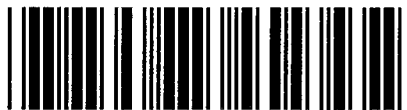




Control Number: 52002



Item Number: 1

Addendum StartPage: 0



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

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

CCN Application Instructions

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

FAQ:

Who can use this form?

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

Who is required to use this form?

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

What is the purpose of the application?

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

Application Summary

Applicant: CPR Water Supply Company, LLC

CCN No. to be amended: _____

or



Obtain NEW CCN



Water



Sewer

County(ies) affected by this application: Smith

Dual CCN requested with: _____

CCN No.: _____

(name of retail public utility)



Portion or



All of requested area

Decertification of CCN for: _____

CCN No.: _____

(name of retail public utility)



Portion or



All of requested area

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Please mark the items included in this filing

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

Part A: Applicant Information

1. A. Name: CPR Water Supply Company, LLC
(individual, corporation, or other legal entity)
☐ Individual ☒ Corporation ☐ WSC ☐ Other: _____
- B. Mailing Address: 100 Avenue A, Palestine, TX 75801

Phone No.: (903) 723-8585 Email: kcole@kimscstores.com
- C. Contact Person. Please provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney, accountant, or other title.
Name: Bret W. Fenner Title: Engineer
Mailing Address: 200 Harbor Circle, Georgetown, TX 78633
Phone No.: (512) 917-7541 Email: bretfenner@yahoo.com
2. If the Applicant is someone other than a municipality, is the Applicant currently paid in full on the Regulatory Assessment Fees (RAF) remitted to the TCEQ?
☐ Yes ☐ No ☒ N/A
3. If the Applicant is an Investor Owned Utility (IOU), is the Applicant current on Annual Report filings with the Commission?
☒ Yes ☐ No If no, please state the last date an Annual Report was filed: _____
4. The legal status of the Applicant is:
☐ Individual or sole proprietorship
☐ Partnership or limited partnership (*attach* Partnership agreement)
☒ Corporation: Charter number (recorded with the Texas Secretary of State): 0803829494
☐ Non-profit, member-owned, member controlled Cooperative Corporation [Article 1434(a) Water Supply or Sewer Service Corporation, incorporated under TWC Chapter 67]
Charter number (as recorded with the Texas Secretary of State): _____
☐ Articles of Incorporation and By-Laws established (*attach*)
☐ Municipally-owned utility
☐ District (MUD, SUD, WCID, FWSD, PUD, etc.)
☐ County
☐ Affected County (a county to which Subchapter B, Chapter 232, Local Government Code, applies)
☐ Other (please explain): _____
5. If the Applicant operates under an assumed name (i.e., any d/b/a), provide the name below:
Name: N/A

Part B: Requested Area Information

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

Mixed use development including commercial development and recreational vehicle park. Land use will be developed as the Applicant will provide water service to the requested areas.

7. The requested area (check all applicable):

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

Municipality: _____ District: _____

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

See Docket No. 50581 approving the expedited release of the requested area from Southern Utilities Company's water certificate of convenience and necessity.

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

Applicant intends to develop the property as described above Part B, question 6.

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

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

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

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

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

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

B. Date Plans & Specifications or Discharge Permit App. submitted to TCEQ: October 28, 2020

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

Within six months of CCN issuance

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

See attached loan approval documentation

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

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

Liberty Utilities (Silverleaf Water) LLC: CCN 13131

Southern Utilities Company: CCN 10762

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

☒ Yes*

☐ No

*Attach copies of written requests and copies of the written response (See Docket 50581)

C. Attach a statement or provide documentation explaining why it is not economically feasible to obtain retail service from the water or sewer retail public utilities listed above.

D. If a neighboring retail public utility agreed to provide service to the requested area, attach documentation addressing the following information:

- (A) A description of the type of service that the neighboring retail public utility is willing to provide and comparison with service the applicant is proposing;
- (B) An analysis of all necessary costs for constructing, operating, and maintaining the new facilities for at least the first five years of operations, including such items as taxes and insurance; and
- (C) An analysis of all necessary costs for acquiring and continuing to receive service from the neighboring retail public utility for at least the first five years of operations.

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

Granting the CCN will allow Applicant to provide water utility service to the requested area. Centralized water service will reduce the likelihood of negative impacts to the environment, which would otherwise arise with the installation and operation of individual groundwater wells systems. No customer's rates will be changed by this application as there are no existing customers in the requested service area.

Part C: CCN Obtain or Amend Criteria Considerations

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

Applicant intends to develop the property as described above Part B, question 6.

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

Applicant intends to engage Joe Whatley, a certified operator. He operates other water and sewer utilities systems located in the county and will be able to respond quickly to emergencies. The applicant will maintain these systems in compliance with the rules and regulations of the PUC and TCEQ, as well as federal and local laws, rules and regulations.

16. Has the Applicant been under an enforcement action by the Commission, TCEQ, Texas Department of Health (TDH), the Office of the Attorney General (OAG), or the Environmental Protection Agency (EPA) in the past five (5) years for non-compliance with rules, orders, or state statutes?

☐ Yes* ☒ No

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

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

The Applicant plans a mixed use development including commercial development and recreational vehicle park. Land use will be developed as the Applicant will provide water service to the requested areas. This eliminates the need for land owners to use individual water wells. Thus, protecting the environment in the area from potential sources of contamination of groundwater.

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

No.

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

See Attached List

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

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

TCEQ PWS ID:	Name of PWS:	Date of TCEQ inspection*:	Subdivisions served:

*Attach evidence of compliance with TCEQ for each PWS

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

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

*Attach evidence of compliance with TCEQ for each Discharge Permit

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

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

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

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

Water				Sewer	
	Non-metered		2"	147	Residential
150	5/8" or 3/4"		3"	3	Commercial
	1"		4"		Industrial
	1 1/2"		Other		Other
Total Water Connections:			150	Total Sewer Connections:	£ 150

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

☒ Yes*

☐ No

*Attach a copy of purchase agreement or contract.

Capacity is purchased from:

Water: _____

Sewer: Liberty Utilities - CCN No. 13131

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

☐ Yes

☒ No

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

	Amount in Gallons	Percent of demand
Water:		0%
Sewer:		100%

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

☒ Yes

☐ No

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

Name (as it appears on license)	Class	License No.	Water/Sewer
Joe Whatley	C	WG0007950	Water

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

☐ Yes

☒ No

- B. Provide details on each required major capital improvement necessary to correct deficiencies to meet the TCEQ or Commission standards (attach any engineering reports or TCEQ approval letters):

Description of the Capital Improvement:	Estimated Completion Date:	Estimated Cost:

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

Part E: Financial Information

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

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

A. Effective date for most recent rates: _____

B. Was notice of this increase provided to the Commission or a predecessor regulatory authority?

☒ No

☐ Yes

Application or Docket Number: _____

C. If notice was not provided to the Commission, please explain why (ex: rates are under the jurisdiction of a municipality)

N/A

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

30. **Financial Information**

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

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

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

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

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

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

DO NOT INCLUDE ATTACHMENTS A OR B IF LEFT BLANK

Part F: Mapping & Affidavits

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

- ii. A recorded plat. If the plat does not provide sufficient detail, Staff may request additional mapping information. Please refer to the mapping guidance in part 2 (above); or
- iii. Digital mapping data in a shapefile (SHP) format georeferenced in either NAD 83 Texas State Plane Coordinate System (US Feet) or in NAD 83 Texas Statewide Mapping System (Meters). The digital mapping data shall include a single, continuous polygon record. The following guidance should be adhered to:
 - a. The digital mapping data must correspond to the same requested area as shown on the general location and detailed maps. The requested area must be clearly labeled as either the water or sewer requested area.
 - b. A shapefile should include six files (.dbf, .shp, .shx, .sbx, .sbn, and the projection (.prj) file).
 - c. The digital mapping data shall be filed on a data disk (CD or USB drives), clearly labeled, and filed with Central Records. Seven (7) copies of the digital mapping data is also required.

Part G: Notice Information

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

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

The total acreage of the requested area is approximately: 151

Number of customer connections in the requested area: 0

The closest city or town: Noonday, TX

Approximate mileage to closest city or town center: 4

Direction to closest city or town: Southwest

The requested area is generally bounded on the North by: FM 344 & State Highway 155

on the East by: County Road 189N

on the South by: Lake Palestine & Saline Bay

on the West by: State Highway 155

34. A copy of the proposed map will be available at 100 Avenue A, Palestine, TX 75801

Applicant's Oath

STATE OF TEXAS

COUNTY OF ANDERSON


I, KIM COLE being duly sworn, file this application to
obtain or amend a water or sewer CCN, as MEMBER

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

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

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

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



AFFIANT

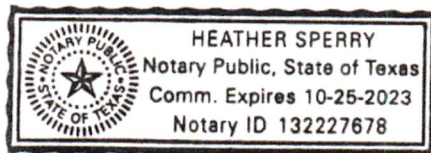
(Utility's Authorized Representative)

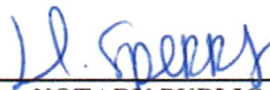
If the Affiant to this form is any person other than the sole owner, partner, officer of the Applicant, or its attorney, a properly verified Power of Attorney must be enclosed.

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

this day the 5th of April, 2021

SEAL





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

Heather Sperry

PRINT OR TYPE NAME OF NOTARY

My commission expires: 10-25-2023

Appendix B: Projected Information						
HISTORICAL BALANCE SHEETS (ENTER DATE OF YEAR END)	CURRENT(A) (12 _ 31 _ 20)	A-1 YEAR (12 _ 31 _ 21)	A-2 YEAR (12 _ 31 _ 22)	A-3 YEAR (12 _ 31 _ 23)	A-4 YEAR (12 _ 31 _ 24)	A-5 YEAR (12 _ 31 _ 25)
CURRENT ASSETS						
Cash	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 22,582.00	\$ 22,582.00	\$ 22,582.00
Accounts Receivable						
Inventories						
Income Tax Receivable						
Other	\$ 908,000.00	\$ 143,000.00	\$ 143,000.00	\$ 143,000.00	\$ 143,000.00	\$ 143,000.00
A. Total Current Assets	\$ 909,000.00	\$ 144,000.00	\$ 144,000.00	\$ 165,582.00	\$ 165,582.00	\$ 165,582.00
FIXED ASSETS						
Land						
Collection/Distribution System		\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00
Buildings						
Equipment		\$ 350,000.00	\$ 350,000.00	\$ 350,000.00	\$ 350,000.00	\$ 350,000.00
Other		\$ 265,000.00	\$ 265,000.00	\$ 265,000.00	\$ 265,000.00	\$ 265,000.00
Less: Accum. Depreciation or Reserves		\$ 23,182.00	\$ 46,364.00	\$ 69,546.00	\$ 92,728.00	\$ 115,910.00
B. Total Fixed Assets		\$ 741,818.00	\$ 718,636.00	\$ 695,454.00	\$ 672,272.00	\$ 649,090.00
C. TOTAL Assets (A + B)	\$ 909,000.00	\$ 885,818.00	\$ 862,636.00	\$ 861,036.00	\$ 837,854.00	\$ 814,672.00
CURRENT LIABILITIES						
Accounts Payable						
Notes Payable, Current						
Accrued Expenses						
Other						
D. Total Current Liabilities		\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
LONG TERM LIABILITIES						
Notes Payable, Long-term	\$ 908,000.00	\$ 877,733.00	\$ 847,467.00	\$ 817,200.00	\$ 786,933.00	\$ 756,666.00
Other						
E. Total Long Term Liabilities	\$ 908,000.00	\$ 877,733.00	\$ 847,467.00	\$ 817,200.00	\$ 786,933.00	\$ 756,666.00
F. TOTAL LIABILITIES (D + E)	\$ 908,000.00	\$ 877,733.00	\$ 847,467.00	\$ 817,200.00	\$ 786,933.00	\$ 756,666.00
OWNER'S EQUITY						
Paid in Capital	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00
Retained Equity		\$ 84,490.00	-\$ 8,413.00	\$ 20,254.00	\$ 27,339.00	\$ 34,424.00
Other						
Current Period Profit or Loss		-\$ 77,405.00	\$ 22,582.00	\$ 22,582.00	\$ 22,582.00	\$ 22,582.00
G. TOTAL OWNER'S EQUITY	\$ 1,000.00	\$ 8,085.00	\$ 15,169.00	\$ 43,836.00	\$ 50,921.00	\$ 58,006.00
TOTAL LIABILITIES+EQUITY (F + G) = C	\$ 909,000.00	\$ 885,818.00	\$ 862,636.00	\$ 861,036.00	\$ 837,854.00	\$ 814,672.00
WORKING CAPITAL (A – D)	\$ 1,000.00	\$ 144,000.00	\$ 144,000.00	\$ 165,582.00	\$ 165,582.00	\$ 165,582.00
CURRENT RATIO (A / D)						
DEBT TO EQUITY RATIO (F / G)	908.0000	108.5631	55.8683	18.6422	15.4540	13.0446

PROJECTED NET INCOME INFORMATION						
(ENTER DATE OF YEAR END)	CURRENT(A) (12_ 31 _ 20)	A-1 YEAR (12_ 31 _ 21)	A-2 YEAR (12_ 31 _ 22)	A-3 YEAR (12_ 31 _ 23)	A-4 YEAR (12_ 31 _ 24)	A-5 YEAR (12_ 31 _ 25)
METER NUMBER						
Existing Number of Taps	0	0	10	150	150	150
New Taps Per Year	0	10	140	0	0	0
Total Meters at Year End	0	10	150	150	150	150
METER REVENUE						
Revenue per Meter (use for projections)		\$ 714.19	\$ 714.19	\$ 714.19	\$ 714.19	\$ 714.19
Expense per Meter (use for projections)		\$ 8,454.70	\$ 563.65	\$ 563.65	\$ 563.65	\$ 563.65
Operating Revenue Per Meter		-\$ 7,740.51	\$ 150.54	\$ 150.54	\$ 150.54	\$ 150.54
GROSS WATER REVENUE						
Revenues- Base Rate & Gallonage Fees		\$ 7,142.00	\$ 107,129.00	\$ 107,129.00	\$ 107,129.00	\$ 107,129.00
Other (Tap, reconnect, transfer fees, etc.)						
Gross Income		\$ 7,142.00	\$ 107,129.00	\$ 107,129.00	\$ 107,129.00	\$ 107,129.00
EXPENSES						
General & Administrative (see schedule)		\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00
Operating (see schedule)		\$ 81,532.00	\$ 81,532.00	\$ 81,532.00	\$ 81,532.00	\$ 81,532.00
Interest		\$ 1,515.00	\$ 1,515.00	\$ 1,515.00	\$ 1,515.00	\$ 1,515.00
Other (list)						
NET INCOME		-\$ 77,405.00	\$ 22,582.00	\$ 22,582.00	\$ 22,582.00	\$ 22,582.00

PROJECTED EXPENSE DETAIL	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
GENERAL/ADMINISTRATIVE EXPENSES						
Salaries						
Office	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	
Computer						
Auto						
Insurance						
Telephone						
Utilities						
Depreciation						
Property Taxes	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	
Professional Fees						
Other						
Total	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	
% Increase Per projected Year	0%	0%	0%	0%	0%	0%
OPERATIONAL EXPENSES						
Salaries						
Auto						
Utilities	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	
Depreciation	\$ 23,182.00	\$ 23,182.00	\$ 23,182.00	\$ 23,182.00	\$ 23,182.00	
Repair & Maintenance	\$ 25,350.00	\$ 25,350.00	\$ 25,350.00	\$ 25,350.00	\$ 25,350.00	
Supplies						
Other	\$ 27,000.00	\$ 27,000.00	\$ 27,000.00	\$ 27,000.00	\$ 27,000.00	
Total	\$ 58,350.00	\$ 58,350.00	\$ 58,350.00	\$ 58,350.00	\$ 58,350.00	

PROJECTED SOURCES AND USES OF CASH STATEMENTS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
SOURCES OF CASH						
Net Income		\$ 22,582.00	\$ 22,582.00	\$ 22,582.00	\$ 22,582.00	
Depreciation (If funded by revenues of system)						
Loan Proceeds	\$ 908,000.00	\$ 65,595.00	\$ 65,595.00	\$ 65,595.00	\$ 65,595.00	
Other	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	
Total Sources	\$ 909,000.00	\$ 89,177.00	\$ 89,177.00	\$ 89,177.00	\$ 89,177.00	
USES OF CASH						
Net Loss	\$ 77,405.00					
Principle Portion of Pmts.						
Fixed Asset Purchase	\$ 765,000.00					
Reserve						
Other						
Total Uses						
NET CASH FLOW	\$ 66,595.00					
DEBT SERVICE COVERAGE						
Cash Available for Debt (CADS)						
A: Net Income (Loss)	\$ 66,595.00	\$ 89,177.00	\$ 89,177.00	\$ 89,177.00	\$ 89,177.00	
B: Depreciation, or Reserve Interest						
C: Total CADS (A + B = C)	\$ 66,595.00	\$ 89,177.00	\$ 89,177.00	\$ 89,177.00	\$ 89,177.00	
D: DEBT SERVICE						
Annual Principle Plus Interest	\$ 30,267.00	\$ 30,267.00	\$ 30,267.00	\$ 30,267.00	\$ 30,267.00	
E: DEBT SERVICE COVERAGE RATIO						
CADS Divided by DS (E = C / D)	2.2003	2.9463	2.9463	2.9463	2.9463	

Certificate of Account Status

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



Ruth R. Hughes
Secretary of State

Office of the Secretary of State
Packing Slip

November 13, 2020
Page 1 of 1

Daniel F. Dean P.C.
603 East Lacy Street
Palestine, TX 75801

Batch Number: **100733355**

Batch Date: **11-09-2020**

Client ID: **426982152**

Return Method: **Mail**

Document Number	Document Detail	Number / Name	Page Count	Fee
1007333550002	Certificate of Formation	CPR Water Supply Company, LLC	0	\$300.00
Total Fees:				\$300.00

Payment Type	Payment Status	Payment Reference	Amount
Check	Received	28364	\$300.00
Total:			\$300.00

Total Amount Charged to Client Account: \$0.00

(Applies to documents or orders where Client Account is the payment method)

Note to Customers Paying by Client Account: This is not a bill. Payments to your client account should be based on the monthly statement and not this packing slip. Amounts credited to your client account may be refunded upon request. Refunds (if applicable) will be processed within 10 business days.

User ID: WJOHNSON



Office of the Secretary of State

November 13, 2020

Daniel F. Dean P.C.
603 East Lacy Street
Palestine, TX 75801 USA

RE: CPR Water Supply Company, LLC
File Number: 803829494

It has been our pleasure to file the certificate of formation and issue the enclosed certificate of filing evidencing the existence of the newly created domestic limited liability company (llc).

Unless exempted, the entity formed is subject to state tax laws, including franchise tax laws. Shortly, the Comptroller of Public Accounts will be contacting the entity at its registered office for information that will assist the Comptroller in setting up the franchise tax account for the entity. Information about franchise tax, and contact information for the Comptroller's office, is available on their web site at <https://window.state.tx.us/taxinfo/franchise/index.html>.

The entity formed does not file annual reports with the Secretary of State. Documents will be filed with the Secretary of State if the entity needs to amend one of the provisions in its certificate of formation. It is important for the entity to continuously maintain a registered agent and office in Texas. Failure to maintain an agent or office or file a change to the information in Texas may result in the involuntary termination of the entity.

If we can be of further service at any time, please let us know.

Sincerely,

Corporations Section
Business & Public Filings Division
(512) 463-5555

Enclosure



Office of the Secretary of State

CERTIFICATE OF FILING OF

CPR Water Supply Company, LLC
File Number: 803829494

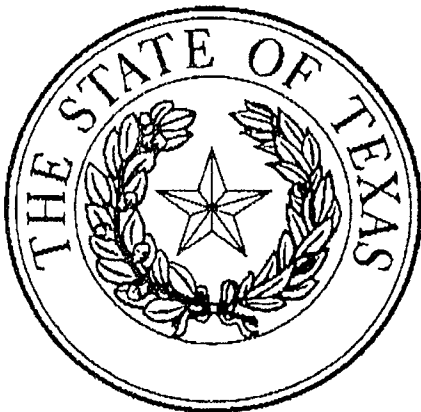
The undersigned, as Secretary of State of Texas, hereby certifies that a Certificate of Formation for the above named Domestic Limited Liability Company (LLC) has been received in this office and has been found to conform to the applicable provisions of law.

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

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

Dated: 11/09/2020

Effective: 11/09/2020



A handwritten signature in black ink, appearing to read "Ruth R. Hughes".

Ruth R. Hughes
Secretary of State

FILED
In the Office of the
Secretary of State of Texas
NOV 09 2020
Corporations Section

**CERTIFICATE OF FORMATION OF
CPR WATER SUPPLY COMPANY, LLC
A LIMITED LIABILITY COMPANY**

This certificate of formation is submitted for filing pursuant to the applicable provisions of the Texas Business Organizations Code.

Article I - Entity Name and Type

The name and type of filing entity being formed are: CPR Water Supply Company, LLC, a Texas limited liability company (hereinafter "Company").

Article II - Purpose

The purpose for which the Company is organized is any lawful purpose which may be undertaken by the company in accordance with the applicable provisions of the Texas Business Organizations Code.

Article III - Registered Office and Registered Agent

The initial registered agent is an individual resident of the state whose name is KIM COLE. The business address of the initial registered agent and the initial registered office is: 100 Avenue A, Palestine, TX 75801 (Anderson County).

Article IV - Principal Office

The address of the Company's principal office in this state is: 100 Avenue A, Palestine, Texas 75801.

Article V - Organizer

The name and address of the organizer is:

Name

KIM COLE

Address

100 Avenue A
Palestine, Texas 75801

Article VI - Governing Authority

The company shall be managed by its Managers. The name and address of the person who is to serve as a Manager until the first annual meeting of the company's Member or until successors are elected and qualified is:

Name

Address

KIM COLE

100 Avenue A
Palestine, Texas 75801

Article VII - Effective Date of Filing

This certificate of formation becomes effective when the document is filed by the secretary of state.

Article VIII - Execution

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

Date: November 6, 2020



KIM COLE

**CERTIFICATE OF FORMATION OF
CPR WATER SUPPLY COMPANY, LLC
A LIMITED LIABILITY COMPANY**

FILED
in the Office of the
Secretary of State of Texas
NOV 09 2020
Corporations Section

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Date: November 6, 2020



KIM COLE



Franchise Tax Account Status

As of . 12/01/2020 09:39:16

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

CPR WATER SUPPLY COMPANY, LLC

Texas Taxpayer Number 32076637753

Mailing Address 100 AVENUE A ST PALESTINE, TX 75801-2802

? Right to Transact Business in Texas ACTIVE

State of Formation TX

Effective SOS Registration Date 11/09/2020

Texas SOS File Number 0803829494

Registered Agent Name KIM COLE

Registered Office Street Address 100 AVENUE A PALESTINE, TX 75801

TECQ Engineering Approvals

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



PWS CG_Smith_CO_20201106_Plan Ltr

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

November 6, 2020

Jerry F. Fontaine, P.E.
J.F. Fontaine & Associates, Inc.
P.O. Box 4187
Palestine, Texas 75802

Re: CPR Water System - Public Water System ID No. *Not Yet Assigned*
Proposed Groundwater Public Water System
Engineer Contact Telephone: (903) 729-6005
Smith County, Texas

Dear Mr. Fontaine:

On October 28, 2020, the Texas Commission on Environmental Quality (TCEQ) received your letter dated September 30, 2020 submitting planning material for the proposed CPR Water System. Based on our preliminary review of the information submitted, this project cannot be reviewed further at this time because it is considered incomplete. Please provide the following additional information on or before 30 days from the date of this letter. Once this information is received, then your project will be considered complete, logged in on that date, and assigned to an engineer for review. If we do not receive the requested information within 30 days, the project will be closed without review and you will be required to resubmit all of the necessary planning materials.

To complete the review, please provide two complete copies for the following:

- **Engineering Report** on your letterhead describing this project. It must be signed, sealed and dated by a Texas registered professional engineer, also clearly indicate the engineering firm name and registration number. This is required for proposed new water systems, surface water treatment plants, existing systems with design or capacity deficiencies and "As Built" submittals and it must include the information in Title 30 Texas Administrative Code (TAC) Chapter 290.39(e)(1). Documentation that assists us in completing the review in a more timely fashion is recommended for all submittals.
- **TCEQ Core Data Form (Form No. 10400)**. The Core Data Form (TCEQ-10400) is part of the TCEQ Central Registry to consolidate information for companies and individuals and their notifications, registrations, licenses, and permits including Public Water Systems (PWS). The completed Core Data form must be reviewed by the Public Drinking Water program before registering a PWS (with the assignment of a PWS identification number) and transferring the registration data to Central Registry. At that time, an individual owner (verified by county appraisal districts at a minimum) or legal entity (must be in Secretary of State) will receive a Customer Number (CN), if it doesn't already have one, and the PWS site will receive a Regulated Entity Number (RN), if it does not already have one. For your convenience, we have included a copy of this form.

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

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

printed on recycled paper

- **Business plan** is required for a proposed new public water system (PWS) unless the owner of the PWS is a county, political subdivision of the state (district), municipality, non-profit water supply corporation incorporated under Chapter 67 of the Texas Water Code or meets one of the other exceptions listed in 30 TAC Section 290.39(g). **This appears to be a community public water system. A business plan meeting the requirements of 30 TAC Section 290.39(f) must be submitted.**
- **Certificate of Convenience and Necessity (CCN)** is required because the submittal indicates that the project is for an investor owned utility and is intended to provide retail water service to its customers. Please provide documentary evidence that the CCN application to obtain/amend a CCN has been filed with the Public Utility Commission of Texas. You may include a copy of the acceptance letter or an application number with the filing date.
- All new Public Water System (PWS) must evaluate the feasibility of regionalization before submitting plans, specifications, and a business plan to the TCEQ. The TCEQ's policy is that regionalization is feasible unless one of these three cases applies. **The area on the drawings indicate there are five retail public utilities within two miles: Liberty Utilities-CCN No. 13131, Southern Utilities-CCN No. 10762, Monarch Utilities-CCN No. 12983, Emerald Bay MUD-CCN No. 13047, Aqua Texas-CCN No. 13201. CPR must request service from these entities and provide documentation supporting either case B or case C below.**
 - a) Case A: There are no PWS's within two miles for a community public water system. If there are no PWS's within two miles of your service area and you do not need a new Certificate of Convenience and Necessity (CCN) you may proceed to submit your plans, specifications, and business plan for a stand-alone system. If there are existing PWSs within two miles of your service area, go to Case B below.
 - b) Case B: You have requested service, and your request has been denied. You must apply for service from the existing system by submitting a formal "request for service" application and by paying any associated fees. If all the nearby systems reject your request for service, you may proceed to submit plans, specifications and business plan. If the nearby system approved your request for service, see Case C below.
 - c) Case C: A nearby system approved your request for service but you can successfully demonstrate that an exception based on costs, affordable rates, and financial, managerial, and technical capabilities of the existing system should be granted. You must submit and receive an exception request before submitting plans, specifications and business plan.

Please submit **two sets** of the items listed above as soon as possible so that we may complete the review of your project. **These items must be submitted to Plan Review Team (MC-159) within 30 days or the entire package must be resubmitted for review. We are unable to store incomplete submittals beyond 30 days after the original date of receipt.**

For future reference, you can review part of the Plan Review Team's database to see if we have received your project. This is available on the TCEQ's homepage at the following address:

<https://www.tceq.texas.gov/drinkingwater/planrev.html#status>

Jerry F. Fontaine, P.E.
Page 3
November 6, 2020

You can download completion data checklists and the latest revision of Chapter 290 "Rules and Regulations for Public Water Systems" from this site:

<https://www.tceq.texas.gov/drinkingwater/planrev.html>

You can see information on the TCEQ Central Registry Program, download of core data form, instructions and guidance on completing the TCEQ Core Data Form. From this site:

https://www.tceq.texas.gov/permitting/central_registry

You can see the full text of the Texas Board of Professional Engineers rules regarding the firm name and registration number here: (Specifically Section 137.33(n) & Section 137.77(h))

<https://engineers.texas.gov/downloads.htm>

If you have any questions regarding this letter, please contact me at (512)239-6988 or by email at "vera.poe@tceq.texas.gov" or if by correspondence at the following address:

Plan Review Team, MC-159
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

Sincerely,



Vera Poe, P.E., Team Leader
Plan Review Team
Plan and Technical Review Section
Water Supply Division
Texas Commission on Environmental Quality

cc: CPR Water System – Attn.: Kim Cole, Manager, Cole, Prewitt & Rudisill, LLC, P.O. Box 1582, Palestine, Texas 75802

Request & Responses for Service
(Docket No. 50581)

DOCKET NO. 50581

**PETITION OF COLE, PREWITT AND
RUDISILL, LLC TO AMEND
SOUTHERN UTILITIES COMPANY'S
CERTIFICATE OF CONVENIENCE
AND NECESSITY IN SMITH COUNTY
BY EXPEDITED RELEASE** §
§
§
§
§
§

**PUBLIC UTILITY COMMISSION
OF TEXAS**



**NOTICE OF APPROVAL
MAKING A DETERMINATION ON COMPENSATION**

This Notice of Approval addresses the petition of Cole, Prewitt, and Rudisill, LLC, filed on February 21, 2020, requesting the streamlined expedited release of its approximately 151-acre tract of land from Southern Utilities Company's water certificate of convenience and necessity (CCN) number 10762 in Smith County. The Commission approved the requested release in an Order Granting Streamlined Expedited Release filed on August 13, 2020. The Commission now orders the petitioner to pay \$5,750 to Southern Utilities as compensation for the release.

I. Background

In Order No. 3 filed on June 5, 2020, the administrative law judge (ALJ) explained that, under Texas Water Code (TWC) § 13.2541, the granting of streamlined expedited release initiates an appraisal process to determine the amount of monetary compensation that may be owed by the landowner to the certificate holder for the tract of land that was released. As such, the ALJ stated that any order granting approval for streamlined expedited release would be interim in nature, allowing the docket to continue after that approval for the purpose of addressing the issue of compensation. Order No. 3 set forth a procedural schedule for determining the issue of compensation.

In the Order Granting Streamlined Expedited Release filed on August 13, 2020, the Commission approved the requested streamlined expedited release. The order also mandated that the procedural schedule in Order No. 3 remain in effect, and that the amount of compensation owed by the petitioner to Southern Utilities would be determined by separate order.

On September 17, 2020, the petitioner and Southern Utilities filed a joint notice of agreement in which they agree that \$5,750 is the amount of compensation that should be paid by

the petitioner to Southern Utilities for the release of the property. Commission Staff did not make a filing regarding compensation.

Under 16 Texas Administrative Code (TAC) § 24.245(i)(1), if the former CCN holder and landowner have agreed on the amount of compensation due, they may forego the appraisal process and make a joint filing with the Commission stating the amount of the compensation due. Because the petitioner and Southern Utilities have agreed to the compensation amount and disclosed that amount to the Commission, the Commission concludes that the petitioner is required to pay to Southern Utilities compensation in the amount of \$5,750.

II. Findings of Fact

The Commission makes the following findings of fact.

Petitioner

1. The petitioner is a domestic limited liability company registered with the Texas secretary of state under filing number 802746377.
2. The petitioner owns an approximately 151-acre tract of land in Smith county which, until recently, was located within the boundaries of Southern Utilities' water CCN number 10762.

Petition

3. On February 21, 2020, the petitioner filed its petition for streamlined expedited release of its 151-acre tract from Southern Utilities' water CCN number 10762.
4. On March 25 and June 23, 2020, the petitioner supplemented its petition.
5. The petitioner provided a general warranty deed and a copy of the Smith County Appraisal District rolls confirming its ownership of the tract and maps confirming the tract's location.
6. The tract is not receiving water service from Southern Utilities, is owned by the petitioner, is more than 25 acres, is within the boundaries of CCN number 10762 held by Southern Utilities, and is located in Smith County.
7. In Order No. 3 filed on June 5, 2020, the administrative law judge (ALJ) found the petition administratively complete.

Notice

8. The petitioner sent a true and correct copy of the petition, via certified mail, return receipt requested, to Southern Utilities on or about February 20, 2020.
9. The petitioner provided a copy of a certified mail receipt demonstrating that the petition was signed for by Southern Utilities on February 20, 2020, the day before the petition was filed with the Commission.
10. In Order No. 3 filed on June 5, 2020, the ALJ found the notice sufficient.

Intervention and Response to Petition

11. On March 10, 2020, Southern Utilities filed a motion to intervene.
12. In Order No. 2 filed on March 25, 2020, the ALJ granted the motion to intervene.
13. On June 9, 2020, Southern Utilities filed a response to the petition in which it asserted that the petition should be denied and, in the alternative that the petition is granted, that Southern Utilities is entitled to compensation.

Water Service

14. Southern Utilities has not committed or dedicated facilities or lines providing water service to the tract.
15. Southern Utilities has not performed acts or supplied anything to the tract.
16. The tract is not receiving water service from Southern Utilities.

Compensation

17. On September 17, 2020, the petitioner and Southern Utilities filed a joint notice of agreement in which they agree that the amount of compensation due from the petitioner to Southern Utilities for the release is \$5,750.
18. Commission Staff took no position on the appropriateness of the agreed-to compensation amount.

Decertification

19. In the Order Granting Streamlined Expedited Release filed on August 13, 2020, the Commission granted the petitioner's petition for streamlined expedited release and

removed the 151-acre tract of land owned by the petitioner from the certificated area under Southern Utilities' water CCN number 10762.

Informal Disposition

20. More than 15 days have passed since the completion of the notice in this docket.
21. No person filed a protest, and no person other than Southern Utilities moved to intervene.
22. Commission Staff, the petitioner, and Southern Utilities are the only parties to this proceeding.
23. No hearing is needed for the determination of compensation due.
24. Commission Staff recommended approval of the petition.
25. The decision is not adverse to any party.

III. Conclusions of Law

The Commission makes the following conclusions of law.

1. The Commission has authority over this petition under TWC §§ 13.254 and 13.2541.
2. Notice of the petition was provided in compliance with 16 TAC §§ 22.55 and 24.245(h)(3)(F).
3. No opportunity for a hearing on a petition for expedited release is provided under TWC § 13.2541 or 16 TAC § 24.245(h)(7).
4. Petitions for streamlined expedited release filed under TWC § 13.2541 and 16 TAC § 24.245(h) are not contested cases.
5. Landowners seeking streamlined expedited release under TWC § 13.2541 and 16 TAC § 24.245(h) are required to submit a verified petition through a notarized affidavit, and the CCN holder may submit a response to the petition.
6. To obtain release under TWC § 13.2541, a landowner must demonstrate that the landowner owns a tract of land that is at least 25 acres, that the tract of land is located in a qualifying county, and that the tract of land is not receiving service of the type that the current CCN holder is authorized to provide under the applicable CCN.
7. Smith County is a qualifying county under TWC § 13.2541(b) and 16 TAC § 24.245(h)(2).

8. The requested tract of land is not receiving water service from Southern Utilities in accordance with TWC § 13.2541(b).
9. Under 16 TAC § 24.245(i)(1), if the former CCN holder and landowner have agreed on the amount of compensation to be paid, they may forego the appraisal process and make a joint filing with the Commission stating the amount of the compensation to be paid.
10. The Commission may award compensation to Southern Utilities under TWC § 13.2451(f).
11. The amount of \$5,750, agreed to by the petitioner and Southern Utilities, is just and adequate compensation for the release under TWC § 13.2541.
12. The Commission processed the petition in accordance with the TWC, the Administrative Procedure Act,¹ and Commission rules.
13. The requirements for informal disposition in 16 TAC § 22.35 have been met in this proceeding.

IV. Ordering Paragraphs

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

1. The petitioner must pay to Southern Utilities compensation in the amount of \$5,750 within 90 days from the date of this Notice of Approval.²
2. The Commission denies all other motions and any other requests for general or specific relief that have not been expressly granted.

¹ Tex. Gov't Code §§ 2001.001-.903.

² This implements the payment deadline mandated by 16 TAC § 24.254(i)(6). The parties are free to agree, via contract, to a shorter payment deadline.

Signed at Austin, Texas the 21st of September 2020.

PUBLIC UTILITY COMMISSION OF TEXAS

A handwritten signature in black ink, appearing to read 'HB', is written over a horizontal line.

**HUNTER BURKHALTER
CHIEF ADMINISTRATIVE LAW JUDGE**

q \cadm\doCKET management\water\ccn_expedited\50xxx\50581 noa.docx

Proposed Water Tariff



WATER UTILITY TARIFF

Docket Number: _____

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

CPR Water Supply Company, LLC.

(Utility Name)

100 Avenue A

(Business Address)

Palestine, TX 75801

(City, State, Zip Code)

903-723-8585

(Area Code/Telephone)

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

This tariff is effective in the following counties: Smith

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

None

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

None

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

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Note: Appendix A – Drought Contingency Plan (DCP) is approved by the Texas Commission on Environmental Quality; however, the DCP is included as part of your approved utility tariff pursuant to PUC rules. If you are establishing a tariff for the first time, please contact the TCEQ to complete and submit a DCP for approval.

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

Meter Size	Monthly Minimum Charge	Gallonage Charge
5/8" or 3/4"	\$ 45.00 (Includes gallons)	\$ 3.50 per 1000 gallons, 1 st 6000 gallons
1"	\$ 76.50	
1½ "	\$ 148.50	\$ 4.40 per 1000 gallons thereafter
2"	\$ 238.50	
3"	\$ 450.00	
4"	\$ 742.50	

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

Cash ☐ Check ☒ Money Order ☒ Credit Card ☐ Other (specify _____)

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

REGULATORY ASSESSMENT

1.0%

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 \$ 650.00

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

TAP FEE (Unique Costs)

Actual Cost

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

TAP FEE (Large Meter)

Actual Cost

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

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

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

METER TEST FEE \$ 25.00

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

SECTION 1.0 – RATE SCHEDULE (Continued)

RECONNECTION FEE

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

- | | |
|--|---------------|
| a) Nonpayment of bill (Maximum \$25.00) | \$___25.00___ |
| b) Customer's request that service be disconnected | \$___45.00___ |
| c) _____ | \$_____ |

TRANSFER FEE

\$___45.00___

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

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

\$___10%___

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

\$___30.00___

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

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50)

\$___50.00___

COMMERCIAL & NON-RESIDENTIAL DEPOSIT

1/6TH OF ESTIMATED ANNUAL BILL

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE

\$_Actual Cost_

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. A customer requesting service where service has previously been provided must pay a reconnect fee as provided in Section 1. Any applicant or existing customer required to pay for any costs not specifically set forth in the rate schedule pages of this tariff shall be given a written explanation of such costs prior to request for payment and/or commencement of construction. If the applicant or existing customer does not believe that these costs are reasonable or necessary, the applicant or existing customer shall be informed of their right to appeal such costs to the 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 P.U.C. SUBST. R. 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 P.U.C. SUBST. R. 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 P.U.C. SUBST. 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.

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.

APPENDIX A – DROUGHT CONTINGENCY PLAN (Utility Must Attach TCEQ-Approved Plan)

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

Financial Information

BALANCE SHEET**ASSETS****UTILITY PLANT**

101 Utility Plant in Service	
103 Property held for Future Use	
105 Construction Work In Progress	
114, 115 Net Utility Plant Acquisition Adjustment	
TOTAL UTILITY PLANT	
108 Less Accumulated Depreciation	
110 Less Accumulated Amortization	
NET UTILITY PLANT	

End of Year
12/31/2020**CURRENT ASSETS**

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141-143 Accounts Receivable	
144 Notes Receivable	
144-145 Accounts Receivable-Affiliates/Common Ownership	
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162 Prepayments	
171-174 Other Current Assets	
TOTAL CURRENT ASSETS	

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182-186 Deferred Charges/Debits	
190 Accum. Deferred Income Taxes	
TOTAL OTHER ASSETS and DEFERRED CHARGES	

TOTAL ASSETS**LIABILITIES & EQUITY****STOCKHOLDERS' EQUITY**

201 Common Stock	
211 Other paid in capital	
215 Retained Earnings	
TOTAL STOCKHOLDERS' EQUITY	

LONG-TERM DEBT

224 Long-term debt, excluding current portion	
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CURRENT LIABILITIES

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231 Accounts Payable	
232 Notes Payable	
233, 234 Payables to Affiliates/Common Ownership	
236 Accrued Taxes	
237 Accrued Interest	
241 0 Other Current Liabilities	
TOTAL CURRENT LIABILITIES	

OTHER LIABILITIES and DEFERRED CREDITS

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253 Other Deferred Credits	
255 Deferred Investment Tax Credits	
271-272 Net Contributions in Aid of Construction	
281-283 Accumulated Deferred Inc Taxes	
TOTAL OTHER LIABILITIES and DEFERRED CREDITS	

TOTAL LIABILITIES

\$	0
\$	0
\$	0
\$	0
\$	908,000
\$	909,000
\$	908,000
\$	0
\$	0
\$	909,000



January 22, 2021

RE: Loan Approval Documentation on behalf of CPR Water Supply LLC

To Whom It May Concern,

Please be advised that CPR Water Supply LLC has approved loan proceeds on its behalf that are pending closing. One \$908,000 loan closing is scheduled for Monday, 2/1, and a \$1,600,000 closing is scheduled for later in February subject only to appraisal.

Kim Cole, Chris Prewitt, and John "Dick" Rudisill have been customers of our Bank for over 14 years. They have demonstrated an outstanding repayment history and are highly respected, valued clients of our Bank.

Please do not hesitate to contact me at 903-510-3520 should you need additional information.
Thank you.

Sincerely,

A handwritten signature in black ink that reads "John Michael Rowland". The signature is written in a cursive, flowing style.

John Michael Rowland
Senior Relationship Manager
Senior Vice President
BancorpSouth

Maps

CPR Water Supply Company, LLC – Obtain a Water CCN

County within: Smith

CCN overlaps: None

City limits within: None

ETJs within: None

Districts within: None

GCDs within: None

½ mile Service Request:

Liberty Utilities (Silverleaf Water) LLC (CCN 13131)
Monarch Utilities I LP (CCN 12983)
Southern Utilities Company (CCN 10762)

Entities within 2 miles/Notice list:

Aqua Texas, Inc. (CCN 13201)
Liberty Utilities LLC (CCN 13131)
Emerald Bay MUD (CCN 13047)
Monarch Utilities I LP (CCN 12983)
Southern Utilities Company (CCN 10762)
Smith County Judge

Addresses and Phone Numbers for Notice List

Aqua Texas, Inc.
1106 Clayton Lane Ste 400W
Austin, TX 78723

Liberty Utilities (Silverleaf Water) LLC
12725 W Indian School Rd Ste D101
Avondale, AZ 85392

Emerald Bay MUD
155 La Salle Rd
Bullard, TX 75757

Monarch Utilities I LP
12535 Reed Rd
Sugar Land, TX 77478

Southern Utilities Company
218 N Broadway
Tyler, TX 75702

Smith County Judge Nathaniel Moran
200 E Ferguson Ste 100
Tyler, TX 75702

Written Description

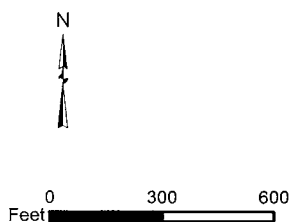
The proposed utility service area is located approximately 3.7 miles southwest of downtown Noonday, TX, and is generally bounded on the north by Farm to Market Road 344 and State Highway 155; on the east by County Road 189 N; on the south by Lake Palestine, Saline Bay; and on the west by State Highway 155.

Approximately 151 acres.



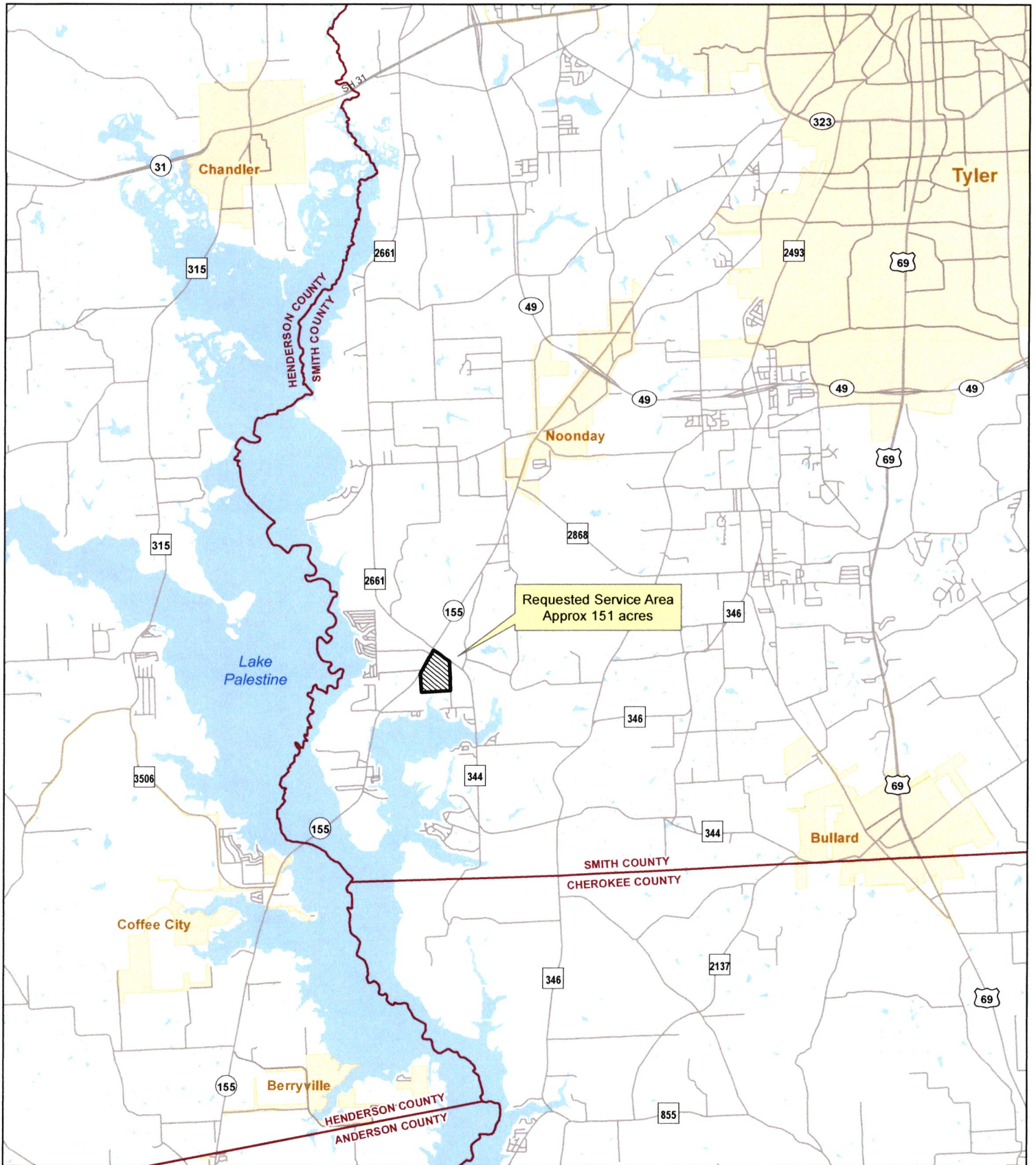
Detail Map

CPR Water Supply Company, LLC
To Obtain a Water CCN in Smith County



Requested Water Service Area - approx 151 acres

Map by: Suzanne Burt, ASBGI
Date: December 1, 2020
Base: TxDOT Roadways
Project: Detail Map



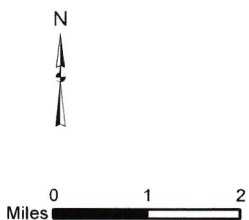
General Location

CPR Water Supply Company, LLC
To Obtain a Water CCN in Smith County



Requested Water Service Area - approx 151 acres

Map by: Suzanne Burt, ASBGI
Date: December 2, 2020
Base: TxDOT Roadways
Project: General Location





Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community

Detail Map on Imagery

CPR Water Supply Company, LLC
To Obtain a Water CCN in Smith County

 Requested Water Service Area - approx 151 acres

Map by: Suzanne Burt, ASBGI
Date: December 1, 2020
Base: ESRI World Imagery
Project: Detail Map on Imagery



0 300 600
Feet

CD ATTACHED

**TO VIEW PLEASE CONTACT
CENTRAL RECORDS
512-936-7180**