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PUC DOCKET NO. 53254

PETITION OF STC GROUP MILLER,	§	PUBLIC UTILITY COMMISSION
LLC TO AMEND BOLIVAR WATER	§	
SUPPLY CORPORATION'S	§	OF TEXAS
CERTIFICATE OF CONVENIENCE	§	
AND NECESSITY IN DENTON	§	
COUNTY BY STREAMLINED	§	
EXPEDITED RELEASE	§	

BOLIVAR WATER SUPPLY CORPORATION'S APPRAISAL REPORT

TO THE HONORABLE ADMINISTRATIVE LAW JUDGE:

In accordance with Order No. 3 in the above-referenced matter, Bolivar Water Supply Corporation submits the attached Appraisal Report.

Respectfully submitted,

Messer Fort McDonald, PLLC
4201 W. Parmer Lane, Ste. C-150
Austin, Texas 78727
(512) 930-1317
(972) 668-6414 (Fax)
art@txmunicipallaw.com

/s/ Arturo D. Rodriguez, Jr.
ARTURO D. RODRIGUEZ, JR.
State Bar No. 00791551

**ATTORNEY FOR BOLIVAR WATER
SUPPLY CORPORATION**

CERTIFICATE OF SERVICE

I certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record via electronic mail on the 13th day of October, 2022, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Arturo D. Rodriguez, Jr.
ARTURO D. RODRIGUEZ, JR.

October 13, 2022

Mr. James Parkman
Bolivar Water Supply Corporation
PO Box 1789
Sanger, Texas 76266

SUBJECT: PUC DOCKET NO. 53254; PETITION OF STC GROUP MILLER, LLC TO AMEND BOLIVAR WATER SUPPLY CORPORATION'S CERTIFICATE OF CONVENIENCE AND NECESSITY IN DENTON COUNTY BY STREAMLINED EXPEDITED RELEASE

Dear Mr. Parkman,

KOR Group is pleased to present this appraisal as considered by the Public Utility Commission of Texas to determine just compensation for the expedited release of 202.69 acres of land from Bolivar Water Supply Corporation's Certificate of Convenience and Necessity (CCN) No. 11257 in Denton County, Texas. The petition was filed by STC Group Miller, LLC and is part of the Public Utility Commission of Texas Docket No. 53254. The application was filed pursuant to Tex. Water Code §13.2541 – Streamlined Expedited Release Initiated by Landowner. The intended users of the report include the client, Bolivar Water Supply Corporation, its representatives, and the Public Utility Commission of Texas.

The subject property is along the south side of Lois Road East, east of Interstate Highway 35 in Denton County, Texas. The CCN is within the north Denton County market in a high growth area.

SCOPE OF WORK

As part of this appraisal, we have completed the following steps to gather, confirm, and analyze the data.

- ❖ Utilized the appraisal process to estimate compensation due to the expedited release of 202.69 acres of land from Bolivar Water Supply Corporation's Certificate of Convenience and Necessity (CCN) No. 11257 in Denton County, Texas, as of October 13, 2022, pursuant to Tex. Water Code §13.2541 – Streamlined Expedited Release Initiated by Landowner.
- ❖ Collected and reviewed information about the history of the subject property and the market. A list of documents reviewed is detailed in the report.
- ❖ Gathered market information on the surrounding market area. Sources of data include, but are not limited to, County deed records, County Appraisal District data, owner's representatives, brokers, investors, developers, and other knowledgeable individuals active in the area.
- ❖ Prepared an appraisal report to determine just compensation as considered by the Public Utility Commission of Texas that falls outside of Standards Rules 1-10 of the *Uniform Standards of Professional Appraisal Practice, 2020-2021 Edition*. However, we have complied with the portions of the *Uniform Standards of Professional Appraisal Practice, 2020-2021 Edition* that apply to the assignment.

COMPETENCY RULE

We have the ability to properly identify the problem to be addressed; the knowledge and experience to complete the assignment competently; and recognize and comply with the laws and regulations

that apply to the appraisers and the assignment. Additional competency was gained through the client and the client's representatives.

JURISDICTIONAL EXCEPTION RULE

If any applicable law or regulation precludes compliance with any part of the *Uniform Standards of Professional Appraisal Practice*, only that part of the *Uniform Standards of Professional Appraisal Practice* becomes void for the assignment.

DOCUMENTS REVIEWED

The documents collected and reviewed in preparation of the appraisal include, but are not limited to, the below. Additionally, we have reviewed other filed documents on the Public Utility Commission of Texas website.

- ❖ Tex. Water Code §13.254
- ❖ Tex. Water Code §13.2541
- ❖ Petition by STC Group Miller, LLC for Expedited Release from Water CCN No. 11257 Held by Bolivar Water Supply Corporation in Denton County – PUC Docket No. 53254 (February 22, 2022)
- ❖ Order No. 2 Finding Petition, As Amended, Administratively Complete, Notice Sufficient, Restyling Docket, and Establishing Procedural Schedule (March 25, 2022)
- ❖ Response of Bolivar Water Supply Corporation (April 14, 2022)
- ❖ Commission Staff's Recommendation of Final Disposition (May 20, 2022)
- ❖ Bolivar Water Supply Corporation's Exceptions to Proposed Order (June 8, 2022)
- ❖ Order (August 4, 2022)
- ❖ Bolivar Distribution System Costs (June 2022)
- ❖ Summary of Legal Costs (through June 10, 2022)
- ❖ Letter of Response from Biggs & Matthews Inc. (June 13, 2022)
- ❖ Planning Report for Water Facility Improvements Year 2022 Through 2032 (June 13, 2022)

FACTORS FOR COMPENSATION

The required factors that must be considered in determining compensation of a certificate holder subject to a decertification from a utility's CCN are set forth in Tex. Water Code §13.254(g) and Chapter 21 of the Property Code (for real property). Those factors apply to streamlined expedited release petitions filed under Tex. Water Code §13.2541. Per Tex. Water Code §13.254(g), the factors ensuring that the compensation to a retail public utility is just and adequate shall include:

- ❖ Factor 1 – the value of real property must be determined according to the standards set forth in chapter 21 of the Texas Property Code governing actions in eminent domain.
- ❖ Factor 2A – the amount of the former CCN holder's debt allocable to service to the removed area.
- ❖ Factor 2B – the value of the service facilities belonging to the former CCN holder that are within the removed area.
- ❖ Factor 2C – the amount of any expenditures for planning, design, or construction of the service facilities of the former CCN holder that are allocable to service to the removed area.

- ❖ Factor 2D – the amount of the former CCN holder's contractual obligations allocable to the removed area.
- ❖ Factor 2E – any demonstrated impairment of service or any increase of cost to consumers of the former CCN holder remaining after a CCN revocation or amendment under this section.
- ❖ Factor 2F – the impact on future revenues lost from existing customers.
- ❖ Factor 2G – necessary and reasonable legal expenses and professional fees, including costs incurred to comply with TWC §13.257(r).
- ❖ Factor 2H – any other relevant factors as determined by the commission.

ANALYSIS

The area to be released is along the south side of Lois Road East, east of Interstate Highway 35 in Denton County, Texas. According to filings found in PUC Docket No. 53254, the area to be released was not receiving active water service from Bolivar Water Supply Corporation at the time of the streamlined expedited release (SER) petition was filed. This fact is disputed by the Petitioner. The Commission granted the requested SER in PUC Docket No. 53254. That decision prompted a compensation phase for the proceeding.

Bolivar Water Supply Corporation had performed planning and design activities, and constructed facilities, to serve the subject property, among other areas. Below is a summary of compensation due to Bolivar Water Supply Corporation based on the applicable factors for compensation.

Factor 1:

There is no real property being acquired by the petitioner, thus no compensation is considered under this factor.

Factor 2A:

There is no reported debt associated with the released area.

Factor 2B:

Bolivar Water Supply Corporation has a 12-inch distribution line that extends along the north side of the property for 2,600 linear feet. The value of the line is as follows:

$$2,600 \text{ linear feet} \times \$120 \text{ per linear foot} = \$312,000$$

Factor 2C:

Bolivar Water Supply Corporation has performed planning and design activities and committed facilities toward servicing the subject property. The CCN is separated into 7 distinct Pressure Planes. Each Pressure Plane has facilities that were designed and constructed to service the properties within the Pressure Plane. The subject property is in Pressure Plane No. 2. In Pressure Plane No. 2, design, planning and construction of a 100-gallon elevated water tank, 2 pump stations and ground storage, 3 water supply wells, and a distribution system have occurred. There are 24,000 gross acres that service 16,000 acres within Pressure Plane No. 2 and the area being removed is 202.69 acres or 1.27%. With this acreage being removed from the CCN and Pressure Plane No. 2, Bolivar Water Supply Corporation will have stranded capacity that will potentially not serve future customers. Below is the calculation of the allocable costs associated with the land to be released:

Item	Facilities Cost	Pressure Plane 5 Acreage	Cost per Acre	Released Acreage	Cost of Released Area
100,000-Gallon Elevated Tank	\$ 500,000	16,000	\$ 31.25	202.690	\$ 6,334
2 Pump Stations & Ground Storage	\$ 1,700,000	16,000	\$ 106.25	202.690	\$ 21,536
3 Water Supply Wells	\$ 2,250,000	16,000	\$ 140.63	202.690	\$ 28,503
Distribution System	\$ 9,720,000	16,000	\$ 607.50	202.690	\$ 123,134
Total	\$ 14,170,000	16,000	\$ 885.63	202.690	\$ 179,507

Factor 2D:

Not applicable.

Factor 2E/2F/2H:

We considered residences, developers, entities, and corporations within the CCN to be customers. If they are not considered to be customers, then we believe the below analysis should be considered as other relevant factors. There is potentially an increase in cost to rate-paying customers if Bolivar Water Supply Corporation is not able to serve the released tract. Bolivar Water Supply Corporation is losing the opportunity to receive revenues from serving the released 202.69 acres. It is estimated that the 202.69 acres could have served 100 LUE's. Further, we have estimated that after 2 years of planning and development activity, 50 LUE's per year could be brought online. According to Bolivar Water Supply Corporation, the average fee lost is \$4,500 per LUE and the average annual water sales is \$650. The below discounted cash flow models the net revenues to Bolivar Water Supply Corporation at a discount rate of 10% over a 20-year period, which accounts for time, management, and risk. The result is a loss in the net present value amount of **\$822,427**.

Discounted Cash Flow							
Period	Year	LUE's	Fee	Sales	Total	PV @ 10%	
0	2022 - 2023	-	\$ -	\$ -	\$ -	\$ -	
1	2023 - 2024	-	\$ -	\$ -	\$ -	\$ -	
2	2024 - 2025	50	\$ 225,000	\$ 32,500	\$ 257,500	\$ 212,810	
3	2025 - 2026	100	\$ 225,000	\$ 65,000	\$ 290,000	\$ 217,881	
4	2026 - 2027	100	\$ -	\$ 65,000	\$ 65,000	\$ 44,396	
5	2027 - 2028	100	\$ -	\$ 65,000	\$ 65,000	\$ 40,360	
6	2028 - 2029	100	\$ -	\$ 65,000	\$ 65,000	\$ 36,691	
7	2029 - 2030	100	\$ -	\$ 65,000	\$ 65,000	\$ 33,355	
8	2030 - 2031	100	\$ -	\$ 65,000	\$ 65,000	\$ 30,323	
9	2031 - 2032	100	\$ -	\$ 65,000	\$ 65,000	\$ 27,566	
10	2032 - 2033	100	\$ -	\$ 65,000	\$ 65,000	\$ 25,060	
11	2033 - 2034	100	\$ -	\$ 65,000	\$ 65,000	\$ 22,782	
12	2034 - 2035	100	\$ -	\$ 65,000	\$ 65,000	\$ 20,711	
13	2035 - 2036	100	\$ -	\$ 65,000	\$ 65,000	\$ 18,828	
14	2036 - 2037	100	\$ -	\$ 65,000	\$ 65,000	\$ 17,117	
15	2037 - 2038	100	\$ -	\$ 65,000	\$ 65,000	\$ 15,560	
16	2038 - 2039	100	\$ -	\$ 65,000	\$ 65,000	\$ 14,146	
17	2039 - 2040	100	\$ -	\$ 65,000	\$ 65,000	\$ 12,860	
18	2040 - 2041	100	\$ -	\$ 65,000	\$ 65,000	\$ 11,691	
19	2041 - 2042	100	\$ -	\$ 65,000	\$ 65,000	\$ 10,628	
20	2042 - 2043	100	\$ -	\$ 65,000	\$ 65,000	\$ 9,662	
Net Present Value						\$ 822,427	

Factor 2G:

Bolivar Water Supply Corporation incurred legal fees in connection with defending the decertification of the area in question. As of the date of this report, reasonable and necessary legal fees identified by Bolivar Water Supply Corporation and its counsel associated with the decertification process total \$5,700. Legal counsel has estimated an additional \$1,750 of fees for work that will be performed after the submission of the report but related to the decertification.

Bolivar Water Supply Corporation also engaged KOR Group to perform an appraisal report to estimate the compensation due to Bolivar Water Supply Corporation for the decertification. The fee for the appraisal service is \$8,000. A copy of the signed engagement letter can be found in the addenda.

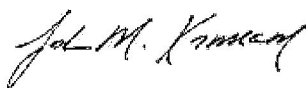
Legal Expenses (as of October 13, 2022)	\$	5,700
Legal Expenses (estimated after October 13, 2022)	\$	1,750
Bolivar Water Supply Corporation Appraisal Fee	+ \$	8,000
Total Factor 2G	\$	15,450

TOTAL COMPENSATION

Below is a summary of the total compensation due to Bolivar Water Supply Corporation for the release of 202.69 acres of land from a portion of its Certificate of Convenience and Necessity (CCN) No. 11257 in Denton County, Texas, as of October 13, 2022:

Factor 2B	\$	312,000
Factor 2C	\$	179,507
Factors 2E/2F/2H	\$	822,427
Factor 2G	+ \$	15,450
Total Compensation	\$	1,329,384

We have retained all information regarding this appraisal in our file. Please contact us if we can be of further assistance in this matter.

Joshua M. Korman
State of Texas Certification #TX-1330595-G



John Kostohryz
State of Texas Certification #TX-1380151-G

QUALIFICATIONS

JOSHUA M. KORMAN

Experience: Mr. Korman is a principal of KOR Group, a full-service real estate consulting and appraisal firm based in Fort Worth, Texas. Mr. Korman has been appraising real property since 1997. Mr. Korman's assignments have involved property types including, but not limited to, office buildings, retail centers, service stations, hospitals, educational facilities, apartment complexes, industrial facilities, raw and developed land, timberland, restaurants, mixed-use developments, automobile dealerships, mining operations, and master planned communities. Mr. Korman has valued and consulted on properties in Alabama, Arkansas, Florida, Kansas, Louisiana, Mississippi, Nebraska, New Mexico, New York, North Carolina, Oklahoma, South Carolina, Tennessee, and Texas.

Mr. Korman's assignments have included flooding impacts on master planned communities and residential subdivisions, analysis of sales, cost and income for office buildings and retail centers, estimates of value in tax increment financing districts, asset management, assistance in acquisitions/dispositions of property, estate tax planning, contributions to family limited partnerships, market studies, analysis of environmental impacts, and condemnation. Specific assignments include reporting on the impact of existing and proposed railroad corridors and sidings on adjacent properties. He has had extensive experience in eminent domain cases ranging from public roadway expansions to pipeline easements. Assignments have also included consultation for both ad valorem and estate tax purposes. Mr. Korman has testified in eminent domain proceedings and before appraisal district review boards in ad valorem tax disputes. Other assignments include retrospective valuations of real estate assets held by financial institutions in relation to Winstar cases. Properties within these portfolios consisted of master planned communities, commercial developments, ground leases, and government secured multi-family residential developments.

Mr. Korman attended preparatory school at Fort Worth Country Day before continuing at The University of Texas at Austin McCombs Business School. During college, Mr. Korman worked for an independent oil and gas company as a gas account manager and assistant to the Chief Financial Officer. Later Mr. Korman was employed as a legal aide for Texas State Representative Anna Mowery where he assisted with local and state policymaking. While with Representative Mowery, Mr. Korman worked with the Land and Resource Management Committee and the Appropriations Committee on budgeting issues. After graduation in 1996, Mr. Korman was employed as an appraiser and consultant with Lewis Realty Advisors.

Professional Activities:

- Licensed: Texas State Certified General Real Estate Appraiser
Certificate No. TX-1330595-G
- Member: Practicing Affiliate of the Appraisal Institute
2007 Social Committee Chairman (Houston Chapter)
2008 Alternate Regional Representative (Houston Chapter)
- Member: Forensic Expert Witness Association (Director for 2016, 2017)
- Member: Greater Fort Worth Real Estate Council
- Member: International Right of Way Association
- Member: Institute of Real Estate Management
- Member: University of Texas Real Estate Finance and Investment Center Council
- Member: International Council of Shopping Centers
- Member: Tarrant County Bar Association

Education: University of Texas at Austin – 1996 (Bachelor of Business Administration – Finance)
Coursework accredited by the Appraisal Institute, The University of Texas, and the State of Texas

JOHN S. KOSTOHRYZ

Experience: Mr. Kostohryz is a principal of KOR Group, a full-service real estate consulting and appraisal firm. Mr. Kostohryz has provided real estate consulting and appraisal services since 2008. He has provided consultation for complex eminent domain assignments of numerous types of properties including, but not limited to, raw and developed land, office buildings, retail centers, service stations, hospitals, apartment complexes, master planned communities, restaurants, amusement park facilities, mixed-use developments, and industrial facilities.

Mr. Kostohryz is a 2006 graduate from Texas Christian University in Fort Worth, Texas with a Bachelor of Business Administration with majors in Finance, Accounting, and Marketing.

Prior to becoming a real estate appraiser and consultant, Mr. Kostohryz was a Consultant with Ryan, Inc. in Dallas, Texas where he consulted with transaction tax departments of Fortune 500 companies.

Mr. Kostohryz is from Fort Worth, Texas and graduated from Trinity Valley School.

Professional Activities:

Licensed:	Texas State Certified General Real Estate Appraiser Certificate No. TX-1380151-G Various temporary out of state licenses Practicing Affiliate of the Appraisal Institute
Member:	Member of the International Right of Way, Chapter 36
Member:	Fort Worth Chamber of Commerce
Member:	Greater Fort Worth Real Estate Council

Education: Texas Christian University, Fort Worth, Texas – 2006
Bachelor of Business Administration
Majors: Finance, Accounting, and Marketing

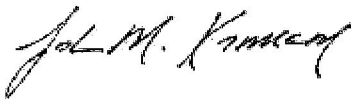
Relevant Coursework by the Appraisal Institute, accredited universities, and others:

Principles of Real Estate Appraisal
Procedures of Real Estate Appraisal
Uniform Standards of Professional Appraisal Practice
General Income Approach Part I
General Income Approach Part II
General Appraiser Sales Comparison Approach
General Appraiser Site Valuation and Cost Approach
Statistics and Valuation Modeling
General Appraiser Report Writing and Case Studies
General Appraiser Market Analysis and Highest & Best Use
Expert Witness for Commercial Appraisers
Commercial Appraisal Review

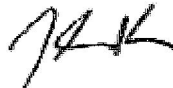
CERTIFICATION OF THE APPRAISAL

We certify that, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. We have performed no services, as an appraiser or in any other capacity, regarding the property that is subject of its report within the three-year period immediately preceding acceptance of this assignment.
5. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice and Standards of Professional Appraisal Practice of the Appraisal Institute.
9. Joshua M. Korman and John Kostohryz made a personal inspection of the property that is the subject of this report.
10. No one provided significant real property appraisal assistance to the persons signing this certification including, data research.
11. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
12. As of the date of the report, we have completed the Standards and Ethics Education Requirements of the Appraisal Institute.



Joshua M. Korman
State of Texas Certification #TX-1330595-G



John Kostohryz
State of Texas Certification #TX-1380151-G

ADDENDA

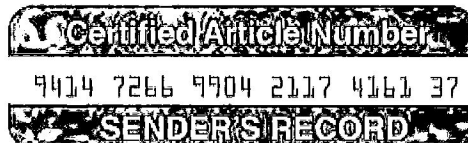


Leonard H. Dougal
(512) 236-2233 (Direct Dial)
(512) 391-2112 (Direct Fax)
ldougal@jw.com

February 22, 2022

CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Mr. James Parkman, General Manager
Bolivar Water Supply Corporation
4151 FM 455 West
Sanger, Texas 76266



RE: Petition of STC Group Miller, LLC to Amend Bolivar Water Supply Corporation's Certificate of Convenience and Necessity in Denton County by Expedited Release (the "Petition")

Dear Mr. Parkman:

I have enclosed a copy of the Petition being filed today at the Public Utility Commission of Texas on behalf of the above-referenced Petitioner for a streamlined expedited release of property from the water Certificate of Convenience and Necessity held by Bolivar Water Supply Corporation in Denton County, Texas. The Petition is filed pursuant to Texas Water Code §13.2541 and 16 Tex. Admin. Code §24.245(h).

Sincerely,

A handwritten signature in cursive script, appearing to read 'Leonard H. Dougal'.

Leonard H. Dougal

ATTORNEY FOR PETITIONER

Enclosure – Petition

PUC DOCKET NO. 53254

PETITION OF STC GROUP MILLER,	§	BEFORE THE
LLC TO AMEND BOLIVAR WATER	§	
SUPPLY CORPORATION'S	§	
CERTIFICATE OF CONVENIENCE	§	PUBLIC UTILITY COMMISSION
AND NECESSITY IN DENTON	§	
COUNTY BY EXPEDITED RELEASE	§	OF TEXAS

PETITION FOR STREAMLINED EXPEDITED RELEASE

TO THE PUBLIC UTILITY COMMISSION OF TEXAS:

COMES NOW, STC Group Miller, LLC, a Texas limited liability company ("Petitioner"), and files this petition ("Petition") with the Public Utility Commission of Texas ("Commission") for Streamlined Expedited Release from Bolivar Water Supply Corporation's ("Bolivar") Certificate of Convenience and Necessity ("CCN") No. 11257 pursuant to Texas Water Code §13.2541 and 16 Texas Administrative Code ("TAC") §24.245(h), and in support thereof would show as follows:

**I.
LEGAL AUTHORITY**

Petitioner files this Petition seeking the streamlined expedited release of property owned by Petitioner in Denton County, Texas, from retail water CCN No. 11257 held by Bolivar. Pursuant to Texas Water Code §13.2541 and 16 TAC §24.245(h), the owner of a tract of land that is at least 25 acres and that is not receiving service may petition the Commission for a streamlined expedited release of the area from water and sewer CCNs and is entitled to release if the property is located in qualifying counties. Under Texas Water Code §13.2541(c), the Commission shall grant a petition received pursuant to Section 13.2541 no later than the 60th day after the date the

landowner files the petition. The Commission's rule at 16 TAC §24.245(h)(7) provides that the petition shall be granted no later than the 60th calendar day after the petition is declared administratively complete.

As fully set out herein, Petitioner meets the legal criteria supporting the requested release.

II. DECERTIFICATION REQUEST

The property subject to the Petition is approximately 202 contiguous acres in Denton County and specifically described as follows (the "Property"):

Being a 202.69 acre tract of land situated in the Reuben Bebee Survey, Abstract No. 29 in Denton County, Texas and being all of a tract of land described in deed to H. A. Miller, LP., recorded in Document Number 2019-18485 of the Official Records of Denton County, Texas and being more particularly described in the Special Warranty Deed with Vendor's Lien attached to this Petition.

The Property comprises the entirety of the property described in the Special Warranty Deed with Vendor's Lien attached to this Petition, as Exhibit "D".

The Property is owned by Petitioner. The Property is located within the boundary of water CCN No. 11257 held by Bolivar. None of the Property receives water service from Bolivar, or from any other retail public utility. After decertification of the Property, Petitioner intends for the Property to receive water service from the City of Sanger. See, Exhibit A.

On the date this Petition was filed with the Commission, a true and correct copy of the Petition was mailed to Bolivar by certified mail, return receipt requested, pursuant to 16 TAC §24.245(h)(3)(F). See, Exhibit G.

All of the criteria set forth in the Texas Water Code and Commission rules entitling Petitioner to a release of the Property from CCN No. 11257 have been met. More specifically, the Property:

- a. is owned by Petitioner;

- b. is more than 25 acres;
- c. is not receiving water service;
- d. is within retail water CCN No. 11257 held by Bolivar; and
- e. is located in Denton County, which is a qualifying county under the criteria set forth in Texas Water Code §13.2541(b) and 16 TAC §24.245(h)(2).

III. **PETITIONER INFORMATION**

Petitioner is STC Group Miller, LLC, a Texas limited liability company. Exhibit E contains the current entity details for the Petitioner from the Texas Secretary of State Business Organization website, including filing number, tax ID and formation date, and that information is current and correct. Petitioner is in good standing to do business in Texas.

IV. **EXHIBITS**

In support of the Petition, Petitioner has attached the following documents:

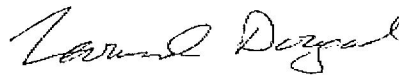
- Exhibit A - Affidavit of Jon Anderson supporting the key facts in the Petition.
- Exhibit B - General location map identifying the tract of land in reference to the nearest county boundary, city, or town. 16 TAC §24.245(k)(1)(A).
- Exhibit C - Detailed map identifying the tract of land in reference to verifiable man-made and natural landmarks, such as roads, rivers, and railroads. 16 TAC §24.245(k)(1)(B).
- Exhibit D - Special Warranty Deed With Vendor's Lien, demonstrating ownership of the Property by Petitioner, with metes-and-bounds survey sealed by a licensed state land surveyor or registered professional land surveyor. 16 TAC §24.245(k)(1)(C).
- Exhibit E - Legal Name and entity details for Petitioner from the Texas Secretary of State Business Organization website.
- Exhibit F - Shape Files in the GIS format used by the Commission uploaded to the PUC Interchange.
- Exhibit G - Proof of Mailing confirming a copy of the Petition was sent to Bolivar, the current CCN holder, via certified mail on the day of filing.

V.
CONCLUSION AND PRAYER

Petitioner is entitled to the streamlined expedited release of the Property described herein because the Petition meets all of the criteria in Texas Water Code §13.2541 and 16 TAC §24.245(h). Petitioner respectfully requests that the Commission grant this Petition, decertify the Property, and issue an order, or notice of approval, under the CCN No. 11257 held by Bolivar Water Supply Corporation.

Respectfully submitted,

JACKSON WALKER L.L.P.



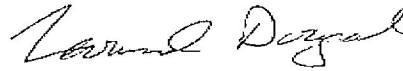
Leonard H. Dougal
State Bar No. 06031400
Alicia French
State Bar No. 24074958
100 Congress Avenue, Suite 1100
Austin, Texas 78701
Telephone: (512) 236-2000
Facsimile: (512) 391-2112
Email: ldougal@jw.com

ATTORNEYS FOR STC GROUP MILLER, LLC

CERTIFICATE OF SERVICE

I hereby certify by my signature below, that on the 22nd day of February, 2022, a true and correct copy of the foregoing Petition for Streamlined Expedited Release was:

- (i) electronically filed with the Commission pursuant to 16 TAC §22.74 and in accordance with the Order Suspending Rules issued in Project No. 50664, and
- (ii) sent via postage prepaid Certified Mail to provide Notice of the Petition to representatives of the Holder of CCN No. 11257 pursuant to Texas Water Code §13.2541 and 16 TAC §24.245(h)(3)(F).



Leonard H. Dougal

EXHIBIT A

Affidavit of STC Group Miller

PUC DOCKET NO. _____

PETITION OF STC GROUP MILLER,	§	BEFORE THE
LLC TO AMEND BOLIVAR WATER	§	
SUPPLY CORPORATION'S	§	
CERTIFICATE OF CONVENIENCE	§	PUBLIC UTILITY COMMISSION
AND NECESSITY IN DENTON	§	
COUNTY BY EXPEDITED RELEASE	§	OF TEXAS

AFFIDAVIT OF JON ANDERSON

STATE OF TEXAS §
 §
COUNTY OF HUNT §

BEFORE ME, THE UNDERSIGNED AUTHORITY, on this day personally appeared JON ANDERSON, known to me, who being by me first duly sworn, deposed and stated on his oath as follows:

1. “My name is JON ANDERSON. I am over the age of 18 years of age, and am fully competent and authorized to make this Affidavit. I have personal knowledge of the facts stated in this affidavit and they are true and correct.

2. I am an authorized representative of STC Group Miller, LLC, and specifically serve as the Manager of STC Group Miller, LLC in my capacity as the Managing Member of Creative Destination Development, LLC. In that capacity I have full authority to make this affidavit and to act for STC Group Miller, LLC in this matter.

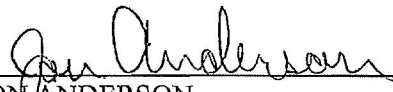
3. STC Group Miller, LLC is the owner of an approximate 202 acre property located in Denton County, Texas (the “Property”), which is described in the Special Warranty Deed with Vendor’s Lien, a copy of which is included with the Petition to which this Affidavit is attached. The Property is located within Bolivar Water Supply Corporation’s (“Bolivar”) Certificate of Convenience and Necessity (“CCN”) No. 11257, but the Property is not receiving service from Bolivar.

4. Based upon my knowledge of the Property, and after investigation and due inquiry, the Property is not receiving water service from Bolivar. The owner of the Property, STC Group Miller, LLC, has not received any invoices from Bolivar for water service at the Property. Our boundary survey of the Property does not show any Bolivar water meter on the Property, and further there are no easements on the Property granted to Bolivar.

5. After decertification of the Property, Petitioner intends for the Property to receive water service from the City of Sanger.

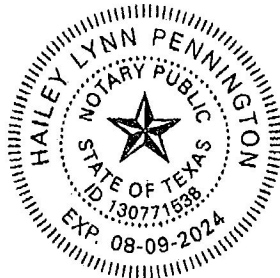
6. On behalf of STC Group Miller, LLC, I request that the Public Utility Commission of Texas release the Property from the retail water CCN of Bolivar Water Supply Corporation.”

Further, Affiant Sayeth Not.


JON ANDERSON

STATE OF TEXAS §
 §
COUNTY OF HUNT §

BEFORE ME, a notary public, on this day personally appeared JON ANDERSON, introduced to me and acknowledged with proper identification to be the person whose name is subscribed to the foregoing instrument and being by me first duly sworn and given under my hand and seal of office this 20 day of January, 2022.



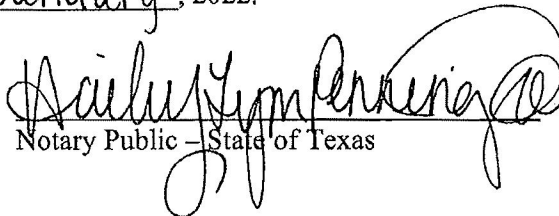
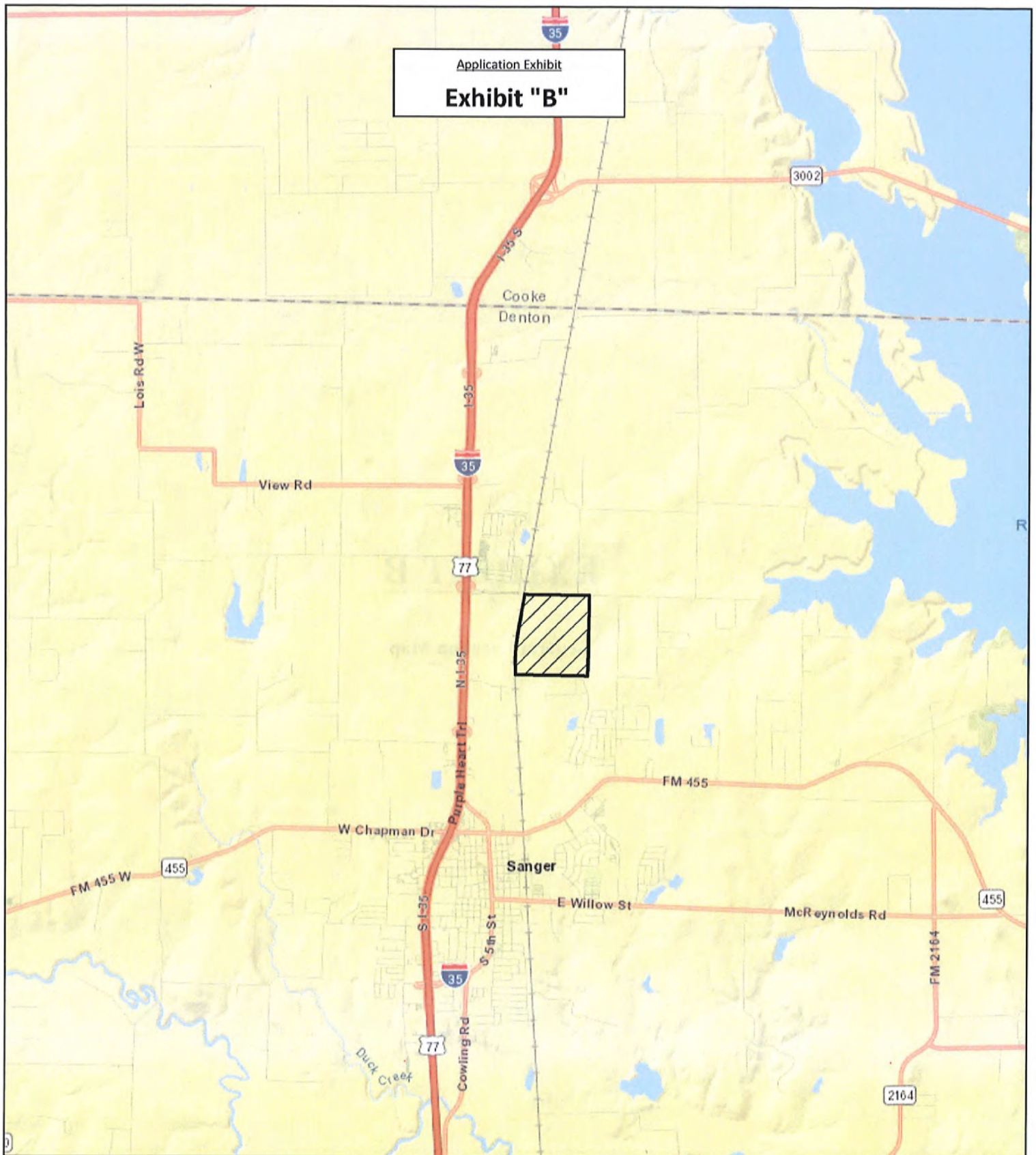

Notary Public - State of Texas

EXHIBIT B

General Location Map

Application Exhibit

Exhibit "B"



Tract of Land for Streamlined Expedited Release From Bolivar WSC CCN No. 11257 (Water Only)

MAP SCALE: 1" = 5,000'

0 0.5 1 2 Miles

January 12, 2022

Tract of land for decertification is located east of
IH-35, south of Lois Road East, east of B.N.S.F.
Railroad Co., and north of Utility Road.

Denton County, TX

MAP LEGEND:



Tract of land for streamlined expedited
release from Bolivar WSC Water CCN
No. 11257

EXHIBIT C

Detailed Map

LOIS RD W

Application Exhibit

Exhibit "C"

MELTON RD

JORDAN LN

MELTON RD

LOIS RD E

LOIS RD E

CITY OF SANGER

UTILITY RD

B.N.S.F RAILROAD CO.

BRIDLE PATH LN

LAKEPARK DR

**Tract of Land for Streamlined Expedited
Release From Bolivar WSC CCN No. 11257
(Water Only)**

MAP SCALE: 1" = 800'

0 400 800 1,600 Feet

January 12, 2022

Tract of land for decertification is located east of
IH-35, south of Lois Road East, east of B.N.S.F.
Railroad Co., and north of Utility Road.

Denton County, TX

MAP LEGEND:



Tract of land for streamlined expedited
release from Bolivar WSC Water CCN
No. 11257



City of Sanger Jurisdictional Boundary

EXHIBIT A

Special Warranty Deed with Vendor's Lien

Denton County
Juli Luke
County Clerk

Instrument Number: 195695

ERecordings-RP

WARRANTY DEED

Recorded On: October 25, 2021 12:29 PM

Number of Pages: 8

" Examined and Charged as Follows: "

Total Recording: \$54.00

***** THIS PAGE IS PART OF THE INSTRUMENT *****

Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY
because of color or race is invalid and unenforceable under federal law.

File Information:

Document Number: 195695
Receipt Number: 20211025000486
Recorded Date/Time: October 25, 2021 12:29 PM
User: Terri B
Station: Station 20

Record and Return To:

Corporation Service Company



STATE OF TEXAS
COUNTY OF DENTON

I hereby certify that this Instrument was FILED In the File Number sequence on the date/time
printed hereon, and was duly RECORDED in the Official Records of Denton County, Texas.

Juli Luke
County Clerk
Denton County, TX

404103/stc/ml/yz

SPECIAL WARRANTY DEED WITH VENDOR'S LIEN

Date: October 28, 2021

Grantor: HANLY A. MILLER; DAVID N. MILLER; and JAMES I. MILLER

Grantor's Mailing Address:

HANLY A. MILLER
3006 Smetana Road
Bryan, Texas 77807

DAVID N. MILLER
P.O. Box 44
Kenedy, Texas 78119

JAMES I. MILLER (as part of a 1031 exchange)
1855 4th Street
Ingleside, Texas 78362

Grantee: STC GROUP MILLER, LLC, a Texas limited liability company

Grantee's Mailing Address:

STC GROUP MILLER, LLC
2411 Wesley Street, No. 204
Greenville, Texas 75401

Consideration:

Cash and a note of even date executed by Grantee and payable to the order of FIRST UNITED BANK AND TRUST COMPANY in the principal amount of THREE MILLION NINE HUNDRED THOUSAND AND NO/100 DOLLARS (\$3,900,000.00). The note is secured by a first and superior vendor's lien and superior title retained in this deed in favor of FIRST UNITED BANK AND TRUST COMPANY and by a first-lien deed of trust of even date from Grantee to GREG MASSEY, trustee.

Property (including any improvements):

See Exhibit A attached hereto and made a part hereof for all purposes.

Reservations from Conveyance:

It is expressly understood and agreed that Grantor reserves and excepts from this conveyance, for Grantor and Grantor's heirs, executors, administrators, successors and assigns, an undivided one

hundred percent (100.0%) of all of Grantor's interest in the oil, gas and other minerals on, in and under or that may be produced from the Property, together with the right of ingress and egress (subject to the limitations contained in the paragraph immediately below) for the purpose of exploring for, drilling for, producing, and marketing oil, gas and other minerals. The excepted and reserved interest is subject to any valid, recorded oil, gas, and/or other mineral lease or leases that cover the interest reserved, but includes all delay rentals, royalties, and other rights and payments due or to become due under the terms of such lease or leases to the lessor, the lessor's heirs, successors and assigns. On termination of any or all of such leases, the interest of the lessee shall revert to Grantor or Grantor's heirs, executors, administrators, successors and assigns. Neither Grantor nor Grantee, nor any of their heirs, executors, administrators, successors and assigns shall conduct operations of any kind or description whatsoever, including but not limited to exploring, drilling, reworking, conducting seismic operations, producing, pumping and/or any other operation upon the surface of the Property.

Neither Grantor nor Grantee, nor any of their heirs, executors, administrators, successors and assigns shall place or store on the Property any equipment, tank batteries, pipelines, flow lines, mud pits, supplies and/or other property or facility of any kind or description. However, nothing herein contained shall be construed as waiving, releasing or relinquishing any right, title or interest of Grantor in and to the oil and gas and other minerals reserved herein or the Grantor's right to exploit, develop or produce such oil, gas and other minerals with wells drilled at surface locations off the Property by means of directional drilling or any other method which does not require use of the surface of the Property described above. Grantor shall also have the right to pool or utilize said oil, gas or other minerals with other lands located outside the boundaries of the Property. Grantor waives the other rights of ingress and egress in and to the Property, but Grantor reserves the right to (1) explore for and produce said oil, gas and other minerals by means of directional drilling from surface locations outside the boundaries of the Property provided that any wells bottomed beneath the Property shall be bottomed at least 250 feet below the surface thereof and (ii) pool or utilize said oil, gas and other minerals with other lands located outside the boundaries of the Property. This provision is binding upon Grantor and Grantor's heirs, executors, administrators, successors and assigns.

Exceptions to Conveyance and Warranty:

None

Grantor, for the Consideration and subject to the Reservations from Conveyance and the Exceptions to Conveyance and Warranty, grants, sells, and conveys to Grantee the Property, together with all and singular the rights and appurtenances thereto in any way belonging, to have and to hold it to Grantee and Grantee's successors and assigns forever. Grantor binds Grantor and Grantor's heirs, executors, administrators and successors to warrant and forever defend all and singular the Property to Grantee and Grantee's successors and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof when the claim is by, through, or under Grantor but not otherwise, except as to the Reservations from Conveyance and the Exceptions to Conveyance and Warranty.

The vendor's lien against and superior title to the Property are retained until each note described is fully paid according to its terms, at which time this deed will become absolute.

AS A MATERIAL PART OF THE CONSIDERATION FOR THIS TRANSFER AND BY ACCEPTING THIS DEED, GRANTEE AGREES THAT GRANTEE IS TAKING THE PROPERTY "AS IS" WITH ANY AND ALL LATENT AND PATENT DEFECTS, INCLUDING BUT NOT LIMITED TO ENVIRONMENTAL DEFECTS (IF ANY), AND THAT THERE IS NO WARRANTY BY GRANTOR THAT THE PROPERTY IS FIT FOR A PARTICULAR PURPOSE. GRANTEE BY ACCEPTING THIS DEED ACKNOWLEDGES THAT IT IS NOT RELYING UPON ANY REPRESENTATION, STATEMENT OR OTHER ASSERTION WITH RESPECT TO THE PROPERTY CONDITION, BUT IS RELYING UPON ITS EXAMINATION OF THE PROPERTY, AND TAKES THE PROPERTY UNDER THE EXPRESS UNDERSTANDING THERE ARE NO EXPRESS OR IMPLIED WARRANTIES (EXCEPT FOR LIMITED WARRANTIES OF TITLE SET FORTH HEREIN).

FIRST UNITED BANK AND TRUST COMPANY, at Grantee's request, has paid in cash to Grantor that portion of the purchase price of the Property that is evidenced by the note. The first and superior vendor's lien against and superior title to the Property are retained for the benefit of FIRST UNITED BANK AND TRUST COMPANY and are transferred to FIRST UNITED BANK AND TRUST COMPANY without recourse against Grantor.

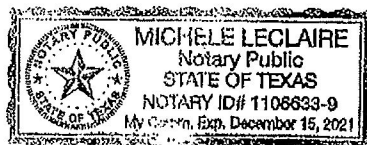
When the context requires, singular nouns and pronouns include the plural.

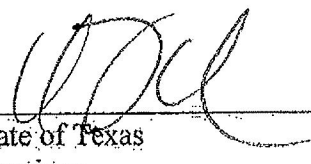

HANLY A. MILLER

STATE OF TEXAS)

COUNTY OF Denton)

This instrument was acknowledged before me on October 28, 2021, by HANLY A. MILLER.



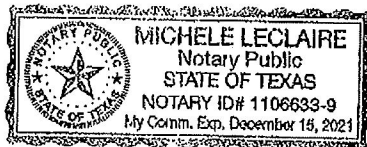

Notary Public, State of Texas
My commission expires: _____

David N. Miller
DAVID N. MILLER

STATE OF TEXAS)

COUNTY OF Denton)

This instrument was acknowledged before me on October 22, 2021, by DAVID N. MILLER.



Michele LeClaire
Notary Public, State of Texas
My commission expires: _____

JAMES I. MILLER

STATE OF TEXAS)

COUNTY OF _____)

This instrument was acknowledged before me on October ____, 2021, by JAMES I. MILLER.

Notary Public, State of Texas
My commission expires: _____

DAVID N. MILLER

STATE OF TEXAS)

COUNTY OF _____)

This instrument was acknowledged before me on October _____, 2021, by DAVID N. MILLER.

Notary Public, State of Texas
My commission expires: _____

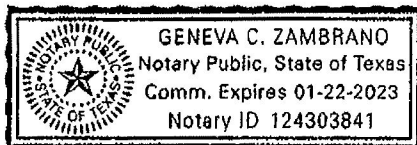
James I. Miller

JAMES I. MILLER

STATE OF TEXAS)

COUNTY OF Aransas)

This instrument was acknowledged before me on October 22, 2021, by JAMES I. MILLER.



Geneva C. Zambrano

Notary Public, State of Texas
My commission expires: _____

EXHIBIT "A" LEGAL DESCRIPTION

File No.: 404103

BEING a 202.69 acre tract of land situated in the Reuben Bebee Survey, Abstract No. 29 in Denton County, Texas and being all of a tract of land described in deed to H. A. Miller, L.P., recorded in Document Number 2019-18485 of the Official Records of Denton County, Texas and being more particularly described by metes and bounds as follows:

BEGINNING at a capped 1/2" iron rod stamped "EAGLE SURVEYING" set at the Southwest corner of said H. A. Miller, L.P. tract and the common Northwest corner of a called 25.35 acre tract of land described in the deed to the City of Sanger, recorded in Volume 1125, Page 943 of the Deed Records of Denton County, Texas in being the East right-of-way line of the Gulf Coast and Santa Fe Railroad;

THENCE with the West line of said H. A. Miller, L.P. tract and the common East right-of-way line of said Gulf Coast and Santa Fe Railroad the following courses and distances;

North 03°27'32" West, a distance of 68.42 feet to capped 1/2" iron rod stamped "EAGLE SURVEYING" set;

With a curve to the right having a radius of 5937.38 feet, a delta angle of 15°13'44", a chord bearing and distance of North 03°15'27" East, 1573.49 feet and an arc length of 1578.13 feet to a capped 1/2" iron rod stamped "EAGLE SURVEYING" set;

North 10°00'08" East a distance of 1554.31 feet to a mag. nail set at the Northwest corner of said H. A. Miller, L.P. tract and being in Lois Road;

THENCE South 89°14'57" East, with the North line of said H. A. Miller, L.P. tract, a distance of 2562.75 feet to a mag. nail set at the Northeast corner of said H. A. Miller, L.P. tract and the common Northwest corner of a called 15.00 acre tract of land described in the deed to Mildred E. Hunt, recorded in Document Number 2019-5766 of the Official Records of Denton County, Texas and being in said Lois Road;

THENCE South 01°11'12" West, with the East line of said H. A. Miller, L.P. tract and the common West line of said 15.00 acre tract, passing at a distance of 1627.44 feet a 3" metal fence post found at the Southwest corner of said 15.00 acre tract and the common Northwest corner of Lot 1, Block One of Abney Acres, recorded in Cabinet M, Page 64 of the Plat Records of Denton County, Texas, passing at a distance of 2015.46 feet a capped 1/2" iron rod stamped "KERN INC." found at the Southwest corner of said Lot 1 and the common Northwest corner of Lot 2, Block One of said Abney Acres, passing at a distance of 2792.34 feet a capped 1/2" iron rod stamped "KERN INC." found at the Southwest corner of Lot 3, Block One of said Abney Acres and the common Northwest corner of Lot 4, Block One of said Abney Acres, continuing on said course a total distance of 3187.36 feet to a capped 1/2" iron rod stamped "EAGLE SURVEYING" set at the Southeast corner of said H. A. Miller, L.P. tract and the being in the North line of a called 223.35 acre tract of land described in the deed to Sanger Land Development LLC., recorded in Document Number 2019-16167 of the Official Records of Denton County, Texas;

THENCE North 88°57'52" West, with the South line of said H. A. Miller, L.P. tract and the common North line of said 223.35 acre tract, a distance of 1826.11 feet to a capped 1/2" iron rod stamped "EAGLE SURVEYING" set at the Northwest corner of said 223.35 acre tract and the common Northeast corner of said City of Sanger tract;

EXHIBIT A (continued)

THENCE North 89°01'56" West, with the South line of said H. A. Miller, L.P. tract and the common North line of said City of Sanger tract, a distance of 1026.10 feet to the POINT OF BEGINNING, and containing 202.69 acres of land more or less.

AFTER RECORDING RETURN TO:

STC GROUP MILLER, LLC
2411 Wesley Street, No. 204
Greenville, Texas 75401

EXHIBIT E

Legal Name and Entity Details

TEXAS SECRETARY of STATE
JOHN B. SCOTT**BUSINESS ORGANIZATIONS INQUIRY - VIEW ENTITY**

Filing Number: 803758626
Original Date of Filing: September 11, 2020
Formation Date: N/A
Tax ID: 32075865587
Duration: Perpetual
Entity Type: Domestic Limited Liability Company (LLC)
Entity Status: In existence
FEIN:
Name: STC Group Miller, LLC
Address: PO BOX 2913
MT PLEASANT, TX 75456-2913 USA


<u>REGISTERED AGENT</u>	<u>FILING HISTORY</u>	<u>NAMES</u>	<u>MANAGEMENT</u>	<u>ASSUMED NAMES</u>	<u>ASSOCIATED ENTITIES</u>
Name	Address			Inactive Date	
BrockLegal, PLLC	4325 Windsor Centre Trail #100 Flower Mound, TX 75028 USA				

[Order](#)[Return to Search](#)**Instructions:**

- 🔗 To place an order for additional information about a filing press the 'Order' button.

TEXAS SECRETARY of STATE
JOHN B. SCOTT**BUSINESS ORGANIZATIONS INQUIRY - VIEW ENTITY**

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<u>REGISTERED AGENT</u>		<u>FILING HISTORY</u>	<u>NAMES</u>	<u>MANAGEMENT</u>	<u>ASSUMED NAMES</u>	<u>ASSOCIATED ENTITIES</u>	
View Image	Document Number	Filing Type	Filing Date	Effective Date	Eff. Cond	Page Count	
	995600400003	Certificate of Formation	September 11, 2020	September 11, 2020	No	2	

[Order](#)[Return to Search](#)**Instructions:**

- 🔍 To place an order for additional information about a filing press the 'Order' button.

Secretary of State
P.O. Box 13697
Austin, TX 78711-3697
FAX: 512/463-5709

Filing Fee: \$300



**Certificate of Formation
Limited Liability Company**

Filed in the Office of the
Secretary of State of Texas
Filing #: 803758626 09/11/2020
Document #: 995600400003
Image Generated Electronically
for Web Filing

Article 1 - Entity Name and Type

The filing entity being formed is a limited liability company. The name of the entity is:

STC Group Miller, LLC

Article 2 - Registered Agent and Registered Office

☒ A. The initial registered agent is an organization (cannot be company named above) by the name of:

BrockLegal, PLLC

OR

☐ B. The initial registered agent is an individual resident of the state whose name is set forth below:

C. The business address of the registered agent and the registered office address is:

Street Address:

4325 Windsor Centre Trail #100 Flower Mound TX 75028

Consent of Registered Agent

☐ A. A copy of the consent of registered agent is attached.

OR

☒ B. The consent of the registered agent is maintained by the entity.

Article 3 - Governing Authority

☒ A. The limited liability company is to be managed by managers.

OR

☐ B. The limited liability company will not have managers. Management of the company is reserved to the members.

The names and addresses of the governing persons are set forth below:

Manager 1: (Business Name) **Creative Destination Development, LLC**

Address: **1221 N Jefferson Ave Mount Pleasant TX, USA 75455**

Article 4 - Purpose

The purpose for which the company is organized is for the transaction of any and all lawful business for which limited liability companies may be organized under the Texas Business Organizations Code.

Supplemental Provisions / Information

[The attached addendum, if any, is incorporated herein by reference.]

Organizer

The name and address of the organizer are set forth below.

Clinton Zettle, Member of BrockLegal, PLLC
Flower Mound, TX 75028

4325 Windsor Centre Trail Suite 100,

Effectiveness of Filing

☒ A. This document becomes effective when the document is filed by the secretary of state.

OR

☐ B. This document becomes effective at a later date, which is not more than ninety (90) days from the date of its signing. The delayed effective date is:

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 under the provisions of law governing the entity to execute the filing instrument.

Clinton Zettle

Signature of Organizer

FILING OFFICE COPY

TEXAS SECRETARY of STATE
JOHN B. SCOTT**BUSINESS ORGANIZATIONS INQUIRY - VIEW ENTITY**

Filing Number: 803758626
Original Date of Filing: September 11, 2020
Formation Date: N/A
Tax ID: 32075865587
Duration: Perpetual
Entity Type: Domestic Limited Liability Company (LLC)
Entity Status: In existence
FEIN:
Name: STC Group Miller, LLC
Address: PO BOX 2913
MT PLEASANT, TX 75456-2913 USA

<u>REGISTERED AGENT</u>	<u>FILING HISTORY</u>	<u>NAMES</u>	<u>MANAGEMENT</u>	<u>ASSUMED NAMES</u>	<u>ASSOCIATED ENTITIES</u>
Name		Name Status	Name Type	Name Inactive Date	Consent Filing #
STC Group Miller, LLC		In use	Legal		

[Order](#)[Return to Search](#)**Instructions:**

- ☛ To place an order for additional information about a filing press the 'Order' button.

TEXAS SECRETARY of STATE
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Name: STC Group Miller, LLC
Address: PO BOX 2913
MT PLEASANT, TX 75456-2913 USA

<u>REGISTERED AGENT</u>	<u>FILING HISTORY</u>	<u>NAMES</u>	<u>MANAGEMENT</u>	<u>ASSUMED NAMES</u>	<u>ASSOCIATED ENTITIES</u>
Last Update September 11, 2020	Name Creative Destination Development, LLC	Title Manager	Address 1221 N Jefferson Ave Mount Pleasant, TX 75455 USA		

[Order](#)[Return to Search](#)Instructions:

🔗 To place an order for additional information about a filing press the 'Order' button.

TEXAS SECRETARY of STATE
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<u>REGISTERED AGENT</u>	<u>FILING HISTORY</u>	<u>NAMES</u>	<u>MANAGEMENT</u>	<u>ASSUMED NAMES</u>	<u>ASSOCIATED ENTITIES</u>												
<table><thead><tr><th>Assumed Name</th><th>Date of Filing</th><th>Expiration Date</th><th>Inactive Date</th><th>Name Status</th><th>Counties</th></tr></thead><tbody><tr><td colspan="6">No names exist for this filing.</td></tr></tbody></table>						Assumed Name	Date of Filing	Expiration Date	Inactive Date	Name Status	Counties	No names exist for this filing.					
Assumed Name	Date of Filing	Expiration Date	Inactive Date	Name Status	Counties												
No names exist for this filing.																	

[Order](#)[Return to Search](#)**Instructions:**

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Name	Entity Type	Document Description	Filing Date	Entity Filing Number	Jurisdiction	Capacity
There are no documents listed for this entity which match your inquiry.						

[Order](#)[Return to Search](#)**Instructions:**

🔗 To place an order for additional information about a filing press the 'Order' button.

EXHIBIT F

GIS Shapefiles to be uploaded
to PUC Interchange

EXHIBIT G

Letter to CCN Holder



Leonard H. Dougal
(512) 236-2233 (Direct Dial)
(512) 391-2112 (Direct Fax)
ldougal@jw.com

February 22, 2022

CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Mr. James Parkman, General Manager
Bolivar Water Supply Corporation
4151 FM 455 West
Sanger, Texas 76266

Certified Article Number

9414 7266 9904 2117 4161 37

SENDER'S RECORD

RE: Petition of STC Group Miller, LLC to Amend Bolivar Water Supply Corporation's Certificate of Convenience and Necessity in Denton County by Expedited Release (the "Petition")

Dear Mr. Parkman:

I have enclosed a copy of the Petition being filed today at the Public Utility Commission of Texas on behalf of the above-referenced Petitioner for a streamlined expedited release of property from the water Certificate of Convenience and Necessity held by Bolivar Water Supply Corporation in Denton County, Texas. The Petition is filed pursuant to Texas Water Code §13.2541 and 16 Tex. Admin. Code §24.245(h).

Sincerely,

Leonard H. Dougal

ATTORNEY FOR PETITIONER

Enclosure -- Petition



Filing Receipt

Received - 2022-03-25 03:33:45 PM
Control Number - 53254
ItemNumber - 5

DOCKET NO. 53254

PETITION OF STC GROUP MILLER,	§	PUBLIC UTILITY COMMISSION
LLC TO AMEND BOLIVAR WATER	§	
SUPPLY CORPORATION'S	§	OF TEXAS
CERTIFICATE OF CONVENIENCE	§	
AND NECESSITY IN DENTON	§	
COUNTY BY STREAMLINED	§	
EXPEDITED RELEASE	§	

ORDER NO. 2
FINDING PETITION ADMINISTRATIVELY COMPLETE, NOTICE
SUFFICIENT, AND ESTABLISHING PROCEDURAL SCHEDULE

This Order addresses the sufficiency of the February 22, 2022 petition of STC Group Miller, LLC to amend Bolivar Water Supply Corporation's certificate of convenience and necessity (CCN) number 11257 in Denton County by streamlined expedited release.

I. Finding Application Administratively Complete

On March 24, 2022, Commission Staff recommended that the petition be found administratively complete. The finding of administrative completeness does not address the merits of the petition. The administrative law judge (ALJ) finds the application administratively complete.

II. Finding Notice Sufficient

The petition includes a signed certificate of service in which STC Group Miller certified that it mailed a true and correct copy of its petition to the CCN holder, Bolivar WSC, by certified mail on the date the petition was filed with the Commission.

The ALJ finds the notice sufficient.

III. Establishing Procedural Schedule

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. Therefore, an order granting approval for streamlined expedited release is interim in nature and, in the event the requested release is approved, the docket will continue for the purpose of determining the issue of compensation.

The following procedural schedule applies in this case:

Event	Date
Deadline for the CCN holder to file a response, verified by a notarized affidavit, to the administratively complete petition	April 14, 2022
Deadline for petitioner to file a response to CCN holder's response to the administratively complete petition	April 21, 2022
Deadline for Commission Staff's recommendation on final disposition	May 5, 2022
Sixty-day administrative approval of streamlined expedited release	May 24, 2022
<i>In the event streamlined expedited release is granted and the petitioner and the CCN holder can select an agreed-upon appraiser</i>	
Deadline for the petitioner and the CCN holder to make a filing stating that they have selected an agreed upon appraiser	Within 10 days after the Commission approves streamlined expedited release
Deadline for appraiser's report	Within 70 days after the Commission approves streamlined expedited release
Deadline for Commission's final order determining the amount of monetary compensation, if any, owed by the petitioner to the CCN holder	Within 60 days after appraiser's report
Deadline for the petitioner to pay any compensation due to the CCN holder	Within 90 days of the Commission's final order on compensation
<i>In the event streamlined expedited release is granted and the petitioner and the CCN holder are unable to select an agreed-upon appraiser</i>	
Deadline for the petitioner and the CCN holder to make a filing stating that they have been unable to select an agreed upon appraiser	Within 10 days after the Commission approves streamlined expedited release
Deadline for reports from the petitioner's appraiser and the CCN holder's appraiser	Within 70 days after the Commission approves streamlined expedited release
Deadline for Commission Staff's appraiser's report	Within 100 days after the Commission approves streamlined expedited release
Deadline for Commission's final order determining the amount of monetary compensation, if any, owed by the petitioner to the CCN holder	Within 60 days after Commission receives the final appraisal
Deadline for the petitioner to pay any compensation due to the CCN holder	Within 90 days of Commission's final order on compensation

Signed at Austin, Texas the 25th day of March 2022.

PUBLIC UTILITY COMMISSION OF TEXAS

A handwritten signature in black ink, appearing to read "Katie Moore Marx".

for

ISAAC TA

ADMINISTRATIVE LAW JUDGE



Filing Receipt

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Control Number - 53254

ItemNumber - 6

PUC DOCKET NO. 53254

PETITION OF STC GROUP MILLER,	§	PUBLIC UTILITY COMMISSION
LLC TO AMEND BOLIVAR WATER	§	
SUPPLY CORPORATION'S	§	OF TEXAS
CERTIFICATE OF CONVENIENCE	§	
AND NECESSITY IN DENTON	§	
COUNTY BY STREAMLINED	§	
EXPEDITED RELEASE	§	

RESPONSE OF BOLIVAR WATER SUPPLY CORPORATION

Bolivar Water Supply Corporation ("Bolivar") hereby submits this Response ("Response") to the Original Petition of STC Group Miller, LLC to Amend Bolivar Water Supply Corporation's Certificate of Convenience and Necessity in Denton County by Streamlined Expedited Release ("Petition") filed on February 22, 2022, with the Public Utility Commission of Texas ("PUC" or "Commission"). The Petition seeks to remove, amend, decertify, or release from Bolivar's CCN No. 11257 approximately 202 acres of land in Denton County, Texas.

Order No. 1 in this docket provided an April 14, 2002, deadline for Bolivar's response. This Response is therefore timely filed.

I. RESPONSE

Bolivar is fully capable of providing continuous and adequate retail water service to the Property. Bolivar has lines readily available to provide service to the Petitioner. Bolivar, in addition, has long-term debt issued for the benefit of the property that is the subject of the Petition.

Petitioner has filed the Petition instead of receiving excellent service from an existing provider that boasts long standing compliance with existing standards for customer service. The only reason Petitioner is not receiving service from Bolivar is that it has not requested service. Bolivar understands that the landowner will be required to pay compensation for the adverse impacts of the decertification on Bolivar. Such compensation is required by law. Therefore, if the Commission grants the Petition, Bolivar demands that a compensation phase be initiated to

determine the amount of compensation that the landowner must pay to Bolivar for the decertification, according to Texas Water Code § 13.254 and 16 Tex. Admin. Code § 24.245.

Bolivar hereby includes the Declarations of James Parkman and Kerry Maroney that addresses the Petition. The declarations are attached hereto as Exhibit Nos. 1 and 2, respectively.

Bolivar seeks full compensation allowed by law, if the Petition is granted, in order to compensate Bolivar for the planning, design, construction, stranded investment, and other costs that are allocable to the Petitioner. Bolivar further seeks full compensation as set forth in Chapter 21 of the Texas Property Code and 16 Tex. Admin. Code § 24.245(j).

II. CONCLUSION

Bolivar respectfully requests that the Commission, if the Petition is granted, award full compensation allowed by law to Bolivar. Bolivar additionally requests all other relief to which it may be justly entitled.

Respectfully submitted,

Russell Rodriguez Hyde Bullock LLP
1633 Williams Drive, Building 2, Suite 200
Georgetown, Texas 78628
(512) 930-1317
(866) 929-1641 (Fax)
arodriguez@txlocalgovlaw.com

/s/ Arturo D. Rodriguez, Jr.
ARTURO D. RODRIGUEZ, JR.
State Bar No. 00791551

**ATTORNEY FOR BOLIVAR WATER
SUPPLY CORPORATION**

CERTIFICATE OF SERVICE

I certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record via electronic mail on the 14th day of April, 2022, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Arturo D. Rodriguez, Jr.
ARTURO D. RODRIGUEZ, JR.

PUC DOCKET NO. 53254

**PETITION OF STC GROUP MILLER,
LLC TO AMEND BOLIVAR WATER
SUPPLY CORPORATION'S
CERTIFICATE OF CONVENIENCE
AND NECESSITY IN DENTON
COUNTY BY STREAMLINED
EXPEDITED RELEASE**

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§

**PUBLIC UTILITY COMMISSION

OF TEXAS**

STATE OF TEXAS

§
§
§

COUNTY OF DENTON

DECLARATION OF JAMES PARKMAN

Pursuant to Texas Civil Practices and Remedies Code Section 132.001, JAMES PARKMAN, hereby subscribes to the following declarations under penalty of perjury:

1. My name is James Parkman, my date of birth is September 16, 1950, and my address is 4151 FM 455 West, Sanger, Texas 76266. I declare under the penalty of perjury that all information in this document is true and correct.
2. I am the General Manager of the Bolivar Water Supply Corporation.
3. I have reviewed Bolivar Water Supply Corporation's Response to the Original Petition of McCart St, LLC to Amend Bolivar Water Supply Corporation's Certificate of Convenience and Necessity in Denton County by Streamlined Expedited Release.
4. Bolivar Water Supply Corporation seeks full compensation allowed by law, if the Petition is granted, in order to compensate Bolivar for the planning, design, construction, stranded investment, and other costs that are allocable to the Petitioner. Bolivar Water Supply Corporation further seeks full compensation as set forth in Chapter 21 of the Texas Property Code and 16 Tex. Admin. Code § 24.245(j).
5. Bolivar Water Supply Corporation's engineer, Kerry Maroney, details the company's system and the stranded investment which will be left if the Petition that is the subject of this docket is granted.
6. In addition to the materials provided by Mr. Maroney, I am attaching Bolivar Water Supply Corporation's audited financial statements, as of December 31, 2021. A true and correct copy of audited financial statements is attached hereto as Exhibit A. Bolivar Water Supply Corporation has current debt with the United States Department of Agriculture-Rural Development for facilities that are used to serve the property that is the subject of the Petition. Further, Bolivar Water Supply Corporation is obligated to the Greater Texoma Utility Authority to make monthly payments in amounts sufficient to provide for the



payment and redemption of the principal and interest on revenue bonds issued by the Greater Texoma Utility Authority on Bolivar Water Supply Corporation's behalf.

7. I declare under the penalty of perjury that the foregoing is true and correct.

SIGNED in Denton County, Texas on April 13, 2022.



A handwritten signature in black ink, appearing to read 'James Parkman', is written over a horizontal line. Below the signature, the name 'JAMES PARKMAN' is printed in a sans-serif font.

JAMES PARKMAN

**BOLIVAR WATER
SUPPLY CORPORATION**

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

DECEMBER 31, 2021

EXHIBIT

A

exhibitstickers.com

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Bolivar Water Supply Corporation
Sanger, Texas

We have audited the accompanying financial statements of Bolivar Water Supply Corporation (a nonprofit corporation), which comprise the balance sheet as of December 31, 2021, and the related statements of income and retained earnings and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bolivar Water Supply Corporation as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated March 8, 2022, on our consideration of Bolivar Water Supply Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Bolivar Water Supply Corporation's internal control over financial reporting and compliance.

Hankins, Eastup, Deaton, Tonn & Seay, PC
Denton, Texas

March 8, 2022

BOLIVAR WATER SUPPLY CORPORATION

**BALANCE SHEET
DECEMBER 31, 2021**

ASSETS

Current assets:		
Cash and cash equivalents	\$ 1,113,857	
Accounts receivable - trade (net of allowance), pledged	203,142	
Investments	6,627,938	
Prepaid expenses	8,714	
Inventory, at cost	88,958	
Total current assets		\$ 8,042,609
Investments - restricted		135,175
Property and equipment, pledged:		
Wells and well sites, water distribution system and storage facilities	22,765,872	
Buildings	1,447,060	
Furniture, equipment and vehicles	765,318	
Construction in progress	1,507,637	
	26,485,887	
Less accumulated depreciation	(15,241,693)	
Land, right of way and easements	403,618	
Net property and equipment		11,647,812
Other assets:		
Utility deposits	70	
Total other assets		70
TOTAL ASSETS		<u>\$ 19,825,666</u>

LIABILITIES AND MEMBERS EQUITY

Current liabilities:		
Accounts payable	\$ 524,566	
Accrued expenses	30,275	
Current portion of long-term debt	65,666	
Total current liabilities		\$ 620,507
Long-term debt, net of current portion		1,013,054
TOTAL LIABILITIES		<u>1,633,561</u>
Members' equity:		
Contributed capital -		
Member accounts	416,900	
Other contributed capital	3,025,098	
Total contributed capital		3,441,998
Retained earnings:		
Restricted	135,175	
Unrestricted	14,614,932	
Total retained earnings		14,750,107
Total members' equity		<u>18,192,105</u>
TOTAL LIABILITIES AND OWNER'S CAPITAL		<u>\$ 19,825,666</u>

See accompanying notes to the financial statements.

BOLIVAR WATER SUPPLY CORPORATION

STATEMENT OF INCOME AND RETAINED EARNINGS YEAR ENDED DECEMBER 31, 2021

Revenues:		
Water sales	\$ 2,706,987	
Current period new member additions	1,294,500	
Installations and road bores	100,479	
Other fees and changes	46,424	
Other income	48,183	
Total revenues		\$ 4,196,573
Operating expenses:		
Depreciation	685,921	
Salaries	864,121	
Payroll taxes	66,247	
Employee insurance	98,705	
Utilities	308,228	
Repairs, maintenance and operations	622,765	
Contracted services - GTUA	97,221	
Interest expense	55,803	
Insurance and bonds	51,791	
Miscellaneous	30,965	
Bank and credit card charges	50,977	
Office supplies and expense	40,750	
Telephone	12,835	
Professional fees	23,192	
Postage	13,558	
Retirement plan contribution	24,846	
Auto and truck expense	80,695	
Water sample expense	20,428	
Total operating expenses		<u>3,149,048</u>
Net operating income		1,047,525
Other income (loss):		
Interest and dividend income	194,648	
Realized gain/(loss) on investments	534,996	
Unrealized gain/(loss) on investments	(142,207)	
Gain on sale of equipment	5,500	
Total other income (loss)		<u>592,937</u>
Net Income		1,640,462
Retained earnings - beginning of year		<u>13,109,645</u>
Retained earnings - end of year		<u><u>\$ 14,750,107</u></u>

See accompanying notes to the financial statements.

BOLIVAR WATER SUPPLY CORPORATION

STATEMENT OF CASH FLOWS DECEMBER 31, 2021

Cash flows from operating activities		
Net income		\$ 1,640,462
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	\$ 685,921	
(Increase) decrease in:		
Accounts receivable - trade	(49,739)	
Prepaid expenses	(1,334)	
Inventory	2,414	
Increase (decrease) in accounts payable	279,861	
Increase (decrease) in accrued expenses	(26,479)	
Interest and dividend income	(194,648)	
Realized and unrealized gains/losses on investments	(392,789)	
Gain on sale of equipment	(5,500)	
Total adjustments		<u>297,707</u>
Net cash provided by operating activities		<u>1,938,169</u>
Cash flows from investing activities:		
Proceeds from sale of investments	4,664,802	
Proceeds from sale of equipment	5,500	
Purchase of property and equipment	(1,670,045)	
Purchase of investments	(5,471,593)	
Interest and dividend income	194,468	
Net cash used by investing activities		<u>(2,276,868)</u>
Cash flows from financing activities:		
Principal payments on long-term debt	(73,923)	
Increase in member accounts - net	21,427	
Net cash used by financing activities		<u>(52,496)</u>
Net decrease in cash and cash equivalents		<u>(391,195)</u>
Cash and cash equivalents at beginning of year		<u>1,505,052</u>
Cash and cash equivalents at end of year		<u><u>\$ 1,113,857</u></u>
Supplemental disclosure:		
Cash paid for interest		<u><u>\$ 50,078</u></u>

See accompanying notes to the financial statements.

BOLIVAR WATER SUPPLY CORPORATION

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Bolivar Water Supply Corporation ("the Corporation") is operated in a manner similar to a private enterprise where the intent is to provide water and related services to the general public with all costs financed primarily through user charges. The Corporation is a nonprofit, member-owned corporation governed by a nine member Board of Directors elected by the members of the Corporation. The Corporation serves individuals residing in the rural areas surrounding Sanger, Texas in northern Denton County, southern Cooke County, and eastern Wise County, Texas.

Revenue and Expense Recognition

The books and records of the corporation are maintained on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recognized in the accounting period they are earned, and expenses are recognized when incurred.

Property, Equipment and Depreciation

Depreciation expense included in the accompanying financial statements is recorded on the straight-line method over the estimated useful lives of the assets. Property and equipment in excess of \$2,000 is recorded at cost or, if contributed, estimated cost of materials and installation. Useful lives range from 5 years for light equipment to 40 years for certain system improvements.

Inventory

Inventory, consisting of supplies and equipment, is stated at cost. Cost is determined primarily by the first-in, first-out method.

Accounts Receivable - Trade

Accounts receivable consist primarily of receivables related to water sales. Trade accounts receivable are shown net of an allowance for uncollectible amounts of \$30,264. All trade accounts receivable are pledged as security for the U.S.D.A. Rural Development loans. Accounts receivable are not collateralized.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of financial statement presentation, the Corporation considers all money market funds and highly liquid debt instruments with maturities of three months or less when acquired to be cash equivalents.

BOLIVAR WATER SUPPLY CORPORATION

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2019

NOTE 2 – LONG-TERM DEBT

Long-term debt at December 31, 2021, consisted of the following:

United States Department of Agriculture Rural Development:
5% note payable, dated March 8, 1996, maturing in July
2033. Due in monthly installments of \$10,341 including
interest. Secured by the water system. \$ 1,078,720

Total	1,078,720
Less Current Portion	<u>(65,666)</u>
Long-Term Debt	<u>\$1,013,054</u>

Maturities of Long-Term Debt are as follows:

Years Ended December 31:

2022	\$ 65,666
2023	75,146
2024	78,990
2025	83,032
2026	87,280
Thereafter	<u>688,606</u>
Total	<u>\$1,078,720</u>

BOLIVAR WATER SUPPLY CORPORATION

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2021

NOTE 3 – AGREEMENT WITH THE GREATER TEXOMA UTILITY AUTHORITY (GTUA)

GTUA is a political subdivision of the State of Texas created to assist cities, towns, and other entities develop water, sewer, and solid waste facilities. In 2004, the Corporation entered into a contract with GTUA for certain water supply services. Pursuant to the agreement, GTUA issued \$1,500,000 of Contract Revenue Bonds in order to fund construction of facilities as provided for in the water supply services contract with the Corporation.

The Corporation has agreed, and is obligated to GTUA, to make monthly payments in amounts sufficient to provide for the payment and redemption of the principal and interest on those revenue bonds as they become due through the year 2028. The Corporation is also obligated to pay an annual administration fee to GTUA. This fee was \$650 in 2021. These payments are recognized as operating expenses by the Corporation and as revenues by GTUA.

Contractual commitments to be paid to GTUA by the Corporation as required by the water supply and service contract are shown in the following schedule:

<u>Year</u>	<u>Amount</u>
2022	\$ 95,624
2023	97,142
2024	99,805
2025	98,579
2026	99,818
Thereafter	<u>127,901</u>
Total	<u>\$ 618,869</u>

Future payments to GTUA will fluctuate because the revenue bonds issued by GTUA are variable rate bonds, and the interest rate changes each year. The payment obligations shown above represent the bond interest rate as of April 1, 2017, which was 2.79%.

The debt obligation for GTUA's revenue bonds is not reflected in the Corporation's financial statements. The liability for the debt obligation is separately presented in the publicly available September 30, 2021 financial statements of GTUA.

NOTE 4 – RESTRICTED INVESTMENTS

Included in the financial statements at December 31, 2021 is \$135,175 of investments that are restricted under the Corporation's loan agreement with USDA Rural Development for future debt service payments.

The loan agreement requires the Corporation to maintain a reserve fund of at least \$124,092, which is one year of debt service payments on the loan. The reserve fund balance at December 31, 2021 was \$135,175. The reserve fund consists of mutual funds with a fair value at December 31, 2021 of \$135,175.

BOLIVAR WATER SUPPLY CORPORATION

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2021

NOTE 5 – INVESTMENTS

Investments consist of common stocks and mutual funds all of which are readily marketable. All investments are stated at fair value. The fair value of the mutual funds is based on significant other observable inputs (level 2 measurements). The mutual funds consist of both bond funds and equity funds. The fair value of the common stocks is based on quoted prices in active markets (level 1 measurements).

Investments at December 31, 2021 are summarized as follows:

Unrestricted investments included in current assets:

	<u>Cost</u>	<u>Fair Value</u>
Common Stocks	\$ 1,779,383	\$ 2,258,140
Mutual funds	<u>4,001,844</u>	<u>4,369,798</u>
Total	<u>\$ 5,781,227</u>	<u>\$ 6,627,938</u>

Restricted investments (see Note 4):

Mutual funds	<u>\$ 145,201</u>	<u>\$ 135,175</u>
Total	<u>\$ 145,201</u>	<u>\$ 135,175</u>

Total investment return for the year ended December 31, 2021 consisted of \$194,648 of interest and dividend income plus \$142,207 of unrealized losses in the fair value of investments plus \$534,996 of realized losses on the sale of investments for a net investment return of \$587,437.

NOTE 6 – FEDERAL INCOME TAX

Bolivar Water Supply Corporation is a non-profit organization that qualifies under IRS Code Sec. 501(c)(12) for exemption from Federal income tax.

The Corporation files Form 990 with the Internal Revenue Service, and as of December 31, 2021, the Corporation's tax returns related to the years ended December 31, 2018 through 2020 remain open to possible examination by the Internal Revenue Service; however, no tax returns are currently under examination.

Exempt organizations are required to pay Federal income tax on unrelated business taxable income. For the year ended December 31, 2021, the Corporation had no unrelated business taxable income.

BOLIVAR WATER SUPPLY CORPORATION

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2021

NOTE 7 – RETIREMENT PLAN

The Corporation sponsors an SEP retirement plan for eligible employees. The Plan allows for the Corporation to make contributions for eligible employees at a percentage of eligible compensation determined by the Board of Directors. For 2021 the Corporation contributed three percent of eligible compensation. The Corporation's contribution for 2021 was \$24,846. All participating employees are fully vested in the Corporation's contributions.

NOTE 8 – FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of cash and cash equivalents, accounts receivable – trade, accounts payable, and accrued expenses reported in the balance sheet approximate fair values because of the short maturities of those instruments. The carrying amount of long-term debt reported in the balance sheet approximates fair value based on currently available loans with similar terms.

NOTE 9 – CONCENTRATIONS

The Corporation operates a water system in the Sanger, Texas area including northern Denton County, southern Cooke County, and eastern Wise County, Texas. The Corporation is reliant on customers within this area for its operations.

The Corporation maintains demand checking accounts at Sanger Bank and First United Bank. Deposits at the banks are insured by the FDIC up to \$250,000 per institution. The Corporation maintains balances in excess of FDIC coverage at times. As of December 31, 2021, the bank balance at Sanger Bank was \$776,202. Demand checking and money market accounts at other financial institutions were all below \$250,000 as of December 31, 2021. The Corporation invests excess funds in a money market mutual fund with Edward Jones. Deposits in the Edward Jones money market mutual fund are not federally insured. The balance invested in the Edward Jones money market mutual fund at December 31, 2021 was \$223,144.

NOTE 10 – SUBSEQUENT EVENTS

Management has reviewed events subsequent to December 31, 2021 through March 8, 2022, which is the date the financial statements were available to be issued. No subsequent events were identified that were required to be recorded or disclosed in the financial statements.

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Bolivar Water Supply Corporation
Sanger, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Bolivar Water Supply Corporation, which comprise the balance sheet as of December 31, 2021, and the related statements of income and retained earnings and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 8, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Bolivar Water Supply Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Bolivar Water Supply Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Bolivar Water Supply Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control or on compliance. This report is an integral part of the audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hankins, Eastup, Deaton, Tonn & Seay, PC
Denton, Texas

March 8, 2022

PUC DOCKET NO. 53254

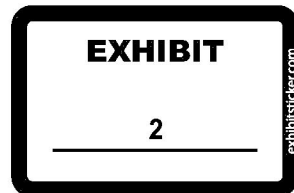
PETITION OF STC GROUP MILLER,	§	PUBLIC UTILITY COMMISSION
LLC TO AMEND BOLIVAR WATER	§	
SUPPLY CORPORATION'S	§	OF TEXAS
CERTIFICATE OF CONVENIENCE	§	
AND NECESSITY IN DENTON	§	
COUNTY BY STREAMLINED	§	
EXPEDITED RELEASE	§	
STATE OF TEXAS	§	
	§	
COUNTY OF DENTON	§	


DECLARATION OF KERRY D. MARONEY, P.E.

Pursuant to Texas Civil Practices and Remedies Code Section 132.001, KERRY D. MARONEY, P.E. hereby subscribes to the following declarations under penalty of perjury:

1. My name is Kerry D. Maroney, my date of birth is 10/12/1950, and my address is 2500 Brook Avenue, Wichita Falls, Texas, 76301. I declare under the penalty of perjury that all information in this document is true and correct.
2. I am a registered professional engineer registered in Texas (License No. 44639) and Oklahoma (License No. 20730) and a shareholder with Biggs and Mathews, Inc. I serve as the corporate engineer for the Bolivar Water Supply Corporation. I designed much of their system and am familiar with their water distribution system. I have been a registered professional engineer in the state of Texas since 1979.
3. I have reviewed the Original Petition of STC Group Miller, LLC to Amend Bolivar Water Supply Corporation's Certificate of Convenience and Necessity in Denton County by Streamlined Expedited Release.
4. I prepared the attached Letter of Engineering Review of the property that is the subject of this proceeding. A true and correct copy of the letter is attached hereto as Exhibit A. Bolivar Water Supply Corporation will have its investment in the letter partially stranded if the Petition in this docket is granted.
5. I declare under the penalty of perjury that the foregoing is true and correct.

SIGNED in Wichita County, Texas on April 12th, 2022.




KERRY D. MARONEY, P.E.



BIGGS & MATHEWS INC.

Consulting Engineers

April 8, 2022

Art Rodriguez
Russell Rodriguez Hyde Bullock, LLP
1633 Williams Drive
Bldg. 2, Suite 200
Georgetown, Texas 78628

RE: Letter of Engineering Review – STC Group Miller, LLC Tract
Request for Expedited Release – 202.69 Acres
East Lois Rd. & Melton Rd.

Dear Mr. Rodriguez:

We have evaluated the potential for Bolivar Water supply Corporation (BWSC) to provide continuous and adequate water service to this 202.69 acre tract of land, and are providing you with the following information and results of our evaluation.

SITE INFORMATION:

Size of Development: Approx. 203 Acres
Site Ground Elevation: Approx. 748 – 705 MSL
Site Pressure Plane: Pressure Plane No.2
County Location: Denton County
Groundwater District (If Applicable): North Texas GCD
Bolivar WSC Pressure Plane: No. 2 – HGL 860 MSL (Woolard, Melton, Kit Carson)
Current Water Supply Capacity (Plane No. 2)-535 GPM – Max. 890 Connections
Current High Service Pump Capacity (Plane 2)-1900 GPM – Max. 950 Connections
Current Ground Storage Tank Capacity (Plane 2)-210,000 Gallons
Current Elevated Storage Capacity (Plane 2) – 100,000 Gallons – Max. 1,000 Connections
Current Total Storage Capacity (Plane 2) – 310,000 Gallons – Max. 1,550 Connections
Estimated Current Connections: 512 Connections

WATER SERVICE RECOMMENDATIONS:

- *BWSC has more than adequate water service capacity to provide continuous and adequate water service to this tract of land including adequate fire flows for emergency purposes. The only reason this tract is not being serve at this time, is that the Owner has not requested water service*
- *BWSC currently has a 12" water distribution line located in the public right-of-way of East Lois Rd. and along the north frontage of this 203 acre tract. This existing 12"line is provided more than adequate pressure maintenance from a 100,000 gallon elevated water storage tank and two (2) existing pump stations with a combined ground storage capacity of 210,000 gallons and a combined high service pump capacity of 1,900 GPM.*

EXHIBIT

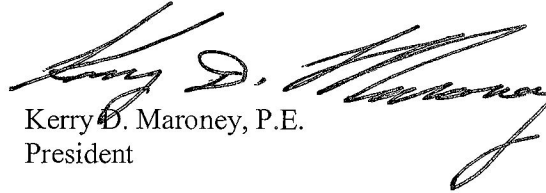
A

- *This tract of land is within the CCN of BWSC, and BWSC has adequate capacity and when service is requested, BWSC intends to provide continuous and adequate domestic water service and adequate emergency fire flows to this tract of land in accordance with the current adopted tariff of BWSC*

Please contact us if you have any questions regarding this information.

Sincerely,

BIGGS & MATHEWS, INC.



Kerry D. Maroney, P.E.
President

Untitled Map

246

Huling & Chisam Rd. Development

Legend

- Feature 1
- Lois Rd E
- Path Measure
- Polygon Measure

Melton Rd. P.S.

Woolard E.T.

Lois Rd E

Exist. 6" Line

Exist. 12" Line

Exist. 12" Line

203 AC.
MILLER LLC
GTC GROUP



1 mi

LOIS RD W

Application Exhibit

Exhibit "C"

MELTON RD

JORDAN LN

LOIS RD E

LOIS RD E

CITY OF SANGER

UTILITY RD

B.N.S.F. RAILROAD CO.

BRIDLE PATH LN

LAKEPARK DR

**Tract of Land for Streamlined Expedited
Release From Bolivar WSC CCN No. 11257
(Water Only)**

MAP LEGEND:



Tract of land for streamlined expedited
release from Bolivar WSC Water CCN
No. 11257



City of Sanger Jurisdictional Boundary



MAP SCALE: 1" = 800'

0 400 800 1,600 Feet

January 12, 2022

Tract of land for decertification is located east of
IH-35, south of Lois Road East, east of B.N.S.F.
Railroad Co., and north of Utility Road.

Denton County, TX



Filing Receipt

Received - 2022-05-20 10:59:34 AM
Control Number - 53254
ItemNumber - 10

DOCKET NO. 53254

PETITION OF STC GROUP MILLER,	§	PUBLIC UTILITY COMMISSION
LLC TO AMEND BOLIVAR WATER	§	
SUPPLY CORPORATION’S	§	OF TEXAS
CERTIFICATE OF CONVENIENCE	§	
AND NECESSITY IN DENTON	§	
COUNTY BY STREAMLINED	§	
EXPEDITED RELEASE		

COMMISSION STAFF’S RECOMMENDATION ON FINAL DISPOSITION

On February 22, 2022, STC Group Miller, LLC (STC) filed a petition for streamlined expedited release from Bolivar Water Supply Corporation’s (Bolivar WSC) water Certificate of Convenience and Necessity (CCN) No. 11257 under Texas Water Code (TWC) § 13.2541 and 16 Texas Administrative Code (TAC) § 24.245(h). STC asserts that the land is at least 25 contiguous acres, is not receiving water service, and is located in Denton County, which is a qualifying county.

On May 6, 2022, the administrative law judge (ALJ) filed Order No. 3, establishing a deadline of May 20, 2022 for the Staff (Staff) of the Public Utility Commission of Texas (Commission) to file a recommendation on final disposition. Therefore, this pleading is timely filed.

I. RECOMMENDATION ON FINAL DISPOSITION

Staff has reviewed the petition, Bolivar WSC’s response to the petition, and STC’s reply to Bolivar WSC’s response, and, as detailed in the attached memorandum from Jolie Mathis, Infrastructure Division, recommends that the petition satisfies the requirements of TWC § 13.2541 and 16 TAC § 24.245(h).

Bolivar WSC argued that it is capable of providing service to STC, through a 12-inch water distribution line that is in close proximity to the land requested for release and is supplied by an elevated water storage tank and two pump stations. STC replied and correctly argued that this does not mean that the land is *receiving* service. To receive water service, a retail water utility must have “facilities or lines committed to providing water to the particular tract or has performed acts or supplied anything to the particular tract”¹ Bolivar WSC’s argument is flawed, because the

¹ *Tex. Gen. Land Office v. Crystal Clear Water Supply Corp.*, 449 S.W.3d.130, 140 (Tex. App.—Austin 2014, pet. denied); *see also* TWC § 13.002(21), 16 TAC § 24.3(33).

water line located in close proximity to the requested area has not been shown to be committed to providing water to the requested area. In *Crystal Clear*, the court looked to whether existing lines and facilities, located on or near property, were constructed for the purpose of providing water to the property in question.² Finding that the facilities were constructed to serve the greater area, and not the particular property, the court determined that the facilities were not committed to the particular tract of land, and therefore, the property in question was not receiving service.³ Bolivar WSC's limited response on this issue is conclusory and does not demonstrate that the water line is committed in any way separate from supplying water to the greater area. Further, Bolivar WSC also argued that its elevated water storage tank and two pump stations connected to the 12-inch water line shows that it has adequate capacity and pressure maintenance to serve the requested area. However, merely having the capacity to serve the requested area is not sufficient to demonstrate that the requested area is receiving water.⁴

Accordingly, Staff recommends that the petition for streamlined expedited release be approved. Further, the final water CCN map and certificate are attached to this filing. Staff recommends that the final map and certificate be provided to Bolivar WSC and for Bolivar WSC to file a certified copy of the CCN map and a boundary description of the CCN service area in the Denton County Clerk's office, as required under TWC § 13.257(r)-(s).

II. CONCLUSION

For the reasons detailed above, Staff recommends that the petition be approved and respectfully requests the entry of an order consistent with this recommendation.

² *Crystal Clear*, 449 S.W.3d at 140.

³ *Id.*

⁴ *Petition of Imperial Heights, Ltd. to Amend Aqua Texas, Inc.'s Certificates of Convenience and Necessity in Harris County by Expedited Release*, Docket No. 51114, Open Meeting Tr. at 26-28 (Nov. 5, 2020); see also November 5, 2020 Open Meeting Discussion of Item No. 6 at 17:52 – 26:44 (http://www.adminmonitor.com/tx/puct/open_meeting/20201105/, last visited September 3, 2021).

Dated: May 20, 2022

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Keith Rogas
Division Director

Sneha Patel
Managing Attorney

/s/ Scott Miles
Scott Miles
State Bar No. 24098103
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326
(512) 936-7228
(512) 936-7268 (facsimile)
Scott.Miles@puc.texas.gov

DOCKET NO. 53254

CERTIFICATE OF SERVICE

I certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record via electronic mail on May 20, 2022, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Scott Miles
Scott Miles

Public Utility Commission of Texas

Memorandum

TO: Scott Miles, Attorney
Legal Division

FROM: Jolie Mathis, Utility Engineering Specialist
Infrastructure Division

DATE: May 20, 2022

RE: Docket No. 53254 – *Petition of STC Group Miller, LLC to Amend Bolivar Water Supply Corporation's Certificate of Convenience and Necessity in Denton County by Streamlined Expedited Release*

On February 22, 2022, STC Group Miller LLC (STC) filed a petition for streamlined expedited release from Bolivar Water Supply Corporation's (Bolivar WSC) water Certificate of Convenience and Necessity (CCN) No. 11257 in Denton County, under Texas Water Code (TWC) § 13.2541(b) and 16 Texas Administrative Code (TAC) § 24.245(h). STC asserts that the land is at least 25 contiguous acres, is not receiving water service, and is located in Denton County, which is a qualifying county.

STC provided a warranty deed confirming ownership of the tract of land within Bolivar WSC's certificated service area. In addition, STC submitted a sworn affidavit attesting that the tract of land was not receiving water service from the CCN holder. Bolivar WSC did not request to intervene, however did file a response to the petition on April 14, 2022.

Based on the mapping review by Dave Babicki, Infrastructure Division, it was determined the landowner's total property is approximately 202.7 acres. The tract of land in the petition for streamlined expedited release is approximately 202.7 acres, of which approximately 202.7 acres overlap Bolivar WSC (CCN No. 11257) and would be decertified from CCN No. 11257.

In accordance with TWC § 13.2541 and 16 TAC § 24.245(h), STC has met the Commission's requirements to allow for the release of the tract of land from Bolivar WSC's CCN No. 11257. Therefore, I recommend approval of the petition. Enclosed is a final map and certificate for Commission approval.

Additionally, I recommend that a final map and certificate be provided to the CCN holder.



Public Utility Commission of Texas

By These Presents Be It Known To All That

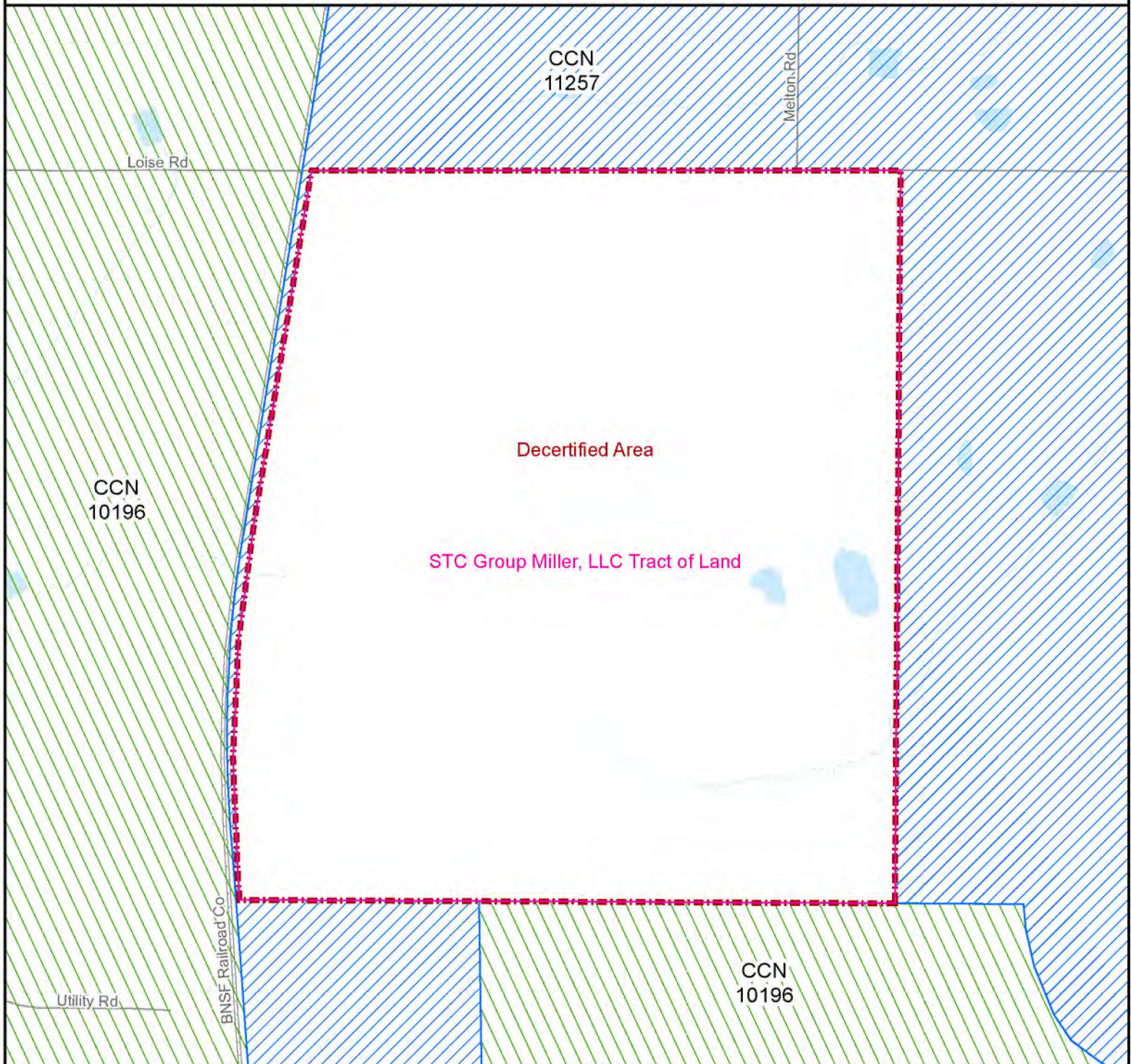
Bolivar Water Supply Corporation

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



Certificate of Convenience and Necessity No. 11257



to provide continuous and adequate water utility service to that service area or those service areas in Cooke, Denton, and Wise Counties as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 53254 are on file at the Commission offices in Austin, Texas; and are matters of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty of the Bolivar Water Supply Corporation to provide such utility service in accordance with the laws of this State and Rules of this Commission, subject only to any power and responsibility of this Commission to revoke or amend this Certificate in whole or in part upon a subsequent showing that the public convenience and necessity would be better served thereby.

Bolivar Water Supply Corporation
Portion of Water CCN No. 11257
PUC Docket No. 53254
Petition by STC Group Miller, LLC to Amend
Bolivar Water Supply Corporation's CCN by Streamlined Expedited Release in Denton County



Water CCN

-  11257 - Bolivar WSC
-  10196 - City of Sanger

-  Decertified Area
-  Tract of Land

0 300 600
Feet





Filing Receipt

Received - 2022-06-08 02:42:44 PM
Control Number - 53254
ItemNumber - 13

PUC DOCKET NO. 53254

PETITION OF STC GROUP MILLER,	§	PUBLIC UTILITY COMMISSION
LLC TO AMEND BOLIVAR WATER	§	
SUPPLY CORPORATION'S	§	OF TEXAS
CERTIFICATE OF CONVENIENCE	§	
AND NECESSITY IN DENTON	§	
COUNTY BY STREAMLINED	§	
EXPEDITED RELEASE	§	

**BOLIVAR WATER SUPPLY CORPORATION'S
EXCEPTIONS TO PROPOSED ORDER**

Bolivar Water Supply Corporation ("Bolivar") hereby submits this its exceptions to the Proposed Order drafted herein.

The Application is for an expedited release from Bolivar. A Proposed Order was prepared with no evidentiary record. Bolivar hereby submits an exception to the Proposed Order.

Bolivar holds CCN Number 11257. It has water resources that obligates it to provide retail water throughout its CCN service area. It has planned for such service. There is no evidence in the record that Bolivar cannot serve the entirety of the service area, including the Petitioner's property. Thus, all acts Bolivar has taken to certificate the area, **acquire water resources**, and planning for service to its service area are "acts" that Bolivar has performed for and supplied to the tract in question and to all its service area. PUC Rules define service as: "Any act performed, anything furnished or supplied, and any facilities or lines committed or used by a retail public utility in the performance of its duties under TWC Chapter 13 to its patrons, employees, other retail public utilities, and the public, as well as the interchange of facilities between two or more retail public utilities."¹ Thus, the acquisition of the CCN is the act performed to provide service. Further, all lines and facilities of Bolivar are utilities to serve its entire requested service area.

¹ PUC R. § 24.3 (33).

The record is devoid of any evidence that this is not the case. Indeed, the record is devoid of any evidence that the fact Bolivar was certificated to the tract in question and was, thus, obligated to serve that it was NOT an act for or to serve the tract in question.

As such, Finding of Fact No. 15 should be revised as follows: “15. The tract of land ~~not~~ is receiving water service from the CCN holder.” As the acquisition of the water resources is an act of the provision water service as defined in PUC rules, the statement should be revised.

Finding of Fact No. 22 should be revised as follows: “22. The CCN holder has ~~not~~ committed or dedicated ~~any~~ facilities or lines to the tract of land for water service.” As stated above, Bolivar is providing service and has committed resources to the provision of service to its entire service area. Absent a definition of what “committed and dedicated” means, the record is devoid of any evidence that Bolivar’s lines and facilities cannot serve the tract.

Finding of Fact No. 23 should be revised as follows: “23. The CCN holder has ~~no~~ facilities or lines that provide water service to the tract of land.” As stated above, Bolivar is providing service and has committed resources to the provision of service to its entire service area. The record is devoid of any evidence that Bolivar’s lines and facilities cannot serve the tract.

Finding of Fact No. 24 should be revised as follows: “24. The CCN holder has ~~not~~ performed any acts or supplied anything to the tract of land.” As stated above, Bolivar has performed acts to supply water to the entirety of its service territory. The record is devoid of any evidence to the contrary.

Conclusion of Law No. 12 should be revised as follows: “12. The tract of land is ~~not~~ receiving water service under TWC §§ 13.002(21) and 13.2541(b) and 16 TAC § 24.245(h), as interpreted in *Texas General Land Office v. Crystal Clear Water Supply Corporation*, 449 S.W.3rd 130 (Tex. App.-Austin 2014, pet. Denied).” As discussed above, Bolivar is providing service as defined in commission rules.

Conclusion of Law No. 13 should be revised as follows: “13. The petitioners are not entitled under TWC § 13.2541(b) to the release of the tract of land from the CCN holder’s certificated service area.” As discussed above, Bolivar is providing service as defined in commission rules. As such, they are not entitled to decertification of the property.

For the reasons stated above, the following Ordering Paragraphs should be revised as follows:

1. The Commission ~~releases the tract of land identified in the amended petition from the CCN holder’s certificated service area under CCN number 11257~~ denies the amended application in its entirety.
3. ~~———— The Commission amend CCN number 11257 in accordance with this Order.~~
4. ~~———— The Commission approved the map attached to this Order.~~
5. ~~———— The Commission issues the certificate attached to this Order.~~
6. ~~———— The CCN holder must file in this docket proof of the recording required in TWC § 13.257(r) and (s) within 45 days of the date of this Order.~~
7. ~~———— The proceeding to determine the amount of compensation to be awarded to the CCN holder, if any, commences with the filing of this Order in accordance with the schedule adopted in Order No. 2. Any decision on compensation will be made by a separate order.~~

Bolivar respectfully requests that the exceptions to the findings of fact, conclusions of law, and ordering paragraphs be accepted and incorporated in the Commission's Final Order.

Respectfully submitted,

Russell Rodriguez Hyde Bullock LLP
1633 Williams Drive, Building 2, Suite 200
Georgetown, Texas 78628
(512) 930-1317
(866) 929-1641 (Fax)
arodriguez@txlocalgovlaw.com

/s/ Arturo D. Rodriguez, Jr.
ARTURO D. RODRIGUEZ, JR.
State Bar No. 00791551

**ATTORNEY FOR BOLIVAR WATER
SUPPLY CORPORATION**

CERTIFICATE OF SERVICE

I certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record via electronic mail on the 8th day of June, 2022, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Arturo D. Rodriguez, Jr.
ARTURO D. RODRIGUEZ, JR.



Control Number: 53254



Item Number: 16

DOCKET NO. 53254

2022 AUG -4 PM 4:13

PETITION OF STC GROUP MILLER,	§	PUBLIC UTILITY COMMISSION
LLC TO AMEND BOLIVAR WATER	§	
SUPPLY CORPORATION'S	§	
CERTIFICATE OF CONVENIENCE	§	OF TEXAS
AND NECESSITY IN DENTON	§	
COUNTY BY STREAMLINED	§	
EXPEDITED RELEASE	§	

ORDER

This Order addresses the petition by STC Group Miller, LLC for streamlined expedited release of a tract of land in Denton County from Bolivar Water Supply Corporation's service area under certificate of convenience and necessity (CCN) number 11257. For the reasons stated in this Order, the Commission releases the tract of land from Bolivar's certificated service area. In addition, the Commission amends Bolivar's CCN number 11257 to reflect the removal of the tract of land from the service area.

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

I. Findings of Fact

The Commission makes the following findings of fact.

Petitioner

1. STC Group Miller is a Texas limited liability company registered with the Texas secretary of state under filing number 803758626.

CCN Holder

2. Bolivar is a Texas non-profit water supply corporation registered with the Texas secretary of state under filing number 25730701.
3. Bolivar holds CCN number 11257 that obligates it to provide retail water service in its certificated service area in Denton County.

Petition

4. On February 22, 2022, the petitioner filed a petition for streamlined expedited release of a tract of land from the CCN holder's service area under CCN number 11257.
5. The petition includes an affidavit, dated January 20, 2022, of Jon Anderson, the petitioner's authorized representative; general and detail location maps; a special warranty deed with vendor's lien, dated October 22, 2021; legal name and entity details of the petitioner; digital mapping data; and proof of notice to the CCN holder.
6. In Order No. 2 filed on March 25, 2022, the administrative law judge (ALJ) found the petition administratively complete.

Notice

7. The petitioner sent a copy of the petition by certified mail to the CCN holder on February 22, 2022.
8. In Order No. 2 filed on March 25, 2022, the ALJ found the notice sufficient.

Response to the Petition

9. On April 14, 2022, Bolivar WSC filed a response to the petition, which includes the declaration, dated April 13, 2022, of James Parkman, the CCN holder's general manager; financial statements and independent auditors' report dated December 31, 2021; the declaration, dated April 12, 2022, of Kerry D. Maroney, the CCN holder's corporate engineer; a letter of engineering review dated April 8, 2022; and general and detail location maps.

The Tract of Land

10. The petitioner owns a tract of land in Denton County that is approximately 202.7 acres, and for which the petitioner seeks streamlined expedited release.
11. The tract of land is located within the CCN holder's certificated service area.

Ownership of the Tract of Land

12. The petitioner acquired its property by a special warranty deed with vendor's lien dated October 22, 2021.

Qualifying County

13. Denton County abuts Dallas and Tarrant counties and has a population more than 47,500.

14. Dallas County and Tarrant County each have a population of at least one million.

Water Service

15. The tract of land is not receiving actual water service from the CCN holder.
16. The petitioner has not received any invoices from the CCN holder for water service to the tract of land.
17. The CCN holder does not have any water meters on the tract of land.
18. There are no easements on the tract of land granted to the CCN holder.
19. The CCN holder owns and operates a 12-inch waterline running parallel to, but outside of, a portion of the northern boundary of the tract of land but does not provide water service to the tract of land.
20. The CCN holder owns and operates a 12-inch waterline adjacent and parallel to the eastern boundary of the tract of land but does not provide water service to the tract of land.
21. The CCN holder owns and operates a water storage tank and two pump stations that are located outside of, but in proximity to, the tract of land that could be used to provide service to the tract, if requested to do so.
22. The CCN holder has not committed or dedicated any facilities or lines to the tract of land for water service.
23. The CCN holder has no facilities or lines that provide water service to the tract of land.
24. The CCN holder has not performed any acts for or supplied anything to the tract of land.

Map and Certificate

25. On May 20, 2022, Commission Staff filed its recommendation on final disposition that included a certificate and a map on which it identified the tract of land in relation to the CCN holder's certificated service area.

II. Conclusions of Law

The Commission makes the following conclusions of law.

1. The Commission has authority over the petition for streamlined expedited release under Texas Water Code (TWC) §§ 13.254 and 13.2541.

2. The petitioner provided notice of the petition in compliance with 16 Texas Administrative Code (TAC) § 24.245(h)(3)(F).
3. No opportunity for a hearing on a petition for streamlined expedited release is provided under TWC §§ 13.254 or 13.2541 and, under 16 TAC § 24.245(h)(7), no hearing will be held on such a petition.
4. Petitions for streamlined expedited release filed under TWC §§ 13.254 and 13.2541 and 16 TAC § 24.245(h) are not contested cases.
5. Landowners seeking streamlined expedited release under TWC §§ 13.254 and 13.2541 and 16 TAC § 24.245(h) are required to submit a verified petition through a notarized affidavit, and the CCN holder may submit a response to the petition.
6. Under 16 TAC § 24.245(h)(7), the Commission's decision is based on the information submitted by the landowner, the CCN holder, and Commission Staff.
7. To obtain release under TWC § 13.2541(b), a landowner must demonstrate that the landowner owns a tract of land that is at least 25 acres, that the tract of land is located in a qualifying county, and that the tract of land is not receiving service of the type that the current CCN holder is authorized to provide under the applicable CCN.
8. The time that the petition is filed is the only relevant time period to consider when evaluating whether a tract of land is receiving water service under TWC § 13.2541(b). Whether a tract of land might have previously received water service is irrelevant.
9. A landowner is not required to seek the streamlined expedited release of all of its property.
10. The petitioner owns the tract of land that is at least 25 acres for which it seeks streamlined expedited release.
11. Denton County is a qualifying county under TWC § 13.2541(b) and 16 TAC § 24.245(h)(2).
12. The tract of land is not receiving water service under TWC §§ 13.002(21) and 13.2541(b) and 16 TAC § 24.245(h), as interpreted in *Texas General Land Office v. Crystal Clear Water Supply Corporation*, 449 S.W.3d 130 (Tex. App.—Austin 2014, pet. denied).

13. The petitioner is entitled under TWC § 13.2541(b) to the release of the tract of land from the CCN holder's certificated service area.
14. After the date of this Order, the CCN holder has no obligation under TWC § 13.254(h) to provide retail water service to the tract of land.
15. The Commission may release only the property of the landowner from a CCN under TWC § 13.2541(b). The Commission has no authority to decertify any facilities or equipment owned and operated by the CCN holder to provide retail water service through the streamlined-expedited-release process under TWC § 13.2541(b).
16. The Commission processed the petition in accordance with the TWC and Commission rules.
17. Under TWC § 13.257(r) and (s), the CCN holder is required to record certified copies of the approved certificate and map, along with a boundary description of the service area, in the real property records of Denton County no later than the 31st day after the date the CCN holder receives this Order.
18. A retail public utility may not, under TWC §§ 13.254(d) and 13.2541(a), provide retail water service to the public within the tract of land unless just and adequate compensation under TWC § 13.254(g) has been paid to the CCN holder.

III. Ordering Paragraphs

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

1. The Commission releases the tract of land identified in the petition from the CCN holder's certificated service area under CCN number 11257.
2. The Commission does not decertify any of the CCN holder's equipment or facilities that may lay on or under the tract of land.
3. The Commission amends CCN number 11257 in accordance with this Order.
4. The Commission approves the map attached to this Order.
5. The Commission issues the certificate attached to this Order.

6. The CCN holder must file in this docket proof of the recording required in TWC § 13.257(r) and (s) within 45 days of the date of this Order.
7. The proceeding to determine the amount of compensation to be awarded to the CCN holder, if any, commences on the date of this Order in accordance with the schedule adopted in Order No. 2. Any decision on compensation will be made by a separate order.
8. The Commission denies all other motions and any other requests for general or specific relief not expressly granted by this Order.

Signed at Austin, Texas the 14th day of August 2022.

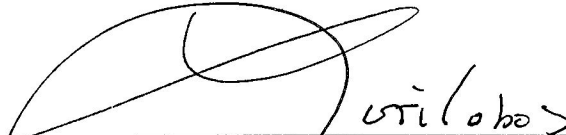
PUBLIC UTILITY COMMISSION OF TEXAS



PETER M. LAKE, CHAIRMAN



WILL MCADAMS, COMMISSIONER

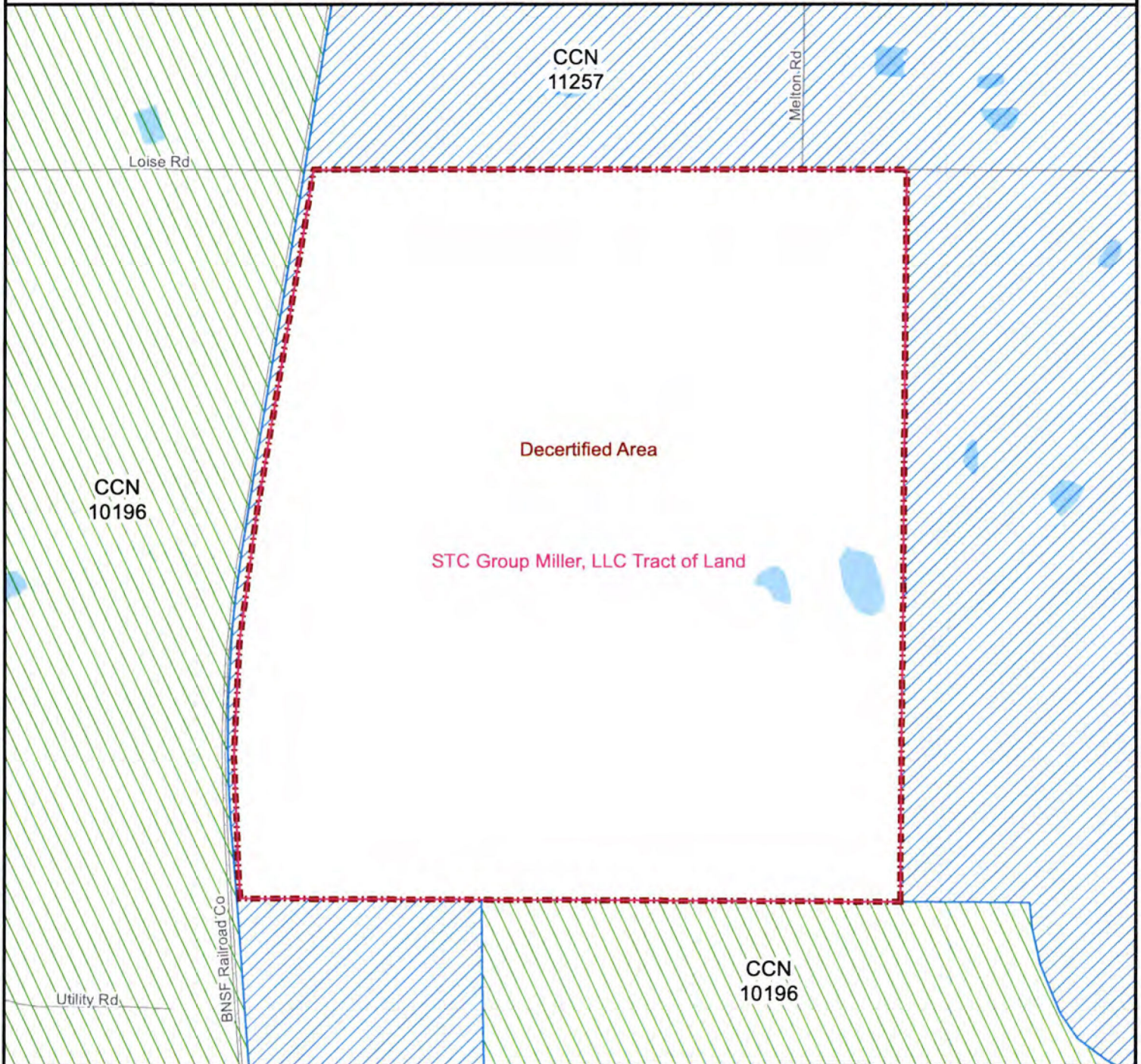


LORI COBOS, COMMISSIONER





JIMMY GLOTFELTY, COMMISSIONER



Bolivar Water Supply Corporation
Portion of Water CCN No. 11257
PUC Docket No. 53254
Petition by STC Group Miller, LLC to Amend
Bolivar Water Supply Corporation's CCN by Streamlined Expedited Release in Denton County



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

Water CCN

-  11257 - Bolivar WSC
-  10196 - City of Sanger

-  Decertified Area
-  Tract of Land

0 300 600
Feet



Map by: Komal Patel
Date: May 16, 2022
Project: 53254Bolivar WSC.mxd



Public Utility Commission of Texas

By These Presents Be It Known To All That

Bolivar Water Supply Corporation

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

Certificate of Convenience and Necessity No. 11257

to provide continuous and adequate water utility service to that service area or those service areas in Cooke, Denton, and Wise Counties as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 53254 are on file at the Commission offices in Austin, Texas; and are matters of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty of the Bolivar Water Supply Corporation to provide such utility service in accordance with the laws of this State and Rules of this Commission, subject only to any power and responsibility of this Commission to revoke or amend this Certificate in whole or in part upon a subsequent showing that the public convenience and necessity would be better served thereby.

BOLIVAR DISTRIBUTION SYSTEM

(June 2022)

PRESSURE PLANE NO. 1 (22,000 AC.) - (Acres Served 19,000)

6" Line	16,000	@ 60.00	960,000
4" Line	27,000	@ 40.00	1,080,000
3" Line	53,000	@ 30.00	1,590,000
2.5" Line	15,000	@ 25.00	375,000
2" Line	<u>39,000</u>	@ 20.00	<u>780,000</u>
	150,000		\$ 4,785,000

PRESSURE PLANE NO. 2 (24,000 AC.) - (Acres Served 16,000)

12" Line	20,000	@ 120.00	2,400,000
8" Line	10,000	@ 80.00	800,000
6" Line	75,000	@ 60.00	4,500,000
4" Line	5,000	@ 40.00	200,000
3" Line	34,000	@ 30.00	1,020,000
2.5" Line	12,000	@ 25.00	300,000
2" Line	<u>25,000</u>	@ 20.00	<u>500,000</u>
	181,000		\$ 9,720,000

PRESSURE PLANE NO. 2-A (35 AC.) - (Acres Served 35)

4" Line	3,000	@ 40.00	120,000
2" Line	<u>2,000</u>	@ 20.00	<u>40,000</u>
	5,000		\$ 160,000

PRESSURE PLANE NO. 3 (60,000 AC.) - (Acres Served 45,000)

12" Line	3,000	@ 120.00	360,000
8" Line	12,000	@ 80.00	960,000
6" Line	75,000	@ 60.00	4,500,000
4" Line	55,000	@ 40.00	2,200,000
3" Line	42,000	@ 30.00	1,260,000
2.5" Line	61,000	@ 25.00	1,525,000
2" Line	<u>56,000</u>	@ 20.00	<u>1,120,000</u>
	304,000		\$ 11,925,000

PRESSURE PLANE NO. 4 (24,000 AC.) – (Acres Served 20,000)

12" Line	25,000	@ 120.00	3,000,000
8" Line	8,000	@ 80.00	640,000
6" Line	23,000	@ 60.00	1,380,000
4" Line	92,000	@ 40.00	3,680,000
3" Line	10,000	@ 30.00	300,000
2.5" Line	31,000	@ 25.00	775,000
2" Line	<u>45,000</u>	@ 20.00	<u>900,000</u>
	234,000		\$ 10,675,000

PRESSURE PLANE NO. 5 (25,000 AC.) – (Acres Served 24,000)

6" Line	110,000	@ 60.00	6,600,000
4" Line	75,000	@ 40.00	3,000,000
3" Line	24,000	@ 30.00	720,000
2.5" Line	20,000	@ 25.00	500,000
2" Line	<u>19,000</u>	@ 20.00	<u>380,000</u>
	248,000		\$ 11,200,000

PRESSURE PLANE NO. 6 (57,000 AC.) – (Acres Served 45,000)

12" Line	20,000	@ 120.00	2,400,000
6" Line	66,000	@ 60.00	3,960,000
4" Line	38,000	@ 40.00	1,520,000
3" Line	41,000	@ 30.00	1,230,000
2.5" Line	42,500	@ 25.00	1,062,500
2" Line	<u>92,000</u>	@ 20.00	<u>1,840,000</u>
	299,500		\$ 12,012,500

TOTAL VALUE OF DISTRIBUTION SYSTEM **\$ 60,477,000**

TOTAL ACRES SERVED **169,035**

VALUE DISTRIBUTION PER ACRE SERVED **\$ 358**

PLANNING REPORT
FOR
WATER FACILITY IMPROVEMENTS
YEAR 2022 THROUGH 2032
BOLIVAR WATER SUPPLY CORPORATION
COOKE, DENTON & WISE COUNTY, TEXAS

June, 2022

Board of Directors

Kevin Kemplin – President
Janell Shelton – Vice-President
Freida Ashcraft – Secretary/Treasurer
D.L. Bowles – Director
Tommy J. Rhodes – Director
John Kubicek – Director
Bob Montgomery – Director
Fred Yeatts – Director
Kim Markel - Director

James Parkman – General Manager



Biggs & Mathews, Inc. (F-834)
Consulting Engineers
2500 Brook Ave.
Wichita Falls, Texas 76301

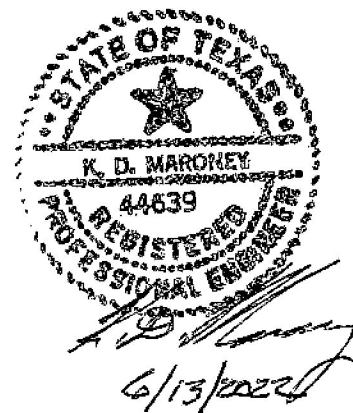


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1.0 GENERAL

2.0 EXISTING SYSTEM FACILITIES

3.0 PROJECTIONS & DISTRIBUTION OF FUTURE GROWTH

4.0 SUMMARY OF PROPOSED SYSTEM IMPROVEMENTS 2022-2032

5.0 REPORT CLOSURE AND RECOMMENDATIONS

APPENDIX A:

System Pressure Plane Map

1.0 GENERAL

Bolivar Water Supply Corporation (BWSC), Public Water System (PWS) I.D. No. TX0610049, was formed February 24, 1969 for the purpose of supplying potable water to unincorporated areas within Cooke, Denton, and Wise County. In accordance with their Certification of Convenience and Necessity (CCN No. 11257) dated November 1, 1979 BWSC was granted a service area that covers approximately 212,035 acres (331 square miles) within portions of three (3) counties. As of January 2022, the system serves 3,671 active connections with an anticipated annual system growth of approximately 100 connections per year.

In an attempt to maintain the level of service in their certificated area and to maintain compliance with the Texas Commission on Environmental Quality (TCEQ), the Board of Directors continues to evaluate and plan for the required future system expansion in a timely manner.

2.0 EXISTING SYSTEM FACILITIES

Currently the BWSC system is segmented into seven (7) pressure planes with the capability of being able to move water between selected planes on an emergency basis or when growth occurs near common pressure plane boundaries. Moving water between planes requires operator intervention, by opening and closing selected system valves as needed. Each pressure plane is served by water supply wells, ground storage facilities, pump stations and elevated storage based on the number of connections served in each plane. The following is a listing of each pressure plane and facilities serving that plane in addition to a system pressure plane map. (See Appendix A).

Pressure Plane No. 1 - 514 Connections – 22,000 Acres (Acres Served 19,000)

- 100,000 Gallon Elevated Tank - \$500,000
- Pump Station & Ground Storage - \$850,000
- 3 - Water Supply Wells – \$2,250,000
- Distribution System - \$4,785,000
- Existing Connections - 514
- Estimated Value of Facilities – \$8,385,000
- Estimated Value of Facilities per Acre Served - \$441

Pressure Plane No. 2 - 512 Connections – 24,000 Acres (Acres Served 16,000)

- 100,000 Gallon Elevated Tank - \$500,000
- 2 – Pump Stations & Ground Storage - \$ 1,700,000
- 3 - Water Supply Wells - \$2,250,000
- Distribution System - \$9,720,000
- Existing Connections – 512
- Estimated Value of Facilities - \$14,170,000
- Estimated Value of Facilities per Acre Served - \$886

Pressure Plane No. 2A - 30 Connections – 35 Acres (Acres Served 35)

- 2,500 Gallon Pressure Tank - \$30,000
- Pump Station & Ground Storage - \$100,000
- Water Supply Well – \$100,000
- Distribution System - \$160,000
- Existing Connections – 30
- Estimated Value of Facilities - \$390,000
- Estimated Value of Facilities per Acre Served - \$11,143

Pressure Plane No. 3 - 1,121 Connections – 60,000 Acres (Acres Served 45,000)

- 300,000 Gallon Elevated Tank - \$1,500,000
- 100,000 Gallon Elevated Tank - \$500,000
- 3 - Pump Station & Ground Storage - \$2,550,000
- 5 - Water Supply Wells – \$3,750,000
- Distribution System - \$11,925,000
- Existing Connections – 1,121
- Estimated Value of Facilities – 20,225,000
- Estimated Value of Facilities per Acre Served - \$449

Pressure Plane No. 4 - 607 Connections – 24,000 Acres (Acres Served 20,000)

- 100,000 Gallon Elevated Tank - \$500,000
- Pump Station & Ground Storage - \$850,000
- 4 - Water Supply Wells – \$3,000,000
- Distribution system - \$10,675,000
- Existing Connections – 607
- Estimated Value of Facilities - \$15,025,000
- Estimated Value of Facilities per Acre Served - \$752

Pressure Plane No. 5 - 569 Connections – 25,000 Acres (Acres Served 24,000)

- 100,000 Gallon Elevated Tank - \$500,000
- Pump Station & Ground Storage - \$850,000
- 3 - Water Supply Wells - \$2,250,000
- Distribution System - \$11,200,000
- Existing Connections – 589
- Estimated Value of Facilities - \$14,800,000
- Estimated Value of Facilities per Acre Served - \$617

Pressure Plane No. 6 - 298 Connections – 57,000 Acres (Acres Served 45,000)

- 100,000 Gallon Elevated Tank – \$500,000
- 2 - Pump Station & Ground Storage Tank - \$1,700,000
- 3 - Water Supply Wells – \$2,250,000
- Distribution System - \$12,012,500
- Existing Connections – 298
- Estimated Value of Facilities - \$16,462,500
- Estimated Value of Facilities per Acre Served - \$365

3.0 PROJECTIONS & DISTRIBUTION OF FUTURE GROWTH

Though it is very difficult to project which portions of the system might experience the most growth in the future, the historical growth over the last two (2) years can be an indicator of future growth distribution within each of the pressure planes as shown below:

- 3% of the growth occurred in Pressure Plane No. 1
- 4% of the growth occurred in Pressure Plane No. 2
- 0% of the growth occurred in Pressure Plane No. 2A
- 30% of the growth occurred in Pressure Plane No. 3
- 30% of the growth occurred in Pressure Plane No. 4
- 30% of the growth occurred in Pressure Plane No. 5
- 3% of the growth occurred in Pressure Plane No. 6

Assuming over the next ten (10) years that the annual system wide growth averages 100 connections per year, the total active connections for the system could grow by approximately 1,000 connections by the year 2032, for a total of 4,671 active connections. Furthermore, based on the above historical growth distribution, the estimated total connections in each pressure plane by the year 2032 would be as shown below:

- Pressure Plane No. 1 – 544 connections
- Pressure Plane No. 2 – 552 connections
- Pressure Plane No. 2A – 30 connections
- Pressure Plane No. 3 – 1,421 connections
- Pressure Plane No. 4 – 907 connections
- Pressure Plane No. 5 – 869 connections
- Pressure Plane No. 6 – 328 connections

In summary, through the year 2032, assuming all existing water supply, pressure maintenance, and storage facilities remain operational at their current capacity, 3 out of the 7 existing pressure planes will need additional pressure maintenance facilities and additional water supply sources. As shown below, new elevated storage tanks and new groundwater supply wells are proposed for Pressure Plane No. 3, Pressure Plane No. 4, and Pressure Plane No. 5.

4.0 SUMMARY OF PROPOSED SYSTEM IMPROVEMENTS 2022-2032

Pressure Plane No. 3 – Improvements \$2,200,000

- 300,000 Gallon Elevated Tank - \$1,500,000
- Water Supply Well – \$700,000

Pressure Plane No. 4 – Improvements \$2,200,000

- 300,000 Gallon Elevated Tank - \$1,500,000
- Water Supply Well – \$700,000

Pressure Plane No. 5 – Improvements \$2,200,000

- 300,000 Gallon Elevated Tank - \$1,500,000
- Water Supply Well – \$700,000

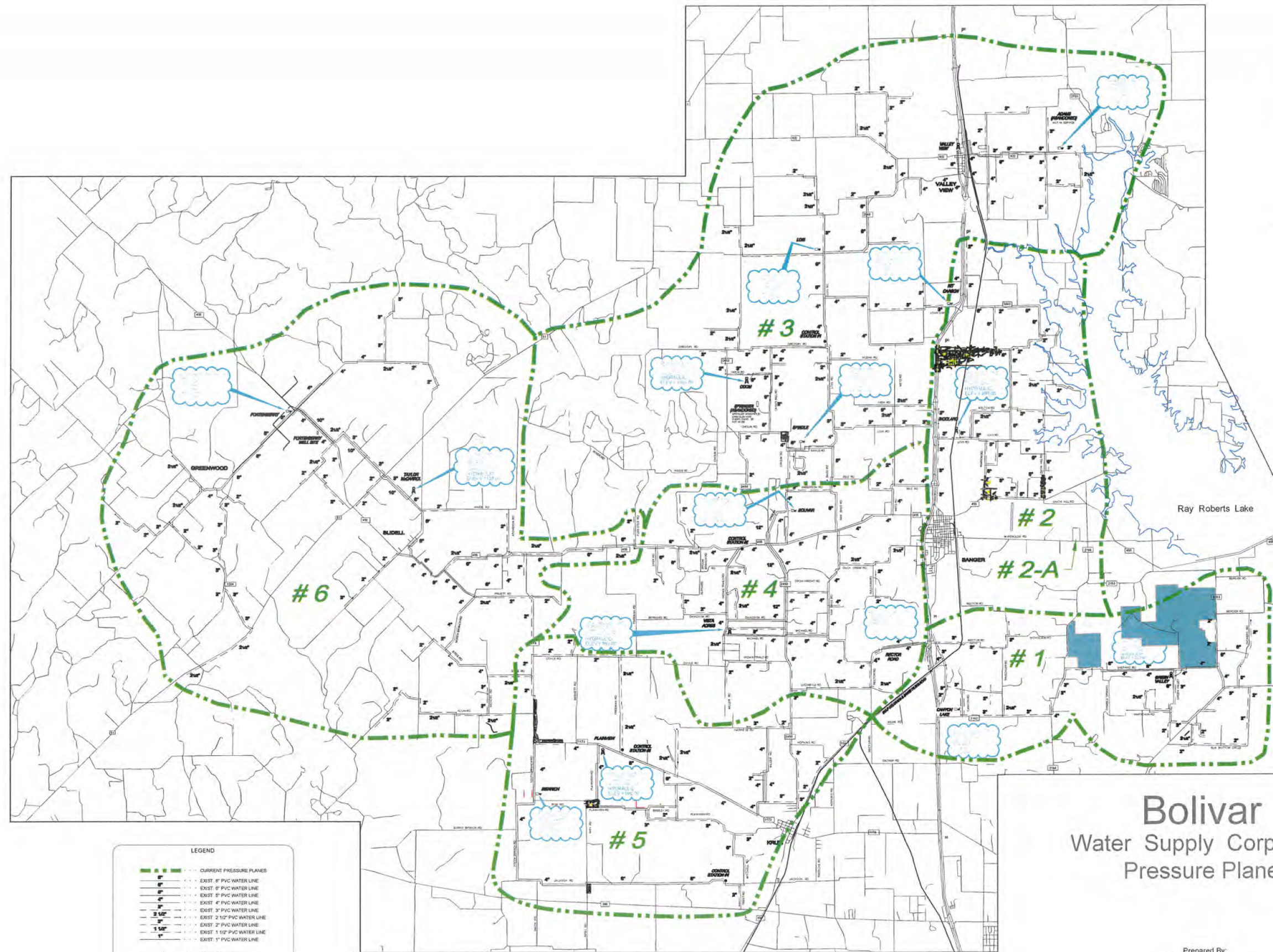
ESTIMATED CONSTRUCTION COSTS FOR IMPROVEMENTS - \$6,600,000.

5.0 REPORT CLOSURE AND RECOMMENDATIONS

BWSC should continue to closely monitor both the over-all system growth and the growth distribution within each of the seven (7) pressure planes and continue to look for opportunities to acquire additional well, pump station, and/or storage tank sites as various areas are developed and/or as existing well production capacities diminish.

Furthermore, BWSC should consider providing for the distribution line capacity to allow for some limited fire flows throughout some of the higher density developments. Typically, this capacity can be achieved by installing a minimum of 8" diameter distribution lines along with looping/interconnecting 6" diameter lines within the system.

APPENDIX A



LEGEND

	CURRENT PRESSURE PLANES
	EXIST. 8" PVC WATER LINE
	EXIST. 6" PVC WATER LINE
	EXIST. 4" PVC WATER LINE
	EXIST. 3" PVC WATER LINE
	EXIST. 2 1/2" PVC WATER LINE
	EXIST. 2" PVC WATER LINE
	EXIST. 1 1/2" PVC WATER LINE
	EXIST. 1" PVC WATER LINE
	EXIST. WELL SITE
	EXIST. ELEVATED TANK SITE
	EXIST. STANDPIPE
	EXIST. PUMP STATION

Bolivar Water Supply Corporation Pressure Planes

Prepared By:
Biggs & Mathews, Inc.

Drawn By: JMJ
Date: 08-31-2020



BIGGS & MATHEWS INC.

Consulting Engineers

June 13, 2022

Art Rodriguez
Russell Rodriguez Hyde Bullock, LLP
1633 Williams Drive
Bldg. 2, Suite 200
Georgetown, Texas 78628

RE: Letter of Engineering Review – Expedited Release Requests
McCart Tract – 251 Acres – BWSC Pressure Plane No. 5
STC Group – 202 Acres – BWSC Pressure Plane No. 2
Sanger Tract – 211 Acres – BWSC Pressure Plane No. 2
Crossland Tract – 67 Acres – BWSC Pressure Plane No. 2

Dear Mr. Rodriguez:

As requested, we have reviewed the location and the request for expedited release of the above tracts and based on our review we have provided the following responses. In support of our responses, we have attached 1) Planning Report for Water Facility Improvements and 2) Distribution System Inventory and Value.

Question No. 1: What is the size of (acreage) of CCN:

➤ 212,035 acres

Question No. 2: What is the remaining debt for CCN:

➤ Unknown

Questions Specific to Each Tract:

McCart Tract:

- BWSC Pressure Plane No. 5
- Pressure Plane Size – 25,000 Acres
- Total Value of Facilities in Pressure Plane - \$14,800,000
- Elevated Storage - \$500,000
- Pump Station - \$850,000
- Water Supply Wells - \$2,250,000
- Distribution Lines - \$11,200,000

Notes: BWSC does not have distribution lines fronting or adjacent to this property. Type of revenue fees lost due to decertification would be depended on the land use of this property. However, typical loss would be \$4,500 per platted lot and annual average water sales of approximately \$650 per platted lot.

STC Group Tract:

- *BWSC Pressure Plane No. 2*
- *Pressure Plane Size – 24,000 Acres*
- *Total Value of Facilities in Pressure Plane - \$14,170,000*
- *Elevated Storage - \$500,000*
- *Pump Station - \$1,700,000*
- *Water Supply Wells - \$2,250,000*
- *Distribution Lines - \$9,720,000*

Notes: BWSC has an existing 12" distribution line along the north frontage of this property (2,600 LF) which is served by a combination of the Woolard Elevated Tank & Well and Melton Rd. Pump Station & Well. These facilities can provide for continuous and adequate service to this tract, in addition to emergency fire flows. Value of 12" line along frontage is $2,600 \text{ LF} \times \$120/\text{LF} = \$312,000$.

Type of revenue fees lost due to decertification would be depended on the land use of this property. However, typical loss would be \$4,500 per platted lot and annual average water sales of approximately \$650 per platted lot.

Sanger Tract:

- *BWSC Pressure Plane No. 2*
- *Pressure Plane Size – 24,000 Acres*
- *Total Value of Facilities in Pressure Plane - \$14,170,000*
- *Elevated Storage - \$500,000*
- *Pump Station - \$1,700,000*
- *Water Supply Wells - \$2,250,000*
- *Distribution Lines - \$9,720,000*

Notes: BWSC has an existing 8" distribution line along the north frontage of this property (4,200 LF) which is served by the Melton Rd. & Woolard facilities. Value of 8" line along frontage is $4,200 \text{ LF} \times \$80/\text{LF} = \$336,000$.

Type of revenue fees lost due to decertification would be depended on the land use of this property. However, typical loss would be \$4,500 per platted lot and annual average water sales of approximately \$650 per platted lot.

Crossland Tract:

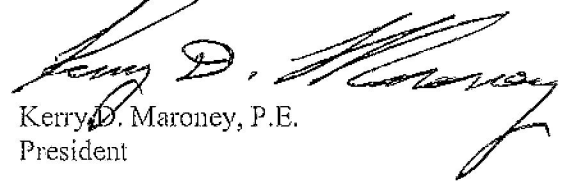
- *BWSC Pressure Plane No. 2*
- *Pressure Plane Size – 24,000 Acres*
- *Total Value of Facilities in Pressure Plane - \$14,170,000*
- *Elevated Storage - \$500,000*
- *Pump Station - \$1,700,000*
- *Water Supply Wells - \$2,250,000*
- *Distribution Lines - \$9,720,000*

Notes: BWSC does not have distribution lines fronting or adjacent to this property. Type of revenue fees lost due to decertification would be depended on the land use of this property. However, typical loss would be \$4,500 per platted lot and annual average water sales of approximately \$650 per platted lot.

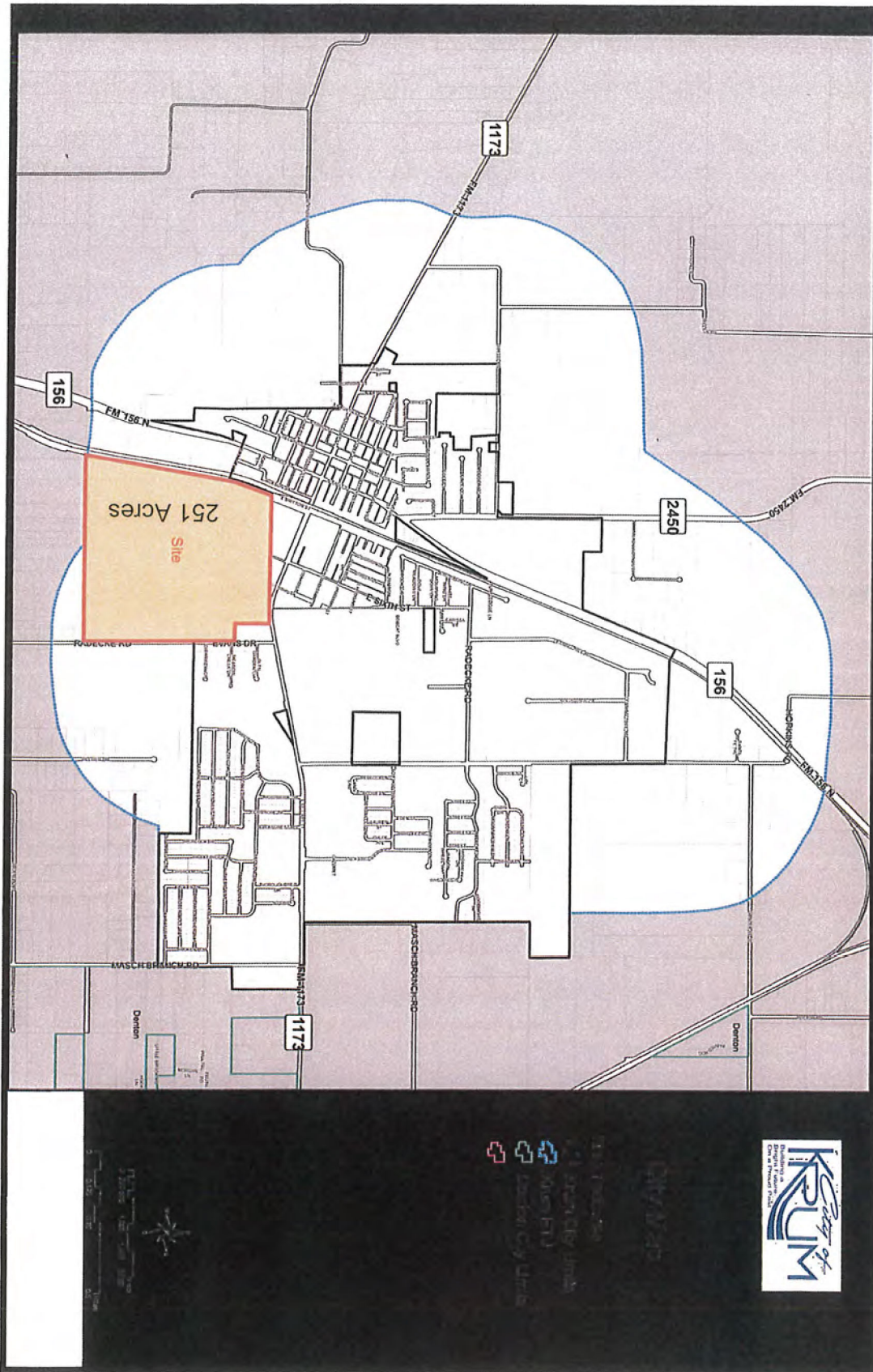
Please contact me with any additional questions or comments or if additional information is required.

Sincerely,

BIGGS & MATHEWS, INC.

A handwritten signature in black ink, appearing to read "Kerry D. Maroney". The signature is fluid and cursive, with a large, stylized "K" and "M".

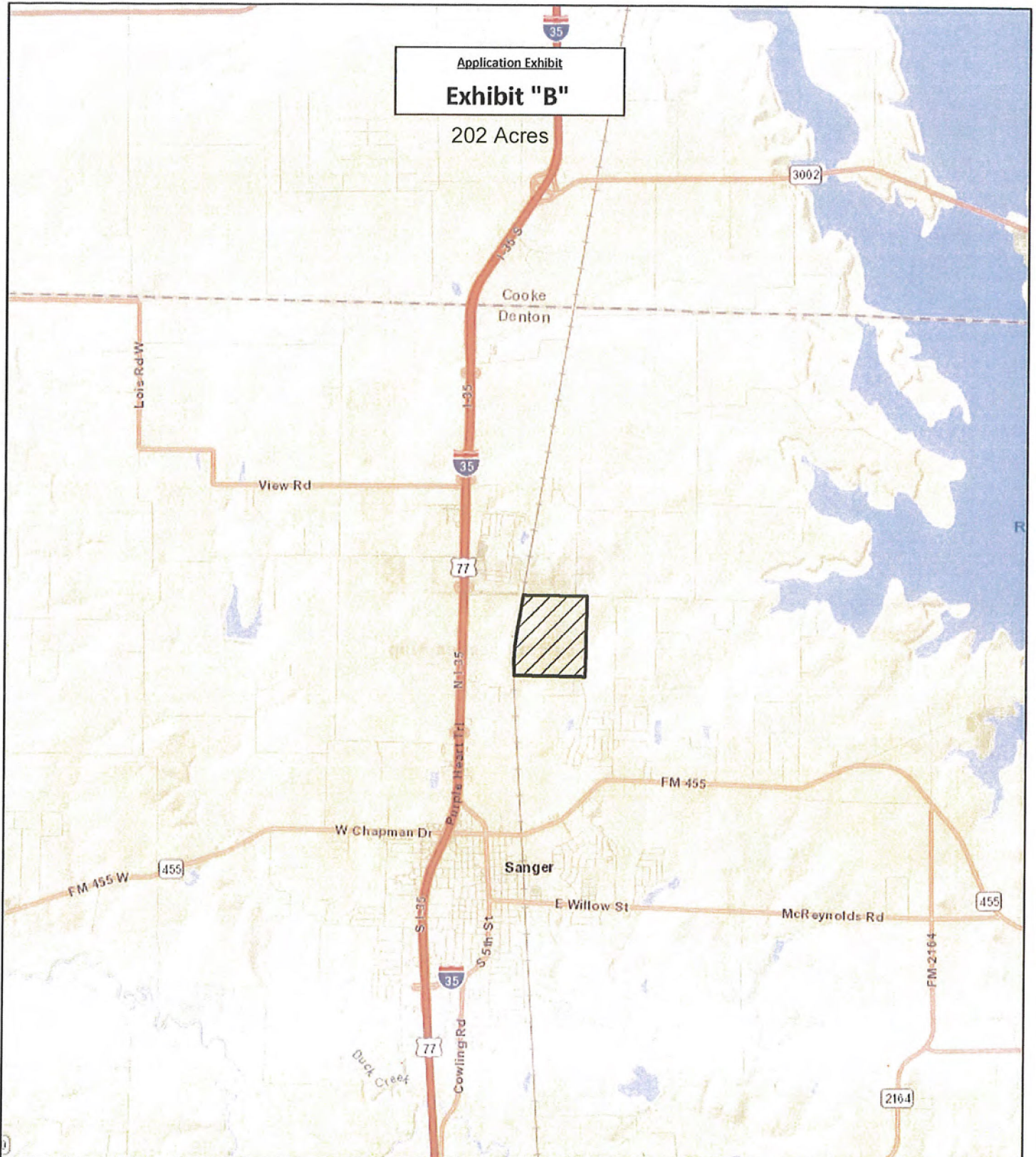
Kerry D. Maroney, P.E.
President



Application Exhibit

Exhibit "B"

202 Acres



Tract of Land for Streamlined Expedited Release From Bolivar WSC CCN No. 11257 (Water Only)



MAP SCALE: 1" = 5,000'

0 0.5 1 2 Miles

January 12, 2022

Tract of land for decertification is located east of
IH-35, south of Lois Road East, east of B.N.S.F.
Railroad Co., and north of Utility Road.

Denton County, TX

MAP LEGEND:

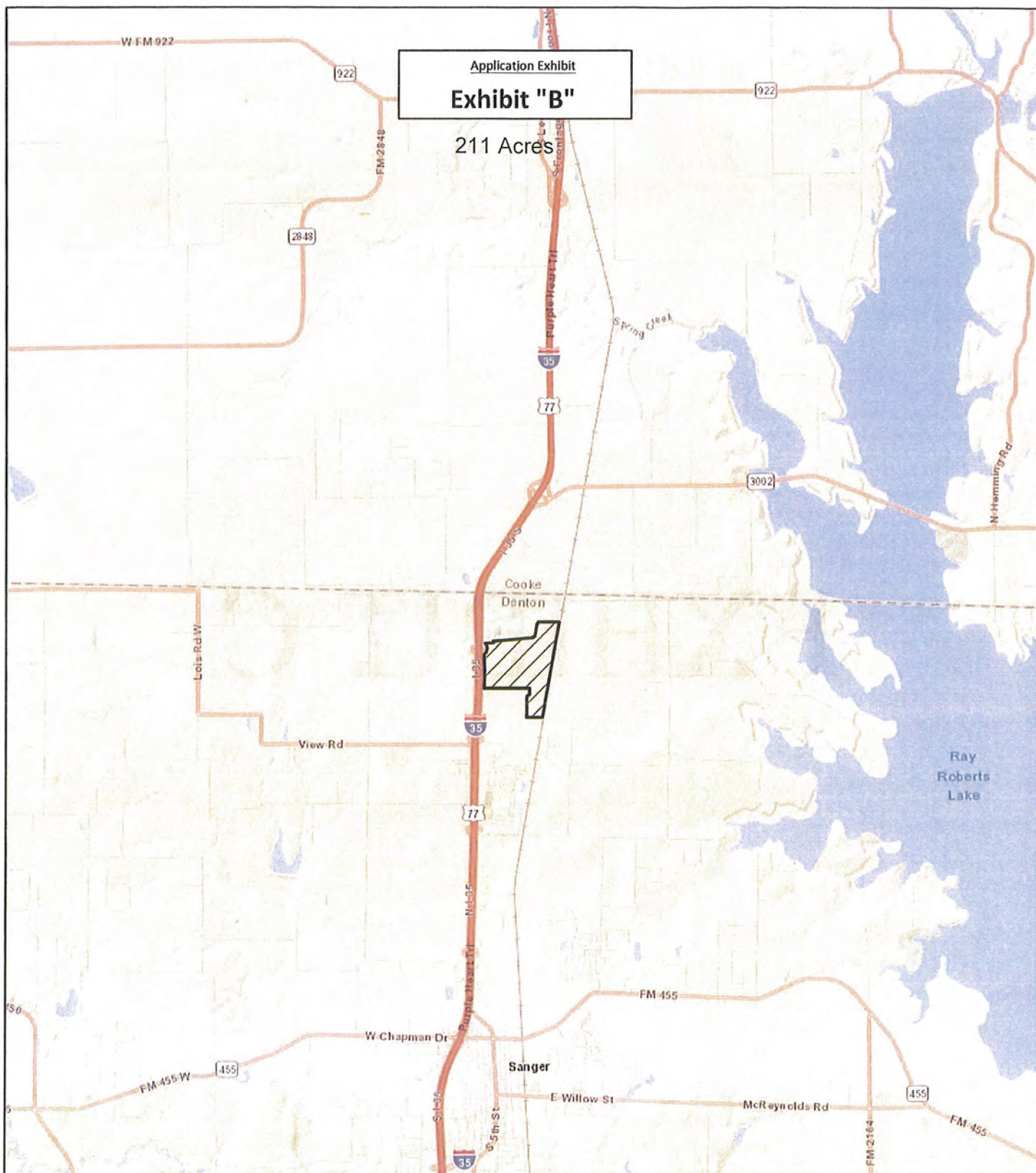


Tract of land for streamlined expedited
release from Bolivar WSC Water CCN
No. 11257

Application Exhibit

Exhibit "B"

211 Acres



Tract of Land for Streamlined Expedited Release From Bolivar WSC CCN No. 11257 (Water Only)



MAP SCALE: 1" = 6,000'

0 0.5 1 2 Miles

August 25, 2021

Tract of land for decertification is located east of
IH-35, south of Chasam Road, west of B.N.S.F.
Railroad Co. railroad, and north of Lois Road East.

Denton County, TX

MAP LEGEND:



Tract of land for streamlined expedited
release from Bolivar WSC Water CCN
No. 11257

Application Exhibit

Exhibit "B"

67 Acres



Tract of Land for Streamlined Expedited Release From Bolivar WSC CCN No. 11257 (Water Only)



MAP SCALE: 1" = 5,000'

0 0.5 1 2 Miles

August 25, 2021

Tract of land for decertification is located east of
IH-35, south of Chasam Road, west of B.N.S.F.
Railroad Co. railroad, and north of Lois Road East.

Denton County, TX

MAP LEGEND:



Tract of land for streamlined expedited
release from Bolivar WSC Water CCN
No. 11257



600 EAST EXCHANGE AVENUE | SUITE 200 | FORT WORTH, TEXAS 76164

April 21, 2022

Mr. Art Rodriguez
Russell Rodriguez Hyde Bullock, L.L.P.
1633 Williams Drive
Building 2, Suite 200
Georgetown, Texas 78628

SUBJECT: DOCKET NO. 53254; PETITION OF STC GROUP MILLER, LLC TO AMEND BOLIVAR WATER SUPPLY CORPORATION'S CERTIFICATE OF CONVENIENCE AND NECESSITY IN DENTON COUNTY BY EXPEDITED RELEASE

Dear Mr. Rodriguez,

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

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

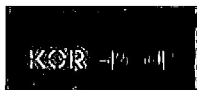
Our fee for this assignment will be **\$8,000** for an appraisal report, with all work after completion of the appraisal invoiced on an hourly rate basis. The appraisal is intended to be used by the client for the proposed expedited release of the subject property in the above-described matter.

Work will be billed by the tenth of every month, with the full amount due 10 days after the invoice date. In addition to our fees, we are to be reimbursed for all direct expenses including, but not limited to, delivery services, legal documents, travel, mileage, exhibits, photographs, copying, etc. Prior to commencement of this engagement, we require a **\$4,000** retainer.

Our current hourly rates are as follows:

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

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



Mr. Art Rodriguez
April 21, 2022
Page 2

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

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

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

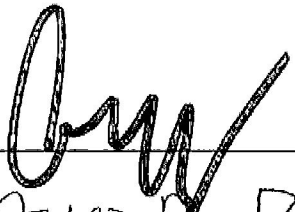
If the above agreement meets with your approval, please execute this proposal, and return the original. We look forward to working with you on this project.

Very Truly Yours,

A handwritten signature in cursive script, reading "Joshua M. Korman".

Joshua M. Korman

AGREED:

By:  Date: 6-6-22
Name: Arturo B. Rodriguez, Jr.
Title: Attorney for Bolivar WSC