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**PROPOSED**

## **WATER UTILITY TARIFF**

**Docket Number: 52445**

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

HydroTex  
(Utility Name)

101 Parline Blvd., Ste 102  
(Business Address)

Sugar Land Texas 77478  
(City, State, Zip Code)

713-562-5084  
(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:

Liberty

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

n/a

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

The Landing

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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.

**HydroTex**

**Water Tariff Page No 3.**

**SECTION 1.0 -- RATE SCHEDULE**

Section 1.01 - Rates

<b>Meter Size</b>	<b>Monthly Minimum Charge</b>	<b>Gallonge Charge</b>
5/8" or 3/4"	\$ 45.00 (Includes 0 gallons)	\$ 5.95 per 1000 gallons
1"	\$ 78.75	
1 1/2"	\$ 146.25	
2"	\$ 225.00	
3"	\$ 495.00	
4"	\$ 945.00	

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

Cash **X** Check **X** Money Order **X** Credit Card **X** Other (specify) **N/A**

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. CREDIT CARD CHARGES ARE SUBJECT TO A 4% FEE ON THE AMOUNT CHARGED.

**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: Standard Tap \$1,600 / Smart Tap \$1,800**

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

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
- b) Customer’s request that service be disconnected \$50

**TRANSFER FEE**

**\$25**

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

**LATE CHARGE Greater of \$5 or 10% of outstanding bill**

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**

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

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

**\$50**

**COMMERCIAL & NON-RESIDENTIAL DEPOSIT**

1/6TH OF ESTIMATED ANNUAL BILL

**GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE**

n/a

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.

### 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)**

**Appendix B: Projected Information**

<b>PROJECTED BALANCE SHEETS</b>	<b>START UP</b>	<b>A-1 YEAR</b>	<b>A-2 YEAR</b>	<b>A-3 YEAR</b>	<b>A-4 YEAR</b>	<b>A-5 YEAR</b>
<b>12/31/2021</b>	<b>(12-31-2021)</b>	<b>(12-31-2022)</b>	<b>(12-31-2023)</b>	<b>(12-31-2024)</b>	<b>(12-31-2025)</b>	<b>(12-31-2026)</b>
<b>CURRENT ASSETS</b>						
Cash	\$20,000	\$2,109	\$2,888	\$3,988	\$5,131	\$5,692
Accounts Receivable	\$0	\$5,853	\$11,487	\$18,473	\$21,252	\$17,030
Inventories	\$0	\$0	\$0	\$0	\$0	\$0
Income Tax Receivable	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0	\$0
<b>A. Total Current Assets</b>	<b>\$20,000</b>	<b>\$7,962</b>	<b>\$14,375</b>	<b>\$22,461</b>	<b>\$26,384</b>	<b>\$22,722</b>
<b>FIXED ASSETS</b>						
Land	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000
Collection/Distribution System	\$0	\$375,000	\$750,000	\$750,000	\$750,000	\$750,000
Buildings	\$0	\$0	\$0	\$0	\$0	\$0
Equipment	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0	\$0
Less: Accum. Depreciation or Reserves	\$0	(\$8,900)	(\$35,600)	(\$53,400)	(\$71,200)	(\$89,000)
<b>B. Total Fixed Assets</b>	<b>\$125,000</b>	<b>\$491,100</b>	<b>\$839,400</b>	<b>\$821,600</b>	<b>\$803,800</b>	<b>\$786,000</b>
<b>C. TOTAL Assets (A + B)</b>	<b>\$145,000</b>	<b>\$499,062</b>	<b>\$853,775</b>	<b>\$844,061</b>	<b>\$830,184</b>	<b>\$808,722</b>
<b>CURRENT LIABILITIES</b>						
Accounts Payable	\$4,000	\$1,371	\$1,877	\$2,592	\$3,335	\$3,700
Notes Payable, Current	\$0	\$0	\$0	\$0	\$0	\$0
Accrued Expenses	\$0	\$955	\$997	\$1,039	\$1,070	\$1,079
Other	\$0	\$0	\$0	\$0	\$0	\$0
<b>D. Total Current Liabilities</b>	<b>\$4,000</b>	<b>\$2,325</b>	<b>\$2,875</b>	<b>\$3,631</b>	<b>\$4,405</b>	<b>\$4,779</b>
<b>LONG TERM LIABILITIES</b>						
Notes Payable, Long-term	\$0	\$0	\$0	\$0	\$0	\$0
Other (Advance)	\$0	\$0	\$0	\$0	\$0	\$0
<b>E. Total Long Term Liabilities</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>F. TOTAL LIABILITIES (D + E)</b>	<b>\$4,000</b>	<b>\$2,325</b>	<b>\$2,875</b>	<b>\$3,631</b>	<b>\$4,405</b>	<b>\$4,779</b>
<b>OWNER'S EQUITY</b>						
Paid in Capital	\$145,000	\$145,000	\$145,000	\$145,000	\$145,000	\$145,000
Retained Equity		(\$19,000)	(\$12,848)	\$24,440	\$98,715	\$182,871
Other (Additional Paid-In Capital)	\$15,000	\$364,585	\$681,461	\$596,715	\$497,908	\$422,718
Current Period Profit or Loss	(\$19,000)	\$6,152	\$37,287	\$74,275	\$84,156	\$53,354
<b>G. TOTAL OWNER'S EQUITY</b>	<b>\$141,000</b>	<b>\$496,737</b>	<b>\$850,900</b>	<b>\$840,429</b>	<b>\$825,779</b>	<b>\$803,943</b>
<b>TOTAL LIABILITIES+EQUITY (F + G)= C</b>	<b>\$145,000</b>	<b>\$499,062</b>	<b>\$853,775</b>	<b>\$844,061</b>	<b>\$830,184</b>	<b>\$808,722</b>
<b>WORKING CAPITAL (A – D)</b>	<b>\$16,000</b>	<b>\$5,637</b>	<b>\$11,500</b>	<b>\$18,829</b>	<b>\$21,979</b>	<b>\$17,943</b>
<b>CURRENT RATIO (A / D)</b>	<b>5.00</b>	<b>3.42</b>	<b>5.00</b>	<b>6.19</b>	<b>5.99</b>	<b>4.75</b>
<b>DEBT TO EQUITY RATIO (F / G)</b>	<b>0.03</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.01</b>	<b>0.01</b>

**PROJECTED NET INCOME INFORMATION**

	<b>START UP</b>	<b>A-1 YEAR</b>	<b>A-2 YEAR</b>	<b>A-3 YEAR</b>	<b>A-4 YEAR</b>	<b>A-5 YEAR</b>
<b>Date of Year End</b>	<b>(12-31-2021)</b>	<b>(12-31-2022)</b>	<b>(12-31-2023)</b>	<b>(12-31-2024)</b>	<b>(12-31-2025)</b>	<b>(12-31-2026)</b>
<b>METER NUMBER</b>						
Existing Number of Taps	0	0	20	50	90	121
New Taps Per Year	-	20	30	40	31	0
<b>Total Meters at Year End</b>	0	20	50	90	121	121
<b>METER REVENUE</b>						
Revenue Per Meter (use for projections)	\$0	\$2,341	\$1,838	\$1,642	\$1,405	\$1,126
Expense per Meter (use for projections)	\$0	\$2,034	\$1,092	\$817	\$710	\$685
<b>Operating Revenue Per Meter</b>						
<b>GROSS WATER REVENUE</b>						
Revenues- Base Rate & Gallonage Fees	\$0	\$10,826	\$37,892	\$75,785	\$114,219	\$130,999
Other (Tap, reconnect, transfer fees, etc.)	\$0	\$36,000	\$54,000	\$72,000	\$55,800	\$5,240
<b>Gross Income</b>	\$0	\$46,826	\$91,892	\$147,785	\$170,019	\$136,239
<b>EXPENSES</b>						
General & Administrative (see schedule)	\$15,000	\$19,091	\$19,317	\$20,178	\$21,028	\$21,639
Operating (see schedule)	\$4,000	\$19,948	\$25,543	\$33,750	\$42,560	\$47,050
Interest	\$0	\$0	\$0	\$0	\$0	\$0
Other (Income Tax)	\$0	\$1,635	\$9,745	\$19,582	\$22,274	\$14,196
<b>NET INCOME</b>	<b>(\$19,000)</b>	<b>\$6,152</b>	<b>\$37,287</b>	<b>\$74,275</b>	<b>\$84,156</b>	<b>\$53,354</b>

<b>PROJECTED EXPENSE DETAIL</b>	<b>YEAR 1</b>	<b>YEAR 2</b>	<b>YEAR 3</b>	<b>YEAR 4</b>	<b>YEAR 5</b>	<b>TOTALS</b>
<b>GENERAL/ADMINISTRATIVE EXPENSES</b>						
Insurance	\$1,545	\$1,591	\$1,639	\$1,688	\$1,739	\$8,203
Engineering/Reg	\$3,000	\$3,090	\$3,183	\$3,278	\$3,377	\$15,927
Legal/Reg	\$3,000	\$3,090	\$3,183	\$3,278	\$3,377	\$15,927
Direct Management	\$2,060	\$2,060	\$2,122	\$2,185	\$2,251	\$10,678
Other Direct Costs	\$2,060	\$2,060	\$2,122	\$2,185	\$2,251	\$10,678
Corporate OH	\$2,060	\$2,060	\$2,122	\$2,185	\$2,251	\$10,678
Franchise Tax	\$351	\$351	\$689	\$1,108	\$1,275	\$3,775
Texas Ad Valorem	\$5,015	\$5,015	\$5,119	\$5,119	\$5,119	\$25,385
<b>Total</b>	<b>\$19,091</b>	<b>\$19,317</b>	<b>\$20,178</b>	<b>\$21,028</b>	<b>\$21,639</b>	<b>\$101,253</b>
<b>% Increase Per Projected Year</b>	0.00%	1.17%	4.27%	4.04%	2.82%	
<b>OPERATIONAL EXPENSES</b>						
Contract O&M	\$618	\$2,228	\$4,589	\$7,124	\$8,416	\$22,976
Plant Utilities	\$336	\$1,211	\$2,495	\$3,873	\$4,576	\$12,492
Chemicals	\$720	\$2,596	\$5,347	\$8,300	\$9,805	\$26,768
Materials & Supplies	\$103	\$371	\$765	\$1,187	\$1,403	\$3,829
Other Direct Costs	\$371	\$1,337	\$2,754	\$4,275	\$5,050	
Depreciation	\$17,800	\$17,800	\$17,800	\$17,800	\$17,800	\$89,000
<b>Total</b>	<b>\$19,948</b>	<b>\$25,543</b>	<b>\$33,750</b>	<b>\$42,560</b>	<b>\$47,050</b>	<b>\$155,066</b>
<b>% Increase Per Projected Year</b>	0.00%	21.90%	24.32%	20.70%	9.54%	69.66%

<b>PROJECTED SOURCES AND USES OF CASH STATEMENTS</b>	<b>YEAR 1</b>	<b>YEAR 2</b>	<b>YEAR 3</b>	<b>YEAR 4</b>	<b>YEAR 5</b>	<b>TOTALS</b>
<b>SOURCES OF CASH</b>						
Net Income	\$6,152	\$37,287	\$74,275	\$84,156	\$53,354	\$255,225
Depreciation (If funded by revenues of system)	\$17,800	\$17,800	\$17,800	\$17,800	\$17,800	\$89,000
Loan Proceeds						\$0
Other (Paid In Capital)	\$375,000	\$375,000				\$750,000
<b>Total Sources</b>	<b>\$398,952</b>	<b>\$430,087</b>	<b>\$92,075</b>	<b>\$101,956</b>	<b>\$71,154</b>	<b>\$1,094,225</b>
<b>USES OF CASH</b>						
Net Loss	\$0	\$0	\$0	\$0	\$0	\$0
Principal Portion of Pmts.						\$0
Fixed Asset Purchase	\$375,000	\$375,000	\$0	\$0	\$0	\$750,000
Reserve						\$0
Other (Advances)	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Uses</b>	<b>\$375,000</b>	<b>\$375,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$750,000</b>
<b>NET CASH FLOW</b>	<b>\$23,952</b>	<b>\$55,087</b>	<b>\$92,075</b>	<b>\$101,956</b>	<b>\$71,154</b>	<b>\$344,225</b>
<b>DEBT SERVICE COVERAGE</b>						
Cash Available for Debt Service (CADS)						
A: Net Income (loss)	\$6,152	\$37,287	\$74,275	\$84,156	\$53,354	\$255,225
B: Depreciation or Reserve Interest	\$17,800	\$17,800	\$17,800	\$17,800	\$17,800	\$89,000
<b>C: Total CADS (A+B=C)</b>	<b>\$23,952</b>	<b>\$55,087</b>	<b>\$92,075</b>	<b>\$101,956</b>	<b>\$71,154</b>	<b>\$344,225</b>
<b>D: DEBT SERVICE (DS)</b>						
Principle Plus Interest	\$0	\$0	\$0	\$0	\$0	\$0
<b>E: DEBT SERVICE COVERAGE RATIO</b>						
CADS Divided by DS (E=C/D)	n/a	n/a	n/a	n/a	n/a	n/a



HYDRO**TEX**

Business Plan 2021



# Executive Summary

Hydrotex will serve the water needs of our customers and community. Hydrotex will focus on the residential construction boom in Liberty County and Montgomery County. Furthermore, it is one of the largest counties in Texas with a growth rate of over 22% in the past decade. Including, a major growth in the Hispanic and Latino community.

Hydrotex is well positioned to capture a vast share of the water service business in this growing residential area with location off of a major highway.

## Objective

- Capture the majority of the water service business in the Liberty and Montgomery counties.
- Offer our customers a exceptional service, with expertise.

## Mission

Hydrotex's mission is to provide water to all our communities with integrity and fairness.

## Keys to Success

The keys to success for Hydrotex are:

- Prompt service
- Wealth of knowledge and expertise
- Provide service with integrity

## Company Summary

Hydrotex has 25 years of combined history, knowledge and experience of providing consultation, construction and operation of utility systems for residential customers. The leadership team prides itself on values and working directly with the community, and developers. Tailoring solutions to the customer's needs.

## Services

- Private water utility solutions
- Own and operate
- Water operations
- Utility construction

## About Us

This privately owned water company was formed by a long-time developer and investor Shaun Vembutty, and engineer Steve Sullivan.

The team has combined experience in developing single family subdivisions, retail centers and multifamily communities. As well as, installing and maintaining wastewater systems. With their combined background of experiences, they have developed an efficient process for land development and water utility systems. Their operation is committed to the community and supplying water to every community in Texas big and small. Hydrotex is regulated by the Texas Commission on Environmental Quality (TCEQ), and Public Utility Commission of Texas (PUC).

## TCEQ General Provisions Submissions

- (1) Description of areas and population to be served:  
The proposed service area will be a residential development. The anticipated population of the proposed service area will be middle income households. The proposed project vicinity is mostly rural; with 89 acres and 120 connections, totaling approximately 480 residents.
- (2) Description of drinking water supply systems within two-mile radius of the proposed system, copies of written requests seeking to obtain service from each of those drinking water supply systems, and copies of the responses to the written requests: Attachments I, II and III provided
- (3) Timeline for construction of the system and commencement of operations: The estimated construction timeframe for the Hydrotex development is 6 – 9 months.
- (4) Identification of and costs of alternative sources of supply: Raw land, there are none
- (5) Selection of the alternative to be used and the basis for that selection: N/A

- (6) Identification of the person or entity which owns or will own the drinking water system and any identifiable future owners of the drinking water system:

Shaun Vembutty, President

Steve Sullivan, COO

Shaun Vembutty, CFO

- (7) Identification of any other businesses and public drinking water system(s) owned or operated by the applicant, owner(s), parent organization, and affiliated organization(s):

Steve Sullivan has owned and operated Southern Horizons water for 25 years. Additionally, he has owned Sunny Cove Development for 15 years.

Shaun Vembutty is the founder of Ashton Grey Development with 12 years of development experience including retail, single family and multifamily developments.

- (8) An operations and maintenance plan which includes sufficient detail to support the budget estimate for operation and maintenance of the facilities: Attached as part of the rate study
- (9) Assurances that the commitments and resources needed for proper operation and maintenance of the system are, and will continue to be, available, including the qualifications of the organization and each individual associated with the proposed system: Attached as part of the rate study

- (10) For retail public utilities as defined by TWC,
- a) Projected rate revenue from residential, commercial, and industrial customers:
  - b) Pro forma income, expense, and cash flow statements:

Attached as part of the rate study

- (11) Identification of any appropriate financial assurance, including those being offered to capital providers

- (12) A notarized statement signed by the owner or responsible person that the business plan has been prepared under his direction and that he is responsible for the accuracy of the information:

The following files are not convertible:

NewHydroTex\_SPC.CPG  
NewHydroTex\_SPC.dbf  
NewHydroTex\_SPC.prj  
NewHydroTex\_SPC.sbn  
NewHydroTex\_SPC.sbx  
NewHydroTex\_SPC.shp  
NewHydroTex\_SPC.shx  
NewHydroTex\_TSMS.CPG  
NewHydroTex\_TSMS.dbf  
NewHydroTex\_TSMS.prj  
NewHydroTex\_TSMS.sbn  
NewHydroTex\_TSMS.sbx  
NewHydroTex\_TSMS.shp  
NewHydroTex\_TSMS.shx

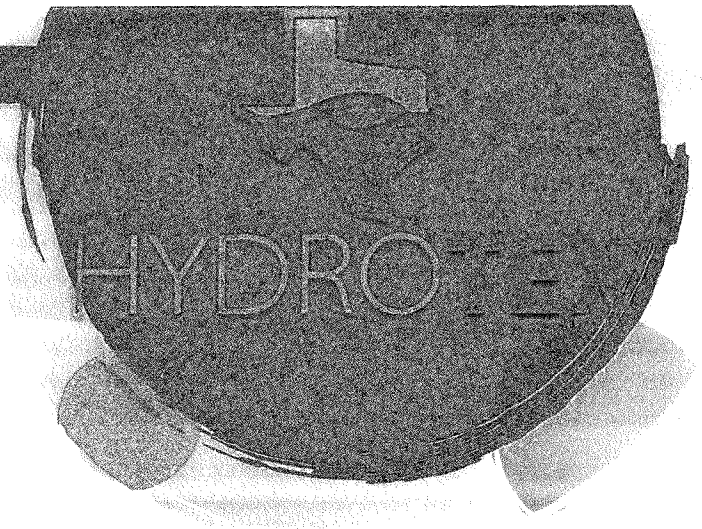
Please see the ZIP file for this Filing on the PUC Interchange in order to access these files.

Contact [centralrecords@puc.texas.gov](mailto:centralrecords@puc.texas.gov) if you have any questions.

**HYDROTEX**

25408 US-59, Porter, TX 77365

281-747-7171



**Agreement between Steve Sullivan of Southern Horizons and  
Kevin Browder of HydroTex**

6/22/2022

HydroTex is seeking to decertify approximately 88 acres that are currently showing as being serviced under the CCN, Southern Horizons. HydroTex is seeking to amend the acreage from Southern Horizons to the CCN, HydroTex. This acreage needs to be confirmed to PUC Docket No. 52445

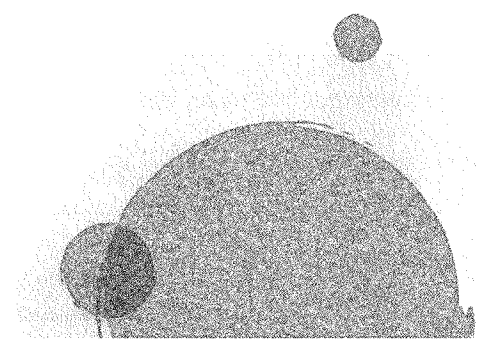
**Agreed upon this date: June 22, 2022**

A handwritten signature in black ink, appearing to read "Kevin Browder". The signature is written over a horizontal line.

**Kevin Browder**  
HydroTex

A handwritten signature in black ink, appearing to read "Steve Sullivan". The signature is written over a horizontal line.

**Steve Sullivan**  
Southern Horizons



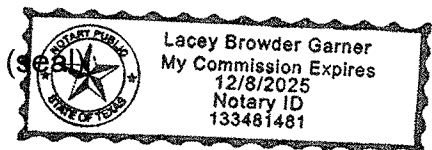
HYDROTE

**TEXAS NOTARIAL CERTIFICATE**

State of Texas

County of Liberty

Sworn to and subscribed before me on the 27 day of June, 2022, by  
Kevin Browder



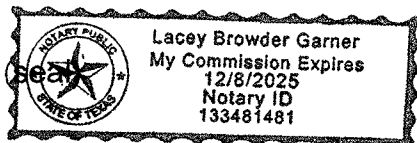
Garner  
Notary Public Signature

**TEXAS NOTARIAL CERTIFICATE**

State of Texas

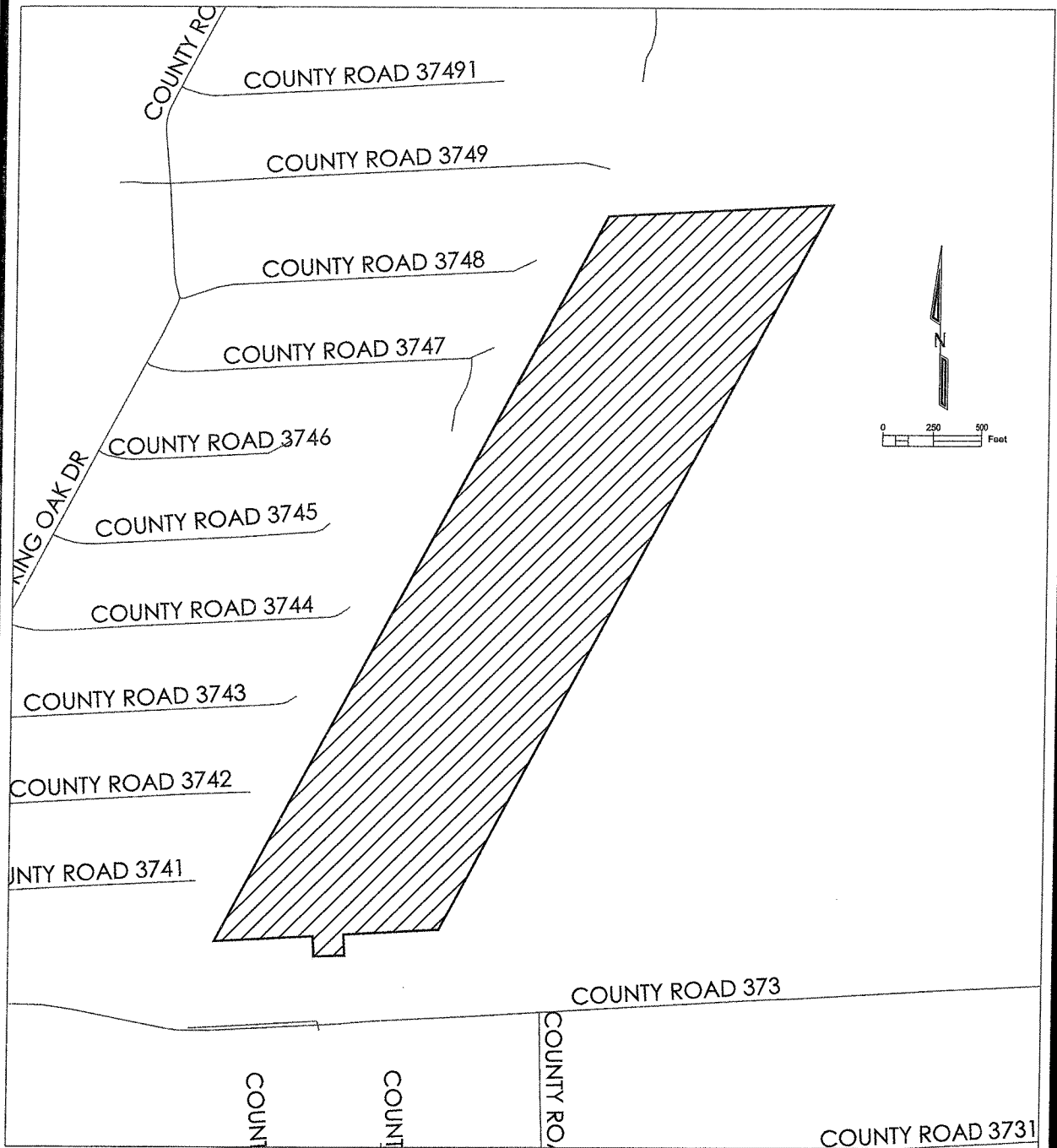
County of Liberty

Sworn to and subscribed before me on the 27 day of June, 2022, by  
Steve Sullivan

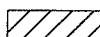


Garner  
Notary Public Signature

APPLICATION TO OBTAIN A WATER CCN  
FOR HYDROTEX LLC IN LIBERTY COUNTY



REQUESTED AREA:

 DECERTIFY A PORTION FROM SOUTHERN  
HORIZONS CCN No. 12863 AND AMEND TO  
HYDROTEX, LLC NEW WATER CCN

ATTACHEMENT A

HYDROTEX SMALL SCALE MAP

PROJECT #:1174

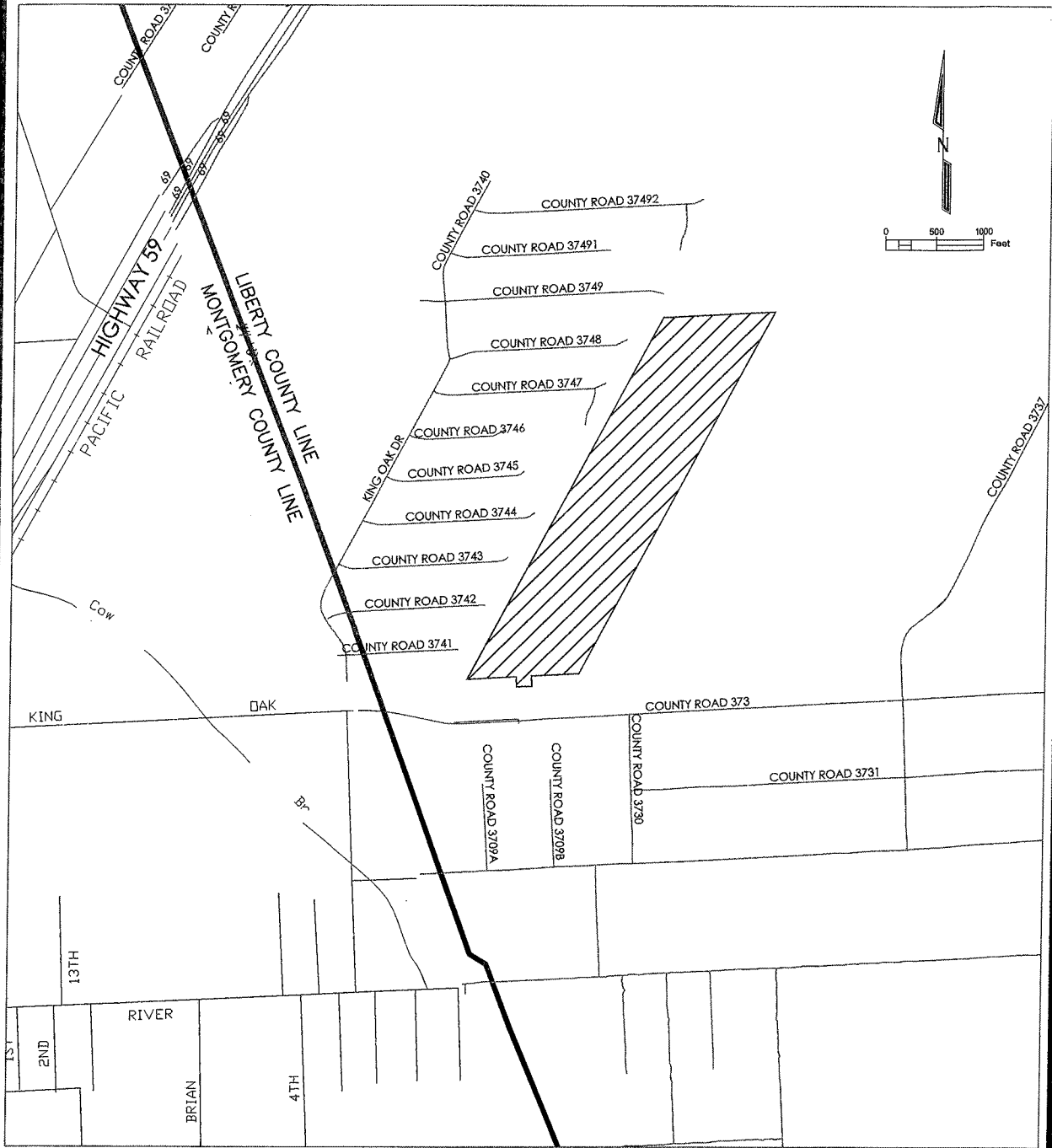
DATE: 06/23/2022




SPEAR POINT ENGINEERING, LLC

18PE Firm No. 18904  
604 W WORSHAM  
WILLIS, TX 77378  
936-296-2626

# APPLICATION TO OBTAIN A WATER CCN FOR HYDROTEX LLC IN LIBERTY COUNTY



**REQUESTED AREA:**

 DECERTIFY A PORTION FROM SOUTHERN HORIZONS CCN No. 12863 AND AMEND TO HYDROTEX, LLC NEW WATER CCN

## ATTACHEMENT A

HYDROTEX LARGE SCALE MAP

PROJECT #:1174

DATE: 06/23/2022



**SPEAR POINT ENGINEERING, LLC**

TSPE Firm No. 18904  
604 W WORSHAM  
WILUS, TX 77378  
936-256-2628





## TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

*Protecting Texas by Reducing and Preventing Pollution*

May 11, 2022

Mr. Michael W. Mathena, P.E.  
Spear Point Engineering, LLC  
204 West Montgomery Street  
Willis, Texas 77378

Re: The Landing II Subdivision - Public Water System ID No. 1460200  
Proposed New Well and System  
Engineer Contact Telephone: (956) 245-2547  
Plan Review Log No. P-03042022-032  
Liberty County, Texas

CN606015543; RN111495131

Dear Mr. Mathena:

On March 4, 2022, the Texas Commission of Environmental Quality (TCEQ) received planning material with your letter dated March 3, 2022 for the proposed New Well and Water System. Based on our review of the information submitted, the project generally meets the minimum requirements of Title 30 Texas Administrative Code (TAC) Chapter 290 - Rules and Regulations for Public Water Systems and is **conditionally approved for construction** if the project plans and specifications meet the following requirement(s):

1. HydroTex, LLC, owner of The Landing II Subdivision, filed an application for a water Certificate of Convenience and Necessity (CCN), in Liberty County, with the Public Utility Commission (PUC) on August 18, 2021, PUC Control No. 52445. According to information received from PUC staff, the proposed area overlaps both the City of Splendor (CCN No. 11727) and Southern Horizons (CCN No. 12863). The Applicant plans to request decertification agreements from each CCN holder and amend the area to themselves, since the other CCN holders are not able to provide retail water service and have no infrastructure to serve the requested area. The CCN application is still pending as of this time. The CCN transfer and/or must be completed prior to any water from this system being distributed to utility customers.
2. **§290.41(c)(1)(F)** A sanitary control easement or sanitary control easements covering land within 150 feet of the well, or executive director approval for a substitute authorized by this subparagraph, shall be obtained. A draft sanitary control easement was provided for land within 150 feet of the well that will not be owned by the system. The sanitary control easement(s) must be fully executed and recorded and submitted with the well completion materials (step 2).

3. Corrosive indices will be used to calculate corrosivity of the water from new source(s). Corrosive or aggressive water could result in aesthetic problems, increased levels of toxic metals, and deterioration of household plumbing and fixtures. **If the water appears to be corrosive**, the system will be required to conduct a study and submit an engineering report that addresses corrosivity issues or may choose to install corrosion control treatment **before use may be granted**. All changes in treatment require submittal of plans and specifications for approval by TCEQ. The plans include the use of a phosphate treatment system to address corrosivity. This system was not included in this approval. Corrosivity will be evaluated when the water quality data for this well is presented with the well completion materials. The need for any corrosivity treatment will be reviewed at that time.

Texas Water Code Section 36.0015 allows for the creation of groundwater conservation districts (GCDs) as the preferred method of groundwater management. GCDs manage groundwater in many counties and are authorized to regulate production and spacing of water wells. **Public water systems drilling wells within an existing GCD are responsible for meeting the GCD's requirements.** The authorization provided in this letter does not affect GCD authority to manage groundwater or issue permits.

**The design engineer or water system representative is required to notify the Plan Review Team in writing by fax at (512) 239-6972 or by emailing David.Yager@Tceq.Texas.Gov and cc: vera.poe@tceq.texas.gov at least 48 hours before the well casing pressure cementing begins.** If pressure cementing is to begin on Monday, then they must give notification on the preceding Thursday. If pressure cementing is to begin on Tuesday, then they must give notification on the preceding Friday.

**The TCEQ does not approve this well for use as a public water supply at this time.** We have enclosed a copy of the "Public Well Completion Data Checklist for Approval (Step 2)". We provide this checklist to help you in obtaining approval to use this well.

The submittal consisted of 13 sheets of engineering drawings, technical specifications and an engineering summary. The proposed project consists of:

- One (1) public water supply well drilled to 550 feet with 350 linear feet (lf) of 12-inch outside diameter (od) schedule 40 steel casing and pressure-cemented 350 lf;
- 75 lf of 8.625-inch od AISI Type 304 Stainless Steel rod based screen, 125 lf of 8.625-inch od schedule 40 galvanized steel blank liner, with 200 feet of gravel pack;
- The well is rated for 75 gallons per minute (gpm) yield with a 7.5 horsepower submersible pump set at 200 feet deep. The design capacity of the pump is 75 gpm at 216 feet total dynamic head;
- One (1) 30,000 gallon American Water Works Association (AWWA) D103 Factory-Coated Bolted Carbon Steel ground storage tank;
- One 3000 gallon American Society of Mechanical Engineers (ASME) Section VIII, Division I Hydropneumatic Tank;
- Two (2) 242 gpm service pumps;
- One (1) liquid chlorine disinfection system consisting of;

Mr. Michael W. Mathena, P.E.

Page 3

May 11, 2022

- Two (2) 8 gallon per hour (gph) positive displacement metering pumps;
- Two (2) 25 gallon double-wall storage tanks;
  
- 5,852 lf of 8-inch AWWA C900 SDR-26 PVC distribution pipe;
- 1,159 lf of 6-inch AWWA C900 SDR-26 PVC distribution pipe;
- 706 lf of 4-inch AWWA C900 SDR-26 PVC distribution pipe;
- All-weather access road and intruder-resistant fencing; and,
- Various valves, fittings, and related appurtenances.

This approval is for the construction of the above listed items only. Any wastewater components contained in this design were not considered. The authorization provided in this letter does not relieve a Public Water System from the need to comply with other applicable state and federal regulations.

The Landing II Subdivision public water system provides water treatment.

The project is located 0.3 miles northeast of the intersection of Kingport Drive and King Oak Drive in Liberty County, Texas.

An appointed engineer must notify the TCEQ's Region 11 Office in Austin at (512) 339-2929 when construction will start. Please keep in mind that upon completion of the water works project, the engineer or owner will notify the commission's Water Supply Division, in writing, as to its completion and attest to the fact that the completed work is substantially in accordance with the plans and change orders on file with the commission as required in 30 TAC §290.39(h)(3).

Please refer to the Plan Review Team's Log No. **P-03042022-032** in all correspondence for this project.

Please complete a copy of the most current Public Water System Plan Review Submittal form for any future submittals to TCEQ. Every blank on the form must be completed to minimize any delays in the review of your project. The document is available on TCEQ's website at the address shown below. You can also download the most current plan submittal checklists and forms from the same address.

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

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 TCEQ's website at the following address:

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

You can download the latest revision of 30 TAC Chapter 290 - Rules and Regulations for Public Water Systems from this site.

Mr. Michael W. Mathena, P.E.

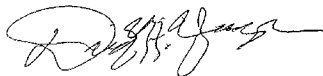
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If you have any questions concerning this letter or need further assistance, please contact David Yager at 512-239-0605 or by email at David.Yager@Tceq.Texas.Gov or by correspondence at the following address:

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

Sincerely,



David H. Yager, P.E.  
Plan Review Team  
Plan and Technical Review Section  
Water Supply Division  
Texas Commission on Environmental Quality



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

VP/DY/av

Enclosure: "Public Well Completion Data Checklist for Approval (Step 2)"

cc: The Landing II Subdivision, Attn: Kevin Browder, 101 Parklane Blvd., Suite 102,  
Sugarland, Texas 77478-5521

Mr. Michael W. Mathena, P.E.

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**bcc:** TCEQ Central Records PWS File 1460200 (P-03042022-032/The Landing II Subdivision)  
TCEQ Region No. 12 Office - Houston  
TCEQ PWSINV, MC-155  
Public Utility Commission, [Patricia.Garcia@puc.texas.gov](mailto:Patricia.Garcia@puc.texas.gov)



# Public Well Completion Data Checklist for Approval to Use (Step 2)

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

Public Water System I.D. No. \_\_\_\_\_  
TCEQ Log No. P- \_\_\_\_\_

The following list is a brief outline of the "Rules for Public Water Systems", 30 TAC Chapter 290 regarding proposed Water Supply Well Completion. Failure to submit the following items may delay project approval. Copies of the rules may be obtained from Texas Register, 1019 Brazos St, Austin, TX, 78701-2413, Phone: (512) 463-5561 or downloaded from the website: <http://www.tceq.texas.gov/rules/indxpdf.html>

Any well proposed as a source of water for a public water supply must have plans approved for construction by TCEQ. Please include the well construction approval letter with your submittal of well completion data listed below for TCEQ evaluation. Based on review of this submitted data, approval may be given for use of the well.

1.  Site map(s) at appropriate scales showing the following: [§290.41(c)(3)(A)]
  - (i) Final location of the well with coordinates;
  - (ii) Named roadways;
  - (iii) All property boundaries within 150 feet of the final well location and the property owners' names;
  - (iv) Concentric circles with the final well location as the center point with radii of 10 feet, 50 feet, 150 feet, and ¼ mile;
  - (v) Any site improvements and existing buildings;
  - (vi) Any existing or potential pollution hazards; and
  - (vii) Map must be scalable with a north arrow.
2.  A copy of the recorded deed of the property on which the well is located showing the Public Water System (PWS) as the landowner, and/or any of the following: [§290.41(c)(1)(F)(iv)]
  - (i) Sanitary control easements (filed at the county courthouse and bearing the county clerk's stamp) covering all land within 150 feet of the well not owned by the PWS (for a sample easement see TCEQ Form 20698);
  - (ii) For a political subdivision, a copy of an ordinance or land use restriction adopted and enforced by the political subdivision which provides an equivalent or higher level of sanitary protection to the well as a sanitary control easement; and/or
  - (iii) A copy of a letter granting an exception to the sanitary control easement rule issued by TCEQ's Technical Review and Oversight Team.
3.  Construction data on the completed well: [§290.41(c)(3)(A)]
  - (i) Final installed pump data including capacity in gallons per minute (gpm), total dynamic head (tdh) in feet, motor horsepower, and setting depth;
  - (ii) Bore hole diameter(s) (must be 3" larger than casing OD) and total well depth;
  - (iii) Casing size, length, and material (e.g. 200 lf of 12" PVC ASTM F480 SDR-17);
  - (iv) Length and material of any screens, blanks, and/or gravel packs utilized;
  - (v) Cementing depth and pressure method (one of the methods in latest revision of AWWA Standard A-100, Appendix C, excluding the dump bailer and tremie methods);
  - (vi) Driller's geologic log of strata penetrated during the drilling of the well;
  - (vii) Cementing certificate; and

## Public Well Completion Data Checklist for Approval to Use (Step 2)

- (viii) Copy of the official State of Texas Well Report (some of the preceding data is included on the Well Report).
- 4.  A U.S. Geological Survey 7.5-minute topographic quadrangle map (include quadrangle name and number) or a legible copy showing the location of the completed well; [§290.41(c)(3)(A)]
- 5.  Record of a 36-hour continuous pump test on the well showing stable production at the well's rated capacity. Include the following: [§290.41(c)(3)(G)]
  - (i) Test pump capacity in gpm, tdh in feet, and horsepower of the pump motor;
  - (ii) Test pump setting depth;
  - (iii) Static water level (in feet); and
  - (iv) Draw down (in feet).
- 6.  Three bacteriological analysis reports for samples collected on three successive days showing raw well water to be free of coliform organisms. Reports must be for samples of raw (untreated) water from the disinfected well and submitted to a laboratory accredited by TCEQ, accredited to perform these test; and [§290.41(c)(3)(F)(i)]
- 7.  Chemical analysis reports for well water samples showing the water to be of acceptable quality for the most problematic contaminants listed below. Reports must come from a laboratory accredited by TCEQ; accredited to perform these tests. Maximum contaminant level (MCL) and secondary constituent level (SCL) units are in milligrams per liter (except arsenic which is in micrograms per liter). [§290.41(c)(3)(G) and §290.104 and §290.105]

**Table 1: Primary Constituents with Maximum Contaminant Level (MCL)**

PRIMARY	MCL
Nitrate	10 (as N)
Nitrite	1 (as N)
Arsenic	10
Fluoride	4.0

**Table 2: Secondary Constituents with Secondary Contaminant Level (SCL)**

SECONDARY	SCL
Aluminum	0.2
Copper	1.0
Iron	0.3
Manganese	0.05
Zinc	5.0
Total Dissolved Solids	1,000
Fluoride	2.0
Sulfate	300
Chloride	300
pH	> 7.0



# Public Well Completion Data Checklist for Approval to Use (Step 2)

## Table 3: Water Quality Parameters

PARAMETER	UNITS
Alkalinity as CaCO <sub>3</sub>	mg/L
Calcium as CaCO <sub>3</sub>	mg/L
Sodium	mg/L
Lead*	mg/L

Lead is regulated by the lead and copper rule. This analyte is to document the amount of lead in the source water. The level shall be less than 0.010 mg/L for approval to use.

All systems located in a high-risk county (see page 3) shall submit radiological analysis reports for water samples showing the water to be of acceptable quality for the contaminants listed below. Reports must come from a TCEQ accredited laboratory for approval to use of the well.

## Table 4: Radionuclides with Maximum Contaminant Level (MCL)

CONTAMINANT	MCL
Gross alpha	15 pCi/L
Radium-226/228	5 pCi/L
Beta particle	50 pCi/L
Uranium	30 µg/L

WHERE: pCi/L = pico curies per liter, µg/L = micrograms per liter

Please be aware when you review your radiological data that if the report has gross alpha over 15 pCi/L and individual uranium isotopes are not reported, you will have to resample or reanalyze and resubmit radionuclide results. If you see gross alpha plus radium-228 over 5 pCi/L, and don't have radium-226, you will have to resample or reanalyze and resubmit complete results.

### List of Counties Where Radionuclide Testing Is required

Please be aware that we have added the requirement for analysis for radionuclides for high risk counties. For elevated levels of any contaminants found in a test well, treatment or blending may be required.

## Table 5: List of Counties where Radionuclide Testing is required

COUNTY				
Atascosa	Bandera	Bexar	Bosque	Brazoria
Brewster	Burnet	Concho	Culberson	Dallam
Dawson	Erath	Fort Bend	Frio	Garza
Gillespie	Gray	Grayson	Harris	Hudspeth
Irion	Jeff Davis	Jim Wells	Kendall	Kent
Kerr	Kleberg	Liberty	Llano	Lubbock
McCulloch	Mason	Matagorda	Medina	Midland
Montgomery	Moore	Parker	Pecos	Polk
Presidio	Refugio	San Jacinto	San Saba	Tarrant
Travis	Tyler	Upton	Val Verde	Victoria
Walker	Washington	Wichita	Williamson	Zavala