications for Service

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

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

Section 2.05 - Customer Responsibility

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

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

Section 2.06 - Customer Service Inspections

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

SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

Section 2.07 - Back Flow Prevention Devices

No water connection shall be allowed to any residence or establishment where an actual or potential contamination hazard exists unless the public water facilities are protected from contamination by either an approved air gap, backflow prevention assembly, or other approved device. The type of device or backflow prevention assembly required shall be determined by the specific potential hazard identified in Title 30 Texas Administrative Code (TAC) §290.47(i) Appendix I, Assessment of Hazards and Selection of Assemblies of the TCEQ Rules and Regulations for Public Water Systems.

The use of a backflow prevention assembly at the service connection shall be considered as additional backflow protection and shall not negate the use of backflow protection on internal hazards as outlined and enforced by local plumbing codes. When a customer service inspection certificate indicates that an adequate internal cross-connection control program is in effect, backflow protection at the water service entrance or meter is not required.

At any residence or establishment where it has been determined by a customer service inspection, that there is no actual or potential contamination hazard, as referenced in 30 TAC §290.47(i) Appendix I, Assessment of Hazards and Selection of Assemblies of the TCEQ Rules and Regulations for Public Water Systems, then a backflow prevention assembly or device is not required. Outside hose bibs do require, at a minimum, the installation and maintenance of a working atmospheric vacuum breaker.

All backflow prevention assemblies or devices shall be tested upon installation by a TCEQ certified backflow prevention assembly tester and certified to be operating within specifications. Backflow prevention assemblies which are installed to provide protection against health hazards must also be tested and certified to be operating within specifications at least annually by a certified backflow prevention assembly tester.

If the utility determines that a backflow prevention assembly or device is required, the utility will provide the customer or applicant with a list of TCEQ certified backflow prevention assembly testers. The customer will be responsible for the cost of installation and testing, if any, of backflow prevention assembly or device. The customer should contact several qualified installers to compare prices before installation. The customer must pay for any required maintenance and annual testing and must furnish a copy of the test results demonstrating that the assembly is functioning properly to the utility within 30 days after the anniversary date of the installation unless a different date is agreed upon.

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

Section 2.08 - Access to Customer's Premises

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

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

Section 2.09 - Meter Requirements, Readings, and Testing

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

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

SECTION 2.0 -- SERVICE RULES AND POLICIES(Continued)

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

Section 2.10 - Billing

(A) Regular Billing

Bills from the utility will be mailed monthly unless otherwise authorized by the Commission. The due date of bills for utility service will be at least sixteen (16) days from the date of issuance. The postmark on the bill or, if there is no postmark on the bill, the recorded date of mailing by the utility will constitute proof of the date of issuance. Payment for utility service is delinquent if full payment, including late fees and the regulatory assessment, is not received at the utility or the utility's authorized payment agency by 5:00 p.m. on the due date. If the due date falls on a holiday or weekend, the due date for payment purposes will be the next workday after the due date.

(B) Late Fees

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

(C) Information on Bill

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

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

(D) Prorated Bills

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

Section 2.11- Payments

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

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

Section 2.12 - Service Disconnection

(A) With Notice

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

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

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

B) Without Notice

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

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

Section 2.13 - Reconnection of Service

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

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

Section 2.14 - Service Interruptions

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

Section 2.15 - Quality of Service

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

Section 2.16 - Customer Complaints and Disputes

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

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

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

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

Section 2.17 - Customer Liability

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

SECTION 3.0--EXTENSION POLICY

Section 3.01 - Standard Extension Requirements

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

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

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

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

Section 3.02 - Costs Utilities and Service Applicants Shall Bear

Within its certified area, the utility will pay the cost of the first 200 feet of any water main or distribution line necessary to extend service to an individual residential customer within a platted subdivision.

However, if the residential customer requesting service purchased the property after the developer was notified in writing of the need to provide facilities to the utility, the utility may charge for the first 200 feet. The utility must also be able to document that the developer of the subdivision refused to provide facilities compatible with the utility's facilities in accordance with the utility's approved extension policy after receiving a written request from the utility.

SECTION 3.0 -- EXTENSION POLICY (Continued)

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

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

Exceptions may be granted by the TCEQ if:

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

If an exception is granted by the TCEQ, 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 certified area, industrial, and wholesale customers shall be treated as developers. A service applicant requesting a one inch meter for a lawn sprinkler system to service a residential lot is not considered nonstandard service.

If an applicant requires service other than the standard service provided by the utility, such applicant will be required to pay all expenses incurred by the utility in excess of the expenses that would be incurred in providing the standard service and connection beyond 200 feet and throughout his property including the cost of all necessary transmission facilities.

SECTION 3.0 -- EXTENSION POLICY (Continued)

The utility will bear the full cost of any over-sizing 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.

Section 3.03 - Contributions in Aid of Construction

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

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

Any service extension to a subdivision (recorded or unrecorded) may be subject to the provisions and restrictions of PUC 24.86(d). When a developer wishes to extend the system to prepare to service multiple new connections, the charge shall be the cost of such extension, plus a pro-rata charge for facilities which must be committed to such extension compliant with the TCEQ minimum design criteria. As provided by PUC R. 24.85(e)(3), for purposes of this section, commercial, industrial, and wholesale customers shall be treated as developers.

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

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

SECTION 3.0 -- EXTENSION POLICY (Continued)

Section 3.04 - Appealing Connection Costs

The imposition of additional extension costs or charges as provided by Sections 3.0 - Extension Policy of this tariff shall be subject to appeal as provided in this tariff, 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 given a written explanation of such costs prior to payment and/or commencement of construction. If the applicant does not believe that these costs are reasonable or necessary, the applicant shall be informed of the right to appeal such costs to the 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.

Section 3.05 - Applying for Service

The utility will provide a written service application form to the applicant for each request for service received by the utility's business offices. A separate application shall be required for each potential service location if more than one service connection is desired by any individual applicant. Service application forms will be available at the utility's business office during normal weekday business hours. Service applications will be sent by prepaid first class United States mail to the address provided by the applicant upon request. Completed applications should be returned by hand delivery in case there are questions which might delay fulfilling the service request. Completed service applications may be submitted by mail if hand delivery is not possible.

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

Partnership Agreement

Part C: Question 7

**AGREEMENT OF LIMITED PARTNERSHIP
OF
TECON WATER COMPANY, L.P.**

This **AGREEMENT OF LIMITED PARTNERSHIP** of TECON WATER COMPANY, L.P., a Texas limited partnership, is made as of this the 10th day of December, 2001, between Texas Water Services Group, LLC, a Texas limited liability company (referred to hereinafter as "TWSG" or the "General Partner"), and Tecon Water Companies, Inc., a Texas corporation (referred to hereinafter as "Tecon" or the "Limited Partner").

WHEREAS, TWSG and Tecon desire to form a limited partnership for the purpose of engaging in the water and sewer utility business in the State of Texas and for such other lawful purposes as such parties may determine;

NOW, THEREFORE, in consideration of the mutual covenants, conditions and agreements herein contained, the parties hereto hereby agree as follows:

**ARTICLE 1
DEFINITIONS**

1.1 Definitions. As used in this Agreement, the following terms have the respective meanings indicated, unless the context otherwise requires. Defined terms in this Agreement include both the singular and plural of such terms.

"Act" shall mean the Texas Revised Limited Partnership Act, as amended.

"Agreement" shall mean this Agreement of Limited Partnership as it may be amended or supplemented from time to time.

"Bankruptcy" shall mean, with respect to a Partner, the commencement of any bankruptcy or insolvency case or proceeding against such Partner which shall continue and remain unstayed and in effect for a period of sixty (60) consecutive days, or the filing by such Partner of a petition, answer or consent seeking relief under any applicable Federal or state bankruptcy, insolvency or similar law.

"Capital Account" shall mean, for each Partner, a separate account that is.

(a) increased by (i) the amount of such Partner's Capital Contribution and (ii) allocations of profit to such Partner; and

(b) decreased by (ii) the amounts distributed to such Partner by the Partnership, and (iii) allocations of Loss to such Partner.

"Capital Contribution" shall mean, for any Partner, the sum of the net amount of cash and the fair market value of any other property contributed by such Partner to the capital of the Partnership.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Dissolution" of a Partner which is not a natural person shall mean that such Partner has terminated its existence (whether as a partnership, corporation or other legal entity) and dissolved; provided, however, that a change in the membership of a Partner that is a partnership shall not constitute a "Dissolution" of such Partner, so long as the business of the Partner is continued in partnership form, regardless of whether such Partner is deemed technically dissolved for partnership or tax law purposes.

"Event of Default" shall mean any failure by the General Partner to fulfill its obligations under this Agreement or any violation by the General Partner of the express terms of this Agreement, if such failure or violation is not curable or, if curable, is not cured within seven (7) days' written notice of default signed by Limited Partners then holding at least 40% interest in the Partnership.

"General Partner" shall mean TWSG and its successors and assigns.

"Limited Partner" shall mean Tecon and any other Person admitted to the Partnership as a Limited Partner.

"Partners" shall mean the General Partner and the Limited Partner and their successors

"Partnership" shall mean Tecon Water Company, L.P., a Texas limited partnership.

"Partnership Interest" shall mean the partnership interest of the Partners in the Partnership.

"Percentage Interest" in respect to each of the Partners shall mean the following:

| | <u>Percentage Interest</u> |
|-----------------|--------------------------------|
| General Partner | 0.1% |
| Limited Partner | 99.9% |

"Person" shall mean any individual, corporation, association, partnership, joint venture, trust, estate or other entity or organization.

"Transfer" shall mean any sale, exchange, transfer, gift, encumbrance, assignment, pledge, mortgage, hypothecation or other disposition, whether voluntary or involuntary

ARTICLE 2 ORGANIZATION

2.1 Formation of Limited Partnership. The Partners hereby associate themselves in the formation of the Partnership as a limited partnership pursuant to and in accordance with the provisions of the Act. Except as expressly provided herein to the contrary, the rights and

obligations of the Partners and the administration and termination of the Partnership shall be governed by the Act. The partnership interest of any Partner shall be personal property for all purposes

2.2 Name. The name of the Partnership shall be, and the business name of the Partnership shall be conducted under, the name of "Tecon Water Company, L.P." or under such other name as the General Partner may from time to time determine. The General Partner shall provide the Limited Partners with written notice of any change in the Partnership's name within 30 days after such change.

2.3 Character of Business. The purpose of the Partnership shall be to engage in any lawful business activities in which limited partnerships formed in the State of Texas may participate. Without limiting the generality of the foregoing, it is the present intention of the Partners that the primary activities of the Partnership shall be the acquisition, ownership and operation of water and sewer utility systems and facilities and, in connection therewith, (i) owning, operating, dealing in and with, and selling all types of property, both real and personal, tangible and intangible; and (ii) doing all things necessary, advisable or expedient in connection with, or incidental to, the foregoing.

2.4 Principal Place of Business. The address of the Partnership's principal place of business at which records shall be kept shall be 6116 North Central Expressway, Suite 1300, Dallas, Texas 75206. The Partnership may from time to time have such other place or places of business within or without the State of Texas as may be determined by the General Partner.

2.5 Fiscal Year. The fiscal year of the Partnership shall end on the last day of each calendar year. The Partnership shall have the same fiscal year for income tax purposes and for accounting purposes.

2.6 Names and Addresses of Partners. The names and addresses of the Partners are as set forth on Exhibit "A" hereto.

2.7 Term. The Partnership will commence upon the filing of the Certificate of Limited Partnership in accordance with the Act, and shall continue in existence until December 31, 2050, or such later date to which the Partners shall extend the term of the Partnership, unless earlier terminated in accordance with any provision of this Agreement.

2.8 Registered Office. The registered office of the Partnership shall be located at 350 North St. Paul Street, Dallas, Texas 75201. The Registered Agent of the Partnership may from time to time change the registered office of the Partnership by complying with the applicable provisions of the Act.

2.9 Registered Agent. The Registered Agent of the Partnership shall be CT Corporation System at the registered office of the Partnership. Should the Registered Agent resign or become disqualified for service as Registered Agent, then the General Partner shall obtain and designate a new Registered Agent not less than thirty (30) days after such event. The General Partner shall notify the Limited Partners in writing not more than ten (10) days after the effective date of a change in Registered Agent. The General Partner may remove the Registered Agent at any time and appoint as successor Registered Agent any qualified Person designated by the General Partner.

ARTICLE 3
CAPITAL, DISTRIBUTIONS AND ALLOCATIONS

3.1 Contributions.

(a) Initial Capital Contribution. When required by the General Partner, the Partners will make the initial contributions to the Partnership. The agreed net fair market value of the initial contributions and the initial Capital Account balances of the Partners are reflected on Exhibit "A" hereto.

(b) Additional Contributions. No Partner shall be required to make additional capital contributions to the Partnership unless the General Partner requests such a capital contribution and Limited Partners holding a majority of the Percentage Interests approve such a contribution. Any such additional capital contributions shall be made by the Limited Partners in proportion to their respective Percentage Interests.

3.2 Distributions and Allocations. All distributions and allocations of items of profit and loss shall be in proportion to the Percentage Interests. Tax allocations shall be made in accordance with the Code and the regulations issued thereunder. Capital Accounts shall be maintained in accordance with Section 704(b) of the Code.

3.3 Interest. No interest shall be paid by the Partnership on contributions to the capital of the Partnership.

3.4 Withdrawal and Return of Capital. A Partner shall not be entitled to withdraw any part of its contribution or to receive any distribution from the Partnership, except as approved by the General Partner or as otherwise provided in this Agreement.

3.5 Loans from Partners. Loans by a Partner to the Partnership shall not be considered contributions to the capital of the Partnership.

ARTICLE 4
CONDUCT OF ACTIVITIES

4.1 Powers of General Partner

(a) The General Partner shall conduct, direct and exercise full control over all activities of the Partnership. Except as otherwise expressly provided in this Agreement or as required under the Act, all management powers over the business and affairs of the Partnership shall be vested exclusively in the General Partner and no Limited Partner (except the General Partner in the event that it is also a Limited Partner) shall have any right to control or exercise management power over the business and affairs of the Partnership. Without limiting the generality of the foregoing, the General Partner shall have the power to manage, operate, sell, convey, assign, mortgage, pledge, hypothecate and otherwise dispose of any Partnership property and assets of any kind. The General Partner may delegate specific management powers to its officers, but no such delegation shall limit or release the General Partner from its responsibility and obligation to manage the Partnership.

(b) Prohibitions and Limitations.

- (i) The General Partner shall not do any act in contravention of this Agreement
- (ii) The General Partner shall not do any act that would make it impossible to carry on the business of the Partnership
- (iii) The General Partner shall not possess Partnership property or assign rights in Partnership property for other than Partnership purposes.
- (iv) The General Partner shall not admit a person as a General Partner or Limited Partner, except as expressly permitted in this Agreement.
- (v) No act or power of the General Partner authorized by this Agreement or otherwise authorized by law shall in any manner increase or extend the liability of any Limited Partner as described in this Agreement.

(c) Certificate of Limited Partnership. Promptly after the execution of this Agreement, the General Partner shall cause to be filed the Certificate of Limited Partnership as required by the Act and such other certificates or documents as may be required in Texas or any other state. The General Partner shall thereafter file any necessary amendments to the Certificate of Limited Partnership and shall do all things necessary to the maintenance of the Partnership as a Limited Partnership under the laws of Texas or any other state. The Certificate of Limited Partnership shall include such provisions of this Agreement and other items as are required by law or as are considered desirable by the General Partner. If the Certificate of Limited Partnership contains items not required by law, the General Partner shall be authorized to file an amended Certificate of Limited Partnership deleting such items.

(d) Tax Matters Partner. The General Partner is hereby designated the "tax matters partner" of the Partnership within the meaning of the Code. Except as specifically provided in the Code and the regulations issued thereunder, the General Partner in its sole discretion shall have exclusive authority to act for or on behalf of the Partnership with regard to tax matters, including, without limitation, the authority to make (or decline to make) any available tax elections. The tax returns of the Partnership shall be filed on such basis (cash, accrual or otherwise) as the General Partner determines to be necessary and in accordance with the requirements of the Code. The General Partner shall cause the Partnership's tax returns to be prepared and Schedule K-1 or any successor form to be prepared and delivered in a timely manner to the Limited Partners.

(e) Records. The General Partner shall cause the Partnership to maintain or cause to be maintained true and proper books, records, reports, and accounts in which shall be entered all transactions of the Partnership. Such books, records, reports and accounts shall be located at the principal place of business of the Partnership and shall be available to any Partner for inspection and copying during reasonable business hours

(f) Interests in Other Entities. The General Partner shall be authorized to cause the Partnership to acquire an interest in one or more corporations and/or in one or more other entities as the General Partner determines necessary or appropriate to carry out the business of the Partnership.

4.2 Limitation of Liability; Powers of Limited Partners. No Limited Partner shall have any liability whatsoever for any debt, obligation or liability of the Partnership. The Limited Partners may, at the request of any Limited Partner, meet with the General Partner and may, at any such meeting, discuss with the General Partner the business of the Partnership. The General Partner will, however, retain exclusive authority and responsibility for the management and control of the business of the Partnership, and the Limited Partners shall not take part in the control of the partnership business or have any authority or power to act for or bind the Partnership.

4.3 Title to Partnership Assets. All assets of the Partnership shall be deemed to be owned by the Partnership, as an entity, and no Partner, individually or collectively, shall have any ownership interest in the assets of the Partnership or any portion thereof. The Partnership shall hold all material assets of the Partnership in its own name or in the name of one or more nominees (which may include the General Partner or its affiliates) for the Partnership.

4.4 No Compensation. Except as provided in Section 4.5, no Partner shall be compensated for its services provided as a Partner to the Partnership.

4.5 Reimbursement of Expenses. Notwithstanding Section 4.5, the General Partner and its affiliates shall be entitled to reimbursement, together with reasonable interest thereon, for all expenses that they reasonably incur for Partnership purposes, including but not limited to the costs of personnel, equipment, and materials used in Partnership operations and the portion of the administrative and overhead expenses (such as rent and office maintenance thereof, payroll and payroll taxes, franchise taxes, insurance, employee benefits, travel and entertainment and similar expenses) of the General Partner and its affiliates at their principal place of business that is properly allocable to the Partnership.

4.6 Consent in Lieu of Meeting. Any action which may be taken by the Partners at a meeting may be effected through the execution of written consents by the requisite percentage in interest of the Partners.

ARTICLE 5 TRANSFER OF INTERESTS

5.1 General. No Partner may Transfer its interest in the Partnership, in whole or in part, except in accordance with the terms and conditions set forth in this Agreement. Any Transfer or purported Transfer of an interest in the Partnership not made in accordance with this Agreement shall be null and void. Solely for purposes of this Section 5.1, an interest in the Partnership shall be deemed to include, without limitation, any Derivative Partnership Interest held, issued or created by a Partner, an assignee of a Partner or other Person. For purposes of this Section 5.1, "Derivative Partnership Interest" shall mean any actual, notional or constructive interest in, or right in respect of, the Partnership (other than a Partner's total interest in the capital, profits and management of the Partnership) that, under United States Department of the Treasury Regulation Section 1.7704-1(a)(2), is treated as an interest in the Partnership for

purposes of Section 7704 of the Code. Pursuant to the foregoing, "Derivative Partnership Interest" shall include, without limitation, any financial instrument that is treated as debt for Federal income tax purposes and (i) is convertible into or exchangeable for an interest in the capital or profits of the Partnership or (ii) provides for one or more payments of equivalent value.

5.2 Transfer of Interest of General Partner. The General Partner may not Transfer all or any portion of its Partnership Interest as the General Partner unless a majority in interest of the Limited Partners consent (i) to such Transfer, which consent may be given or withheld in the sole discretion of the Limited Partners, and (ii) to the admission of the transferee as a General Partner of the Partnership.

5.3 Transfer of Interest of Limited Partners. A Limited Partner may not Transfer all or any portion of its Partnership Interest without the prior written consent of the General Partner and all Limited Partners. In the case of any Transfer approved by the General Partner and all Limited Partners, the transferee or pledgee shall (i) agree to comply with and be bound by this Agreement and to execute any document that the General Partner may reasonably require to be executed in connection with the assignment to him, and (ii) appoint the General Partner his attorney-in-fact pursuant to the power of attorney set forth in Article 7.

5.4 Removal of General Partner. Upon the occurrence of an Event of Default, a majority in interest of the Limited Partners may require the removal of the General Partner, in accordance with the following provisions:

(a) A notice of removal signed by a majority in interest of the Limited Partners shall be delivered to the General Partner. Upon receipt of the notice, the General Partner shall offer to sell its Partnership Interest to the Limited Partners, each of whom then shall have seven (7) days in which to notify the General Partner whether he elects to purchase a pro rata portion of the General Partner's Partnership Interest.

(b) The General Partner shall sell its Partnership Interest (i) in equal undivided portions to those Limited Partners electing pursuant to paragraph (a) above to purchase same, or (ii) in the absence of any Limited Partners so electing, to a third party approved by a majority in interest of the Limited Partners; provided, however, if no such third party can be located and none of the Limited Partners elects to purchase the General Partner's Partnership Interest, the General Partner may not be removed and its Partnership Interest may not be sold pursuant to this paragraph. The sale described in this paragraph shall occur within sixty (60) days after the date the notice described in paragraph (a) above is delivered to the General Partner.

(c) Any sale of the General Partner's Partnership Interest pursuant to paragraph (b) above shall be made at the fair market value of such Partnership Interest. The fair market value shall be mutually agreed upon by the General Partner and the purchaser. If such an agreement cannot be reached, the fair market value of the Partnership Interest shall be determined by a reputable, independent appraiser experienced in such matters jointly selected by the General Partner and the purchaser. If the General Partner and the purchaser are unable to agree on such an appraiser, the General Partner shall select an appraiser, the purchaser shall select an appraiser and the two appraisers shall select a third appraiser, which third appraiser shall determine the value of the Partnership Interest. The Partnership shall pay the costs of all such appraisers.

ARTICLE 6
DISSOLUTION AND LIQUIDATION OF THE PARTNERSHIP

6.1 Dissolving Events. The Partnership shall be dissolved upon the occurrence of any of the following events:

- (a) expiration of the Partnership term;
- (b) issuance of an order by a court of competent jurisdiction requiring the Dissolution of the Partnership;
- (c) permanent cessation of the Partnership's business;
- (d) consent to dissolve the Partnership by all Partners;
- (e) the withdrawal, retirement, Bankruptcy, Dissolution, death or incapacity of the General Partner; or
- (f) any other event which results in Dissolution of the Partnership under the Act.

6.2 Winding Up of the Partnership.

- (a) Upon Dissolution of the Partnership, the General Partner shall promptly wind up the affairs of the Partnership.
- (b) Distributions to the Partners in liquidation may be made in cash or in kind, or partly in cash and partly in kind, as determined by the General Partner.
- (c) The profits and losses of the Partnership during the period of Dissolution and liquidation shall be allocated among the Partners in accordance with the provisions of Article 3.
- (d) The assets of the Partnership (including, without limitation, proceeds from the sale or other disposition of any assets during the period of Dissolution and liquidation) shall be applied as follows:
 - (i) first, to repay any indebtedness of the Partnership, whether to third parties or the Partners, in the order of priority required by law;
 - (ii) next, to any reserves which the General Partner reasonably deems necessary for contingent or unforeseen liabilities or obligations of the Partnership (which reserves when they become unnecessary shall be distributed in the remaining priorities set forth in this Section 6.2(d)); and
 - (iii) next, to the Partners in proportion to their respective positive Capital Account balances

ARTICLE 7
POWER OF ATTORNEY

7.1 Grant of Power of Attorney. Each Limited Partner does irrevocably constitute and appoint the General Partner (and any successor General Partner) and the authorized officers and attorneys-in-fact of the General Partner (and any successor General Partner), voting together or individually, with full power of substitution as its true and lawful attorney-in-fact and agent, with full power and authority in his name, place and stead to:

(a) execute, swear to, acknowledge, deliver, file and record in the appropriate public offices (i) the Certificate of Limited Partnership and all amendments thereto and other instruments that the General Partner deems necessary or appropriate to effect a change or modification of the Certificate of Limited Partnership, (ii) all certificates, conveyances, and other instruments that the General Partner deems necessary or appropriate to effect the acquisition, disposition, pledge, mortgage, hypothecation, encumbrance or exchange of any assets of the Partnership or the Dissolution and termination of the Partnership, (iii) all instruments and consents relating to the admission of additional Limited Partners or the General Partner, (iv) agreements with the Internal Revenue Service to keep open the statute of limitations with respect to any Partnership items under examination with the Internal Revenue Service, and (v) any other instrument that is now or may hereafter be required by law to be filed or recorded on behalf of the Partnership; and

(b) perform all acts and exercise all powers granted to the General Partner under this Agreement.

7.2 Nature of Power of Attorney. The power of attorney granted herein shall be deemed to be coupled with an interest, shall be irrevocable, and shall survive the death, incompetency or termination of existence of such Limited Partner and shall extend to such Limited Partner's heirs, successors and assigns. Each Limited Partner hereby agrees to be bound by any representations made by the General Partner, acting in good faith pursuant to such power of attorney, and each Limited Partner hereby waives any and all defenses that may be available to contest, negate or disaffirm the action of the General Partner taken in good faith under such power of attorney. Any person dealing with the Partnership may conclusively presume and rely upon the fact that any such instruments executed by the attorney-in-fact and agent herein appointed is regular and binding without further inquiry.

7.3 Other Instruments. Each Limited Partner shall execute and deliver to the General Partner within five (5) days after receipt of the General Partner's request therefor such further designations, powers of attorney and other instruments as the General Partner deems necessary to effectuate this Agreement and the purposes of the Partnership.

ARTICLE 8
MISCELLANEOUS

8.1 Waiver of Partition. Each Partner hereby irrevocably waives any and all rights that it may have to maintain an action for partition of any of the Partnership's property.

8.2 Entire Agreement. This Agreement constitutes the entire agreement among the Partners with respect to the subject matter hereof and supersedes any prior agreement or understanding among them with respect to such subject matter.

8.3 Severability. If any provision of this Agreement, or the application of such provision to any person or circumstance, shall be held invalid, the remainder of this Agreement or the application of such provision to other persons or circumstances shall not be affected thereby

8.4 Notices. All notices or other communications required or permitted to be given pursuant to this Agreement shall be in writing and shall be considered as properly given (a) in the case of notices or communications required or permitted to be given to a Limited Partner, if personally delivered or if mailed by United States certified or registered mail, postage prepaid and addressed to the Limited Partner's address for notices as it appears on the records of the Partnership, and (b) in the case of notices or communications required or permitted to be given to the General Partner, if personally delivered or if mailed by United States certified or registered mail, return receipt requested, postage prepaid and addressed to the General Partner at its principal place of business. A Limited Partner may change its address for notices by giving notice in writing, stating the new address for notices, to the General Partner, and the General Partner may change its address for notices by giving notice in writing, stating the new address for notices, to the Limited Partners. Any notice or other communication shall be deemed to have been given as of the date on which it is deposited in the United States mail or transmitted, in each case in compliance with the terms of this section.

8.5 Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF TEXAS.

8.6 Successors and Assigns. Except as otherwise specifically provided, this Agreement shall be binding upon and inure to the benefit of the Partners and their successors and assigns.

8.7 Counterparts. This Agreement may be executed in one or more counterparts, all of which shall constitute one and the same instrument.

8.8 Headings. The section headings in this Agreement are for convenience of a reference only, and shall not be deemed to alter or affect the meaning or interpretation of any provision hereof

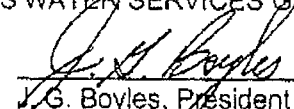
8.9 Amendment of Partnership Agreement. Except as otherwise provided herein, this Agreement may be amended only by a written agreement signed by all of the Partners.

IN WITNESS WHEREOF, the parties hereby have caused this Agreement to be executed as of the date first above written.

General Partner:

TEXAS WATER SERVICES GROUP, LLC

By:


J. G. Boyles, President

Limited Partner:

TECON WATER COMPANIES, INC

By:

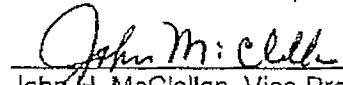

John H. McClellan, Vice President

EXHIBIT "A"

| <u>Partner and Address</u> | <u>Contribution</u> | <u>Net Capital Account Balance</u> |
|---|---------------------|--|
| Texas Water Services Group, LLC 6116 North Central Expressway, Suite 1300 Dallas, Texas 75206 | \$10 cash | \$10.00 |
| Tecon Water Companies, Inc. 6116 North Central Expressway, Suite 1300 Dallas, Texas 75206 | \$9,990 cash | \$9,990.00 |



Office of the Secretary of State

**CERTIFICATE OF FILING
OF**

Monarch Utilities I L.P.
800034797

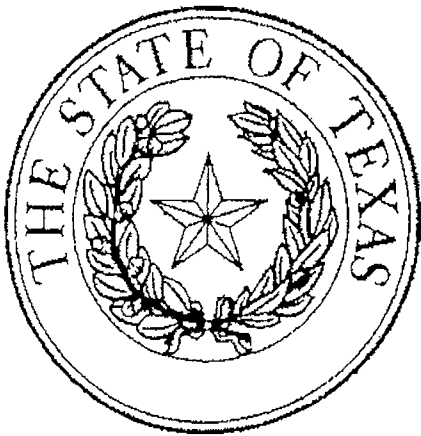
[formerly: Tecon Water Company, L.P.]

The undersigned, as Secretary of State of Texas, hereby certifies that an amendment to the certificate of limited partnership or the application for registration as a foreign limited partnership for the above named limited partnership has been received in this office and filed as provided by law on the date shown below.

Accordingly, the undersigned, as Secretary of State hereby issues this Certificate evidencing the filing in this office.

Dated: 07/30/2004

Effective: 07/30/2004



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

Geoffrey S. Connor
Secretary of State

FILED
In the Office of the
Secretary of State of Texas

JUL 30 2004

Corporations Section

CERTIFICATE OF AMENDMENT
TO THE
CERTIFICATE OF LIMITED PARTNERSHIP
OF
TECON WATER COMPANY, L.P.

Pursuant to the provisions of Section 2.02 of the Texas Revised Limited Partnership Act, the undersigned limited partnership desires to amend its certificate of limited partnership and for that purpose submits the following certificate of amendment.

1. The name of the limited partnership is Tecon Water Company L.P.
2. The certificate of limited partnership is amended as follows:
 - The name of Tecon Water Company L.P. be changed to Monarch Utilities I L.P.
 - The address of Monarch Utilities I LP be changed to One Wilshire Building, 624 S. Grand Ave., Suite 2900, Los Angeles, California 90017.
 - The officers of Monarch Utilities, I L.P. be changed to:

Michael O. Quinn

President

Peter J. Moerbeek

Treasurer

Richard J. Shields

Vice President and Secretary

Dated: July 27, 2004

TECON WATER COMPANY L.P.

By: Michael O. Quinn
Michael O. Quinn, President,
Texas Water Services Group, LLC,
Its General Partner

Certificate of Account Status

Part C: Question 7



Franchise Tax Account Status

As of : 01/07/2021 08:47:50

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

L AND T WATERWORKS LLC

Texas Taxpayer Number 32048023348

Mailing Address PO BOX 764 CHANDLER, TX 75758-0764

Right to Transact Business in Texas ACTIVE

State of Formation TX

Effective SOS Registration Date 05/17/2012

Texas SOS File Number 0801599853

Registered Agent Name CURTIS D LOGAN

Registered Office Street Address 1560 ACR 485 PALESTINE, TX 75803



Franchise Tax Account Status

As of : 01/07/2021 08:50:35

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

MONARCH UTILITIES I L.P.

Texas Taxpayer Number 10303732514

Mailing Address 12535 REED RD C/O TAX DEPT (FSC) SUGAR LAND,
TX 77478-2837

**② Right to Transact Business in
Texas** ACTIVE

State of Formation TX

Effective SOS Registration Date 12/10/2001

Texas SOS File Number 0800034797

Registered Agent Name CORPORATION SERVICE COMPANY DBA CSC -
LAWYERS INCO

Registered Office Street Address 211 E. 7TH STREET SUITE 620 AUSTIN, TX 78701

Financial Audit

Part C: Question 10

**Confidential Documents
to be submitted separately**

Disclosure of Affiliated Interests

Part C: Question 10

| <u>AFFILIATE</u> | <u>STATE</u> |
|---|-------------------|
| SouthWest Water Company | CA,OR,TX,AL,FL,SC |
| Alabama Utility Systems, Inc. | AL |
| Florida Utility Systems, Inc. | FL |
| Kiawah Island Utility, Inc. | SC |
| Metro Water Systems, Inc. | CA,TX |
| Midway Water Utilities, Inc. | TX |
| Monarch Utilities I L.P. | TX |
| Ni South Carolina Utilities, Inc. | SC |
| Northwest Utility Systems, Inc. | OR |
| Oregon Water Utilities Cline Butte, Inc. | OR |
| Oregon Water Utilities Mountain Lakes, Inc. | OR |
| Oregon Water Utilities, Inc. | OR |
| Palmetto Utilities, Inc. | SC |
| Palmetto Wastewater Reclamation, Inc. | SC |
| Shelby Ridge Utility Systems LLC | AL |
| South Carolina Utility Systems, Inc. | SC |
| South Carolina Water Utilities, Inc. | SC |
| Southeast Utility Systems, Inc. | AL |
| Suburban Water Systems | CA |
| SWWC Utilities, Inc. | TX,AL |

Capital Improvement Plan

Part C: Question 10

CAPITAL IMPROVEMENT PLAN**Athens Plant, AKA Athens Water System COOP**

| <u>Capital Project</u> | <u>Projected Cost</u> | <u>Timeline</u> |
|--|-----------------------|-----------------------------------|
| Raise well casing 18" above slab and possible other well rehab | 19,800 | start asap after closing and fini |
| Change of Cl2 gas to liquid disinfection | 15,000 | start asap after closing and fini |
| 48 AMR meters | 14,400 | start asap after closing and fini |
| 10 HP booster pump repair likely | 1,650 | Start within 1 year and finish w |
| HPT 1K recoat inside and outside | 11,000 | start within 1 year of closing a |
| GST 10K recoat inside and outside | 11,000 | start within 1 year of closing a |
| Secondary containment for polyphosphate addition | 400 | start asap after closing and fini |
| | 73,250 | * |

Moody Water System

| <u>Capital Project</u> | <u>Projected Cost</u> | <u>Timeline</u> |
|--|-----------------------|-----------------------------------|
| Raise well casing 18" above slab and possible other well rehab | 19,800 | start asap after closing and fini |
| 82 AMR meters | 24,600 | start asap after closing and fini |
| Pump house repairs | 4,400 | start asap after closing and fini |
| 7.5 HP booster pump repair likely | 1,650 | Start within 1 year and finish w |
| Secondary containment for polyphosphate addition | 400 | start asap after closing and fini |
| | 50,850 | * |

*sources of funds used for capital projects will be from Monarch's ongoing operations

List of Assets to be Transferred

Part D: Question 11.B

L&T Waterworks Asset List

System

Moody Plant site - PR 506 0.1 ac Land
Moody Plant site fencing and gate Fencing
Moody Pump house Buildings
Moody DISTRIBUTION SYSTEM (Estimated 35,000 LF) Distribution
Moody Service Laterals 76 connections Services
Moody Pumping Facility - MAIN PLANT - 140 GPM - SP Pumping facility
Moody Pumping Facility - MAIN PLANT - 140 GPM - SP Pumping facility
Moody Pumping Facility - MAIN PLANT - 140 GPM - SP Pumping facility
Moody Pumping Facility - MAIN PLANT - 140 GPM - SP Pumping facility
Moody Sampling Station - PUMP HOUSE - PR 506 Sampling Station
Moody Sampling Station - PUMP HOUSE - PR 506 Sampling Station
Moody Steel Tank - MAIN PLANT - 0.017 MG - GR (17,000 GAL) Steel Tank
Moody Steel Tank - MAIN PLANT - 0.017 MG - GR (17,000 GAL) Steel Tank
Moody Steel Tank - MAIN PLANT - 2500 GAL - HD (2,500 GAL) Steel Tank
Moody Steel Tank - MAIN PLANT - 2500 GAL - HD (2,500 GAL) Steel Tank
Moody Treatment Plant - MAIN PLANT - PR 506 Treatment Plant
Moody Well #1 - PR 506 Well

System

Athens Plant Site - 9732 Richardson Road Land
Athens Plant site fencing and gate Fencing
Athens Pump house Building
Athens DISTRIBUTION SYSTEM (Estimated 8000 LF) Distribution
Moody Service Laterals 47 connections Services
Athens Pumping Facility - PLANT 1 - 250 GPM - SP Pumping facility
Athens Pumping Facility - PLANT 1 - 250 GPM - SP Pumping facility
Athens Sampling Station - 9731 RICHARDSON RD, ATHENS Sampling Station
Athens Sampling Station - 9731 RICHARDSON RD; ATHENS Sampling Station
Athens Steel Tank - PLANT 1 - RICHARDSON RD - 0.001 MG - HD (1,000 GAL) Steel Tank
Athens Steel Tank - PLANT 1 - RICHARDSON RD - 0.0105 MG - GR (10,500 GAL) Steel Tank
Athens Treatment Plant - PLANT - 9433 RICHARDSON RD Treatment Plant
Athens Well #2 - RICHARDSON RD - Well
Athens EP001 - Sampling Station - Inactive Sampling Station
Athens PLANT - Treatment Plant - Inactive Treatment Plant
Athens Well# 1 - PLUGGED - Well - Inactive

* Total Net Book Value of system assets provided in accounting entries provided with Confidential materials.

Enforcement Action Status

Part E: Question 18, Part D Question 12

Enforcement Action Status
Part E: Question 18, Part D Question 12

| System | Docket No. | Water/Wastewater | Violation | Date AO Signed by TCEQ | Original TCEQ Compliance Date | Extension Request Compliance Date | SWWC Compliance Achieved | Notice of Compliance Rec'd by SWWC | |
|---------------------|-----------------|------------------|-------------------------------------|-------------------------|-------------------------------|-----------------------------------|-----------------------------|------------------------------------|---------|
| Oak Trail Shores | 2020-0221-PWS-E | Water | TTHMs | Awaiting TCEQ Signature | TBD | NA | Q2 2020 | 9/8/2020 | S |
| Lakeway Harbor | 2020-0246-PWS-E | Water | TTHMs/HAA5s | Awaiting TCEQ Signature | TBD | NA | Q2 2020 | 9/30/2020 | S av |
| Indian Hills Harbor | 2019-0429-PWS-E | Water | Plan Review & Booster Pump Capacity | Awaiting TCEQ Signature | TBD | NA | Currently out of compliance | | P a |

| | |
|--|---|
| | Compliance deadline extension to be requested |
| | Compliance achieved prior to compliance date |
| | Working toward compliance |

TCEQ Compliance Correspondence

Part F: Question 22



PWS_0810038_CP_20190329_FINAL REPORT
Texas Commission on Environmental Quality
Investigation Report

The TCEQ is committed to accessibility. If you need assistance in accessing this document, please contact oee@tceq.texas.gov

Customer: L And T Waterworks LLC

Customer Number: CN604520619

FILE COPY

Regulated Entity Name: MOODY WATER SYSTEM

Regulated Entity Number: RN101222453

Investigation # 1557144

Investigator: LAURA FANESTIEL

Conducted: 03/29/2019 -- 03/29/2019

Program(s): PUBLIC WATER SYSTEM/SUPPLY

Investigation Type: Compliance Investigation

Additional ID(s): 0810038

Incident Numbers

Site Classification GW 51-250 CONNECTION

NAIC Code: 221310

SIC Code: 4941

Location:

Address: ,

Local Unit: REGION 09 - WACO

Activity Type(s): PWSCCIGWCD - CCI
GROUNDWATER PURCHASE -
COMMUNITY DISCRETIONARY

Principal(s):

| Role | Name |
|------------|------------------------|
| RESPONDENT | L AND T WATERWORKS LLC |

Contact(s):

| Role | Title | Name | Phone |
|-------------------------------------|-----------------------------|-----------------------|---|
| REGULATED ENTITY MAIL CONTACT | CHIEF CERTIFIED OPERATOR | MR CURTIS LOGAN | Fax (903) 536-3421 Work (903) 477-0501 |
| REGULATED ENTITY CONTACT | OFFICE AND BILLINGS | MS RAY JEANA LOGAN | Work (903) 477-0501 Fax (903) 536-3421 |

Other Staff Member(s):

| Role | Name |
|-------------|-----------------|
| QA Reviewer | HUDSON TULLER |
| Supervisor | RICHARD MONREAL |

Associated Check List

| <u>Checklist Name</u> | <u>Unit Name</u> |
|---|------------------|
| PWS STANDARD FIELD | Moody |
| PWS INVESTIGATION - EQUIPMENT | Moody |
| MONITORING AND SAMPLING revised 06/2013 | |

Investigation Comments:

INTRODUCTION:

MOODY WATER SYSTEM - FAIRFIELD

3/29/2019 Inv. # - 1557144

Page 2 of 3

On March 20, 2019, Texas Commission on Environmental Quality (TCEQ) Investigator, Ms. Laura Fanestiel, contacted Mr. Curtis Logan, Chief Certified Operator of the Moody Water System, to schedule a comprehensive compliance investigation (CCI) at the Moody Water System. The investigator informed Mr. Logan of the purpose of the investigation.

On March 20, 2019, an announced CCI was conducted at the Moody Water System. During an exit interview, all violations noted during the investigation were discussed with Mr. Logan. Mr. Logan was advised of the optional 14 day Area of Concern policy and was informed that a Notice of Violation (NOV) letter would be sent to the Moody Water System.

GENERAL FACILITY AND PROCESS INFORMATION:

The Moody Water System, located in Freestone County, is a community water system that provides water service from one well to approximately 76 active connections and reports a population size of approximately 190 people.

Water is supplied from Well No. 1 (Go810038A). Sequestration via polyphosphate is injected prior to disinfection. Disinfection via sodium hypochlorite is injected prior to storage. Water discharges into two ground storage tanks. Four service pumps take suction from the storage tanks and discharge the water through two pressure tanks. From the pressure tanks, the treated water is fed into the distribution system.

Exceptions and Alternative Capacity Requirements:

1. There are no alternative capacity requirements (ACRs) granted to the Moody Water System.
2. There are no rule exceptions that have been granted to the Moody Water System.

BACKGROUND INFORMATION:

On September 23, 2016, a CCI was conducted at the Moody Water System. As a result of the investigation, the Moody Water System was sent a NOV letter. There are no outstanding alleged violations.

ADDITIONAL INFORMATION:

All water treatment units, storage, and pressure maintenance facilities at the main water plant were observed during the investigation. Additionally, the disinfectant residual and pressure were measured within the distribution system.

During the investigation Mr. Logan reported that the Moody Water System serves 76 retail service connections and a population of 190 individuals. All capacity requirements were evaluated using the reported number of connections.

NOV Date 05/10/2019 **Method** WRITTEN

**ALLEGED VIOLATION(S) NOTED AND RESOLVED
ASSOCIATED TO A NOTICE OF VIOLATION**

Track Number: 712111

Resolution Status Date: 4/29/2019

Violation Start Date: 3/29/2019

Violation End Date: 4/20/2019

30 TAC Chapter 288.20(c)

Alleged Violation:

Investigation: 1557144

Comment Date: 04/29/2019

Failure to review and update the Drought Contingency Plan at least every five years.

MOODY WATER SYSTEM - FAIRFIELD

3/29/2019 Inv. # - 1557144

Page 3 of 3

The retail public water supplier shall review and update, as appropriate, the drought contingency plan, at least every five years, based on new or updated information, such as the adoption or revision of the regional water plan.

Specifically, it was noted that the Drought Contingency Plan had not been updated.

Resolution: On April 20, 2019, the TCEQ Waco Regional Office received a copy of the Drought Contingency Plan.

Signed



Environmental Investigator

Date

5/1/19

Signed



Supervisor

Date

5/2/19

Attachments: (in order of final report submittal)

☐ Enforcement Action Request (EAR)
☒ Letter to Facility (specify type) : NOV
Investigation Report
☐ Sample Analysis Results
☐ Manifests
☐ Notice of Registration

☐ Maps, Plans, Sketches
☐ Photographs
☐ Correspondence from the facility
☐ Other (specify) :

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



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

May 10, 2019

CERTIFIED MAIL #7018 2290 0001 3502 5223
RETURN RECEIPT REQUESTED

Mr. Curtis Logan, Owner
L and T Waterworks LLC
PO Box 66
La Rue, TX 75770

Re: Notice of Violation for Comprehensive Compliance Investigation
Moody Water System, Freestone County, Texas
Regulated Entity No.: RN101222453, TCEQ ID No.: 0810038

Dear Mr. Logan:

On March 29, 2019, Ms. Laura Fanestiel of the Texas Commission on Environmental Quality (TCEQ) Waco Regional Office conducted an investigation of the above-referenced regulated entity to evaluate compliance with applicable requirements for a public water supply. Enclosed is a summary which lists the investigation findings. During the investigation, a certain outstanding alleged violation was identified for which compliance documentation is required. Based on the information you have provided, the TCEQ has adequate documentation to resolve the alleged violation. Therefore, no further action is required.

In the listing of the alleged violation, we have cited applicable requirements, including TCEQ rules. Please note that both the rules themselves and the agency brochure entitled *Obtaining TCEQ Rules* (GI 032) are located on our agency website at <http://www.tceq.state.tx.us> for your reference. If you would like a hard copy of this brochure mailed to you, you may call and request one from either the Waco Regional Office at 254-751-0335 or the Central Office Publications Ordering Team at 512-239-0028.

The TCEQ appreciates your assistance in this matter. If you have additional information that we are unaware of, you have the opportunity to contest the violation documented in this notice. Should you choose to do so, you must notify the Waco Region Office within 10 days from the date of this letter. At that time, I will schedule a violation review meeting to be conducted within 21 days from the date of this letter. However, please be advised that if you decide to participate in the violation review process, the TCEQ may still require you to adhere to the compliance schedule included in the enclosed Summary of Investigation Findings until an official decision is made regarding the status of the contested violation.

Mr. Logan
Page 2
May 10, 2019

If you or members of your staff have any questions, please feel free to contact Ms. Laura Fanestiel in the Waco Regional Office at (254) 751-0335.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Monreal', with a stylized flourish at the end.

Richard Monreal
Water Section Manager
Waco Regional Office
Texas Commission on Environmental Quality

RM/LF/gb

Enclosure: Summary of Investigation Findings

Summary of Investigation Findings

MOODY WATER SYSTEM

Investigation #

1557144

Investigation Date: 03/29/2019

, FREESTONE COUNTY,

Additional ID(s): 0810038

ALLEGED VIOLATION(S) NOTED AND RESOLVED ASSOCIATED TO A NOTICE OF VIOLATION

Track No: 712111

30 TAC Chapter 288.20(c)

Alleged Violation:

Investigation: 1557144

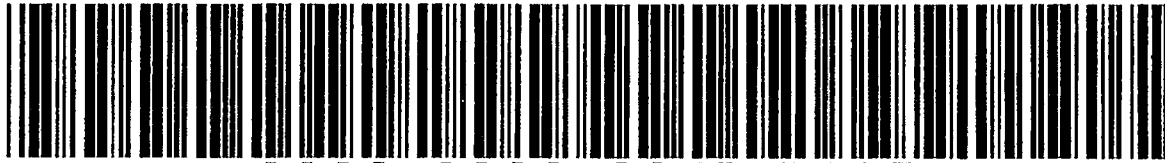
Comment Date: 04/29/2019

Failure to review and update the Drought Contingency Plan at least every five years.

The retail public water supplier shall review and update, as appropriate, the drought contingency plan, at least every five years, based on new or updated information, such as the adoption or revision of the regional water plan.

Specifically, it was noted that the Drought Contingency Plan had not been updated.

Resolution: On April 20, 2019, the TCEQ Waco Regional Office received a copy of the Drought Contingency Plan.



0000-0000-0043-7615

Document Control Sheet

| | |
|---------------------|--------------------------|
| Sheet Title: | PWS - SE |
| Box ID: | 12942 |
| Control Sheet ID: | 0000-0000-0043-7615 |
| Record Series Name: | WS / Public Water Supply |
| Record Series: | PWS |
| Primary ID: | 1070235 |
| Secondary ID: | |
| Doc Type: | Compliance |
| Security: | Public |
| Date: | 2/22/2019 12:00AM |
| Title: | Investigation |
| Tertiary ID | |

PWS_1070235_CP_20192022_Investigation
Texas Commission on Environmental Quality
Investigation Report

The TCEQ is committed to accessibility. If you need assistance in accessing this document, please contact oce@tceq.texas.gov

Customer: L And T Waterworks LLC
Customer Number: CN604520619

Regulated Entity Name: ATHENS WATER SYSTEM COOP

Regulated Entity Number: RN101281855

Investigation # 1552830

Incident Numbers

Investigator: ANGELA HICKS

Site Classification GW <=50 CONNECTION

Conducted: 02/22/2019 -- 02/22/2019

No Industry Code Assigned

Program(s): PUBLIC WATER SYSTEM/SUPPLY

Investigation Type: Compliance Investigation

Location: VF HOLLAND SURVEY A324 LOTS 42B AND 43

Additional ID(s): 1070235

Address: ,
, ,

Local Unit: REGION 05 - TYLER

Activity Type(s): PWSCCIGWCM - CCI GW PURCHASE
- COMMUNITY MANDATORY

RECEIVED

Principal(s):

Role

Name

RESPONDENT

L AND T WATERWORKS LLC

MAR 04 2020

TCEQ
CENTRAL FILE ROOM

Contact(s):

Role

Title

Name

Phone

REGULATED
ENTITY MAIL
CONTACT

OPERATOR

MR CURTIS LOGAN

Work (903) 477-0501

PARTICIPATED
IN

OPERATOR

MR CURTIS LOGAN

Work (903) 477-0501

NOTIFIED

OPERATOR

MR CURTIS LOGAN

Fax (903) 677-1043
Work (903) 477-0501

Other Staff Member(s):

Role

Name

Supervisor

CARA FISHER

QA Reviewer

CARA FISHER

APR 01 2019

TCEQ
O'Brien, J. L. - Dir. Services

Associated Check List

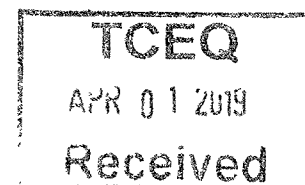
Checklist Name

PWS INVESTIGATION - EQUIPMENT
MONITORING AND SAMPLING revised 06/2013
PWS STANDARD FIELD

Unit Name

Equip

CCI



Investigation Comments:

INTRODUCTION

A routine Comprehensive Compliance Investigation (CCI) was conducted at Athens Water System Co-Op (PWS ID No. 1070235, CCN No. 12993) on 02/22/2019. The CCI began at the water plant, located at 9433 Richardson Rd, off of US-175, N of Athens (Henderson Co.), TX. The participants included Mr. Curtis Logan, Owner/Operator, cell 903-477-0501. Mr. Logan received prior notification by telephone and email of the investigation on 02/06/2019. There were no alleged violations documented.

GENERAL FACILITY AND PROCESS INFORMATION

Athens Water System Co-Op is a ground water system that consists of one well, hypo-chlorination, a ground storage tank, service pumps, a pressure tank, and distribution. Water is pumped from the well, hypochlorinated, and air-gapped into the 0.0105 MG storage tank. From there, water is pumped via two 250 GPM service pumps to the distribution. Pressure is maintained in the distribution by a 0.001 MG pressure tank.

BACKGROUND

No violations from previous investigations were outstanding. All previously noted violations had been resolved.

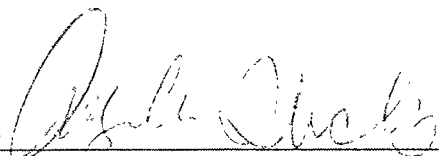
ADDITIONAL INFORMATION

The water system will be sent a General Compliance Letter.

System facilities are listed in the attached TNET database. See schematic for list of facilities, which is attached to printed CCEDS report. Responsible Official: Mr. Curtis Logan, Owner and Operator, 903-477-0501, P.O. Box 1217, Palestine, TX 75802.

No Violations Associated to this Investigation

Signed

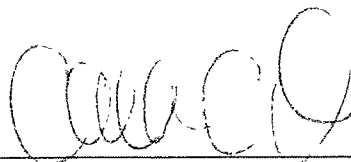


Environmental Investigator

Date

3/26/19

Signed



Supervisor

Date

3/25/2019

Attachments: (in order of final report submittal)

___ Enforcement Action Request (EAR)

___ Maps, Plans, Sketches

___ Letter to Facility (specify type) : _____

___ Photographs

Investigation Report

___ Correspondence from the facility

___ Sample Analysis Results

___ Other (specify) : _____

___ Manifests

___ Notice of Registration

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



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

March 27, 2019

Mr. Curtis Logan, Owner
L and T Waterworks LLC
PO Box 1217
Palestine, Texas 75802

Re: Notice of General Compliance following the Comprehensive Compliance Investigation at:
Athens Water COOP, Located at 9433 Richardson Road, off of US 175, N of Athens, (Henderson County), Texas
RN101281855, TCEQ Additional ID No.: 1070235, Investigation No.: 1552830

Dear Mr. Logan:

On February 22, 2019, Ms. Angela Hicks of the Texas Commission on Environmental Quality (TCEQ) Tyler Region Office conducted an investigation of the above-referenced facility to evaluate compliance with requirements for public water systems. No violations were alleged as a result of this investigation.

The TCEQ appreciates your assistance in this matter and your compliance efforts to ensure protection of the State's environment. If you or members of your staff have any questions regarding these matters, please feel free to contact Ms. Angela Hicks in the Tyler Region Office at (903) 535-5122.

Sincerely,

A handwritten signature in black ink, appearing to read "Cara C. Fisher".

Ms. Cara C. Fisher
Team Leader, Water Program
Tyler Region Office

CCF/ALH

Angela Hicks

From: Angela Hicks
Sent: Wednesday, February 6, 2019 10:44 AM
To: Curtis Logan
Subject: TCEQ Investigation at Athens Coop
Attachments: 2019 Updated Pre-inspection document-ground only.pdf; 1070235CCIFY16.pdf; Monthly Capacity.pdf; OperatorUpdate.docx; 2019-01_PWSPopandConnGuide_FINAL.pdf

Hi Curtis,

Please see the attached information for the TCEQ Investigation scheduled on Friday February 22, 2019 at 8am. **Note that the checklist has been revised and additional items have been added to the required records based on new regulations. I also attached a copy of the new 2019 TCEQ Guidance for Population and Connections.

Regards,

Angela Hicks, R.S.
TCEQ Tyler Regional Office
Senior Investigator, Water Program
Phone: (903) 535-5122
Fax: (903) 525-0384
Angela.Hicks@tceq.texas.gov





Email Confirmation

DATE February 6, 2019 NUMBER OF PAGES (including this cover sheet). ☐

TO: Name Mr. Curtis Logan
Organization Athens Water System COOP
Telephone Number 903-477-0501
Email [REDACTED]

FROM: TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
Name Angela Hicks
Division/Region Tyler Regional Office
Telephone Number (903) 535-5122
FAX Number (903) 525-0384

NOTES:

1. Please have the applicable records from the attached list available for the inspection of your water system scheduled for:

Friday February 22, 2019 at 8am

2. We highly encourage you to do a self-inspection of your system paying special attention to items noted in the last inspection report dated, if applicable:

Inspection occurred on July 8, 2016.

This is important because some repeat items can trigger automatic enforcement, possibly resulting in fines.

1. In addition, the elimination of easily fixed minor deficiencies, such as missing vent screens, hatch locks, wellhead caulking, etc prior to the inspection will reduce your administrative load since the correction of each item in our reports must be documented with some proof, such as photographs of the corrected item or copies of documents.
2. Attachments:
 - Paperwork checklist
 - System schematic (please review and note if it should be updated)

Please Complete the Operator Update and Water Usage Data prior to investigation. Use water usage data from 02/01/18-02/01/19

Public Water System ID No.:

1070235? Athens Corp?

1070234

Survey Date:

2018

| Month/ Year | Monthly Total | Daily Average | Daily Max/ Date |
|-------------|---------------|---------------|-----------------|
| Jan - 2018 | 285300 | 10200 | 1613 / 19 |
| Feb - " | 185500 | 6600 | 7517 / 8 |
| Mar - " | 228800 | 8200 | 9414 / 16 |
| Apr - " | 232000 | 8300 | 6729 / 17 |
| May - " | 238200 | 8500 | 7729 / 17 |
| June - " | 411300 | 14200 | 12571 / 19 |
| Jul - " | 361500 | 12900 | 16171 / 27 |
| Aug - " | 321700 | 11500 | 10186 / 1 |
| Sept - " | 337500 | 11600 | 16057 / 1 |
| Oct - " | 211700 | 7600 | 9357 / 14 |
| Nov - " | 258100 | 8600 | 9000 / 23 |
| Dec - " | 312200 | 10100 | 11400 / 19 |
| Total | 3383800 | 118300 | |
| Average | 281983 | 9858 | |
| Max | 411300 | 14200 | |

All Units are MG

MPD = .016171
7/27/18

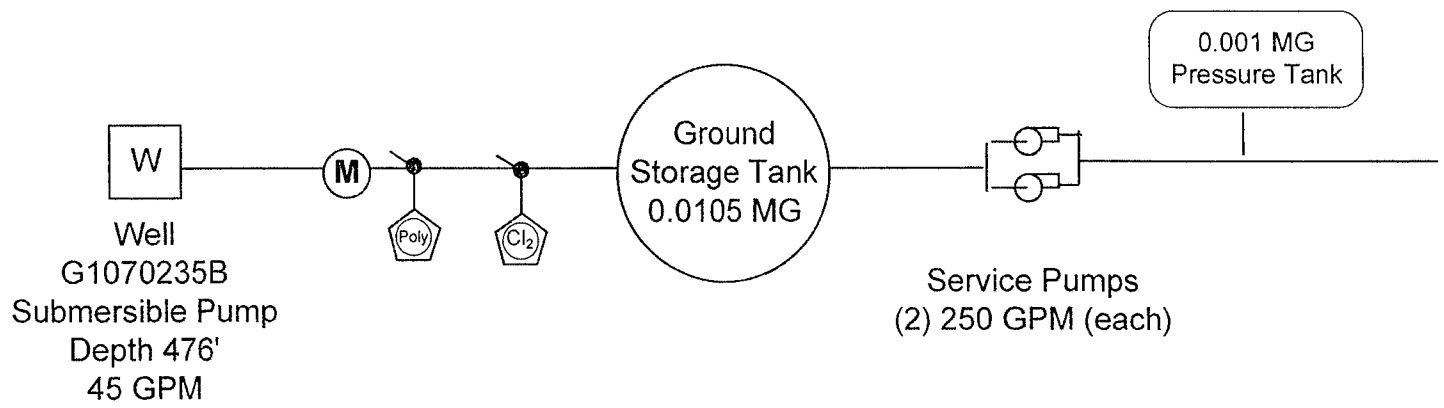
Avg 3383800 / 365 = .009271

Athens Water System COOP, Henderson County

PWS #: 1070235; CN: 12993

RN101281855, CN600708051

A. Hicks 02/22/2019



PUBLIC WATER SYSTEM DATA

| | | | |
|-------------------------------------|---------------------------------------|--------------------------------------|-------------------------|
| Name of System: | ATHENS WATER SYSTEM COOP | | |
| CCN Number: | 12993 | PWS ID: | 1070235 |
| Classification: | Not Applicable | Type: | Community |
| Region Number: | 5 | | |
| Interconnect with Other PWS: | No | Name of PWS I/C: | |
| Type I/C: | | | |
| Retail Service Connections: | 47 | Retail Meters: | 47 |
| Retail Population: | 141 | | |
| Wholesale Master Meters: | Wholesale Service Connections: | | |
| Wholesale Population: | | | |
| Total Well Capacity: | 45 GPM 0.065 MGD | | |
| Raw Capacity: | GPM MGD | | |
| Total Elevated Storage: | MG | Total Storage Capacity: | 0.0105 MG |
| Pressure Tank Capacity: | 0.001 MG | | |
| Maximum Daily Usage: | 0.016 MGD | Date: | 07/27/2018 |
| Average Daily Usage: | 0.009 MGD | Time Period: | 01/01/2018to 01/01/2019 |
| Wholesale Contract: | No | Maximum Purchase Rate : | |
| No. of Samples Required: | 1 | No. of Samples Submitted: | 1 |
| No. of Raw Samples Required: | 1 | No. of Raw Samples Submitted: | 1 |
| Non-Comm Dates of Operation: | 09/09/9999 to 09/09/9999 | | |

WATER STORAGE TANKS

| Type | Capacity | Material | Location |
|------|-----------|----------|--------------------------|
| HD | 0.001 MG | ST | PLANT #1, Richardson Rd. |
| GR | 0.0105 MG | ST | PLANT #1, Richardson Rd. |

WATER SOURCES

| EP No. | Source Code | Owner's Des | Location | Status | Pump Type | Tst. GPM | Est. GPM | Tst/Est. GPM | Date |
|--------|-------------|-------------|----------|--------|-----------|----------|----------|--------------|------------|
| 1 | A | 1 | PLANT #1 | I | SUB | | | | 03/11/2013 |
| 2 | B | 2 | PLANT #1 | O | SUB | | 45 | | 02/22/2019 |

SERVICE PUMPS

| Pump Number | Output | Location |
|-------------|---------|----------|
| 1 | 250 GPM | PLANT #1 |
| 2 | 250 GPM | PLANT #1 |

SYSTEM CAPACITIES

Pressure Plane Number: 1 Name: Main

| System Capacities | | | Required | Provided |
|--|-----|---------------|---------------|-----------|
| Well Production | 0.6 | GPM Conn X 47 | Conn = 28.0 | GPM 45 |
| Elevated Pressure Storage | 20 | Gal/Conn X 47 | Conn = 0.0009 | MG 0.001 |
| Ground/Total Storage | 200 | Gal/Conn X 47 | Conn = 0.009 | MG 0.0105 |
| Service Pump Capacity | 2 | GPM/Conn X 47 | Conn = 94 | GPM 500 |
| Service Pump Peaking Factor | | MDD/1440 X | ** | GPM |
| Tested PSI. 42 Tested CL2. 2.14 Free Location. 9735 Richardson | | | | |

| | | |
|--|----------------------------|---|
| <u>Texas Commission on Environmental Quality</u> | <u>Office of Water</u> | <u>Public Drinking Water Section</u> |
| <u>County Map of TX</u> | <u>Water System Search</u> | <u>Office of Compliance and Enforcement</u> |

02/06/2019

Texas Commission on Environmental Quality

10:02:10

DWW Water System Summary Sheet

| | | |
|-----------|--------------------------|------------------------|
| PWS ID | PWS Name | Central Registry RN |
| TX1070235 | ATHENS WATER SYSTEM COOP | RN101281855 |

| | |
|-------------------------|------------------------|
| Organization/Customer * | Central Registry CN |
| L AND T WATERWORKS LLC | CN604520619 |

*Regulatory mail will be addressed to this organization/person

| All Water System Contacts | | | |
|--|---|-----------------|--------------|
| Type | Contact | Communication | |
| ✓ AC - Administrative Contact - OPERATOR | LOGAN, CURTIS, D PO BOX 66 LARUE, TX 75770-0066 | Electronic Type | Value |
| | | Phone Type | Value |
| | | BUS - Business | 903-876-2373 |
| | | MOB - Mobile | 903-477-0501 |
| ✓ EC - Emergency Contact - BUSINESS OFFICE | LOGAN, RAY, JEANA PO BOX 1217 PALESTINE, TX 75802-1217 | Phone Type | Value |
| | | BUS - Business | 903-477-0501 |
| OW - Owner | L AND T WATERWORKS LLC PO BOX 1217 PALESTINE, TX 75802-1217 | | |

| | |
|----------------|--------|
| Operator Grade | Number |
|----------------|--------|

| Water Operator Licenses |
|--------------------------------|
| No Licensing Data for this PWS |

| | |
|----------------|--|
| Owner Type | Owner Type Options: COUNTY, DISTRICT, FEDERAL GOVERNMENT, INVESTOR OWNED, MUNICIPALITY, NATIVE AMERICAN, PRIVATE, STATE GOVERNMENT, WATER SUPPLY CORPORATION |
| Investor Owned | |

| | |
|---------------|---|
| System Type | System Type Options: COMMUNITY, TRANSIENT/NON-COMMUNITY, NON-PUBLIC, NON-TRANSIENT/NON-COMMUNITY |
| C - Community | |

| Population Type | Population Served | # of Connect | # I/C w/other PWS |
|-----------------|-------------------|--------------|-------------------|
| Residential | 90 | 30 | 0 |

| Total Product (MGD) | Average Daily Consump. | Max Daily Demand (MGD) | Total Storage (MG) | Elev. Storage (MG) | Service Pump Cap. | Max. Purchase Cap. (MGD/GPM) | Pressure Tank Cap. (MG) |
|---------------------|------------------------|------------------------|--------------------|--------------------|-------------------|------------------------------|-------------------------|
| 0.0730 MGD | 0.0080 MGD | 0.0130 MGD Occurred on | .01 MG | | .72 MGD | | 0.001 MG |

0.065 0.009 0.016 on 7/27/18

| Activity Status | Inactivation Date |
|-----------------|-------------------|
| A - ACTIVE | |

| Last Survey Date | Surveyor | Survey Type | Region | County |
|------------------|-------------------------|-----------------|--------|-----------|
| 07/08/2016 | ANGELA HICKS | Sanitary Survey | TYLER | HENDERSON |
| 03/11/2013 | ANGELA HICKS | Sanitary Survey | TYLER | HENDERSON |
| 03/30/2012 | PAUL, CLAYTON NICOLARDI | Sanitary Survey | TYLER | HENDERSON |

2-22-19 Angela Hicks

| (Treatment Plant) | | | | | | | |
|-------------------|--|-------------------------------|-----------|-------------------|-------------------|-----------------------|-------------------|
| Entry Point | EP Name/Source Summation (Activity Status) | Plant Name (Activity Status) | Plant Num | Chemical Mon Type | Chem Sample Point | Distribution Mon Type | Dist Sample Point |
| EP002 | TRT-TAP / Ground Water (A) | PLANT - 9433 RICHARDSON RD(A) | TP7585 | | NO | | NO |

| | | | | |
|-------------------|--------------------|-----------|---------|-----------|
| Train: | Unnamed | | | |
| (Treatments) | | | | |
| Disinfection Zone | Treatment Sequence | Objective | Process | Treatment |
| | | | | |

| | | | | |
|------|------|---|----------------|---|
| null | null | D | 423 | Chlorine GAS 2nd HYPOCHLORINATION, PRE |
| null | null | M | 680 | SEQUESTRATION 1st |

| (Active Sources) | | | | | | |
|------------------------|-------------------------------|--------------------|-------------|----------------|------------|-----------|
| Source Number | Source Name (Activity Status) | Operational Status | Source Type | Depth | Tested GPM | Rated GPM |
| G1070235B | 2 - RICHARDSON RD (A) | P | G | 476 | 51 GPM | 45 GPM |
| Drill Date | | Source Summary | | | | |
| 05/22/1996 | | WILCOX AQUIFER | | | | |
| GPS Latitude (decimal) | GPS Longitude (decimal) | GPS Elevation | GPS Date | Seller | | |
| 32.272652 | -95.92721 | 0 | 07/29/2010 | Not Purchasing | | |

| (Inactive/Offline Sources) | | | |
|----------------------------|------|--------|-------|
| SourceNumber | Name | Status | Depth |

| Code Explanations |
|---|
| Monitoring Type Codes: (GW) GROUNDWATER , (GUP) GROUNDWATER UNDER THE INFLUENCE - PURCHASED , (SWP) SURFACE WATER - PURCHASED , (GU) GROUNDWATER UNDER THE INFLUENCE OF SURFACE WATER , (N) NO SOURCES , (SW) SURFACE WATER |
| Activity Status Codes: (A) ACTIVE , (D) DELETED/DISSOLVED , (I) INACTIVE , (P) PROPOSED , |
| Operational Status Codes: (E) EMERGENCY , (I) INTERIM/PEAK (O) OTHER , (P) PERMANENT , (S) SEASONAL |
| Source Types: (G) GROUND WATER , (S) SURFACE WATER , (U) GROUND WATER UNDER THE INFLUENCE |

- End of Report -

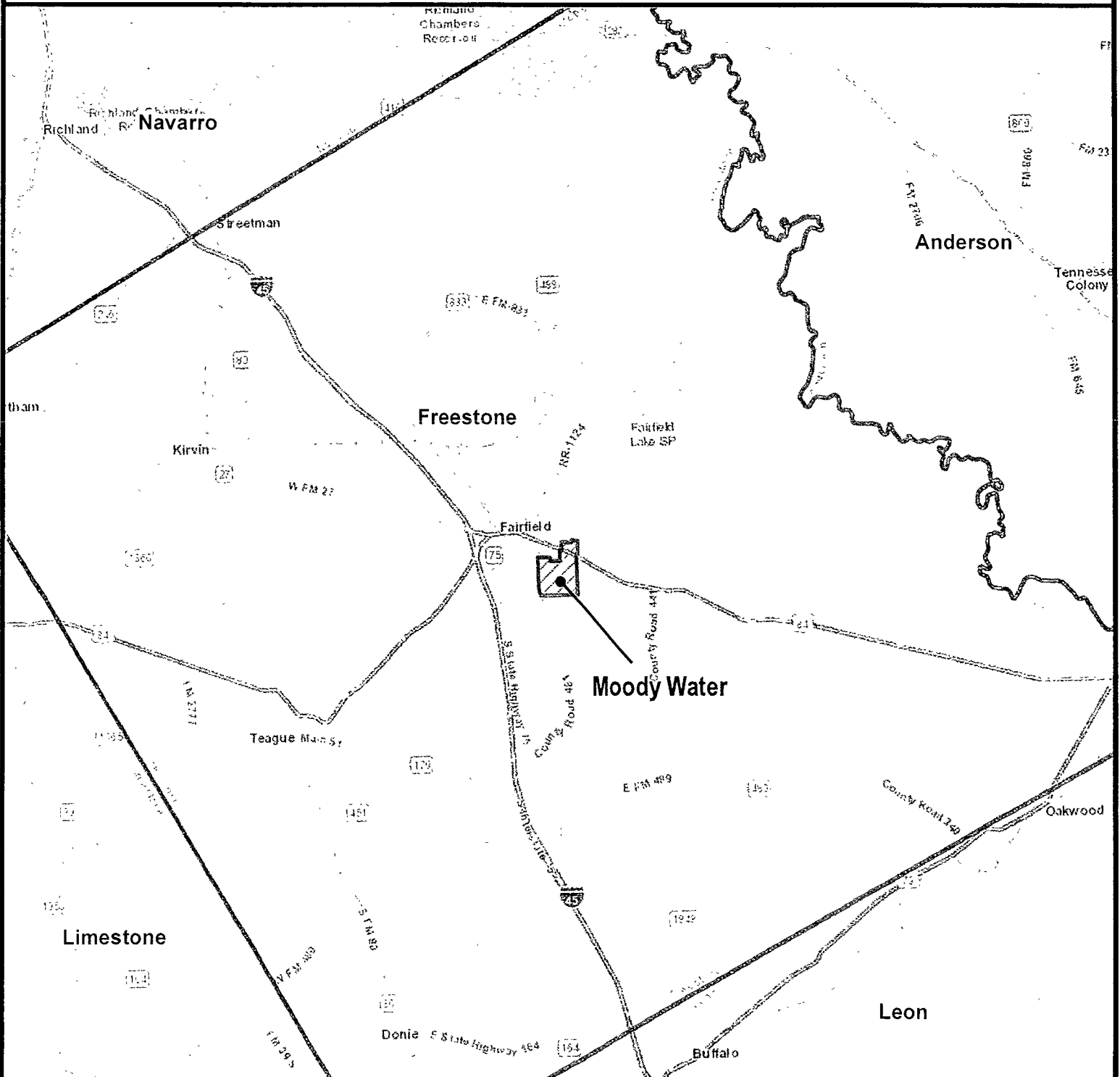
At the time of your query this data was the most current information available from our database, which is in real time. Every effort was made to retrieve it according to your query. Thank-you for using DWW.

Detailed (large scale) Map

Part G: Question 29

MOODY WATER CCN

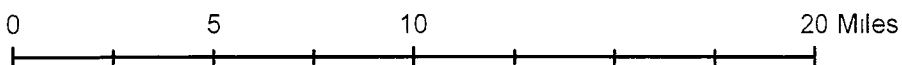
12919

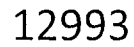


Proposed Boundary



Moody Water

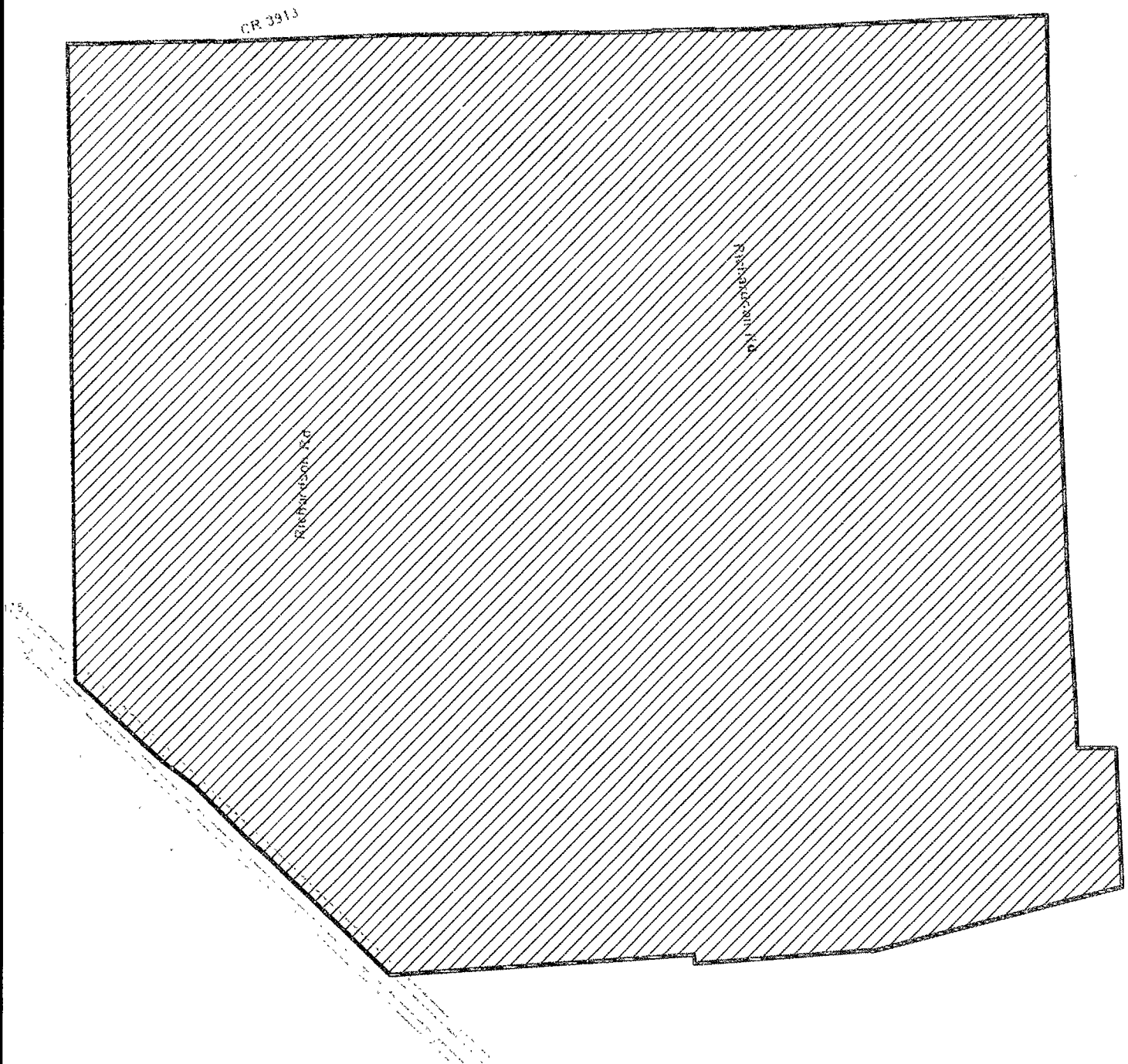




General Location (small scale) Map

Part G: Question 29

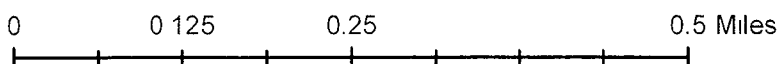
APPLICATION OF MONARCH UTILITIES I L.P. TO ACQUIRE L AND T WATERWORKS ATHENS WATER CCN 12993



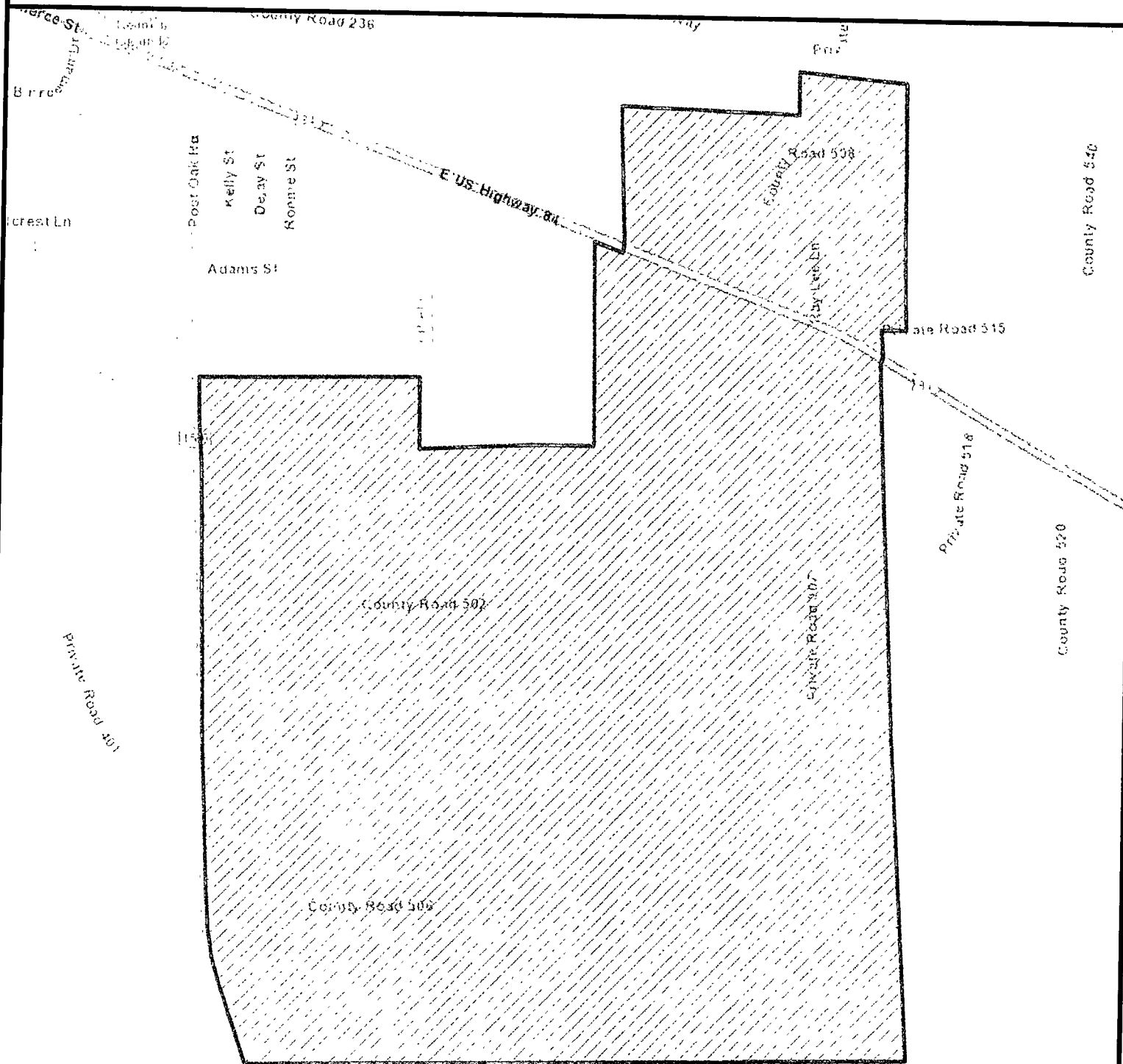
Proposed Boundary



Athens Water



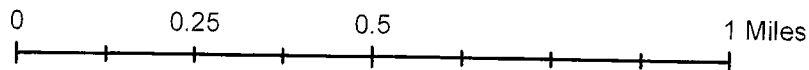
APPLICATION OF MONARCH UTILITIES I L.P. TO ACQUIRE L AND T WATERWORKS MOODY WATER CCN

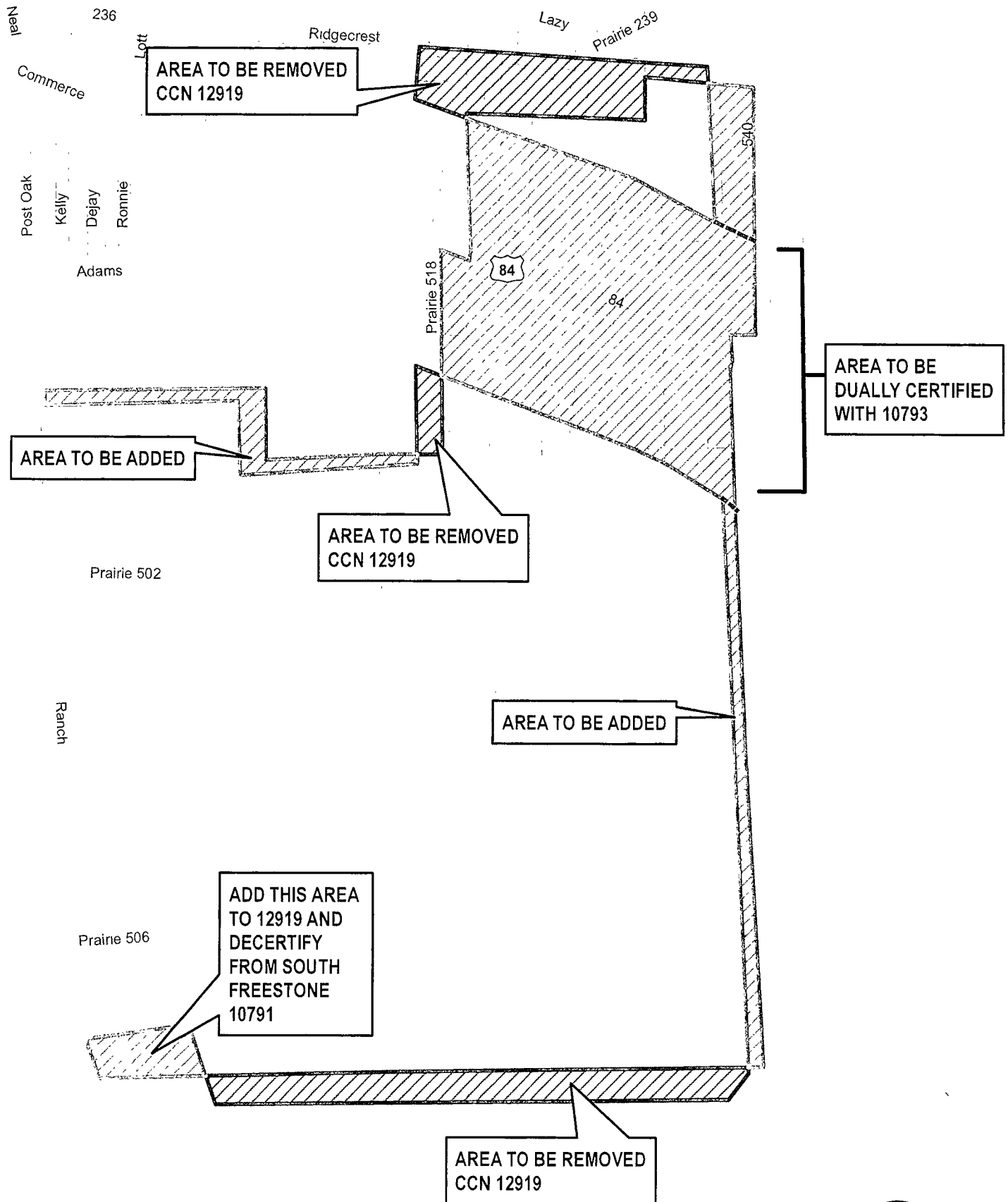


Proposed Boundary



Moody Water

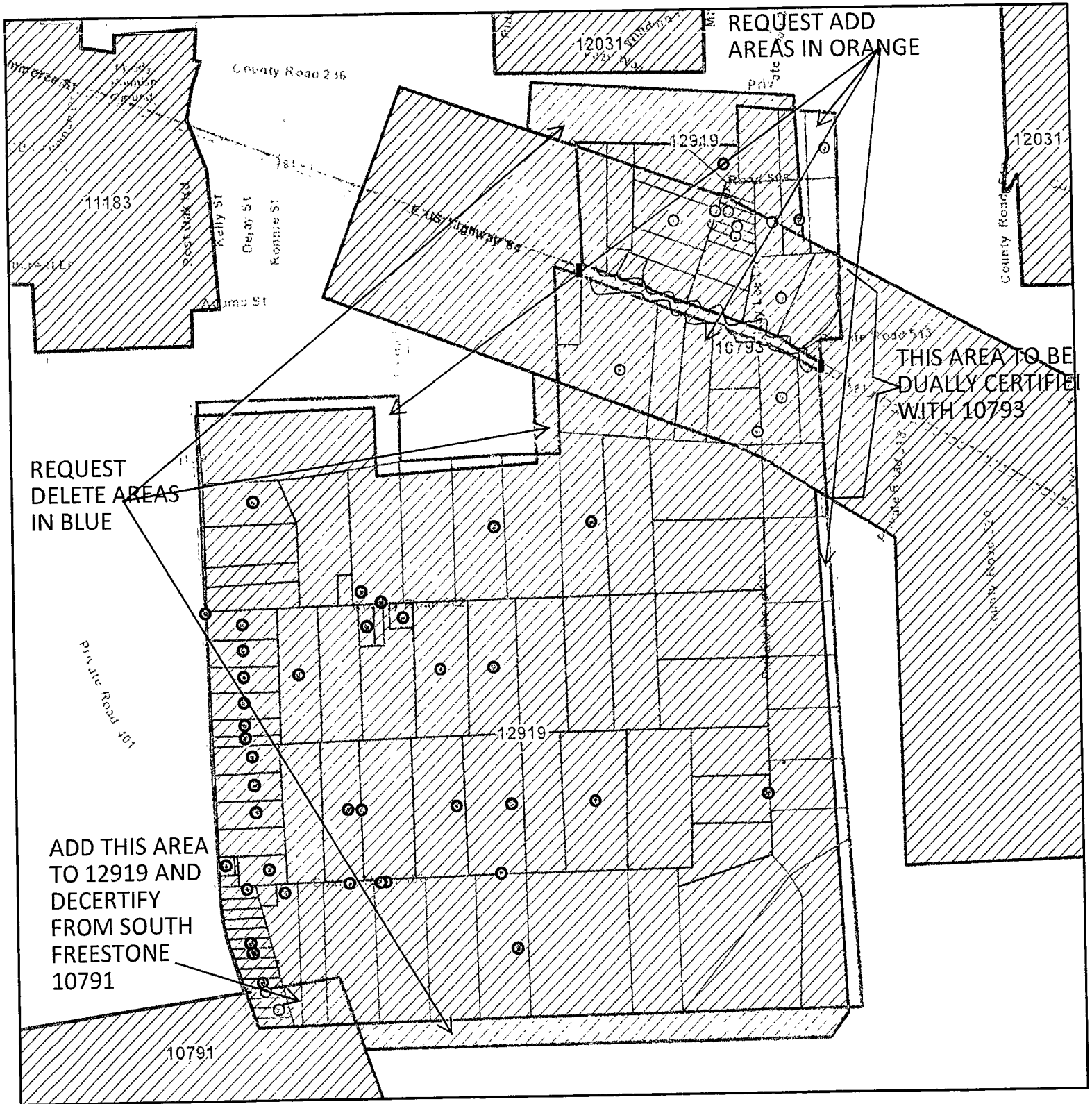




Total acres to be subtracted: 75
Total acres to be added: 231



0 375 750 1,500 2,250 3,000 Feet



MOODY WATER CCA

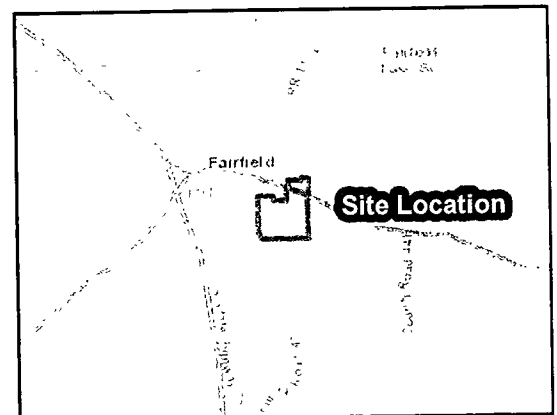
● Customer Meter Addresses

□ Proposed Boundary

▨ CCA Boundary

Parcels

0 900 1,800 3,600 Feet



PART G

Neighboring Utility Agreements

-

TURLINGTON WATER SUPPLY CORPORATION

102 County Road 431
Fairfield, Texas 75840-6042

March 1, 2021

Public Utility Commission of Texas
1701 Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

Re: Certificates of Convenience & Necessity Boundaries for Moody Water System (CCN # 12919) and
Turlington Water Supply Corporation (CCN # 10793)

To Whom it May Concern:

Moody Water System ("Moody") is currently serving customers located within the CCN of Turlington Water Supply Corporation ("Turlington").

In order to clarify the CCN boundaries, Turlington and Moody have agreed to dual certification of the CCN boundary lines currently served by Turlington. No customers will change providers as a result of this agreement.

Moody, its successors and assigns, agree that they will not provide service to anyone outside of the tracts shown on the attached Exhibit "A", more specifically the maps and list of current owners listed in the Freestone County Appraisal District website.

Please contact me with any questions.

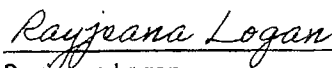
Very truly yours,



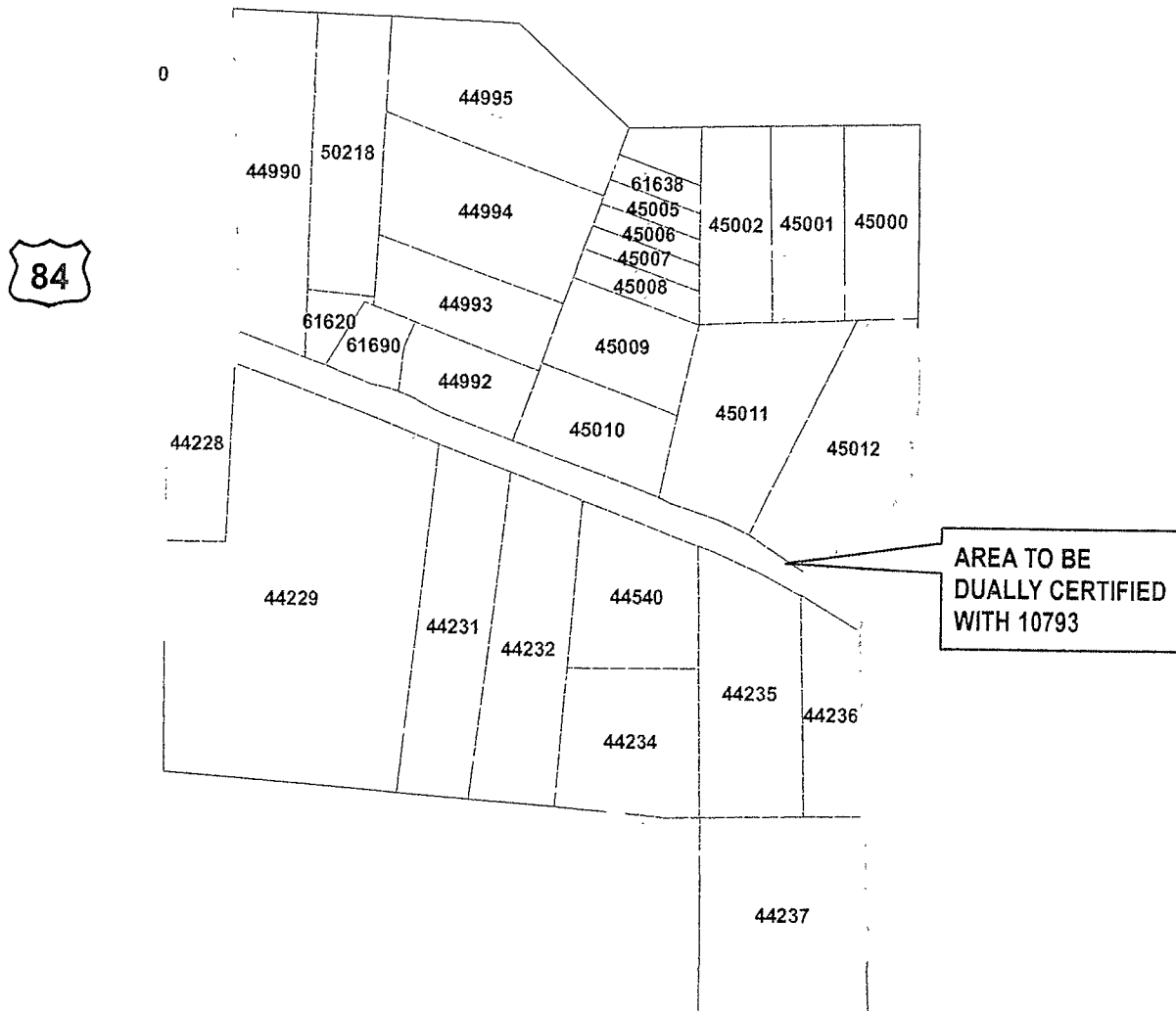
President of the Board, Turlington Water Supply Corporation

Agreed:

Moody Water System



Rayjeana Logan
Co-Owner



Area to be dually certified acres: 175



0 210 420 840 1,260 1,680 Feet

Exhibit "A"
2 of 2

Moody - Turlington Dual Certification

3/1/2021

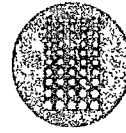
Owners within the dual certification area

South Side of HWyY 84

| Freestone | |
|-----------|---------------------|
| CAD | Current Owner |
| 44228 | Blankinship, Steven |
| 44229 | Musick, David |
| 44231 | Rolzniak, Robert |
| 44232 | Lane, James |
| 44540 | Lane, Francis |
| 44234 | Lane, Francis |
| 44235 | Sheffield, Stephen |
| 44236 | Sheffield, Stephen |
| 44237 | Sheffield, Stephen |

North Side of HWyY 84

| Freestone | |
|-----------|---|
| CAD | Current Owner |
| 44990 | Blue Skies Property Mangagement (RV Park) |
| 50218 | Blue Skies Property Mangagement (RV Park) |
| 61620 | Wise, Hudson |
| 61690 | Logan, Jeremy |
| 44992 | Heidgerken, Michael |
| 45010 | City of Fairfield |
| 45011 | Cuevas, Beatriz |
| 45012 | Paino, Elias |
| 45000 | Theisen, Gina |
| 45001 | Cochran, Brent |
| 45002 | Salazar, Luz |
| 44995 | Richards, Jennifer |
| 44994 | Hargrove, Steven |
| 44993 | Hargrove, Steven |
| 61638 | Hernandez, Veronica |
| 45005 | Smith, Betty |
| 45006 | Serrato, Marlisela |
| 45007 | Cunningham, James |
| 45008 | Salazar, Contreras |
| 45009 | Cuevas, Beatriz |



**Monarch
Utilities I, L.P.**

A SouthWest Water Company

January 28, 2021

Customer Service
866 654 5WWC (7992)

Public Utility Commission of Texas
1701 Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

Re: Certificates of Convenience & Necessity Boundaries for Moody Water System (CCN # 12919) and
South Freestone County Water Supply Corporation (CCN # 10791)

To Whom it May Concern:

Monarch Utilities I L.P. ("Monarch") discovered during due diligence in regard to its intended purchase of the assets of Moody Water System ("Moody") that Moody is currently serving customers located within the CCN of South Freestone Water Supply Corporation ("SFWSC").

In order to clarify the CCN boundaries, SFWSC and Moody have agreed to the CCN boundary lines as shown on the attached Exhibit "A". No customers will change providers as a result of this agreement.

Please contact me with any questions.

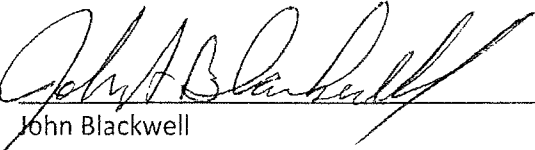
Very truly yours,

/s/ Brian Bahr

Brian Bahr
Director, Regulatory Affairs
Southwest Water Company (Monarch)
646-599-2415
bbahr@swwc.com

Agreed:

South Freestone County Water Supply Corporation


John Blackwell
General Manager

Agreed:

Moody Water System

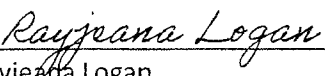
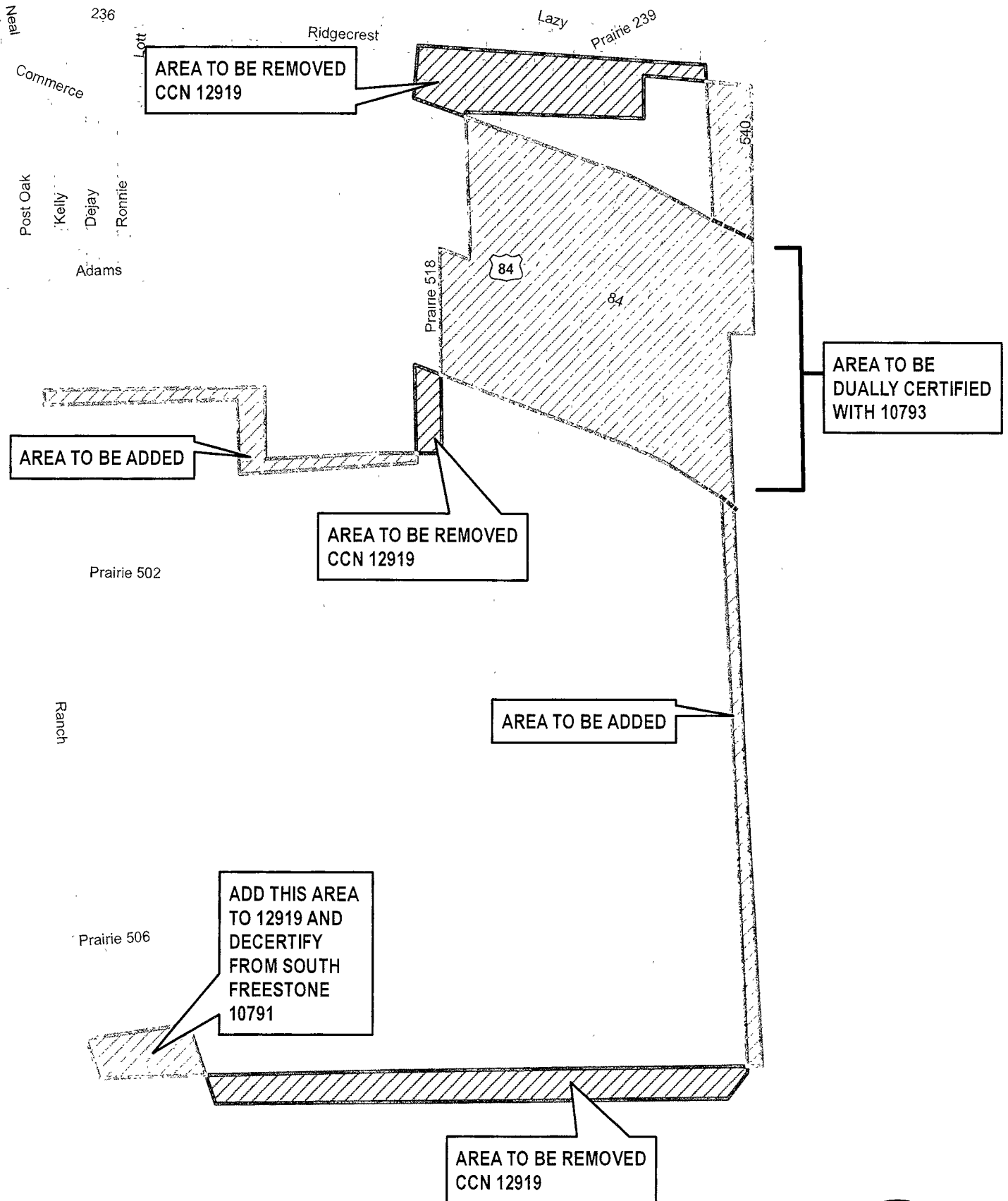

Rayjeana Logan
Co-Owner

EXHIBIT "A"



Total acres to be subtracted: 75
Total acres to be added: 231



0 375 750 1,500 2,250 3,000 Feet

Digital Mapping Data

Part G: Question 29