



PROTEST DEADLINE MAY 18, 2022

Name Property/Address Legal Description Geographic ID Property ID Return to Home Print

SEARCH BY LEGAL DESCRIPTION

Search

Hint: Search will return properties that contain search criteria within legal description.

Search Results

Your search of 'hummingbird west' returned 13 result(s)

Details	Property ID	Geographic ID	Owner Name	Address	Legal	Market Value
<a href="#">View Property</a>	R000564735	142060020	CRYSTAL BLUFF GOAT RANCH LLC	HUMMINGBIRD LN 1544	Acres: 0.510, HUMMINGBIRD WEST SUBD LOT 1 G#H1400-00-00010-000-00-0	\$33,800
<a href="#">View Property</a>	R000564736	142060021	CRYSTAL BLUFF GOAT RANCH LLC	HUMMINGBIRD LN 1540	Acres: 0.510, HUMMINGBIRD WEST SUBD LOT 2 G#H1400-00-00020-000-00-0	\$33,320
<a href="#">View Property</a>	R000564737	142060022	BRISCOE RODNEY	HUMMINGBIRD LN 1538	Acres: 0.510, HUMMINGBIRD WEST SUBD LOT 3 G#H1400-00-00030-000-00-0	\$66,650
<a href="#">View Property</a>	R000564738	142060023	CRYSTAL BLUFF GOAT RANCH LLC	HUMMINGBIRD LN 1536	Acres: 0.510, HUMMINGBIRD WEST SUBD LOT 4 G#H1400-00-00040-000-00-0	\$33,320
<a href="#">View Property</a>	R000564739	142060024	MICHEL JACK D	HUMMINGBIRD LN 1532	Acres: 0.510, HUMMINGBIRD WEST SUBD LOT 5 G#H1400-00-00050-000-00-0	\$281,010
<a href="#">View Property</a>	R000564740	142060025	MICHEL JACK D	HUMMINGBIRD LN 1530	Acres: 0.510, HUMMINGBIRD WEST SUBD LOT 6 G#H1400-00-00060-000-00-0	\$66,650
<a href="#">View Property</a>	R000564741	142060026	LINDLEY CHRISTOPHER/KIMBERLY & CHARLES WINDHAM	HUMMINGBIRD LN 1528	Acres: 0.510, HUMMINGBIRD WEST SUBD LOT 7 G#H1400-00-00070-000-00-0	\$323,790
<a href="#">View Property</a>	R000564742	142060027	CRYSTAL BLUFF GOAT RANCH LLC	HUMMINGBIRD LN 1524	Acres: 0.546, HUMMINGBIRD WEST SUBD LOT 8 G#H1400-00-00080-000-00-0	\$35,680
<a href="#">View Property</a>	R000564743	142060028	CRYSTAL BLUFF GOAT RANCH LLC	HUMMINGBIRD LN 1520	Acres: 0.591, HUMMINGBIRD WEST SUBD LOT 9 G#H1400-00-00090-000-00-0	\$38,620
<a href="#">View Property</a>	R000564744	142060029	CRYSTAL BLUFF GOAT RANCH LLC	HUMMINGBIRD LN 1516	Acres: 0.510, HUMMINGBIRD WEST SUBD LOT 10 G#1400-00-00010-000-00-0	\$33,320
<a href="#">View Property</a>	R000564745	142060030	CRYSTAL BLUFF GOAT RANCH LLC	HUMMINGBIRD LN 1512	Acres: 0.510, HUMMINGBIRD WEST SUBD LOT 11 G#H1400-00-00011-000-00-0	\$33,320
<a href="#">View Property</a>	R000564746	142060031	CRYSTAL BLUFF GOAT RANCH LLC	HUMMINGBIRD LN 1508	Acres: 0.640, HUMMINGBIRD WEST SUBD LOT 12 G#H1400-00-00012-000-00-0	\$41,820
<a href="#">View Property</a>	R000564748	142060032	CRYSTAL BLUFF GOAT RANCH LLC	n/a	Acres: 0.281, HUMMINGBIRD WEST SUBD GREENBELT AREA G#H1400-00-00000-000-00-0	\$1,840

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Information Updated 2/27/2025



May 11, 2021

Mr. Gary Ray  
Crystal Bluff Goat Ranch, LLC  
6300 Ridglea Place  
Suite 920  
Fort Worth, TX 76116

Dear Mr. Ray;

Attached is a draft Non-Standard Contract to enable potable water to be delivered to your development on Hummingbird Lane. The Texas Environmental Quality Commission declares any person that sub-divides property into more than two properties is considered a developer and, as such, is subject to the Non-Standard Contract for water service and must pay Capital in Aid of Construction (CIAC) to obtain or reserve water to the properties.

Possum Kingdom Water Supply Corporation (PKWSC) is a non-profit member owned organization. Developers pay CIAC to PKWSC to enable plant expansion to supply potable water to the development or to reserve water in the current available supply. The price is based on the cost of that portion of the available water to PKWSC or the cost to build additional capacity. The existing plant is at maximum capacity at this time and the cost for additional capacity is estimated at \$10,400,145.00 which will enable an additional 777 meters to be added to the system.

Your original development was for 12 lots. Two lot owners have paid for meters to be installed and they are members of the corporation. We will grandfather these meters and only apply the CIAC to the additional 10 lots on an exception basis and will not apply to any additional development you may have. This contract must have approval by the Board of Directors and be put in place within the next 90 days to insure potable water is available for the lots in your development. No additional meters will be installed until this transaction is completed.

Please review the contract and add the required information on the draft copy and return to my office for an original contract to be created in 90 days. We will also need a copy of the final plat and engineering drawings for our engineers to review and potentially approve.

Sincerely,

A handwritten signature in black ink, appearing to read "Bob Neal", is written over the printed name.

Bob Neal  
General Manager  
Possum Kingdom Water Supply Corporation

Attachment: 12 page Non-Standard Contract





## NON-STANDARD SERVICE CONTRACT

THE STATE OF TEXAS  
COUNTY OF PALO PINTO

THIS CONTRACT is made and entered into by and between **Crystal Bluff Goat Ranch, LLC** hereinafter referred to as "Developer", and Possum Kingdom Water Supply Corporation, hereinafter referred to as "PKWSC" or "Corporation".

WHEREAS, Developer is engaged in developing that certain \_\_\_\_\_ acres in Palo Pinto, County, Texas, more particularly known as the Hummingbird West subdivision, according to the plat thereof recorded at Vol. \_\_\_\_, Page \_\_\_\_ of the Plat Records of Palo Pinto County, Texas, said land being hereinafter referred to as "the Property"; and,

WHEREAS, PKWSC owns and operates a water system which supplies potable water for human consumption and other domestic uses to customers within its service area; and,

WHEREAS, the Property is located within PKWSC's state-certificated service area which obligates PKWSC to provide it with retail public water utility service subject to the terms and conditions of PKWSC's lawful tariff and the regulations of the Texas Commission on Environmental Quality ("TCEQ"); and,

WHEREAS, Developer has requested PKWSC to provide such water service to the Property through an extension of PKWSC's water system, such extension being hereinafter referred to as "the Water System Extension"; NOW THEREFORE:

KNOW ALL MEN BY THESE PRESENTS:

THAT for and in consideration for the mutual promises hereinafter expressed, and other good and valuable consideration, the sufficiency of which is hereby acknowledged by the parties, Developer and PKWSC agree and contract as follows:

**1. Engineering and Design of the Water System Extension.**

- (a) The Water System Extension shall be engineered and designed by a Texas Licensed Professional Engineer at Developer's expense and in accordance with the applicable specifications of PKWSC and all governmental agencies having jurisdiction. All plans and specifications must be reviewed and approved by PKWSC's consulting engineer, at Developer's expense, prior to the issuance of any request for bids for the construction of the Water System Extension. After such approval of the plans and specifications by PKWSC's consulting engineer, the plans and specifications shall become part of this Agreement by reference and shall more particularly define "the Water System Extension".
- (b) The Water System Extension must be sized to provide continuous and adequate water service to the Property based on plans for the development provided to PKWSC by the Developer. PKWSC may require the Water System Extension to be oversized in anticipation of the needs of other customers of PKWSC, subject to the obligation to reimburse the Developer for any such oversizing as provided below. If the Water System Extension proves to be insufficient for the long-term retail public water utility service demands of the Property, PKWSC shall have the continuing option, and Developer shall be under the continuing obligation, to construct such additional service capacities as may be needed to meet TCEQ Chapter 290 regulations plus meeting the local demands of the Property. PKWSC's right to seek additional capital contribution and/or physical retail water utility facilities from Developer shall commence on the date the original Water System Extension is placed into commercial operation and shall expire seven (7) calendar years

thereafter. This right to collect additional capital contributions shall be separate and apart from the obligation to pay contribution in aid of construction ("CIAC") as set forth in Section 6 below.

**2. Required Sites, Easements or Rights-of-Way.**

- (a) Developer shall be responsible for dedicating or acquiring any easements across privately owned land or sites (including off-site) which are necessary for the construction or operation of the Water System Extension and for obtaining any Governmental approvals necessary to construct the Water System Extension in public right-of-way. Public rights-of-way may be used only when private rights-of-way are not available or are necessitated by public roadway crossings. If private easements are not otherwise available, PKWSC agrees to exercise its powers of eminent domain to acquire such easements subject to Developer paying all expenses incurred in such actions.
- (b) Any easements acquired by the Developer shall be in a form approved by PKWSC's attorney (see Form of Easement, attached to this Contract and made a part hereof) and shall be assigned to PKWSC upon proper completion of the construction of the Water System Extension.
- (c) The validity of the legal instruments by which the Developer acquires any such easements and by which Developer assigns such easements to PKWSC must be approved by PKWSC's attorney.

**3. Construction of the Water System Extension**

- (a) Developer shall advertise for bids for the construction of the Water System Extension in accordance with such generally accepted bidding practices as maybe required by the United States Department of Agriculture, Rural Development and shall award the contract for the construction of the Water System Extension subject to the approval of PKWSC. PKWSC may reject any bid.
- (b) The Water System Extension shall be constructed in accordance with the approved plans and specifications. PKWSC shall have the right to inspect, at Developer's expense, all phases of the construction of the Water System Extension. Developer must give written notice to PKWSC of the date on which construction is scheduled to begin so that PKWSC may assign an inspector. PKWSC may charge reasonable inspection fees based on the actual costs of labor, travel and incidental expenses of the inspectors, plus 10% overhead.

**4. Dedication of Water System Extension to PKWSC.**

- (a) Upon proper completion of construction of the Water System Extension and final inspection and testing thereof by PKWSC, the Water System Extension shall be dedicated to PKWSC by an appropriate legal instrument approved by PKWSC's Attorney. The Water System Extension shall thereafter be owned and maintained by PKWSC subject to the warranties required of Applicant under Subsection (b). Any connection of individual customers to the Water System Extension shall be made by PKWSC.
- (b) Excepting only Developer's continuing obligation to guarantee adequate service capacities set forth in Section 1(b) above, upon dedication of the Water System Extension, Applicant shall warrant materials and performance of the Water System Extension constructed by Applicant for twelve (12) months following the date of dedication.

**5. Cost of the Water System Extension.**

- (a) Developer shall pay all costs associated with the Water System Extension as CIAC, including, without limitation, the cost of the following:
  - (1) engineering and design at cost plus 10%;
  - (2) easement or right -of-way acquisition, including, if necessary, condemnation costs;
  - (3) construction;
  - (4) inspection at cost plus 10%;
  - (5) attorneys' fees at cost plus 10%; and
  - (6) Water Treatment Plant expansion
  - (7) Governmental or regulatory approvals required to lawfully provide service.
  - (8) Developer shall indemnify PKWSC and hold PKWSC harmless from all of the foregoing costs.
- (b) Provided, however, nothing herein shall be construed as obligating the Developer to maintain the Water System Extension subsequent to its dedication and acceptance for maintenance by PKWSC.
- (c) If PKWSC has required the Water System Extension to be oversized in anticipation of the needs of the other customers of PKWSC, PKWSC shall reimburse Developer for the additional costs of construction attributable to the oversizing, as determined by PKWSC's consulting engineer. As new PKWSC customers outside of the Property are connected to and served from the oversized facilities funded by Developer, PKWSC shall collect CIAC from each such customer equal to the cost of the surplus capacities that customer will use as determined by PKWSC's consulting engineer. This CIAC shall be paid to Developer within thirty (30) days of collection by PKWSC. This obligation to charge and this right to receive CIAC for the Developer-funded CIAC shall terminate at the earlier of:
  - (1) Developer's recovery of all costs incurred for the oversized utility facilities; or,
  - (2) five (5) calendar years of the placement of said facilities into commercial operation.

**6. Contribution-in-aid-of-Construction.**

- (a) The parties recognize the Developer's obligation to compensate PKWSC for service capacities that will be dedicated to serve the Property. The Developer and PKWSC have negotiated a mutually agreeable CIAC payment for the Developer to reimburse PKWSC for that portion of its existing service capacities being reserved for the Property plus increased capacity to be created by an upgrade(s) to the Water Treatment Plant ("WTP") to increase production in .5 MGD increments, a portion of which will be dedicated to the Developer's service area. The agreed CIAC amount is \$13,385.00 per lot. This CIAC payment scale will only cover the first 10 (ten) lots for which capacity the Developer will pay \$133,850.00 with the execution of this agreement. The cost of future expansions to PKWSC's WTP and distribution system will be apportioned between the Developer and PKWSC in proportion to the amount of the new service capacities that will be dedicated to each, and at construction costs then current to be determined by PKWSC at the time of the new expansion.
- (b) Additional service requests for future 100-lot phases shall be made not less than twelve (12) months before the time the Developer wants to commence accepting delivery of the additional water. PKWSC shall complete any necessary improvements and provide service within twelve (12) months after receiving a timely request and payment of the applicable CIAC. If the Developer does not

make a request for additional water at least twelve (12) months in advance, PKWSC shall make reasonable efforts to provide additional service capacity when requested but PKWSC makes no guarantee or covenant that such additional water will be available on the date requested.

- (c) No additional fees shall be paid except as stated in Sections 1(b), 7(a) and 7(b). As provided in PKWSC's lawful tariff, the owner of individual lots or tracts connected to or able to receive service from the Water System Extension within the Property with the installation of a properly sized meter will pay monthly service or reserve service fees effective on the closing date of the sale from the Developer to the buyer. These fees will be based on the rates in effect from the corporation's Tariff at the time of closing and will include the following fees: Membership, Administration, Meter Installation and Inspection of Meter Connection.
- (d) Water service to be used by the Developer will be subject to monthly service fees based on the rates in effect from the corporation's Tariff at the time that water service is available to the specified property. Developer shall not be entitled to a membership in PKWSC for any connection serving property owned or being developed for resale to the public. Developer may obtain and hold memberships for service connections to be held permanently by Developer, i.e., to sales offices, common area irrigation meters, and Property maintenance buildings.

**7. Service from the Water System Extension.**

- (a) After proper completion and dedication of the Water System Extension to PKWSC, PKWSC shall provide continuous and adequate water service to the Property for the initial 10 (ten) lots subject to all duly tariffed rules and regulations and bylaws of PKWSC. Any increase of service capacity beyond the 10 (ten) initial minimum shall be contingent upon the Developer paying CIAC for such additional service capacity.
- (b) Service Capacity Reservation. PKWSC's agreement to provide long-term water service capacity to the Developer and the cost to be paid for such capacity of materially conditioned upon the Developer's projections of the service area's demands. It is agreed that if the Developer is not taking and paying for at least 50% of the water capacity contracted for herein at the end of the first four (4) years of this Agreement and 100 % within seven (7) years, the parties shall renegotiate the terms of the Agreement or, at its option, the Developer shall surrender all unused reserved water service capacity so PKWSC may use it to serve other customers, wholesale or retail. The Developer shall not be reimbursed for any surrendered service capacity. Surrendering that capacity will only release the Developer from the continued payment of monthly reservation
- (c) The existing WTP and distribution lines of PKWSC do not support fire flow. "Fire hydrants" installed within PKWSC's water distribution system are provided at the convenience of PKWSC and do not imply any responsibility on the part of PKWSC to meet fire flow requirements of local, county, state, or federal governmental agencies. Such fire hydrants are support facilities only meant to be used as flush and control valves in the public drinking water system. State public health and safety regulations require public drinking water systems to be flushed on a routine basis and metallic flush valves (commonly referred to a "fire hydrant") are a preferred manner of complying with these regulations. PKWSC makes no representation that it is offering fire protection or fire flows under any fire code or firefighting standard. PKWSC has no obligation at law to provide water for fire related activities because this is not a public water PKWSC or potable domestic

water service as defined by the Texas Water Code and/or the Texas Health and Safety Code.

PKWSC, at its sole option, may permit local area fire departments to use water from its public drinking water system on an "AS IS, AS AVAILABLE" basis and will in no manner be liable for damages caused by its inability to supply sufficient water for the prevention or suppression of fire. Any fire department or other person using PKWSC's water system to take water for firefighting purposes shall be liable to PKWSC for damage caused to PKWSC's plant and equipment during such use, especially for, but not limited to, damage to pumps caused by improperly opening and closing hydrants/valves under pressure or damage for driving heavy vehicles over water lines. PKWSC reserves the right to remove any fire hydrant (metallic flush valve), due to improper use or detriment to the system as determined by PKWSC, at any time without notice, refund, or compensation to the contributors. Any water taken from PKWSC's water system for any purpose, including firefighting, without prior knowledge and consent of the Board of Directors and/or the General Manager shall be deemed to be theft and shall be prosecuted. Fire Departments may obtain advanced consent for emergency usage on an "AS IS, AS AVAILABLE" basis.

It is understood that the Developer anticipates providing fire flow service within the development. PKWSC does not accept liability for fire-related injuries or damages to persons or property caused or aggravated by the availability (or lack thereof) of water or water pressure (or lack thereof) during fire emergencies. PKWSC neither possesses nor claims to possess knowledge or expertise in firefighting or the requirements of firefighting. No statement or action of PKWSC shall ever be implied or meant to suggest that any facilities of PKWSC comply with any state or local fire code. On-site storage of water reserved for firefighting shall preferably be accomplished through elevated storage; however, if permitted to achieve Developer's desired ISO rating, reserved water may be stored in ground storage tanks with an emergency backup generator(s) if such water can be injected into the public drinking supply without contamination or significant degradation of drinking water quality during mixing.

- (d) It is understood and agreed by the parties that the obligation of PKWSC to provide water service in the manner contemplated by this Contract is subject to the issuance by the Texas Commission on Environmental Quality and all other governmental agencies having jurisdiction of all permits, certificates or approvals required to lawfully provide such service.
- (e) Unless the prior approval of PKWSC is obtained, the Developer shall not:
  - (1) construct or install additional water lines or facilities to service areas outside the Property;
  - (2) add any additional lands to the Property for which water service is to be provided pursuant to this Agreement; or
  - (3) Connect or serve any person or entity who, in turn, sells water service directly or indirectly to another person or entity.

**8. Effect of Force Majeure.**

In the event either party is rendered unable by force majeure to carry out any of its obligations under this Contract, in whole or in part, then the obligations of that party, to

the extent affected by the force majeure shall be suspended during the continuance of the inability, provided however, that due diligence is exercised to resume performance at the earliest practical time. As soon as reasonably possible after the occurrence of the force majeure relied upon to suspend performance, the party whose contractual obligations are affected thereby shall give notice and full particulars of the force majeure to the other party.

The cause, as far as possible, shall be remedied with all reasonable diligence. The term "force majeure" includes acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, orders of the government of the United States or the State of Texas or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraints of government and civil disturbances, explosions, breakage, or accidents to equipment, pipelines, or canals, partial or complete failure of water supply, and any other inability's of either party, whether similar to those enumerated or otherwise, that are not within the control of the party claiming the inability and that could not have been avoided by the exercise of due diligence and care. It is understood and agreed that the settlement or strikes and lockouts shall be entirely within the discretion of the party having the difficulty and that the requirement that any force majeure be remedied with all reasonable dispatch shall not require the settlement of strikes and lockouts by acceding to the demands of the opposing party if the settlement is unfavorable to it in the judgment of the party having the difficulty.

**9. Notices.**

Any notice to be given hereunder by either party to the other party shall be in writing and may be affected by personal delivery or by sending said notices by registered or certified mail, return receipt requested, to the address set forth below. Notice shall be deemed given when deposited with the United States Postal Service with sufficient postage affixed. Any notice mailed to PKWSC shall be addressed:

Possum Kingdom Water Supply Corporation  
1170 Willow Road  
Graford, TX 76449

Any notice mailed to Applicant shall be addressed:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Either party may change the address for notice to it by giving written notice of such change in accordance with the provisions of this paragraph

**10. Breach of Contract and Remedies.**

- (a) If either party breaches any term or condition of this Contract, the non-breaching party may, at its sole option, provide the breaching party with a notice of the breach within sixty (60) days of discovery of the breach by the non-breaching party. Upon notice of breach, the breaching party shall have sixty (60) days to cure the breach.

If the breaching party does not cure the breach within the sixty (60) days, the non-breaching party, below, shall have all rights at law and in equity including the right to enforce specific performance of this Contract by the breaching party, the right to perform the obligation in question and to seek restitution for all damages incurred in connection therewith. It should be noted that PKWSC's willingness to enter into this contract is expressly and materially dependent upon Developer's timely and full payments of all sums due hereunder. Developer's failure to perform under this agreement shall expressly be grounds for PKWSC to exercise its statutory right to refuse water utility service to the Property as provided by Texas Water Code §13.2502. Such an election by PKWSC shall not deprive it of any other rights or remedies it may have at law or in equity.

- (b) In the event of termination of this Contract by a non-breaching party, such action shall not affect any previous conveyance unless PKWSC has the statutory right to refuse service to such conveyed property under Texas Water Code §13.2502.
- (c) The rights and remedies of the parties provided in this Contract shall not be exclusive and are in addition to any other rights and remedies provided by law and under this Contract.

11. **Third Parties.**

It is the express intention of the parties that the terms and conditions of this Contract may be enforced by either party but not by any third party or alleged third-party beneficiary.

12. **Captions.**

Captions are included solely for convenience of reference and if there is any conflict between captions and the text of the Contract, the text shall control.

13. **Context.**

Whenever the context requires, the gender of all words herein shall include the masculine, feminine, and neuter, and the number of all words shall include the singular and the plural.

14. **Mediation.**

Prior to the institution of legal action by either party related to any dispute arising under this Contract, said dispute shall be referred to non-binding mediation by an independent mediator mutually agreed upon by both parties. The cost of the mediator shall be shared equally by both parties.

15. **Litigation Expenses.**

Either party to this Contract who is the prevailing party in any legal proceeding against the other party, brought in relation to this Contract, shall be entitled to recover court costs and reasonable attorneys' fees from the non-prevailing party.

16. **Intent.**

The parties hereto covenant and agree that they shall execute and deliver such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out the intent of this Contract.

17. **Multiple Originals.**

This Contract may be executed in multiple originals, any copy of which shall be



considered to be an original.

**18. Authority.**

The signatories hereto represent and affirm that they are authorized to execute this Contract on behalf of the respective parties hereto.

**19. Severability.**

The provisions of this Agreement are severable, and if any word, phrase, clause, sentence, paragraph, section, or other part of this Agreement or the application thereof to any person or circumstance shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Agreement and the application of such word, phrase, clause, sentence, paragraph, section, or other part of this Agreement to other persons or circumstances shall not be affected thereby and this Agreement shall be construed as if such invalid or unconstitutional portion had never been contained therein.

**20. Entire Agreement.**

This Agreement, including any exhibits attached hereto and made a part hereof, constitutes the entire agreement between the parties relative to the subject matter of this Agreement. All prior agreements, covenants, representations, or warranties, whether oral or in writing, between the parties are merged herein.

**21. Amendment.**

No amendment of this Agreement shall be effective unless and until it is duly approved by each party and reduced to a writing signed by the authorized representatives of PKWSC and the Developer, respectively, which amendment shall incorporate this Agreement in every particular not otherwise changed by the amendment.

**22. Governing Law.**

This Agreement shall be construed under and in accordance with the laws of the State of Texas and all obligations of the parties are expressly deemed performable in Palo Pinto County, Texas.

**23. Venue.**

Any civil action at law or in equity brought to enforce or interpret any provision of this Contract shall be brought in a state court of competent jurisdiction with venue in Palo Pinto County, Texas. Any administrative action shall be brought before the TCEQ and the courts of competent jurisdiction in Travis County, Texas.

**24. Successors and Assigns.**

This Agreement shall be binding on and shall inure to the benefit of the heirs, successors and assigns of the parties.

**25. Assignability.**

The rights and obligations of the Developer hereunder may not be assigned without the prior written consent of PKWSC.

**26. Effective Date.**

This Agreement shall be effective from and after the date of due execution by all



parties.

IN WITNESS WHEREOF each of the parties has caused this Agreement to be executed by its duly authorized representative in multiple copies, each of equal dignity, on the date or dates indicated below.

Possum Kingdom Water Supply Corporation

DEVELOPER

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: William M. Jasper

Name: \_\_\_\_\_

Title: President, Board of Directors

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

## **RIGHT OF WAY EASEMENT (General Type Easement)**

KNOW ALL MEN BY THESE PRESENTS, that **Crystal Bluff Goat Ranch**, (hereinafter called "Grantors"), in consideration of one dollar (\$1.00) and other good and valuable consideration paid by Possum Kingdom Water Supply Corporation, (hereinafter called "Grantee"), the receipt and sufficiency of which is hereby acknowledged, does hereby grant, bargain, sell, transfer, and convey to said Grantee, its successors, and assigns, a perpetual exclusive easement with the right to erect, construct, install, and lay and thereafter access and use, operate, inspect, repair, maintain, replace, upgrade, parallel and remove water distribution lines and appurtenances and any other facilities necessary to serve Grantors' property [including that property's water meter(s) if the easement is located at or near the property line] as well as the Grantee's current and future system-wide customers, under, over and across \_\_\_\_\_ acres of land, more particularly described in instrument recorded in Vol. \_\_\_\_\_, Page \_\_\_\_\_, Deed Records, Palo Pinto County, Texas, together with the right of ingress and egress over Grantor's adjacent lands for the purpose for which the above mentioned rights are granted. The easement hereby granted shall not exceed twenty feet (20') in width, and Grantee is hereby authorized to designate the course of the easement herein conveyed except that when the pipeline(s) is installed, the easement herein granted shall be limited to a strip of land 20' in width the center line thereof being the pipeline as installed.

During the period of construction of the water pipeline, the easement shall be extended an additional twenty feet (20') in width as shown on Exhibit A for a total of forty feet (40'). Upon conclusion of all construction and the restoration of the surface to its pre-construction condition, the construction easement (the extra 20') shall revert to Grantor and shall not be available to Grantee without future consent of Grantor, which consent shall not be unreasonably withheld if the easement is needed for future construction on the water utility facilities.

Grantee shall have such other rights and benefits necessary and/or convenient for the full enjoyment and use of the rights herein granted, including without limitation, (1) the reasonable right of ingress and egress over and across lands owned by Grantor which are contiguous to the easement for the purpose of accessing the easement in the most efficient and effective manner but not to use Grantor's contiguous property for other purposes; (2) the reasonable right from time to time to remove any and all paving, undergrowth and other obstructions that may injure Grantee's facilities and appurtenances or interfere with the construction, maintenance, inspection, operation, protection, repair, alteration, testing, replacement, upgrading, paralleling, relocation (as above limited), substitution or removal thereof; and (3) the right to abandon-in-place any and all water supply lines, service lines and associated appurtenances, such that Grantee shall have no obligation or liability to Grantor or their successors or assigns to move or remove any such abandoned lines or appurtenances.

In the event the easement hereby granted abuts on a public road and the county or state hereafter widens or relocates the public road so as to require the relocation of this water line as installed, Grantor further grants to Grantee an additional easement over and across the land described above for the purpose of laterally relocating said water line as may be necessary to clear the road improvements, which easement hereby granted shall be limited to a strip of land 20' in width the center line thereof being the pipeline as relocated.

Grantor shall have the right to construct and maintain a driveway across the easement so long as it crosses the easement at an approximate ninety-degree (90°) angle and does not cover the easement for a protracted or unreasonable distance. Grantor takes this action with the full knowledge and understanding that Grantee may, at some unknown date, without or without advance notice, have to excavate its water line for maintenance or repair. Thereafter, Grantee shall be charged only with a reasonable duty to restore the drive to a working condition without guarantee or warranty of aesthetic or pre-existing condition.

Grantor shall have the right to erect a fence(s) across the easement for the purpose of containing livestock and domesticated animals. However, if Grantor erects a fence(s), Grantor shall install a gate at each end of the easement (if the total easement exceeds 300 feet or if it crosses a watercourse). These gates may be locked but the locking combinations must be given to the Grantee and not changed without its prior knowledge. The Grantor's water meter shall be located in proximity to a gate for ease of reading if maintained behind the fence. One gate

may be replaced by a stile capable of bearing a 300-pound person to be located at the site of the water meter. This requirement for gates and fence stiles may be waived in writing by Grantee on a landowner-by-landowner basis as the property passes in chain of title in recognition of Grantee's above-recited right of access across Grantor's contiguous lands if the waiver does not place an undue burden on meter readers.

The consideration recited herein shall constitute payment in full for all damages sustained by Grantors by reason of the installation of the structures referred to herein and the Grantee will maintain such easement in a state of good repair and efficiency so that no unreasonable damages will result from its use to Grantors' premises. This agreement together with other provisions of this grant shall constitute a covenant running with the land for the benefit of the Grantee, its successors, and assigns. The Grantors covenant that they are the owners of the above described land and that said lands are free and clear of all encumbrances and liens except the following:

Grantor does hereby bind itself, its successors and assigns, to WARRANT AND FOREVER DEFEND, all and singular, the easement herein granted to Grantee, or Grantee's successors and assigns, against every person whomsoever claiming, or to claim, the same or any part thereof.

The easement conveyed herein was obtained or improved through Federal financial assistance. This easement is subject to the provisions of the Title VI of the Civil Rights Act of 1964 and the regulations issued pursuant thereto for so long as the easement continues to be used for the same or similar purpose for which financial assistance was extended or for so long as the Grantee owns it, whichever is longer.

IN WITNESS WHEREOF the said Grantors have executed this instrument this \_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_.

## ACKNOWLEDGEMENT

STATE OF TEXAS  
COUNTY OF \_\_\_\_\_

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared \_\_\_\_\_ known to me to be the person(s) whose name(s) is(are) subscribed to the foregoing instrument, and acknowledged to me that he (she) (they) executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS THE \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

(Seal)

\_\_\_\_\_, County, Texas.  
(Notary Public in and for)

**RIGHT OF WAY EASEMENT  
(General Type Easement)**

“Exhibit A”

[CHECK APPROPRIATE DESCRIPTION]

1. \_\_\_\_\_ The easement shall be located parallel to and within the first twenty (20) feet of the property line of the encumbered tract based upon that side of the tract fronting \_\_\_\_\_ Road/Drive/Street/Lane.

or

2. \_\_\_\_\_ The easement shall be located across the encumbered tract based upon the following surveyed metes and bounds and attached sealed drawing prepared by \_\_\_\_\_:

Metes and Bounds Description:

## **Addendum 1**

### **Detail of Fees**

The following is a detail listing of fees to be paid by the Developer and the buyer of the Developer's property/ lot. Paragraph 5 of the Non-Standard Contract lists other costs that may apply.

- Developer will pay:
  - \$133,850.00 as Contribution in aid of Construction (CIAC) which will reserve capacity for the 10 (ten) meters to be installed at Crystal Bluff Goat Ranch
  - Service Investigation Fee of \$1,500.00

All fees listed below are subject to the PKWSC Tariff and are subject to change with 30 day notice. The amount billed will be the fee that is in effect at the time of closing and meter will be installed at that time and billing initiated.

- Buyers of all 10 (ten) properties / lots from the Developer will pay:
  - Membership in PKWSC of \$300.00
  - Meter Installation \$800.00
  - Inspection \$40.00
  - Administrative Fee \$30.00

Initials

**From:** [Sue Cathey](#)  
**To:** [Gary Ray](#)  
**Subject:** Humming West  
**Date:** Tuesday, June 6, 2017 11:10:44 AM  
**Attachments:** [Sue Cathey.vcf](#)  
[Non-Standard Svc Contract NEW.doc](#)  
[Ray Will Serve June 2017.PDF](#)  
[Developer Notice.doc](#)

---

Gary, attached is the boiler plate of the contract that we need to put in place. I have attached the will serve letter so you can plat the property.

Review the contract and we can get it approved at the June 21st board meeting. The existing water treatment plant will need to be expanded to accommodate any development and right now we are estimating that it will be about \$2,300 to \$2,800 per lot without having to do brick and mortar construction. That is considered "capital in aid of construction". The other fees for meter installation would be billed as meters are required excluding the equity-buy in fee. No monthly fees would be billed until a meter is installed.

Review all of this and let me know. I know this is somewhat confusing.

Sue Cathey





June 6, 2017

Gary Ray  
6300 Ridglea Place  
Suite 930  
Fort Worth, TX 76116

Re: Retail Public Water Utility Service  
to Property Located at: Hummingbird West Development

Dear Mr. Ray:

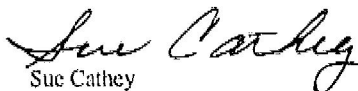
You have inquired whether Possum Kingdom Water Supply Corporation (PKWSC) will/can provide retail public water utility service to your property located at: Hummingbird West Development ("the Property"). The Property is within PKWSC's state-certificated service area of convenience and necessity (CCN) No.1820076.

Since the Property is within the PKWSC service area, PKWSC is obligated to provide continuous and adequate potable water service to meet the retail public water utility needs of the Property. [Texas Water Code §13.250] Retail public water utility service is that level of potable water necessary to meet ordinary local domestic water requirements plus reasonable outside water uses under Chapter 341 of the Texas Health & Safety Code, Chapter 13 of the Texas Water Code, TCEQ Rules Chapter 290 and TCEQ Rules Chapter 291. Retail public water utility service does not include fire fighting water or fire flows. [See: *Application of WSC-Maha Water Supply Corporation to Amend CCN No. 10229 in Travis and Hays Counties*, SOAH Docket No. 582-00-0546, TCEQ Docket No. 2000-0018-UCR, *Application of Creedmoor-Maha Water Supply Corporation to Amend CCN No. 10229 in Travis and Hays Counties*, November 6, 2002; motion for reconsideration granted to correct mapping error only July 23, 2003.]

PKWSC is ready, willing and able to provide the Property with retail public water utility service whenever requested upon compliance with the conditions precedent in PKWSC's tariff and the TCEQ's Chapters 290 and 291 rules. It will be your obligation to make formal application for service and to provide the water demand information per the non-standard service sections of PKWSC's tariff. Service will be provided within the time periods prescribed in 30 TAC §291.85(b).

If you have any questions, please contact us.

Sincerely,

  
Sue Cathey  
Business Operations Manager  
Possum Kingdom Water Supply

Possum Kingdom Water Supply Corporation  
1170 Willow Road • Possum Kingdom Lake • Graford, TX 76449 • P: 940.779.3100 • F: 940.779.3137 • TDD: 800.735.2988

PKWSC 000615

## NON-STANDARD SERVICE CONTRACT

THE STATE OF TEXAS  
COUNTY OF PALO PINTO

THIS CONTRACT is made and entered into by and between Gary Ray hereinafter referred to as "Developer", and Possum Kingdom Water Supply Corporation, hereinafter referred to as "PKWSC" or "Corporation".

WHEREAS, Developer is engaged in developing that certain 6.648 acres in Palo Pinto, County, Texas, more particularly known as the Hummingbird West subdivision, according to the plat thereof recorded at Vol. \_\_\_, Page \_\_\_ of the Plat Records of Palo Pinto County, Texas, said land being hereinafter referred to as "the Property"; and,

WHEREAS, PKWSC owns and operates a water system which supplies potable water for human consumption and other domestic uses to customers within its service area; and,

WHEREAS, the Property is located within PKWSC's state-certificated service area which obligates PKWSC to provide it with retail public water utility service subject to the terms and conditions of PKWSC's lawful tariff and the regulations of the Texas Commission on Environmental Quality ("TCEQ"); and,

WHEREAS, Developer has requested PKWSC to provide such water service to the Property through an extension of PKWSC's water system, such extension being hereinafter referred to as "the Water System Extension"; NOW THEREFORE:

KNOW ALL MEN BY THESE PRESENTS:

THAT for and in consideration for the mutual promises hereinafter expressed, and other good and valuable consideration, the sufficiency of which is hereby acknowledged by the parties, Developer and PKWSC agree and contract as follows:

**1. Engineering and Design of the Water System Extension.**

- (a) The Water System Extension shall be engineered and designed by a Texas Licensed Professional Engineer at Developer's expense and in accordance with the applicable specifications of PKWSC and all governmental agencies having jurisdiction. All plans and specifications must be reviewed and approved by PKWSC's consulting engineer, at Developer's expense, prior to the issuance of any request for bids for the construction of the Water System Extension. After such approval of the plans and specifications by PKWSC's consulting engineer, the plans and specifications shall become part of this Agreement by reference and shall more particularly define "the Water System Extension".
- (b) The Water System Extension must be sized to provide continuous and adequate water service to the Property based on plans for the development of the provided to PKWSC by the Developer. PKWSC may require the Water System Extension to be oversized in anticipation of the needs of other customers of PKWSC, subject to the obligation to reimburse the Developer for any such oversizing as provided below. If the Water System Extension proves to be insufficient for the long-term retail public water utility service demands of the Property, PKWSC shall have the continuing option, and Developer shall be under the continuing obligation, to construct such additional service capacities as may be needed to meet TCEQ Chapter 290 regulations plus meeting the local demands of the Property. PKWSC's right to seek additional capital contribution and/or physical retail water utility facilities from Developer shall commence on the date the original Water System Extension is placed into commercial operation and shall expire seven (7) calendar years



thereafter. This right to collect additional capital contributions shall be separate and apart from the obligation to pay contribution in aid of construction ("CIAC") as set forth in Section 6 below.

**2. Required Sites, Easements or Rights-of-Way.**

- (a) Developer shall be responsible for dedicating or acquiring any easements across privately owned land or sites (including off-site) which are necessary for the construction or operation of the Water System Extension and for obtaining any Governmental approvals necessary to construct the Water System Extension in public right-of-way. Public rights-of-way may be used only when private rights-of-way are not available or are necessitated by public roadway crossings. If private easements are not otherwise available, PKWSC agrees to exercise its powers of eminent domain to acquire such easements subject to Developer paying all expenses incurred in such actions.
- (b) Any easements acquired by the Developer shall be in a form approved by PKWSC's attorney (see Form of Easement, attached to this Contract and made a part hereof) and shall be assigned to PKWSC upon proper completion of the construction of the Water System Extension.
- (c) The validity of the legal instruments by which the Developer acquires any such easements and by which Developer assigns such easements to PKWSC must be approved by PKWSC's attorney.

**3. Construction of the Water System Extension**

- (a) Developer shall advertise for bids for the construction of the Water System Extension in accordance with such generally accepted bidding practices as maybe required by the United States Department of Agriculture, Rural Development and shall award the contract for the construction of the Water System Extension subject to the approval of PKWSC. PKWSC may reject any bid.
- (b) The Water System Extension shall be constructed in accordance with the approved plans and specifications. PKWSC shall have the right to inspect, at Developer's expense, all phases of the construction of the Water System Extension. Developer must give written notice to PKWSC of the date on which construction is scheduled to begin so that PKWSC may assign an inspector. PKWSC may charge reasonable inspection fees based on the actual costs of labor, travel and incidental expenses of the inspectors, plus 10% overhead.

**4. Dedication of Water System Extension to PKWSC.**

- (a) Upon proper completion of construction of the Water System Extension and final inspection and testing thereof by PKWSC, the Water System Extension shall be dedicated to PKWSC by an appropriate legal instrument approved by PKWSC's Attorney. The Water System Extension shall thereafter be owned and maintained by PKWSC subject to the warranties required of Applicant under Subsection (b). Any connection of individual customers to the Water System Extension shall be made by PKWSC.
- (b) Excepting only Developer's continuing obligation to guarantee adequate service capacities set forth in Section 1(b) above, upon dedication of the Water System Extension, Applicant shall warrant materials and performance of the Water System Extension constructed by Applicant for twelve (12) months following the date of dedication.

**5. Cost of the Water System Extension.**

- (a) Developer shall pay all costs associated with the Water System Extension as CIAC, including, without limitation, the cost of the following:
  - (1) engineering and design;
  - (2) easement or right -of-way acquisition, including, if necessary, condemnation costs;
  - (3) construction;
  - (4) inspection;
  - (5) attorneys' fees; and
  - (6) Water Treatment Plant expansion
  - (7) Governmental or regulatory approvals required to lawfully provide service.
  - (8) Developer shall indemnify PKWSC and hold PKWSC harmless from all of the foregoing costs.
- (b) Provided, however, nothing herein shall be construed as obligating the Developer to maintain the Water System Extension subsequent to its dedication and acceptance for maintenance by PKWSC.
- (c) If PKWSC has required the Water System Extension to be oversized in anticipation of the needs of the other customers of PKWSC, PKWSC shall reimburse Developer for the additional costs of construction attributable to the oversizing, as determined by PKWSC's consulting engineer. As new PKWSC customers outside of the Property are connected to and served from the oversized facilities funded by Developer, PKWSC shall collect CIAC from each such customer equal to the cost of the surplus capacities that customer will use as determined by PKWSC's consulting engineer. This CIAC shall be paid to Developer within thirty (30) days of collection by PKWSC. This obligation to charge and this right to receive CIAC for the Developer-funded CIAC shall terminate at the earlier of:
  - (1) Developer's recovery of all costs incurred for the oversized utility facilities; or,
  - (2) five (5) calendar years of the placement of said facilities into commercial operation.

**6. Contribution-in-aid-of-Construction.**

- (a) The parties recognize the Developer's obligation to compensate PKWSC for service capacities that will be dedicated to serve the Property. The Developer and PKWSC have negotiated a mutually agreeable CIAC payment for the Developer to reimburse PKWSC for that portion of its existing service capacities being reserved for the Property plus increased capacity to be created by an upgrade(s) to the Water Treatment Plant ("WTP") to increase production in .5 MGD increments, a portion of which will be dedicated to the Developer's service area. The agreed CIAC amount is *(TBD but estimated at \$2,500)* ~~is (TBD but estimated at \$2,300.00)~~ per lot for 12 lots for \$27,600 which the Developer will pay with the execution of this agreement.
- (b) Additional service requests for future phases shall be made not less than twelve (12) months before the time the Developer wants to commence accepting delivery of the additional water. The cost for additional phases will be negotiated in 10 lot increments. PKWSC shall complete any necessary improvements and provide service within twelve (12) months after receiving a timely request and payment of the applicable CIAC. If the Developer does not make a request for additional water at least twelve (12) months in advance, PKWSC shall make reasonable efforts to provide additional service capacity when requested but PKWSC makes nor guarantee or covenant that such additional water will be available on the date

requested.

- (c) No additional fees shall be paid except as stated in Sections 1(b), 7(a) and 7(b). As provided in PKWSC's lawful tariff, the owner of individual lots or tracts connected to or able to receive service from the Water System Extension within the Property with the installation of a properly sized meter will pay monthly service or reserve service fees effective on the closing date of the sale from the Developer to the buyer. These fees will be based on the rates in effect from the corporation's Tariff at the time of closing and will include the following fees: Membership, Administration, Meter Installation and Inspection of Meter Connection.
- (d) Water service to be used by the Developer will be subject to monthly service fees based on the rates in effect from the corporation's Tariff at the time that water service is available to the specified property. Developer shall not be entitled to a membership in PKWSC for any connection serving property owned or being developed for resale to the public. Developer may obtain and hold memberships for service connections to be held permanently by Developer, i.e., to sales offices, common area irrigation meters, and Property maintenance buildings.

**7. Service from the Water System Extension.**

- (a) After proper completion and dedication of the Water System Extension to PKWSC, PKWSC shall provide continuous and adequate water service to the Property for the initial twelve (12) lots subject to all duly tariffed rules and regulations and bylaws of PKWSC. Any increase of service capacity beyond the twelve (12) initial minimum shall be contingent upon the Developer paying CIAC for such additional service capacity.
- (b) Service Capacity Reservation. PKWSC's agreement to provide long-term water service capacity to the Developer and the cost to be paid for such capacity of materially conditioned upon the Developer's projections of the service area's demands. It is agreed that if the Developer is not taking and paying for at least 25% of the water capacity contracted for herein at the end of the first five (5) years of this Agreement, the parties shall renegotiate the terms of the Agreement or, at its option, the Developer shall surrender all unused reserved water service capacity so PKWSC may use it to serve other customers, wholesale or retail. The Developer shall not be reimbursed for any surrendered service capacity. Surrendering that capacity will only release the Developer from the continued payment of monthly reservation
- (c) The existing WTP and distribution lines of PKWSC do not support fire flow. "Fire hydrants" installed within PKWSC's water distribution system are provided at the convenience of PKWSC and do not imply any responsibility on the part of PKWSC to meet fire flow requirements of local, county, state, or federal governmental agencies. Such fire hydrants are support facilities only meant to be used as flush and control valves in the public drinking water system. State public health and safety regulations require public drinking water systems to be flushed on a routine basis and metallic flush valves (commonly referred to a "fire hydrant") are a preferred manner of complying with these regulations. PKWSC makes no representation that it is offering fire protection or fire flows under any fire code or fire fighting standard. PKWSC has no obligation at law to provide water for fire related activities because this is not a public water PKWSC or potable domestic water service as defined by the Texas Water Code and/or the Texas Health and Safety Code.

PKWSC, at its sole option, may permit local area fire departments to use water from

its public drinking water system on an "AS IS, AS AVAILABLE" basis and will in no manner be liable for damages caused by its inability to supply sufficient water for the prevention or suppression of fire. Any fire department or other person using PKWSC's water system to take water for fire fighting purposes shall be liable to PKWSC for damage caused to PKWSC's plant and equipment during such use, especially for, but not limited to, damage to pumps caused by improperly opening and closing hydrants/valves under pressure or damage for driving heavy vehicles over water lines. PKWSC reserves the right to remove any fire hydrant (metallic flush valve), due to improper use or detriment to the system as determined by PKWSC, at any time without notice, refund, or compensation to the contributors. Any water taken from PKWSC's water system for any purpose, including fire fighting, without prior knowledge and consent of the Board of Directors and/or the General Manager shall be deemed to be theft and shall be prosecuted. Fire Departments may obtain advanced consent for emergency usage on an "AS IS, AS AVAILABLE" basis.

It is understood that the Developer anticipates providing fire flow service within the development. PKWSC does not accept liability for fire-related injuries or damages to persons or property caused or aggravated by the availability (or lack thereof) of water or water pressure (or lack thereof) during fire emergencies. PKWSC agree to contract with Developer to provide water service capacities to the Property in excess of the TCEQ's domestic water system regulations so that such water volumes and pressures may be used by the customer/applicant or local fire department (at their sole election and responsibility) for fire fighting purposes. Such additional water service capacities shall be provided only in response to and according to design criteria and/or plans prepared by the Developer's consulting engineer.

Notwithstanding any understanding or intent of Developer for the use of such excess water service capacity, PKWSC does not profess, state, warrant, guarantee, or imply that such additional water service capacity is, or shall ever be, adequate or sufficient for fire fighting. PKWSC neither possesses nor claims to possess knowledge or expertise in fire fighting or the requirements of fire fighting. No statement or action of PKWSC shall ever be implied or meant to suggest that any facilities of PKWSC comply with any state or local fire code. On-site storage of water reserved for fire fighting shall preferably be accomplished through elevated storage; however, if permitted to achieve Developer's desired ISO rating, reserved water may be stored in ground storage tanks with an emergency back up generator(s) if such water can be injected into the public drinking supply without contamination or significant degradation of drinking water quality during mixing.

- (d) It is understood and agreed by the parties that the obligation of PKWSC to provide water service in the manner contemplated by this Contract is subject to the issuance by the Texas Commission on Environmental Quality and all other governmental agencies having jurisdiction of all permits, certificates or approvals required to lawfully provide such service.
- (e) Unless the prior approval of PKWSC is obtained, the Developer shall not:
  - (1) construct or install additional water lines or facilities to service areas outside the Property;
  - (2) add any additional lands to the Property for which water service is to be provided pursuant to this Agreement; or
  - (3) Connect or serve any person or entity who, in turn, sells water service directly or

indirectly to another person or entity.

**8. Effect of Force Majeure.**

In the event either party is rendered unable by force majeure to carry out any of its obligations under this Contract, in whole or in part, then the obligations of that party, to the extent affected by the force majeure shall be suspended during the continuance of the inability, provided however, that due diligence is exercised to resume performance at the earliest practical time. As soon as reasonably possible after the occurrence of the force majeure relied upon to suspend performance, the party whose contractual obligations are affected thereby shall give notice and full particulars of the force majeure to the other party.

The cause, as far as possible, shall be remedied with all reasonable diligence. The term "force majeure" includes acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, orders of the government of the United States or the State of Texas or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraints of government and civil disturbances, explosions, breakage, or accidents to equipment, pipelines, or canals, partial or complete failure of water supply, and any other inability's of either party, whether similar to those enumerated or otherwise, that are not within the control of the party claiming the inability and that could not have been avoided by the exercise of due diligence and care. It is understood and agreed that the settlement or strikes and lockouts shall be entirely within the discretion of the party having the difficulty and that the requirement that any force majeure be remedied with all reasonable dispatch shall not require the settlement of strikes and lockouts by acceding to the demands of the opposing party if the settlement is unfavorable to it in the judgment of the party having the difficulty.

**9. Notices.**

Any notice to be given hereunder by either party to the other party shall be in writing and may be affected by personal delivery or by sending said notices by registered or certified mail, return receipt requested, to the address set forth below. Notice shall be deemed given when deposited with the United States Postal Service with sufficient postage affixed. Any notice mailed to PKWSC shall be addressed:

Possum Kingdom Water Supply Corporation  
1170 Willow Road  
Graford, TX 76449

Any notice mailed to Applicant shall be addressed:

Gary Ray  
Hummingbird West  
6300 Ridglea Place  
Suite920  
Fort Worth, TX 76116

Either party may change the address for notice to it by giving written notice of such change in accordance with the provisions of this paragraph

**10. Breach of Contract and Remedies.**

- (a) If either party breaches any term or condition of this Contract, the non-breaching party may, at its sole option, provide the breaching party with a notice of the breach within sixty (60) days of discovery of the breach by the non-breaching party. Upon notice of breach, the breaching party shall have sixty (60) days to cure the breach. If the breaching party does not cure the breach within the sixty (60) days, the non-breaching party, below, shall have all rights at law and in equity including the right to enforce specific performance of this Contract by the breaching party, the right to perform the obligation in question and to seek restitution for all damages incurred in connection therewith. It should be noted that PKWSC's willingness to enter into this contract is expressly and materially dependent upon Developer's timely and full payments of all sums due hereunder. Developer's failure to perform under this agreement shall expressly be grounds for PKWSC to exercise its statutory right to refuse water utility service to the Property as provided by Texas Water Code §13.2502. Such an election by PKWSC shall not deprive it of any other rights or remedies it may have at law or in equity.
- (b) In the event of termination of this Contract by a non-breaching party, such action shall not affect any previous conveyance unless PKWSC has the statutory right to refuse service to such conveyed property under Texas Water Code §13.2502.
- (c) The rights and remedies of the parties provided in this Contract shall not be exclusive and are in addition to any other rights and remedies provided by law and under this Contract.

**11. Third Parties.**

It is the express intention of the parties that the terms and conditions of this Contract may be enforced by either party but not by any third party or alleged third-party beneficiary.

**12. Captions.**

Captions are included solely for convenience of reference and if there is any conflict between captions and the text of the Contract, the text shall control.

**13. Context.**

Whenever the context requires, the gender of all words herein shall include the masculine, feminine, and neuter, and the number of all words shall include the singular and the plural.

**14. Mediation.**

Prior to the institution of legal action by either party related to any dispute arising under this Contract, said dispute shall be referred to non-binding mediation by an independent mediator mutually agreed upon by both parties. The cost of the mediator shall be shared equally by both parties.

**15. Litigation Expenses.**

Either party to this Contract who is the prevailing party in any legal proceeding against the other party, brought in relation to this Contract, shall be entitled to recover court costs and reasonable attorneys' fees from the non-prevailing party.

**16. Intent.**

The parties hereto covenant and agree that they shall execute and deliver such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out the intent of this Contract.

**17. Multiple Originals.**

This Contract may be executed in multiple originals, any copy of which shall be considered to be an original.

**18. Authority.**

The signatories hereto represent and affirm that they are authorized to execute this Contract on behalf of the respective parties hereto.

**19. Severability.**

The provisions of this Agreement are severable, and if any word, phrase, clause, sentence, paragraph, section, or other part of this Agreement or the application thereof to any person or circumstance shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Agreement and the application of such word, phrase, clause, sentence, paragraph, section, or other part of this Agreement to other persons or circumstances shall not be affected thereby and this Agreement shall be construed as if such invalid or unconstitutional portion had never been contained therein.

**20. Entire Agreement.**

This Agreement, including any exhibits attached hereto and made a part hereof, constitutes the entire agreement between the parties relative to the subject matter of this Agreement. All prior agreements, covenants, representations, or warranties, whether oral or in writing, between the parties are merged herein.

**21. Amendment.**

No amendment of this Agreement shall be effective unless and until it is duly approved by each party and reduced to a writing signed by the authorized representatives of PKWSC and the Developer, respectively, which amendment shall incorporate this Agreement in every particular not otherwise changed by the amendment.

**22. Governing Law.**

This Agreement shall be construed under and in accordance with the laws of the State of Texas and all obligations of the parties are expressly deemed performable in Palo Pinto County, Texas.

**23. Venue.**

Any civil action at law or in equity brought to enforce or interpret any provision of this Contract shall be brought in a state court of competent jurisdiction with venue in Palo Pinto County, Texas. Any administrative action shall be brought before the TCEQ and the courts of competent jurisdiction in Travis County, Texas.

**24. Successors and Assigns.**

This Agreement shall be binding on and shall inure to the benefit of the heirs, successors and assigns of the parties.



**25. Assignability.**

The rights and obligations of the Developer hereunder may not be assigned without the prior written consent of PKWSC.

**26. Effective Date.**

This Agreement shall be effective from and after the date of due execution by all parties.

IN WITNESS WHEREOF each of the parties has caused this Agreement to be executed by its duly authorized representative in multiple copies, each of equal dignity, on the date or dates indicated below.

Possum Kingdom Water Supply Corporation

DEVELOPER

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: President, Board of Directors

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_



## **RIGHT OF WAY EASEMENT (General Type Easement)**

KNOW ALL MEN BY THESE PRESENTS, that Gary Ray, (hereinafter called "Grantors"), in consideration of one dollar (\$1.00) and other good and valuable consideration paid by Possum Kingdom Water Supply Corporation, (hereinafter called "Grantee"), the receipt and sufficiency of which is hereby acknowledged, does hereby grant, bargain, sell, transfer, and convey to said Grantee, its successors, and assigns, a perpetual exclusive easement with the right to erect, construct, install, and lay and thereafter access and use, operate, inspect, repair, maintain, replace, upgrade, parallel and remove water distribution lines and appurtenances and any other facilities necessary to serve Grantors' property [including that property's water meter(s) if the easement is located at or near the property line] as well as the Grantee's current and future system-wide customers, under, over and across 6.648 acres of land, more particularly described in instrument recorded in Vol. \_\_\_\_\_, Page \_\_\_\_\_, Deed Records, Palo Pinto County, Texas, together with the right of ingress and egress over Grantor's adjacent lands for the purpose for which the above mentioned rights are granted. The easement hereby granted shall not exceed twenty feet (20') in width, and Grantee is hereby authorized to designate the course of the easement herein conveyed except that when the pipeline(s) is installed, the easement herein granted shall be limited to a strip of land 20' in width the center line thereof being the pipeline as installed.

During the period of construction of the water pipeline, the easement shall be extended an additional twenty feet (20') in width as shown on Exhibit A for a total of forty feet (40'). Upon conclusion of all construction and the restoration of the surface to its pre-construction condition, the construction easement (the extra 20') shall revert to Grantor and shall not be available to Grantee without future consent of Grantor, which consent shall not be unreasonably withheld if the easement is needed for future construction on the water utility facilities.

Grantee shall have such other rights and benefits necessary and/or convenient for the full enjoyment and use of the rights herein granted, including without limitation, (1) the reasonable right of ingress and egress over and across lands owned by Grantor which are contiguous to the easement for the purpose of accessing the easement in the most efficient and effective manner but not to use Grantor's contiguous property for other purposes; (2) the reasonable right from time to time to remove any and all paving, undergrowth and other obstructions that may injure Grantee's facilities and appurtenances or interfere with the construction, maintenance, inspection, operation, protection, repair, alteration, testing, replacement, upgrading, paralleling, relocation (as above limited), substitution or removal thereof; and (3) the right to abandon-in-place any and all water supply lines, service lines and associated appurtenances, such that Grantee shall have no obligation or liability to Grantor or their successors or assigns to move or remove any such abandoned lines or appurtenances.

In the event the easement hereby granted abuts on a public road and the county or state hereafter widens or relocates the public road so as to require the relocation of this water line as installed, Grantor further grants to Grantee an additional easement over and across the land described above for the purpose of laterally relocating said water line as may be necessary to clear the road improvements, which easement hereby granted shall be limited to a strip of land 20' in width the center line thereof being the pipeline as relocated.

Grantor shall have the right to construct and maintain a driveway across the easement so long as it crosses the easement at an approximate ninety-degree (90°) angle and does not cover the easement for a protracted or unreasonable distance. Grantor takes this action with the full knowledge and understanding that Grantee may, at some unknown date, without or without advance notice, have to excavate its water line for maintenance or repair. Thereafter, Grantee shall be charged only with a reasonable duty to restore the drive to a working condition without guarantee or warranty of aesthetic or pre-existing condition.

Grantor shall have the right to erect a fence(s) across the easement for the purpose of containing livestock and domesticated animals. However, if Grantor erects a fence(s), Grantor shall install a gate at each end of the easement (if the total easement exceeds 300 feet or if it crosses a watercourse). These gates may be locked but

the locking combinations must be given to the Grantee and not changed without its prior knowledge. The Grantor's water meter shall be located in proximity to a gate for ease of reading if maintained behind the fence. One gate may be replaced by a stile capable of bearing a 300-pound person to be located at the site of the water meter. This requirement for gates and fence stiles may be waived in writing by Grantee on a landowner-by-landowner basis as the property passes in chain of title in recognition of Grantee's above-recited right of access across Grantor's contiguous lands if the waiver does not place an undue burden on meter readers.

The consideration recited herein shall constitute payment in full for all damages sustained by Grantors by reason of the installation of the structures referred to herein and the Grantee will maintain such easement in a state of good repair and efficiency so that no unreasonable damages will result from its use to Grantors' premises. This agreement together with other provisions of this grant shall constitute a covenant running with the land for the benefit of the Grantee, its successors, and assigns. The Grantors covenant that they are the owners of the above described land and that said lands are free and clear of all encumbrances and liens except the following:

Grantor does hereby bind itself, its successors and assigns, to WARRANT AND FOREVER DEFEND, all and singular, the easement herein granted to Grantee, or Grantee's successors and assigns, against every person whomsoever claiming, or to claim, the same or any part thereof.

The easement conveyed herein was obtained or improved through Federal financial assistance. This easement is subject to the provisions of the Title VI of the Civil Rights Act of 1964 and the regulations issued pursuant thereto for so long as the easement continues to be used for the same or similar purpose for which financial assistance was extended or for so long as the Grantee owns it, whichever is longer.

IN WITNESS WHEREOF the said Grantors have executed this instrument this \_\_\_\_ day of

\_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_

\_\_\_\_\_

#### ACKNOWLEDGEMENT

STATE OF TEXAS

COUNTY OF \_\_\_\_\_.

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared \_\_\_\_\_ known to me to be the person(s) whose name(s) is(are) subscribed to the foregoing instrument, and acknowledged to me that he (she) (they) executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS THE \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_

\_\_\_\_\_, County, Texas.

(Seal)

(Notary Public in and for)

**RIGHT OF WAY EASEMENT  
(General Type Easement)**

"Exhibit A"

[CHECK APPROPRIATE DESCRIPTION]

1. ☒ The easement shall be located parallel to and within the first twenty (20) feet of the property line of the encumbered tract based upon that side of the tract fronting Hummingbird Road.

or

2. \_\_\_\_\_ The easement shall be located across the encumbered tract based upon the following surveyed metes and bounds and attached sealed drawing prepared by \_\_\_\_\_:

Metes and Bounds Description: N/A

**Sue Cathey**

---

**From:** "Gary Ray" <gary@modcoins.com>  
**Date:** Wednesday, July 19, 2017 3:18 PM  
**To:** "Sue Cathey" <sue@pkwsc.com>  
**Subject:** RE: Non-Standard Agreement

Sue- Timing is everything as we are just getting bids on construction cost on lot 7.. All the property is owned by & the construction is actually being done under Crystal Bluff Goat Ranches, LLC, (CBGR,LLC) which is owned Chris Beeson & Gary Ray. Does PKWSC need a copy of the survey of Hummingbird West? Thanks GR

**CONFIDENTIALITY NOTICE:** This e-mail transmission, and any documents, files or previous e-mail messages attached to it may contain confidential information that is legally privileged. If you are not the intended recipient, or a person responsible for delivering it to the intended recipient, you are hereby notified that any disclosure, copying, distribution or use of any of the information contained in or attached to this transmission is **STRICTLY PROHIBITED**. If you have received this transmission in error, please immediately notify us by reply e-mail, by forwarding this to [Gary@modcoins.com](mailto:Gary@modcoins.com) or by telephone to (817) 546-1955, and destroy the original transmission and its attachments. Thank you.

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**From:** Sue Cathey [mailto:sue@pkwsc.com]  
**Sent:** Wednesday, July 19, 2017 2:58 PM  
**To:** Gary Ray  
**Subject:** Non-Standard Agreement

Gary, attached the draft of the non-standard agreement for the water to Hummingbird West. The cost is estimated to be \$2,300 per lot, but a firm number will be put in. Nothing beyond the \$2,300 per lot will be billed until the purchaser of the property requires a meter. That person will then pay membership, administration, meter installation and inspection.

Review this and let me know your thoughts on this contract.

Sue Cathey

7/19/2017

PKWSC 000628

**Possum Kingdom Water Supply Corporation****Service Application and Agreement**

940-779-3100

Fax 940-779-3137

TDD 800-735-2989

1170 Willow Road, Graford, Texas 76449

*Easement on  
left under Brooks  
Rayton 656*

Please Print: DATE

7-26-17

APPLICANT'S NAME

CBGR, LLC

CO-APPLICANT'S NAME

Chris Beeson &amp; Gary Ray

APPLICANT'S BILLING ADDRESS

6300 Ridgely Place #920

Fort Worth TX 76116

APPLICANT'S SERVICE ADDRESS

Hummingbird West Lot 7

Graford TX 76449

PHONE NUMBER - Home

817-994-4617

Other

E-MAIL ADDRESS

GARU@MODCINS.COM

PROOF OF OWNERSHIP PROVIDED BY: (Check applicable box) Lease ☐ Sub-Lease ☐ Warranty Deed ☒TYPE OF SERVICE: (Check applicable box) Single Family Residence ☒ Business ☐ Apt. Building ☐

LEGAL DESCRIPTION OF PROPERTY (Include subdivision with lot and block number from lease or warranty deed)

Lot 7 Hummingbird West Div.

NOTE: FORM MUST BE COMPLETED BY APPLICANT ONLY.

By execution hereof, the Applicant agrees that non-compliance with the terms of this agreement, pages two through four, by said Applicant shall constitute denial or discontinuance of service until such time as the violation is corrected to the satisfaction of the Corporation.

Any misrepresentation of the facts by the Applicant on any of the four pages of this agreement shall result in discontinuance of service pursuant to the terms and conditions of the Corporation's tariff.

Initial to confirm receipt of pages 2-4 \_\_\_\_\_

*Sam Coker*  
Approved and Accepted by PKWSC

Applicant Signature

*[Signature]*  
7-26-17  
PKWSC Date Approved

### TERMS AND CONDITIONS

**AGREEMENT** made on approval date between Possum Kingdom Water Supply Corporation, a corporation organized under the laws of the State of Texas (hereinafter called the Corporation) and the Applicant and/or Co-Applicant.

Witnesseth:

The Corporation shall sell and deliver water and/or wastewater service to the Applicant and the Applicant shall purchase, receive, and/or reserve service from the Corporation in accordance with the by-laws and tariff of the Corporation as amended from time to time by the Board of Directors of the Corporation. Upon compliance with said policies, including payment of a Membership Fee, the Applicant qualifies for Membership as a new applicant or continued Membership as a transferee and thereby may hereinafter be called a Member.

The Member shall pay the Corporation for service hereunder as determined by the Corporation's tariff and upon the terms and conditions set forth therein, a copy of which has been provided as an information packet, for which Member acknowledges receipt hereof by execution of this agreement. A copy of this agreement shall be executed before service may be provided to the Applicant.

The Board of Directors shall have the authority to discontinue service and cancel the Membership of any Member not complying with any policy or not paying any utility fees or charges as required by the Corporation's published rates, fees, and conditions of service. At any time service is discontinued, terminated or suspended, the Corporation shall not re-establish service unless it has a current, signed copy of this agreement.

If this agreement is completed for the purpose of assigning utility service as a part of a rural domestic water and/or wastewater system loan project contemplated with the Rural Development, an Applicant shall pay an Indication of Interest Fee in lieu of a Membership Fee for the purposes of determining:

- a) The number of taps to be considered in the design and
- b) The number of potential ratepayers considered in determining the financial feasibility of constructing
  - 1) A new water system or
  - 2) Expanding the facilities of an existing water system.

The Applicant hereby agrees to obtain, utilize, and/or reserve service as soon as it is available. Applicant, upon qualification for service under the terms of the Corporation's policies, shall further qualify as a Member and the Indication of Interest Fee shall then be converted by the Corporation to a Membership Fee. Applicant further agrees to pay, upon becoming a Member, the monthly charges for such service as prescribed in the Corporation's tariff. Any breach of this agreement shall give cause for the Corporation to liquidate, as damages, the fees previously paid as an indication of interest. In addition to any Indication of Interest Fees forfeited, the Corporation may assess a lump sum of \$300.00 as liquidated damages to defray any losses incurred by the Corporation. If delivery of service to said location is deemed infeasible by the Corporation and the Indication of Interest Fee, less expenses, shall be refunded. The Membership in the Corporation and the Indication of Interest Fee, less expenses shall be refunded. The Applicant may re-apply for service at a later date under the terms and conditions of the Corporation's policies. For the purposes of this agreement, an Indication of Interest Fee shall be of an amount equal to the Corporation's Membership Fee.

All water shall be metered by meters to be furnished and installed by the Corporation. The meter and/or wastewater connection is for the sole use of the Member or customer and is to provide service to only one (1) dwelling or one (1) business. Extension of pipe(s) to transfer utility service from one property to another, to share, resell, or sub-meter water to any other persons, dwellings, businesses, or property, etc., is prohibited.

The Corporation shall have the right to locate a water service meter and the pipe necessary to connect the meter on the Member's property at a point to be chosen by the Corporation, and shall have access to its property and equipment located upon Member's premises at all reasonable and necessary times for any purpose connected with or in the furtherance of its business operations, and upon discontinuance of service the Corporation shall have the right to remove any of its equipment from the Member's property. The Member shall install, at their own expense, any customer service isolation valves, backflow prevention devices, clean-outs, and other equipment as may be specified by the Corporation. The Corporation shall also have access to the Member's property for the purpose of inspecting for possible cross-connections, potential contamination hazards, and illegal lead materials.

The Corporation is responsible for protecting the drinking water supply from contamination or pollution which could result from improper plumbing practices. This service agreement serves as notice to each customer of the plumbing restrictions which are in place to provide this protection. The Corporation shall enforce these restrictions to ensure the public health and welfare. The following undesirable practices are prohibited by state regulations:

- a) No direct connection between the public drinking water supply and a potential source of contamination is permitted. Potential sources of contamination shall be isolated from the public water system by an air gap or an appropriate backflow prevention assembly in accordance with state regulations.
- b) No cross-connection between the public drinking water supply and a private water system is permitted. These potential threats to the public drinking water supply shall be eliminated at the service connection by the proper installation of an air gap or a reduced pressure-zone backflow prevention assembly and a service agreement must exist for annual inspection and testing by a certified backflow prevention device tester.
- c) No connection which allows condensing, cooling, or industrial process water to be returned to the public drinking water supply is permitted.
- d) No pipe or pipe fitting which contains more than 8.0 % lead may be used for the installation or repair of plumbing on or after July 1, 1988, at any connection which provides water for human consumption.
- e) No solder or flux which contains more than 0.2 % lead may be used for the installation or repair plumbing on or after July 1, 1988, at any connection which provides water for human consumption.

The Corporation shall maintain a copy of this agreement as long as the Member and/or premises are connected to the public water system. The Member shall allow their property to be inspected for possible cross-connections, potential contamination hazards, and illegal lead materials. These inspections shall be conducted by the Corporation or its designated agent prior to initiating service and periodically thereafter. The inspections shall be conducted during the Corporation's normal business hours.

The Corporation shall notify the Member in writing of any cross-connections or other undesirable practices which have been identified during the initial or subsequent inspection. The Member shall immediately correct any undesirable practice on their premises. The Member shall, at their expense, properly install, test, and maintain any backflow prevention device required by the Corporation. Copies of all testing and maintenance records shall be provided to the Corporation as required. Failure to comply with the terms of this service agreement shall cause the Corporation to either terminate service or properly install, test, and maintain an appropriate backflow prevention device at the service connection. Any expenses associated with the enforcement of this agreement shall be billed to the Member.

In the event the total water supply is insufficient to meet all of the Members, or in the event there is a shortage of water, the Corporation may initiate the Emergency Rationing Program as specified in the Corporation's Tariff. By execution of this agreement, the Applicant hereby shall comply with the terms of said program.

By execution hereof, the Applicant shall hold the Corporation harmless from any and all claims for damages caused by service interruptions due to waterline breaks by utility or like contractors, tampering by other Member/users of the Corporation, normal failures of the system, or other events beyond the Corporation's control.

The Member shall grant to the Corporation, now or in the future, any easements of right-of-way for the purpose of installing, maintaining, and operating such pipelines, meters, valves, and any other equipment which may be deemed necessary by the Corporation to extend or improve service for existing for future Members, on such forms as are required by the Corporation.

By execution hereof, the Applicant shall guarantee payment of all other rates, fees, and charges due on any account for which said Applicant owns a Membership Certificate. Said guarantee shall pledge any and all Membership Fees against any balance due the Corporation. Liquidation of said Membership Fees shall give rise to discontinuance of service under the terms and conditions of the Corporation's tariff.

The following information is requested by the Federal Government in order to monitor compliance with Federal laws prohibiting discrimination against applicants seeking to participate in this program. You are not required to furnish this information, but are encouraged to do so. This information will not be used in evaluating your application or to discriminate against you in any way. However, if you choose not to furnish it, we are required to note the race/national origin of individual applicants on the basis of visual observation or surname.

☐ White, Not of Hispanic Origin    ☐ Black, Not of Hispanic Origin    ☐ American Indian or Alaskan Native    ☐ Hispanic    ☐ Asian or Pacific Islander    ☐ Other (Specify)    ☐ Male    ☐ Female



# Possum Kingdom Water Supply Corporation

## New Service Request

The Possum Kingdom Water Supply Corporation is a member owned, not for profit, public water provider. The regional system is being funded through Federal and State loans and grants. Bidding for the construction of the system was based upon the scope of the project as determined by the number of members who had joined as of August 31, 2002. Any system improvements for members wishing to be served by the system and who joined after that date are not included in the Federal and State funding.

In order for the PKWSC to determine whether a prospective member may be served by the system, a Service Investigation must be conducted by the Corporation's engineer. The Service Investigation will take into account whether a water distribution line is present to serve a particular site and whether an existing water line is of sufficient capacity to serve an additional connection. This will also identify costs associated with providing an additional water service line. Refer to the current rate chart for a detail of fees for a standard installation for new service. In addition, the new member must pay all costs to construct any improvements to serve a new connection. To initiate a Service Investigation, please fill out the form and return it along with a check for \$150.00 to the PKWSC. This cost is included in the total cost referenced on the rate sheet and is non-refundable.

Name Gary Ray (CBGR, LLC)  
Billing Address 6300 Ridgela Place <sup>#920</sup> Phone (817) 994-4617  
City, State, Zip Code Ft Worth, TX 76116  
Service Address Hummingbird West Lot 7  
Legal Description of Property (Include name of road, subdivision with lot and block number)  
Lot 7 Hummingbird West Div

Note: Form must be completed by applicant only. A map of service location request must be attached.

Please mail this form with a check for \$150.00 to:

Possum Kingdom Water Supply Corporation  
1170 Willow Road  
Possum Kingdom Lake  
Graford, TX 76449

940-779-3100 Fax 940-779-3137 TDD 800-735-2989



August 2, 2017

Possum Kingdom Water Supply Corporation  
1170 Willow Road  
Graford, Texas 76449  
Attn: Cathy Pearson

**Re: Meter Request Evaluation**

Dear Cathy:

We have performed a meter request evaluation for the new service meter request worksheets provided by PKWSC. Based on that analysis, the following meter **is approved** for addition to the PKWSC system:

1. Glover, Larry & Shirley, 2281 Sage Circle, Lot 1-D, 1 Meter, Phase 1
2. CBGR, LLC, Lot 7 Hummingbird West, 1 Meter, Phase 1

I appreciate the opportunity to be of service to the PKWSC. Please do not hesitate to call me at (325) 698-5560 if you have any questions.

Sincerely,

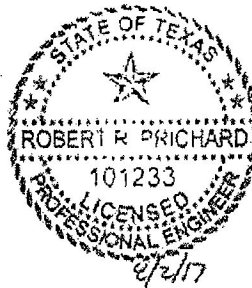
Enprotec / Hibbs & Todd, Inc.

BJ Prichard, P.E.

BJP/jd

Enclosure: Invoice

c: Project File # 06-3651B



P:\Projects\Possum Kingdom\Meter Requests\2017 Meter Requests\20170802\_Meter Response Letter (Glover-CBGR).docx

*Environmental, Civil & Geotechnical Engineers*

**Abilene Office**  
402 Cedar  
Abilene, Texas 79601  
P.O. Box 3097  
Abilene, Texas 79604  
325.698.5560 | 325.691.0058 fax

**Lubbock Office**  
6310 Genoa Avenue, Suite E  
Lubbock, Texas 79424  
806.794.1100 | 806.794.0778 fax

[www.e-hi.com](http://www.e-hi.com)

**Granbury Office**  
2901 Glen Rose Hwy, Suite 107  
Granbury, Texas 76048  
817.579.6791 | 817.579.8491 fax

PE Firm Registration No. 1151  
PG Firm Registration No. 50103  
RPLS Firm Registration Nos. 10011900 & 10007300

PKWSC 000634

# Possible Kingdom Water Supply Corporation Rates and Services

Effective June 1, 2017

New Residential Service Fees Standard Installation		
	Standard	Road Bore
<b>Membership</b>	\$300.00	\$300.00
<b>Impact</b> To be used only for capital improvements to upgrade or extend the system	\$495.00	\$495.00
<b>Service Investigation</b> Engineer must approve all new service added to the system	\$150.00	\$150.00
<b>Administration</b>	\$30.00	\$30.00
<b>Meter Installation</b> Up to 30 foot service line - over 30 feet will require quote	\$800.00	\$800.00 + \$635.00 min. (quote required)
<b>Inspection of Meter Connection</b>	\$40.00	\$40.00
<b>Total</b>	\$1,815.00	\$2,450.00

\$150

Service Fees	
Residential Monthly Minimum 5/8 x 3/4	\$41.15
Residential Monthly Minimum 1"	\$102.88
Residential Monthly Minimum 1 1/2"	\$205.75
Residential Water per 1,000 Gallons	
1 to 10,000 gallons per month	\$3.32
10,000 to 20,000 gallons per month	\$5.00
20,000 to 50,000 gallons per month	\$8.00
50,000 + gallons per month	\$15.00
Small Business	\$57.50
Commercial 5/8 x 3/4"	\$150.15
Commercial 3/4"	\$225.22
Commercial 1"	\$375.37
Commercial 1 1/2"	\$750.75
Commercial 2"	\$1,201.20
Commercial 3" compound	\$2,402.40
Water for Commercial per 1,000 Gallons	\$5.55
Late Payment	\$15.00
Customer Service Inspection	\$40.00
Backflow Prevention Testing & Inspection	\$50.00
Returned Check	\$25.00
Reconnect	\$50.00
Service Trip	\$25.00
Customer History Report	\$15.00
Meter Test	\$25.00
Transfer (changed effective 2-1-15)	\$150.00
Non-Disclosure	\$5.00

Equipment damage or services outside the normal scope of Utility operations or at the request of a Member shall be charged to the member based on the cost of providing such service or repair.



May 11, 2021

Mr. Gary Ray  
Crystal Bluff Goat Ranch, LLC  
6300 Ridglea Place  
Suite 920  
Fort Worth, TX 76116

Dear Mr. Ray;

Attached is a draft Non-Standard Contract to enable potable water to be delivered to your development on Hummingbird Lane. The Texas Environmental Quality Commission declares any person that sub-divides property into more than two properties is considered a developer and, as such, is subject to the Non-Standard Contract for water service and must pay Capital in Aid of Construction (CIAC) to obtain or reserve water to the properties.

Possum Kingdom Water Supply Corporation (PKWSC) is a non-profit member owned organization. Developers pay CIAC to PKWSC to enable plant expansion to supply potable water to the development or to reserve water in the current available supply. The price is based on the cost of that portion of the available water to PKWSC or the cost to build additional capacity. The existing plant is at maximum capacity at this time and the cost for additional capacity is estimated at \$10,400,145.00 which will enable an additional 777 meters to be added to the system.

Your original development was for 12 lots. Two lot owners have paid for meters to be installed and they are members of the corporation. We will grandfather these meters and only apply the CIAC to the additional 10 lots on an exception basis and will not apply to any additional development you may have. This contract must have approval by the Board of Directors and be put in place within the next 90 days to insure potable water is available for the lots in your development. No additional meters will be installed until this transaction is completed.

Please review the contract and add the required information on the draft copy and return to my office for an original contract to be created in 90 days. We will also need a copy of the final plat and engineering drawings for our engineers to review and potentially approve.

Sincerely,

A handwritten signature in black ink, appearing to read "Bob Neal", written over the printed name.

Bob Neal  
General Manager  
Possum Kingdom Water Supply Corporation

Attachment: 12 page Non-Standard Contract

## NON-STANDARD SERVICE CONTRACT

THE STATE OF TEXAS  
COUNTY OF PALO PINTO

THIS CONTRACT is made and entered into by and between **Crystal Bluff Goat Ranch, LLC** hereinafter referred to as "Developer", and Possum Kingdom Water Supply Corporation, hereinafter referred to as "PKWSC" or "Corporation".

WHEREAS, Developer is engaged in developing that certain \_\_\_\_\_ acres in Palo Pinto, County, Texas, more particularly known as the Hummingbird West subdivision, according to the plat thereof recorded at Vol. \_\_\_, Page \_\_\_ of the Plat Records of Palo Pinto County, Texas, said land being hereinafter referred to as "the Property"; and,

WHEREAS, PKWSC owns and operates a water system which supplies potable water for human consumption and other domestic uses to customers within its service area; and,

WHEREAS, the Property is located within PKWSC's state-certificated service area which obligates PKWSC to provide it with retail public water utility service subject to the terms and conditions of PKWSC's lawful tariff and the regulations of the Texas Commission on Environmental Quality ("TCEQ"); and,

WHEREAS, Developer has requested PKWSC to provide such water service to the Property through an extension of PKWSC's water system, such extension being hereinafter referred to as "the Water System Extension"; NOW THEREFORE:

KNOW ALL MEN BY THESE PRESENTS:

THAT for and in consideration for the mutual promises hereinafter expressed, and other good and valuable consideration, the sufficiency of which is hereby acknowledged by the parties, Developer and PKWSC agree and contract as follows:

**1. Engineering and Design of the Water System Extension.**

- (a) The Water System Extension shall be engineered and designed by a Texas Licensed Professional Engineer at Developer's expense and in accordance with the applicable specifications of PKWSC and all governmental agencies having jurisdiction. All plans and specifications must be reviewed and approved by PKWSC's consulting engineer, at Developer's expense, prior to the issuance of any request for bids for the construction of the Water System Extension. After such approval of the plans and specifications by PKWSC's consulting engineer, the plans and specifications shall become part of this Agreement by reference and shall more particularly define "the Water System Extension".
- (b) The Water System Extension must be sized to provide continuous and adequate water service to the Property based on plans for the development provided to PKWSC by the Developer. PKWSC may require the Water System Extension to be oversized in anticipation of the needs of other customers of PKWSC, subject to the obligation to reimburse the Developer for any such oversizing as provided below. If the Water System Extension proves to be insufficient for the long-term retail public water utility service demands of the Property, PKWSC shall have the continuing option, and Developer shall be under the continuing obligation, to construct such additional service capacities as may be needed to meet TCEQ Chapter 290 regulations plus meeting the local demands of the Property. PKWSC's right to seek additional capital contribution and/or physical retail water utility facilities from Developer shall commence on the date the original Water System Extension is placed into commercial operation and shall expire seven (7) calendar years

thereafter. This right to collect additional capital contributions shall be separate and apart from the obligation to pay contribution in aid of construction ("CIAC") as set forth in Section 6 below.

**2. Required Sites, Easements or Rights-of-Way.**

- (a) Developer shall be responsible for dedicating or acquiring any easements across privately owned land or sites (including off-site) which are necessary for the construction or operation of the Water System Extension and for obtaining any Governmental approvals necessary to construct the Water System Extension in public right-of-way. Public rights-of-way may be used only when private rights-of-way are not available or are necessitated by public roadway crossings. If private easements are not otherwise available, PKWSC agrees to exercise its powers of eminent domain to acquire such easements subject to Developer paying all expenses incurred in such actions.
- (b) Any easements acquired by the Developer shall be in a form approved by PKWSC's attorney (see Form of Easement, attached to this Contract and made a part hereof) and shall be assigned to PKWSC upon proper completion of the construction of the Water System Extension.
- (c) The validity of the legal instruments by which the Developer acquires any such easements and by which Developer assigns such easements to PKWSC must be approved by PKWSC's attorney.

**3. Construction of the Water System Extension**

- (a) Developer shall advertise for bids for the construction of the Water System Extension in accordance with such generally accepted bidding practices as maybe required by the United States Department of Agriculture, Rural Development and shall award the contract for the construction of the Water System Extension subject to the approval of PKWSC. PKWSC may reject any bid.
- (b) The Water System Extension shall be constructed in accordance with the approved plans and specifications. PKWSC shall have the right to inspect, at Developer's expense, all phases of the construction of the Water System Extension. Developer must give written notice to PKWSC of the date on which construction is scheduled to begin so that PKWSC may assign an inspector. PKWSC may charge reasonable inspection fees based on the actual costs of labor, travel and incidental expenses of the inspectors, plus 10% overhead.

**4. Dedication of Water System Extension to PKWSC.**

- (a) Upon proper completion of construction of the Water System Extension and final inspection and testing thereof by PKWSC, the Water System Extension shall be dedicated to PKWSC by an appropriate legal instrument approved by PKWSC's Attorney. The Water System Extension shall thereafter be owned and maintained by PKWSC subject to the warranties required of Applicant under Subsection (b). Any connection of individual customers to the Water System Extension shall be made by PKWSC.
- (b) Excepting only Developer's continuing obligation to guarantee adequate service capacities set forth in Section 1(b) above, upon dedication of the Water System Extension, Applicant shall warrant materials and performance of the Water System Extension constructed by Applicant for twelve (12) months following the date of dedication.

**5. Cost of the Water System Extension.**

- (a) Developer shall pay all costs associated with the Water System Extension as CIAC, including, without limitation, the cost of the following:
  - (1) engineering and design at cost plus 10%;
  - (2) easement or right -of-way acquisition, including, if necessary, condemnation costs;
  - (3) construction;
  - (4) inspection at cost plus 10%;
  - (5) attorneys' fees at cost plus 10%; and
  - (6) Water Treatment Plant expansion
  - (7) Governmental or regulatory approvals required to lawfully provide service.
  - (8) Developer shall indemnify PKWSC and hold PKWSC harmless from all of the foregoing costs.
- (b) Provided, however, nothing herein shall be construed as obligating the Developer to maintain the Water System Extension subsequent to its dedication and acceptance for maintenance by PKWSC.
- (c) If PKWSC has required the Water System Extension to be oversized in anticipation of the needs of the other customers of PKWSC, PKWSC shall reimburse Developer for the additional costs of construction attributable to the oversizing, as determined by PKWSC's consulting engineer. As new PKWSC customers outside of the Property are connected to and served from the oversized facilities funded by Developer, PKWSC shall collect CIAC from each such customer equal to the cost of the surplus capacities that customer will use as determined by PKWSC's consulting engineer. This CIAC shall be paid to Developer within thirty (30) days of collection by PKWSC. This obligation to charge and this right to receive CIAC for the Developer-funded CIAC shall terminate at the earlier of:
  - (1) Developer's recovery of all costs incurred for the oversized utility facilities; or,
  - (2) five (5) calendar years of the placement of said facilities into commercial operation.

**6. Contribution-in-aid-of-Construction.**

- (a) The parties recognize the Developer's obligation to compensate PKWSC for service capacities that will be dedicated to serve the Property. The Developer and PKWSC have negotiated a mutually agreeable CIAC payment for the Developer to reimburse PKWSC for that portion of its existing service capacities being reserved for the Property plus increased capacity to be created by an upgrade(s) to the Water Treatment Plant ("WTP") to increase production in .5 MGD increments, a portion of which will be dedicated to the Developer's service area. The agreed CIAC amount is \$13,385.00 per lot. This CIAC payment scale will only cover the first 10 (ten) lots for which capacity the Developer will pay \$133,850.00 with the execution of this agreement. The cost of future expansions to PKWSC's WTP and distribution system will be apportioned between the Developer and PKWSC in proportion to the amount of the new service capacities that will be dedicated to each, and at construction costs then current to be determined by PKWSC at the time of the new expansion.
- (b) Additional service requests for future 100-lot phases shall be made not less than twelve (12) months before the time the Developer wants to commence accepting delivery of the additional water. PKWSC shall complete any necessary improvements and provide service within twelve (12) months after receiving a timely request and payment of the applicable CIAC. If the Developer does not

make a request for additional water at least twelve (12) months in advance, PKWSC shall make reasonable efforts to provide additional service capacity when requested but PKWSC makes no guarantee or covenant that such additional water will be available on the date requested.

- (c) No additional fees shall be paid except as stated in Sections 1(b), 7(a) and 7(b). As provided in PKWSC's lawful tariff, the owner of individual lots or tracts connected to or able to receive service from the Water System Extension within the Property with the installation of a properly sized meter will pay monthly service or reserve service fees effective on the closing date of the sale from the Developer to the buyer. These fees will be based on the rates in effect from the corporation's Tariff at the time of closing and will include the following fees: Membership, Administration, Meter Installation and Inspection of Meter Connection.
- (d) Water service to be used by the Developer will be subject to monthly service fees based on the rates in effect from the corporation's Tariff at the time that water service is available to the specified property. Developer shall not be entitled to a membership in PKWSC for any connection serving property owned or being developed for resale to the public. Developer may obtain and hold memberships for service connections to be held permanently by Developer, i.e., to sales offices, common area irrigation meters, and Property maintenance buildings.

**7. Service from the Water System Extension.**

- (a) After proper completion and dedication of the Water System Extension to PKWSC, PKWSC shall provide continuous and adequate water service to the Property for the initial 10 (ten) lots subject to all duly tariffed rules and regulations and bylaws of PKWSC. Any increase of service capacity beyond the 10 (ten) initial minimum shall be contingent upon the Developer paying CIAC for such additional service capacity.
- (b) Service Capacity Reservation. PKWSC's agreement to provide long-term water service capacity to the Developer and the cost to be paid for such capacity of materially conditioned upon the Developer's projections of the service area's demands. It is agreed that if the Developer is not taking and paying for at least 50% of the water capacity contracted for herein at the end of the first four (4) years of this Agreement and 100 % within seven (7) years, the parties shall renegotiate the terms of the Agreement or, at its option, the Developer shall surrender all unused reserved water service capacity so PKWSC may use it to serve other customers, wholesale or retail. The Developer shall not be reimbursed for any surrendered service capacity. Surrendering that capacity will only release the Developer from the continued payment of monthly reservation
- (c) The existing WTP and distribution lines of PKWSC do not support fire flow. "Fire hydrants" installed within PKWSC's water distribution system are provided at the convenience of PKWSC and do not imply any responsibility on the part of PKWSC to meet fire flow requirements of local, county, state, or federal governmental agencies. Such fire hydrants are support facilities only meant to be used as flush and control valves in the public drinking water system. State public health and safety regulations require public drinking water systems to be flushed on a routine basis and metallic flush valves (commonly referred to a "fire hydrant") are a preferred manner of complying with these regulations. PKWSC makes no representation that it is offering fire protection or fire flows under any fire code or firefighting standard. PKWSC has no obligation at law to provide water for fire related activities because this is not a public water PKWSC or potable domestic



water service as defined by the Texas Water Code and/or the Texas Health and Safety Code.

PKWSC, at its sole option, may permit local area fire departments to use water from its public drinking water system on an "AS IS, AS AVAILABLE" basis and will in no manner be liable for damages caused by its inability to supply sufficient water for the prevention or suppression of fire. Any fire department or other person using PKWSC's water system to take water for firefighting purposes shall be liable to PKWSC for damage caused to PKWSC's plant and equipment during such use, especially for, but not limited to, damage to pumps caused by improperly opening and closing hydrants/valves under pressure or damage for driving heavy vehicles over water lines. PKWSC reserves the right to remove any fire hydrant (metallic flush valve), due to improper use or detriment to the system as determined by PKWSC, at any time without notice, refund, or compensation to the contributors. Any water taken from PKWSC's water system for any purpose, including firefighting, without prior knowledge and consent of the Board of Directors and/or the General Manager shall be deemed to be theft and shall be prosecuted. Fire Departments may obtain advanced consent for emergency usage on an "AS IS, AS AVAILABLE" basis.

It is understood that the Developer anticipates providing fire flow service within the development. PKWSC does not accept liability for fire-related injuries or damages to persons or property caused or aggravated by the availability (or lack thereof) of water or water pressure (or lack thereof) during fire emergencies. PKWSC neither possesses nor claims to possess knowledge or expertise in firefighting or the requirements of firefighting. No statement or action of PKWSC shall ever be implied or meant to suggest that any facilities of PKWSC comply with any state or local fire code. On-site storage of water reserved for firefighting shall preferably be accomplished through elevated storage; however, if permitted to achieve Developer's desired ISO rating, reserved water may be stored in ground storage tanks with an emergency backup generator(s) if such water can be injected into the public drinking supply without contamination or significant degradation of drinking water quality during mixing.

- (d) It is understood and agreed by the parties that the obligation of PKWSC to provide water service in the manner contemplated by this Contract is subject to the issuance by the Texas Commission on Environmental Quality and all other governmental agencies having jurisdiction of all permits, certificates or approvals required to lawfully provide such service.
- (e) Unless the prior approval of PKWSC is obtained, the Developer shall not:
  - (1) construct or install additional water lines or facilities to service areas outside the Property;
  - (2) add any additional lands to the Property for which water service is to be provided pursuant to this Agreement; or
  - (3) Connect or serve any person or entity who, in turn, sells water service directly or indirectly to another person or entity.

**8. Effect of Force Majeure.**

In the event either party is rendered unable by force majeure to carry out any of its obligations under this Contract, in whole or in part, then the obligations of that party, to

the extent affected by the force majeure shall be suspended during the continuance of the inability, provided however, that due diligence is exercised to resume performance at the earliest practical time. As soon as reasonably possible after the occurrence of the force majeure relied upon to suspend performance, the party whose contractual obligations are affected thereby shall give notice and full particulars of the force majeure to the other party.

The cause, as far as possible, shall be remedied with all reasonable diligence. The term "force majeure" includes acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, orders of the government of the United States or the State of Texas or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraints of government and civil disturbances, explosions, breakage, or accidents to equipment, pipelines, or canals, partial or complete failure of water supply, and any other inability's of either party, whether similar to those enumerated or otherwise, that are not within the control of the party claiming the inability and that could not have been avoided by the exercise of due diligence and care. It is understood and agreed that the settlement or strikes and lockouts shall be entirely within the discretion of the party having the difficulty and that the requirement that any force majeure be remedied with all reasonable dispatch shall not require the settlement of strikes and lockouts by acceding to the demands of the opposing party if the settlement is unfavorable to it in the judgment of the party having the difficulty.

**9. Notices.**

Any notice to be given hereunder by either party to the other party shall be in writing and may be affected by personal delivery or by sending said notices by registered or certified mail, return receipt requested, to the address set forth below. Notice shall be deemed given when deposited with the United States Postal Service with sufficient postage affixed. Any notice mailed to PKWSC shall be addressed:

Possum Kingdom Water Supply Corporation  
1170 Willow Road  
Graford, TX 76449

Any notice mailed to Applicant shall be addressed:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Either party may change the address for notice to it by giving written notice of such change in accordance with the provisions of this paragraph

**10. Breach of Contract and Remedies.**

- (a) If either party breaches any term or condition of this Contract, the non-breaching party may, at its sole option, provide the breaching party with a notice of the breach within sixty (60) days of discovery of the breach by the non-breaching party. Upon notice of breach, the breaching party shall have sixty (60) days to cure the breach.

If the breaching party does not cure the breach within the sixty (60) days, the non-breaching party, below, shall have all rights at law and in equity including the right to enforce specific performance of this Contract by the breaching party, the right to perform the obligation in question and to seek restitution for all damages incurred in connection therewith. It should be noted that PKWSC's willingness to enter into this contract is expressly and materially dependent upon Developer's timely and full payments of all sums due hereunder. Developer's failure to perform under this agreement shall expressly be grounds for PKWSC to exercise its statutory right to refuse water utility service to the Property as provided by Texas Water Code §13.2502. Such an election by PKWSC shall not deprive it of any other rights or remedies it may have at law or in equity.

- (b) In the event of termination of this Contract by a non-breaching party, such action shall not affect any previous conveyance unless PKWSC has the statutory right to refuse service to such conveyed property under Texas Water Code §13.2502.
- (c) The rights and remedies of the parties provided in this Contract shall not be exclusive and are in addition to any other rights and remedies provided by law and under this Contract.

**11. Third Parties.**

It is the express intention of the parties that the terms and conditions of this Contract may be enforced by either party but not by any third party or alleged third-party beneficiary.

**12. Captions.**

Captions are included solely for convenience of reference and if there is any conflict between captions and the text of the Contract, the text shall control.

**13. Context.**

Whenever the context requires, the gender of all words herein shall include the masculine, feminine, and neuter, and the number of all words shall include the singular and the plural.

**14. Mediation.**

Prior to the institution of legal action by either party related to any dispute arising under this Contract, said dispute shall be referred to non-binding mediation by an independent mediator mutually agreed upon by both parties. The cost of the mediator shall be shared equally by both parties.

**15. Litigation Expenses.**

Either party to this Contract who is the prevailing party in any legal proceeding against the other party, brought in relation to this Contract, shall be entitled to recover court costs and reasonable attorneys' fees from the non-prevailing party.

**16. Intent.**

The parties hereto covenant and agree that they shall execute and deliver such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out the intent of this Contract.

**17. Multiple Originals.**

This Contract may be executed in multiple originals, any copy of which shall be

considered to be an original.

**18. Authority.**

The signatories hereto represent and affirm that they are authorized to execute this Contract on behalf of the respective parties hereto.

**19. Severability.**

The provisions of this Agreement are severable, and if any word, phrase, clause, sentence, paragraph, section, or other part of this Agreement or the application thereof to any person or circumstance shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Agreement and the application of such word, phrase, clause, sentence, paragraph, section, or other part of this Agreement to other persons or circumstances shall not be affected thereby and this Agreement shall be construed as if such invalid or unconstitutional portion had never been contained therein.

**20. Entire Agreement.**

This Agreement, including any exhibits attached hereto and made a part hereof, constitutes the entire agreement between the parties relative to the subject matter of this Agreement. All prior agreements, covenants, representations, or warranties, whether oral or in writing, between the parties are merged herein.

**21. Amendment.**

No amendment of this Agreement shall be effective unless and until it is duly approved by each party and reduced to a writing signed by the authorized representatives of PKWSC and the Developer, respectively, which amendment shall incorporate this Agreement in every particular not otherwise changed by the amendment.

**22. Governing Law.**

This Agreement shall be construed under and in accordance with the laws of the State of Texas and all obligations of the parties are expressly deemed performable in Palo Pinto County, Texas.

**23. Venue.**

Any civil action at law or in equity brought to enforce or interpret any provision of this Contract shall be brought in a state court of competent jurisdiction with venue in Palo Pinto County, Texas. Any administrative action shall be brought before the TCEQ and the courts of competent jurisdiction in Travis County, Texas.

**24. Successors and Assigns.**

This Agreement shall be binding on and shall inure to the benefit of the heirs, successors and assigns of the parties.

**25. Assignability.**

The rights and obligations of the Developer hereunder may not be assigned without the prior written consent of PKWSC.

**26. Effective Date.**

This Agreement shall be effective from and after the date of due execution by all

parties.

IN WITNESS WHEREOF each of the parties has caused this Agreement to be executed by its duly authorized representative in multiple copies, each of equal dignity, on the date or dates indicated below.

Possum Kingdom Water Supply Corporation

DEVELOPER

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: William M. Jasper

Name: \_\_\_\_\_

Title: President, Board of Directors

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

## **RIGHT OF WAY EASEMENT (General Type Easement)**

KNOW ALL MEN BY THESE PRESENTS, that **Crystal Bluff Goat Ranch**, (hereinafter called "Grantors"), in consideration of one dollar (\$1.00) and other good and valuable consideration paid by Possum Kingdom Water Supply Corporation, (hereinafter called "Grantee"), the receipt and sufficiency of which is hereby acknowledged, does hereby grant, bargain, sell, transfer, and convey to said Grantee, its successors, and assigns, a perpetual exclusive easement with the right to erect, construct, install, and lay and thereafter access and use, operate, inspect, repair, maintain, replace, upgrade, parallel and remove water distribution lines and appurtenances and any other facilities necessary to serve Grantors' property [including that property's water meter(s) if the easement is located at or near the property line] as well as the Grantee's current and future system-wide customers, under, over and across \_\_\_\_\_ acres of land, more particularly described in instrument recorded in Vol. \_\_\_\_\_, Page \_\_\_\_\_, Deed Records, Palo Pinto County, Texas, together with the right of ingress and egress over Grantor's adjacent lands for the purpose for which the above mentioned rights are granted. The easement hereby granted shall not exceed twenty feet (20') in width, and Grantee is hereby authorized to designate the course of the easement herein conveyed except that when the pipeline(s) is installed, the easement herein granted shall be limited to a strip of land 20' in width the center line thereof being the pipeline as installed.

During the period of construction of the water pipeline, the easement shall be extended an additional twenty feet (20') in width as shown on Exhibit A for a total of forty feet (40'). Upon conclusion of all construction and the restoration of the surface to its pre-construction condition, the construction easement (the extra 20') shall revert to Grantor and shall not be available to Grantee without future consent of Grantor, which consent shall not be unreasonably withheld if the easement is needed for future construction on the water utility facilities.

Grantee shall have such other rights and benefits necessary and/or convenient for the full enjoyment and use of the rights herein granted, including without limitation, (1) the reasonable right of ingress and egress over and across lands owned by Grantor which are contiguous to the easement for the purpose of accessing the easement in the most efficient and effective manner but not to use Grantor's contiguous property for other purposes; (2) the reasonable right from time to time to remove any and all paving, undergrowth and other obstructions that may injure Grantee's facilities and appurtenances or interfere with the construction, maintenance, inspection, operation, protection, repair, alteration, testing, replacement, upgrading, paralleling, relocation (as above limited), substitution or removal thereof; and (3) the right to abandon-in-place any and all water supply lines, service lines and associated appurtenances, such that Grantee shall have no obligation or liability to Grantor or their successors or assigns to move or remove any such abandoned lines or appurtenances.

In the event the easement hereby granted abuts on a public road and the county or state hereafter widens or relocates the public road so as to require the relocation of this water line as installed, Grantor further grants to Grantee an additional easement over and across the land described above for the purpose of laterally relocating said water line as may be necessary to clear the road improvements, which easement hereby granted shall be limited to a strip of land 20' in width the center line thereof being the pipeline as relocated.

Grantor shall have the right to construct and maintain a driveway across the easement so long as it crosses the easement at an approximate ninety-degree (90°) angle and does not cover the easement for a protracted or unreasonable distance. Grantor takes this action with the full knowledge and understanding that Grantee may, at some unknown date, without or without advance notice, have to excavate its water line for maintenance or repair. Thereafter, Grantee shall be charged only with a reasonable duty to restore the drive to a working condition without guarantee or warranty of aesthetic or pre-existing condition.

Grantor shall have the right to erect a fence(s) across the easement for the purpose of containing livestock and domesticated animals. However, if Grantor erects a fence(s), Grantor shall install a gate at each end of the easement (if the total easement exceeds 300 feet or if it crosses a watercourse). These gates may be locked but the locking combinations must be given to the Grantee and not changed without its prior knowledge. The Grantor's water meter shall be located in proximity to a gate for ease of reading if maintained behind the fence. One gate

may be replaced by a stile capable of bearing a 300-pound person to be located at the site of the water meter. This requirement for gates and fence stiles may be waived in writing by Grantee on a landowner-by-landowner basis as the property passes in chain of title in recognition of Grantee's above-recited right of access across Grantor's contiguous lands if the waiver does not place an undue burden on meter readers.

The consideration recited herein shall constitute payment in full for all damages sustained by Grantors by reason of the installation of the structures referred to herein and the Grantee will maintain such easement in a state of good repair and efficiency so that no unreasonable damages will result from its use to Grantors' premises. This agreement together with other provisions of this grant shall constitute a covenant running with the land for the benefit of the Grantee, its successors, and assigns. The Grantors covenant that they are the owners of the above described land and that said lands are free and clear of all encumbrances and liens except the following:

Grantor does hereby bind itself, its successors and assigns, to WARRANT AND FOREVER DEFEND, all and singular, the easement herein granted to Grantee, or Grantee's successors and assigns, against every person whomsoever claiming, or to claim, the same or any part thereof.

The easement conveyed herein was obtained or improved through Federal financial assistance. This easement is subject to the provisions of the Title VI of the Civil Rights Act of 1964 and the regulations issued pursuant thereto for so long as the easement continues to be used for the same or similar purpose for which financial assistance was extended or for so long as the Grantee owns it, whichever is longer.

IN WITNESS WHEREOF the said Grantors have executed this instrument this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

## ACKNOWLEDGEMENT

STATE OF TEXAS  
COUNTY OF \_\_\_\_\_

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared \_\_\_\_\_ known to me to be the person(s) whose name(s) is(are) subscribed to the foregoing instrument, and acknowledged to me that he (she) (they) executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS THE \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

(Seal)

\_\_\_\_\_, County, Texas.  
(Notary Public in and for)

**RIGHT OF WAY EASEMENT  
(General Type Easement)**

“Exhibit A”

[CHECK APPROPRIATE DESCRIPTION]

1. \_\_\_\_\_ The easement shall be located parallel to and within the first twenty (20) feet of the property line of the encumbered tract based upon that side of the tract fronting \_\_\_\_\_ Road/Drive/Street/Lane.

or

2. \_\_\_\_\_ The easement shall be located across the encumbered tract based upon the following surveyed metes and bounds and attached sealed drawing prepared by \_\_\_\_\_:

Metes and Bounds Description:



## **Addendum 1**

### **Detail of Fees**

The following is a detail listing of fees to be paid by the Developer and the buyer of the Developer's property/ lot. Paragraph 5 of the Non-Standard Contract lists other costs that may apply.

- Developer will pay:
  - \$133,850.00 as Contribution in aid of Construction (CIAC) which will reserve capacity for the 10 (ten) meters to be installed at Crystal Bluff Goat Ranch
  - Service Investigation Fee of \$1,500.00

All fees listed below are subject to the PKWSC Tariff and are subject to change with 30 day notice. The amount billed will be the fee that is in effect at the time of closing and meter will be installed at that time and billing initiated.

- Buyers of all 10 (ten) properties / lots from the Developer will pay:
  - Membership in PKWSC of \$300.00
  - Meter Installation \$800.00
  - Inspection \$40.00
  - Administrative Fee \$30.00

Dorsett Johnson & Swift, LLP  
Attorneys and Counselors at Law

Joseph Modric  
Attorney

jmodric@dorsettjohnson.com • www.dorsettjohnson.com  
407 Throckmorton Street, Suite 500, Fort Worth, Texas 76102  
Office: (817) 900-8202 • Fax: (817) 882-8526

September 21, 2021

***Via CMRRR and First-Class Mail***

Possum Kingdom Water Supply Corporation  
1170 Willow Road  
Possum Kingdom Lake  
Graford, TX 76449

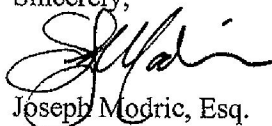
Re: Crystal Bluff Goat Ranch, LLC – Proposed Non-Standard Contract Terms  
Our File No.: 4612-00001

Dear Sirs or Madams:

Our office has the pleasure of representing Crystal Bluff Goat Ranch, LLC, in the above-referenced matter involving your proposed Non-Standard Service Contract to provide water to our client's land development consisting of 12 residential lots located in Graford, Palo Pinto County, Texas. As part of our representation, we are in receipt of your letter, dated May 11, 2021, wherein you proposed a "negotiated and mutually agreeable" contribution in aid of construction ("CIAC") payment which you now deem necessary for your company's continued delivery of residential water services to the subject property. Your proposed CIAC payment in the amount of \$13,385.00 per lot is unacceptable as it represents a nearly 500% increase over the amounts previously quoted to our client and based on the course of dealing by and between the parties over the past four years. Our client has reasonably relied upon such course of dealing while developing the remaining lots on the property.

In an effort to resolve this matter without the need for costly and unnecessary litigation, please provide the authority upon which you base this unprecedented fee increase or propose a CIAC payment more in line with the past course of dealing and trade between the parties. To this end, we suggest that you begin by reviewing the enclosed prior correspondence sent to our client in June 2017.

Sincerely,



Joseph Modric, Esq.

Cc: Client  
Enclosure



September 29, 2021

**CCOPY**

Joseph Modric, Esq.  
407 Throckmorton St.  
Suite 500  
Fort Worth, TX 76102

Re: Crystal Bluff Goat Ranch, LLC – Proposed Non-Standard Contract Terms  
File No.: 4612-0001

Dear Mr. Modric:

This letter is in response to your correspondence and request for information dated September 21, 2021.

**Capital in Aid of Construction (CIAC):**

In order to support a development over time, the developer must pay for water capacity based on the cost of the available capacity or capacity to be built. This is directed by the Public Utility Commission of Texas. Paragraph 5, "Cost of the Water System Extension" of the Non-Standard Contract details the developer's costs. Water Treatment Plant expansion is listed in paragraph 5. (a) and the CIAC is paragraph 6. (a).

The expansion affecting the Crystal Bluff Goat Ranch, LLC, is currently estimated to cost \$10,400,145.00 and will support 777 meters, thus the cost of \$13,385.00 per meter. Should the total cost of the expansion be less than what was approved by the board, it will be refunded on a proportional basis. Should there be additional costs it will be passed on to the developer on the same proportional basis.

This expansion, unlike previous expansions, will require extensive "brick and mortar" additions to the water treatment plant building. Additionally, it will require land acquisition, major electrical components at the plant and intake station with a 2 ½ mile pipeline from the lake to the plant. Previous upgrades or expansions have been within the footprint of the existing building and the cost has been substantially less. There is no additional capacity available under those expansions and any current contract will be supported by the upgrade explained above.

June 6, 2017, I provided Mr. Ray with a "Will-Serve" letter, copy attached, that clearly states in the third paragraph, "It will be your obligation to make formal application for service and to provide the water demand information per the non-standard service sections of PKWSC's tariff". Attached was a sample copy of the Non-Standard Contract that was in place at that time. Mr. Ray

did not act on this obligation that offered the capacity at \$2,300 to \$2,800 which was in effect four (4) years ago.

Various attempts have been made over time to reach Mr. Ray in order to provide the service required for the sale of the lots, but we have not been able to bring this to a successful conclusion for him. In actuality it is Mr. Ray's responsibility to contact the water supply to provide the necessary information to obtain water for the lots to be sold.

May 11, 2021, a letter was sent to Mr. Ray, copy attached, stating the current cost was \$13,385.00 per meter with a concession of applying it to only 10 meters instead of 12 with a 90-day response parameter. No action was taken by Mr. Ray within the 90 day window and your letter is the first correspondence received by this office. The contract for Mr. Ray will now include 12 meters at \$13,385.00 per meter or a total of \$160,620.00. No water service will be provided without the contract in place.

Hopefully this will provide the information you need. If you have questions, please do not hesitate to contact me.

Sincerely,

Sue Cathey  
General Manager  
Possum Kingdom Water Supply

c: Rosendo Ferrer  
Monty Jasper  
Gary Ray

Attachments

**Dorsett Johnson & Swift, LLP**  
Attorneys and Counselors at Law

**Timothy R. MacGorman**  
Attorney

tmacgorman@dorsettjohnson.com • www.dorsettjohnson.com  
407 Throckmorton Street, Suite 500, Fort Worth, Texas 76102  
Office: (817) 900-8211 • Fax: (817) 882-8526

January 6, 2022

***Via CMRRR and First-Class Mail***

Possum Kingdom Water Supply Corporation  
1170 Willow Road  
Possum Kingdom Lake  
Graford, TX 76449

Re: Crystal Bluff Goat Ranch, LLC – Proposed Non-Standard Contract  
Our File No.: 4612-00001

Dear Ms. Cathey:

As you know, our office represents Crystal Bluff Goat Ranch, LLC, in the above-referenced matter involving your proposed Non-Standard Service Contract to provide water to our client's land development consisting of 12 residential lots located in Graford, Palo Pinto County, Texas. We are in receipt of your letter, dated September 29, 2021, wherein you proposed a contribution in aid of construction ("CIAC") payment which you now deem necessary for your company's continued delivery of residential water services to the subject property. Your proposed CIAC payment is in the amount of \$13,385.00 per meter (per lot) for 12 meters. As mentioned in prior correspondence, this represents an unprecedented and exorbitant increase of nearly 500% over the amounts previously quoted to our client and is inconsistent with the past course of dealings by and between the parties. Furthermore, as you know, Possum Kingdom Water Supply Corporation ("PKWSC") sold our client meters for Lot 7 (June 2017), Lot 5 (January 2019), and Lot 3 (February 2019). Thereafter, Lots 5 and 7 were sold to new owners and PKWSC transferred the meters to said new owners who are now members of PKWSC. The buyer of Lot 5 also bought Lot 6 and does not require a water meter on Lot 6. As such, only 8 lots currently require water meters to be installed. To reiterate our position, it is unreasonable and unfair to require our client to pay such a substantial increase per meter based on your estimate of the CIAC. Moreover, it is egregious to now demand that our client pay CIAC for meters which have already been installed or are unnecessary in the case of Lot 6.

After consulting with the Texas Public Utility Commission, we request that you provide a new proposed Non-Standard Service Contract for our review along with the Consulting Engineer's plans, specifications, and itemized cost estimations which justify the proposed CIAC payment under PKWSC's tariff. Please understand, I am writing this letter in an effort to avoid unnecessary

and costly litigation. However, we will take any and all legal action necessary to protect our client's interests.

Sincerely,

Timothy R. MacGorman, Esq.

Cc: Client

A handwritten signature in black ink, appearing to read "Timothy R. MacGorman", written in a cursive style.



January 11, 2022

**COPY**

Timothy R. MacGorman, Esq.  
407 Throckmorton St.  
Suite 500  
Fort Worth, TX 76102

*Handed &  
e-mail to  
Monty*

Re: Crystal Bluff Goat Ranch, LLC – Proposed Non-Standard Contract Terms  
File No.: 4612-0001

Dear Mr. MacGorman:

This letter is in response to your correspondence dated January 6, 2022, regarding the information provided in Possum Kingdom Water Supply Corporation's letter of September 29, 2021.

It appears the current issue is the "exorbitant increase of nearly 500% over amounts previously quoted". The prices quoted began in 2017 and have increased over the past 5 years as expansion projects have been completed. The latest expansion is currently under construction and no additional capacity is available in this upgrade.

Possum Kingdom Water Supply Corporation is a member-owned, non-profit water supply. The corporation cannot financially support additional requirements of developments and that cost must be passed.

The next plant expansion was estimated on January 21, 2021, and approved by the Board of Directors as the estimated cost for any developer contract put in place after that date. Attached is a copy of the estimate from our engineer that would allow additional capacity for 777 meters. This estimate was prior to the approximate 10% to 15% increase in material and labor inflation prevalent in 2021. A new estimate will be requested in the next 30 days that will probably increase this cost that will be passed on in current and future contracts. The price of \$13,385.00 is only presented for 30 days, with no guarantee that future requests would be at this price.

Previous correspondence with Mr. Ray has clearly detailed the requirements for a developer contract. The contract is to cover the entire platted development of 12 meters. Any future owner of lot 6 may request water in the future and this must be taken into account in the contract. The request for the first meter in 2017 was approved with the caveat that any additional meters would require a contract and CIAC. The other two meters installed in 2019 were approved without the manager's knowledge of previous communications.

The board made a concession in the May, 2021 letter to Mr. Ray for a payment of ten (10) water capacities. No response was received; thus, this offer was withdrawn. Several attempts have been made to resolve this over the years but Mr. Ray has not responded.

The cost is \$13,385.00 per meter or \$160,620.00 for this development. Previous contracts have been prepared and presented, and once Mr. Ray understands the financial requirement, a new contract will be prepared.

If you have questions, please do not hesitate to contact me.

Sincerely,

Sue Cathey  
General Manager  
Possum Kingdom Water Supply

c: Monty Jasper  
Gary Ray

Attachment



## PRELIMINARY

Possum Kingdom Water Supply Corporation						
0.5 MGD WTP Expansion at Existing WTP						
Item Description	Qty.	Unit	Unit Cost	% Mark-Up	Line Total	Subtotals
<b>Raw Water Pump Station and Pipeline</b>						
Additional Raw Water Pump	1	LS	\$189,000	20%	\$226,800	
Piping, Valves, Appurtenances	1	LS	\$40,000		\$40,000	
New Pipeline to WTP in original easement (if allowed)	8500	FT	\$160	20%	\$1,530,000	
Category Total						\$ 1,796,800
<b>MF System</b>						
New AP-6X Skid	1	LS	\$800,000	20%	\$960,000	
Piping and Valves	1	LS	\$40,000		\$40,000	
Misc. Metals Fabrication	1	LS	\$15,000		\$15,000	
Category Total						\$ 1,015,000
<b>New RO System</b>						
New RO System	1	LS	\$800,000	20%	\$960,000	
Piping and Valves	1	LS	\$50,000		\$50,000	
Misc. Metals Fabrication	1	LS	\$15,000		\$15,000	
Category Total						\$ 1,025,000
<b>New MF Blend Pump Station</b>						
New Pumps	1	LS	\$160,000	20%	\$192,000	
Piping, valves, appurtenances	1	LS	\$20,000		\$20,000	
Category Total						\$ 212,000
<b>New Waste Processing Basin</b>						
New Pumps	1	LS	\$100,000	20%	\$120,000	
Mixer	1	LS	\$20,000	20%	\$24,000	
Piping, valves, appurtenances	1	LS	\$15,000		\$15,000	
Category Total						\$ 159,000
<b>New Building Addition</b>						
150' long x 30' wide	4500	SF	\$250		\$1,125,000	
HVAC	1	LS	\$200,000		\$200,000	
Blend Pump Station Structure	1	LS	\$100,000		\$100,000	
Waste Processing Structure	1	LS	\$100,000		\$100,000	
Chemical/Plant Water System Upgrade	1	LS	\$20,000	20%	\$24,000	
Category Total						\$ 1,549,000
<b>Chemical Systems Modifications</b>						
Upgrade ClO <sub>2</sub> Generator - Retrofit to Increase Capacity	1	LS	\$30,000	20%	\$36,000	
Upgrade NaClO <sub>2</sub> System - Additional Storage Tanks, Piping	1	LS	\$30,000	20%	\$36,000	
Upgrade Cl <sub>2</sub> Gas System - Cylinders, Scales, Eductors	1	LS	\$30,000	20%	\$36,000	
Upgrade LAS System - Tanks & Pumps	1	LS	\$35,000	20%	\$42,000	
Upgrade NaOH System - Tanks & Pumps	1	LS	\$20,000	20%	\$24,000	
Upgrade FeCl <sub>3</sub> Coagulant System - Tanks & Pumps	1	LS	\$20,000	20%	\$24,000	
Category Total						\$ 198,000
<b>Yard Piping</b>						
	1	LS	\$5,932,000	7%	\$6,347,240	
Category Total						\$ 6,347,240
<b>Protective Coatings</b>						
	1	LS	\$6,347,000	1%	\$63,470	
Category Total						\$ 63,470
<b>Site Work, Paving, SWPPP</b>						
Site work, Paving, & SWPPP	1	LS	\$6,410,000	3%	\$6,602,300	
Category Total						\$ 6,602,300
<b>Electrical and SCADA Controls</b>						
	1	LS	\$6,570,000	25%	\$8,212,500	
Category Total						\$ 8,212,500
<b>Mobilization, Bonds &amp; Insurance, OHP</b>						
	10%	JOB	\$8,213,000		\$821,300	
Category Total						\$ 821,300
<b>BASE SUBTOTAL</b>						
						\$ 9,034,000
<b>CONTINGENCY</b>						
				15.0%		\$ 1,355,000
<b>CONSTRUCTION SUBTOTAL</b>						
						\$ 10,389,000
DISCLAIMER: This opinion of probable project cost is released under the authority of Jordan S. Hibbs, Texas PE license number 115729, on January 12, 2021, and represents the design professional's best judgment. Enprotec / Hibbs & Todd, Inc. has no control over the cost of labor, materials, or equipment; over the Contractor's methods of determining bid prices; or over competitive bidding or market and industry conditions. Accordingly, Enprotec / Hibbs & Todd, Inc. cannot and does not guarantee that bids will not vary from this cost estimate.						

# Possum Kingdom Water Supply Corporation

1170 Willow Road  
Grafard, Texas 76449

Possum Kingdom Lake  
940-779-3100 TDD 800-735-2989

## Board of Directors Regular Meeting 10:00 A.M. Wednesday, April 21, 2021

### MINUTES

#### 1. Call to order, roll call and establish quorum

The meeting was called to order at 10:00 A.M., and a quorum was established with Jay Naylor absent.

#### 2. Welcome and recognize visitors and guests

Visitors and guests attending were Carolyn Land, Kerri French, Sue Cathey, Lloyd Goodwin with Petey's RV Park, and attorney Anne Calabria representing Jordan Anderson Ventures.

#### 3. Consent Schedule

- Approval of minutes from March regular meeting
- Approval of Treasurer's report and payment of bills for March

Monty Jasper said on the March Annual Meeting Minutes where he shared In July we produced 49 million gallons of water, highest single month in the history of the corporation was an error. In July 2020 it was about 20 million gallons.

The consent schedule was approved as presented.

#### 4. Snow Garrett Williams audit results for 2020

Kathy Williams with Snow Garrett Williams presented the board of directors with the 2020 audit results. The financial statements were presented fairly, in all material respects, in accordance with generally accepted accounting principles as of December 31, 2020 and 2019. She stated that's the clean opinion you want to see.

#### 5. Discussion and possible decision on 2021 Equity Buy-in Fee

Rosendo Ferrer made a motion to accept the 2021 Equity Buy-In Fee of \$1,731.00 as submitted. This was seconded by Richard Laske and approved by all present.

#### 6. Discussion and review of the staff report

Suzanne Castillo Flowers shared with the board the staff report. March water loss and leaks included Plateau Pump Station leak (due to weather) 600,000 gallons lost, Cedar Drive leak – 300,000 gallons lost. In March 2,533 meters

Page 1 of 4

EXHIBIT

TEL-11

billed, 7 tap requests, 13 transfers, 6 new memberships (3 Gaines Bend Reserve), and 2 cancelled memberships.

**7. Discussion and assign check signers for Community National Bank**

Mike Patton made a motion to add Erika Carter, Stacy Fulford, and Russell Madden to the Community Bank check signing authority for Possum Kingdom Water Supply Corporation. This was seconded by Rosendo Ferrer and approved by all present.

**8. Discussion and possible approval of Water Main Reroute Contract for Petey's RV Park**

Jo Lynn Miller made a motion to approve and authorize Monty Jasper, board president, to sign the Water Main Reroute contract as presented. This was seconded by Richard Laske and approved by all present.

**9. Discussion and possible approval of Water Supply Contract for Petey's RV Park**

Rosendo Ferrer made a motion to modify Petey's RV Park Non-Standard Service Contract by including the fees in clause 5.A of the legal portion of the Water Pipeline Relocation Agreement that delineates all of the fees plus 10% and modify the admin fee on Attachment B from \$30.00 to \$30.00 x 8 totaling \$240.00. Once modifications are complete, the board president has authority to review the contract and make sure it complies, then sign. This was seconded by Erika Carter and approved by all present.

**10. Discussion of hiring General Manager and possible approval**

**11. Closed Session**

The board of directors went into closed session at 11:11 A.M.

*At any time during the meeting and in compliance with the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, the Possum Kingdom Water Supply Corporation Board of Directors may meet in executive session on any of the above agenda items or other lawful items for: private consultation with its attorney to seek the legal advice of its attorney about pending or contemplated litigation, a settlement offer, or on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551 of the Texas Government Code (§551.071); deliberation regarding the purchase, exchange, lease, or value of real property (§551.072); deliberation regarding prospective gift (§551.073); deliberation regarding personnel matters (§551.074); and deliberation regarding security devices (§551.076). Any subject discussed in executive session may be subject to action during an open meeting.*

**12. Reconvene Open Session**

The board of directors reconvened open session at 12:43 P.M.

**13. Consider items discussed in Closed Session, if needed.**

Rosendo Ferrer made a motion to follow the recommendation of the HR Committee in the hiring of a General Manager. This was seconded by Russell Madden and approved by all present.

**14. Review and possible approval of Tariff language for RPZA**

Monty Jasper discussed with the board proposed Tariff language for RPZA's.

Jo Lynn Miller made a motion to approve the presented changes for Section E regarding RPZA requirements. This was seconded by Richard Laske and approved by all present.

**15. Presentation and possible approval of CIAC calculation for Subdivisions**

The board discussed the CIAC calculation for subdivisions.

Russell Madden made a motion to charge developers \$13,385 for the foreseeable future. This was seconded by Mike Patton and approved by all present.

**16. Discussion and possible approval of Subdivision service requests currently pending**

The board discussed subdivision and commercial water service requests currently pending.

Russell Madden made a motion that the Patterson Constantin Partners, LLC request for 5 meters be treated as a developer not as individual meters. PKWSC will refund their money because he is developing the 5 lots. This was seconded by Mike Patton and approved by all present.

Russell Madden made a motion to table H&S Livestock and David Johnson Trust meter request until next month and investigate point of service. Lakeshore Lodge will be treated as a developer. This was seconded by Mike Patton and approved by all present.

Jo Lynn Miller made a motion to table the 12 meters for Hummingbird West, Crystal Bluff Goat Ranch LLC until we have more information. This was seconded by Russell Madden and approved by all present.

Russell Madden made a motion to table the rest of the pending subdivision requests until next month. This was seconded by Richard Laske and approved by all present.

**17. Discussion of ad-hoc committee for Subdivision issues**

Monty Jasper presented a draft charter for an ad-hoc subcommittee on subdivisions.

Richard Laske, Rosendo Ferrer, and Stacy Fulford were appointed to this subcommittee.

**18. New Board Member updates per Russell Madden request**

The board updated Russell Madden on his information request regarding legal, obligation/contracts, service issues, and projects.

**19. Discussion of any items of interest, including topics for future board meetings.**

System Model

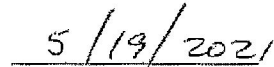
**20. Establish time, date, and location of the next meeting of the board – proposed for May 19, 2021 at 10:00 A.M.**

**21. Adjourn**

The meeting was adjourned at 3:12 P.M.



Mike Patton/Secretary-Treasurer



Date

# Possum Kingdom Water Supply Corporation

1170 Willow Road  
Graford, Texas 76449

Possum Kingdom Lake  
940-779-3100 TDD 800-735-2989

## Board of Directors Regular Meeting 10:00 A.M. Tuesday, December 13, 2022

### MINUTES

#### 1. **Call to order, roll call and establish quorum**

The meeting was called to order at 10:00 AM and a quorum was established. Randy Burdick, Erika Carter and Stacy Fulford were absent.

#### 2. **Welcome and recognize visitors and guests**

No guests/visitors.

#### 3. **Consent Schedule**

- a. Approval of minutes from November regular meeting
- b. Approval of Treasurer's report and payment of bills for November

Motion by Mike Patton, second by Monty Jasper. Motion approved.

#### 4. **Discussion and Consideration of Expanding CCN for Mr. John Kimberlin Request.**

Mr. John Kimberlin sent an email on Monday, December 12, 2022, to Tom Labbe, General Manager, indicating he would not be available to attend the board meeting. Tom Labbe presented the letter from Mr. Kimberlin to the board of directors. Tom presented a map of the location for the land Mr. Kimberlin is referring to. After review, the board of directors has agreed that since this land in whole is outside the PKWSC CCN, and that PKWSC has an obligation to serve all customers within the CCN prior to considering any expansion of the CCN, there is no consideration and no action to move forward with any further discussions.

#### 5. **Discussion and Potential Approval of CIAC Fee for 2023.**

Tom Labbe, General Manager, presented the updated engineering estimate for the next 0.5 MGD plant expansion from eHT. Discussion with the board regarding previous estimate and this updated estimate and what line items have been updated, added, or removed.

Monty Jasper made a motion to adopt the CIAC fee as presented in the amount of \$25,120.00. Rosendo Ferrer requested to amend the motion to make the CIAC fee go into effect as of December 13, 2022. Mike Patton seconded motion. Motion passed as amended.



Page 1 of 3

**6. Discussion and Potential Approval for Emergency Backup Power Quick Connects.**

This item has been tabled as new information has been presented. Staff to talk with TRWA, TWDB and state representatives about possible funding/grant opportunities.

**7. Discussion and Information regarding RPZA Inspections.**

Tom Labbe, General Manager, presented information regarding member accounts and how many known accounts require RPZA inspections. Tom also discussed that for all member accounts which have not met inspection requirements or were not considered to be in compliance, a letter has been sent to the member indicating inspection is needed. PKWSC staff will continue to monitor RPZA inspections and ensure all known member accounts remain in compliance with state requirements.

**8. Discussion and review of the Manager's Report**

Tom Labbe presented the Manager's Report and discussed activities:

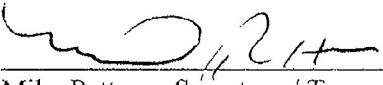
- Meter Installs Pending – 5
- Meter Installs Pending Paperwork/Payment – 0
- Transfers Pending - 0
- 9 RPZA inspections remaining.
  - Additional inspections being added from letters sent out.
- Demo of Neptune 360 software to be conducted 11/17/22.
- Maguire Iron currently cleaning, repairing and repainting Broadway GST. Current estimated completion date is end of year 2022.
- PKWSC staff working to get list of engineering firms to discuss future 0.5 MGD plant expansion. Discussions with firms to begin 2023.
- Working to get Price Surveyors to survey property with boundary information for potential plant expansion to provide to BRA.
- Annual meeting requirements to notify members of the opportunity to submit applications for director positions will be sent to members as a bill note on the December bills and posted on Facebook and the PKWSC website.
- Cleaning and painting of WTP ceiling still in work.  
Weather/temperature is a major factor in the coating process and working to complete this effort by end of December 2022.
- Updates to the Tariff being reviewed and will be ready for board meeting in January 2023.

**9. Discussion of any items of interest, including topics for future board meetings**

10. Establish time, date, and location of the next meeting of the board – proposed for Wednesday, January 18, 2023 at 10:00 A.M. at Possum Kingdom Water Supply Corporation Office, 1170 Willow Rd, Graford, Texas 76449

11. Adjourn

Meeting was adjourned at 11:01 AM. Motion to adjourn by Monty Jasper.  
Second provided by Mike Patton. Motion passed.

  
Mike Patton – Secretary / Treasurer

1/18/23  
Date



**PUC DOCKET NO. 53299  
SOAH DOCKET NO. 473-23-01064.WS**

<b>CRYSTAL BLUFF GOAT RANCHES</b>	<b>§</b>	<b>BEFORE THE PUBLIC UTILITY</b>
<b>LLC’S APPEAL OF THE COST OF</b>	<b>§</b>	
<b>OBTAINING SERVICE FROM</b>	<b>§</b>	<b>COMMISSION OF TEXAS</b>
<b>POSSUM KINGDOM WATER SUPPLY</b>	<b>§</b>	
<b>CORPORATION</b>	<b>§</b>	

**DIRECT TESTIMONY AND EXHIBITS**

**OF**

**SUE CATHEY**

**ON BEHALF OF**

**POSSUM KINGDOM WATER SUPPLY CORPORATION**

**February 28, 2023**

**DIRECT TESTIMONY AND EXHIBITS OF  
SUE CATHEY**

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IV. COMPLIANCE WITH POSSUM KINGDOM TARIFF .....	14

**EXHIBITS**

SC-1                      Resume of Sue Cathey

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**DIRECT TESTIMONY OF SUE CATHEY**  
**ON BEHALF OF**  
**POSSUM KINGDOM WATER SUPPLY CORPORATION**

**I. BACKGROUND AND QUALIFICATIONS**

**Q. Please state your name and business address.**

**A.** My name is Sue Cathey. My business address is 1170 Willow Road, Possum Kingdom Lake, Graford, Texas 76449.

**Q. By whom are you employed and in what position?**

**A.** I am currently retired. Before I retired, I was employed by Xerox Corporation from 1969-2003 in various positions. *See SC-1.*

**Q. On whose behalf are you testifying in this proceeding?**

**A.** I am providing testimony on behalf of Possum Kingdom Water Supply Corporation (“Possum Kingdom”).

**Q. What is your connection and experience with Possum Kingdom?**

**A.** From 2004 to 2018 and July 2021 to February 2022, I was employed by Possum Kingdom Water Supply Corporation. First as Office Manager, but from 2006 onwards, I was the General Manager. Since March 2022, I have been a member of the Board of Directors of Possum Kingdom and currently serve as its elected

1 President on a volunteer basis. Additional information is contained on my resume  
2 attached as SC-1.

3  
4 **Q. Please describe your educational background.**

5 **A.** I graduated from North Texas State University (now named University of North  
6 Texas) with a Bachelor of Business Administration.

7  
8 **Q. Have you previously testified in regulatory proceedings?**

9 **A.** No, I have not.

10  
11 **Q. How does your background relate to the issues in this case?**

12 **A.** As General Manager of Possum Kingdom and now as President of the Possum  
13 Kingdom board of directors, I have extensive experience with and knowledge of the  
14 operations and policies of Possum Kingdom. I have personal knowledge regarding  
15 the Possum Kingdom tariff, the document which governs the terms and conditions  
16 of service Possum Kingdom provides. I also have personal knowledge of Possum  
17 Kingdom's past dealings with Crystal Bluff Goat Ranches, LLC ("Crystal Bluff").

18  
19 **II. OVERVIEW OF TESTIMONY**

20 **Q. Please describe the purpose of your testimony and provide a summary of the**  
21 **subjects on which you will testify.**

1     **A.**     I have reviewed the September 15, 2022 Public Utility Commission of Texas  
2             (“PUC”) Preliminary Order in this appeal, the December 15, 2022 direct testimony  
3             of Crystal Bluff witness Gary Ray, the discovery responses received from Crystal  
4             Bluff in this case on January 23, 2023, and relevant Possum Kingdom business  
5             records, including but not limited to its tariff documents. The primary purpose of  
6             my testimony is to provide an overview of Possum Kingdom’s history, discuss  
7             certain Possum Kingdom water system facilities projects, describe Possum  
8             Kingdom’s tariff provisions applicable to both standard and non-standard service  
9             requests, and discuss Possum Kingdom’s interactions with Crystal Bluff over the  
10            years with respect to Crystal Bluff’s requests for Possum Kingdom water service to  
11            a 12-lot subdivision on a tract of land comprised of 18.070 acres it owns and calls  
12            “Hummingbird West” (the “Property” or “Hummingbird West”). I will also  
13            respond to certain Preliminary Order issues and respond to some of the factual  
14            allegations in the direct testimony of Crystal Bluff witness Gary Ray. Generally, I  
15            will explain how Possum Kingdom’s actions in response to Crystal Bluff’s service  
16            requests fully complied with the Possum Kingdom Tariff and why the cost to obtain  
17            service estimates provided by Possum Kingdom to Crystal Bluff for the Property  
18            were entirely reasonable.

19  
20     **Q.**     **Which Preliminary Order issues does your testimony address?**

21     **A.**     My testimony supplements that of Possum Kingdom witness Jordan Hibbs, P.E.  
22             with Enprotec/Hibbs & Todd, Inc. (“eHT”) and current Possum Kingdom General

1 Manager, Tom Labbe, regarding many of the Preliminary Order issues but also  
2 addresses Preliminary Order issues Nos. 1 through 12.

3  
4 **Q. Are you addressing Preliminary Order Issue Nos. 13 and 14?**

5 **A.** No.

6  
7 **Q. Why are you not addressing Preliminary Order Issue Nos. 13 and 14?**

8 **A.** The amount that Possum Kingdom proposes to charge Crystal Bluff for the cost to  
9 obtain service meets the requirements of TWC § 13.043(j). Therefore, according  
10 to the Preliminary Order, Issue Nos. 13 and 14 need not be addressed.

11  
12 **Q. Have you attached any documents to your testimony?**

13 **A.** Yes, a copy of my resume is attached as SC-1.

14  
15 **III. OVERVIEW OF POSSUM KINGDOM WSC**

16 **Q. Please describe Possum Kingdom.**

17 **A.** Possum Kingdom is a member-owned and member-controlled non-profit water  
18 supply corporation incorporated pursuant to TWC Chapter 67, and now also subject  
19 to certain provisions of the Texas Business Organizations Code, which applies to  
20 member-owned, member-controlled, non-profit corporations formed for the  
21 purpose of furnishing potable water service to its members/customers. *See TEL-2*  
22 *and TEL-4* at Section B.1 Possum Kingdom's history goes back several decades,

1 and its service area has changed quite a bit over the years. Possum Kingdom  
2 currently has approximately 2,720 members and serves an area located on the banks  
3 of Possum Kingdom Lake in Palo Pinto County, near the City of Graford, Texas.  
4 Possum Kingdom was incorporated in 1992. Possum Kingdom holds water  
5 Certificate of Convenience and Necessity (“CCN”) #12890. See **TEL-2** and  
6 **TEL-4** at Section D.

7  
8 **Q. Is Possum Kingdom a water and sewer utility, utility, or public utility as**  
9 **defined in 16 TAC § 24.3(38)?**

10 **A.** No.

11  
12 **Q. Is Possum Kingdom a water supply or sewer service corporation as defined in**  
13 **16 TAC § 24.3(39)?**

14 **A.** Yes. Possum Kingdom is a water supply corporation.

15 **Q. Has Possum Kingdom operated in a manner that fails to comply with the**  
16 **requirements for classification as non-profit water supply or sewer service**  
17 **corporation as prescribed by TWC §§ 13.002(11) and (24), and 13.004(a)?**

18 **A.** No. Moreover, Crystal Bluff has not presented any direct evidence to the contrary.

19  
20 **Q. Please describe the history of Possum Kingdom and its water treatment plant**  
21 **expansion projects.**

1     **A.**     In the early 1990s, TCEQ advised the camps around Possum Kingdom Lake that  
2             they must close or obtain access to potable water. A group of commercial  
3             businesses started the process and eventually invited the residents to join due to the  
4             high cost of the project and complications with providing potable water. A  
5             nine-member Board of Directors formed Possum Kingdom and obtained loans and  
6             grants through the Texas Water Development Board and USDA Rural  
7             Development.

8             There were initially five phases planned for the Possum Kingdom system,  
9             but only the first three were funded and the other two would be funded after the  
10            others were built. The first three phases became operational in January 2004 with  
11            a reverse osmosis water treatment plant with one million gallons per day (“MGD”)  
12            capacity. Phase 4 was funded with a loan from USDA Rural Development and  
13            became operational in 2007. Phase 5 was originally to be funded with a grant and  
14            a loan; however, due to the New Orleans catastrophe in 2005, no grant funds were  
15            available at the time. With only 75 potential members at the time, the Possum  
16            Kingdom Phase 5 project became cost prohibitive and was cancelled when the  
17            largest Possum Kingdom member, the State Park at Possum Kingdom Lake,  
18            withdrew its support. Phase 5 had a very high infrastructure cost as it included a  
19            lake crossing, and the terrain was extremely complicated. This phase was no  
20            longer financially feasible and so no additional plans were developed.

21            Since 2010, the growth around Possum Kingdom Lake has increased  
22            substantially. Prior to that date, approximately 80% of the land around the lake



1 was owned by the Brazos River Authority (“BRA”) and individuals or businesses  
2 leased the land from them and built cabins or homes on the leased land. In about  
3 2008, BRA made the decision to sell the land as they no longer wanted to be in the  
4 real estate business.

5 In 2009, Patterson Equity Partners purchased the BRA land and in turn  
6 offered the land to be purchased by the existing lease holders. This was both  
7 positive and negative for some leaseholders. Some could not afford to purchase  
8 the land at the quoted prices. This opened an opportunity for growth and  
9 development on deeded property. Prior to this occurring, Possum Kingdom had  
10 only three (3) non-standard service contracts with developers. Upgrades to the  
11 Possum Kingdom water treatment plant were made within the existing building and  
12 contributions in aid of construction (CIAC) was around \$2,500 per residential meter.

13 As of 2023, the Possum Kingdom water treatment plant has the capacity to  
14 produce approximately 2.5 MGD. The completed Possum Kingdom water  
15 treatment plant upgrades were funded through a merger of Rock Creek Water  
16 Supply Corporation, which required capacity reservations of 650-700 meters, and  
17 Possum Kingdom that provided approximately \$2.5 million in cash that became  
18 available and additional developers paying CIAC which was used to increase the  
19 capacity of the Possum Kingdom plant.

20  
21 **Q. What has Possum Kingdom planned to do most recently to keep up with**  
22 **growth in its service area?**

1     **A.**     Possum Kingdom’s engineers at eHT, in January 2021, provided an estimate of  
2             \$10,390,000 for the construction of the additional water treatment plant building  
3             and equipment that Possum Kingdom now needs to serve additional growth. *See*  
4             **JSH-5.** That estimate was approved by the Possum Kingdom Board of Directors  
5             in April 2021 increasing the CIAC fee to \$13,385.00 per residential connection.  
6             *See TEL-11.* That estimate was recently updated and approved in December 2022  
7             to be \$19.5 million due to many cost increases such as the cost of brass fittings and  
8             supply chain issues. *See JSH-6 and TEL-12.* With the updated estimate, the  
9             CIAC has increased to \$25,120.00 per residential connection. Each .5 MGD  
10            upgrade will provide 777 meters based on TCEQ regulations.

11

12                   **III.   POSSUM KINGDOM COSTS TO OBTAIN SERVICE**

13     **Q.**     **How does Possum Kingdom determine which service applicants should be**  
14             **treated as non-standard service applicants?**

15     **A.**     The Tariff of the Possum Kingdom Water Supply Corporation (“Tariff”) governs  
16             the determination of whether service applicants should be treated as non-standard  
17             service applicants. The Tariff defines “Non-Standard Service” in Section E of its  
18             tariff as “any service request which requires a larger meter service, service to a  
19             Master Metered Account...or an addition to the supply, storage and/or  
20             distribution/collection system.” *See TEL-2* at Section E.2.b and **TEL-4** at Section  
21             E.3.b. Non-Standard Service is further defined in the Tariff by reference to Section  
22             E’s definition of Standard Service, which defines that term as “service on an

1 existing pipeline where pipeline or service facility extensions are not required and  
2 special design and/or engineering considerations are not necessary.” *See TEL-2* at  
3 Section E.2.b and **TEL-4** at Section E.3.b. Section E of the Tariff also states that  
4 the requirements of Section F of Possum Kingdom’s tariff apply to non-standard  
5 service requests. *See id.*

6 Additionally, Section F of the Possum Kingdom’s Tariff is titled, “Developer  
7 and Sub-Division Non-Standard Service Requirements.” *See TEL-2* and **TEL-4**  
8 at Section F. Section C of the Possum Kingdom Tariff defines “Developer” as  
9 “Any person, partnership, cooperative corporation, corporation, agency, or public  
10 or private organization who subdivides land or requests more than 2 water or sewer  
11 service connections on a single contiguous tract of land [as defined in Chapter  
12 13.2502 (e)(1) of the Water Code].” *See TEL-2* and **TEL-4** at Section C. This  
13 definition is consistent with that found in TWC § 13.2502(e).

14  
15 **Q. When was the current version of the Possum Kingdom Tariff approved?**

16 **A.** The current version of the Possum Kingdom Tariff was approved by the Possum  
17 Kingdom board on Tuesday, January 18, 2023. *See TEL-3.* The Tariff was then  
18 submitted as a formal filing to the Public Utility Commission.

19  
20 **Q. Which version of the Possum Kingdom tariff was in effect when Crystal Bluff**  
21 **made its service requests?**

1   **A.**   Prior to 2023, the previous Possum Kingdom Tariff in **TEL-2** was in effect. All  
2           changes and modifications which were made and approved by the Board, were  
3           incorporated and identified within the body of that Tariff. *See TEL-2.*

4  
5   **Q.**   **What changes were made to the Possum Kingdom Tariff during the period**  
6           **from 2017 to the present?**

7   **A.**   All changes during the period from 2017 to the present are noted within the Tariff.  
8           The most notable changes were related to the Equity Buy-In Fee, the monthly  
9           charges for water service, and other rates/service fees. Additional changes were  
10          minor changes to wording and typos found during reviews. *See TEL-2 and*  
11          **TEL-4.**

12  
13   **Q.**   **What costs are required to obtain non-standard service from Possum**  
14          **Kingdom?**

15   **A.**   Initially, an engineering investigation is required to determine the feasibility of the  
16          request and what will be required to provide service. This fee is \$150.00 per  
17          planned residential meter. Once engineering approval is obtained, a non-standard  
18          service contract can be prepared detailing all costs associated with providing water  
19          service such as but not limited to: (1) Engineering and design at cost plus 10%;  
20          (2) Easement or right-of-way acquisition which may include condemnation;  
21          (3) Construction; (4) Inspection at cost plus 10%; (5) Attorney's fee at cost plus

1 10%; (6) CIAC - Water treatment plant expansion; (7) and Governmental or  
2 regulatory approvals.

3  
4 **Q. Was that the case from 2017 to the present?**

5 **A.** Yes.

6  
7 **Q. How has Possum Kingdom determined its CIAC charges from 2017 to the**  
8 **present?**

9 **A.** Possum Kingdom has historically used the cost estimates provided by its engineers  
10 at eHT for its water treatment plant expansion projects and divided it by  
11 777 residential meter equivalents to obtain the fee to be charged for CIAC to non-  
12 standard service applicants, such as developers, in accordance with the Possum  
13 Kingdom Tariff. This is a relatively simple calculation and is reasonably related to  
14 the cost for Possum Kingdom to serve new developments without burdening its  
15 existing member customers. Possum Kingdom has always used eHT as its  
16 engineers for its water treatment plant expansion projects and other engineering  
17 needs since Possum Kingdom's inception in 1992. Possum Kingdom has no excess  
18 capacity in its current water treatment and production plant to support developer  
19 growth. Therefore, to reserve capacity, Possum Kingdom is presently asking  
20 developers to pay for their pro rata share of Possum Kingdom's new "brick and  
21 mortar" water treatment plant expansion project which Possum Kingdom needs to  
22 accommodate new developer requests. The board meeting minutes adopting CIAC

1 rates in both April 2021 and most recently in December 2022 are attached to Tom  
2 Labbe's testimony as **TEL-11** and **TEL-12**. The new CIAC rates are also reflected  
3 in Possum Kingdom's new tariff adopted in January 2023. *See TEL-4*.

4  
5 **Q. Are there guidelines regarding developers and land subdividers that Possum**  
6 **Kingdom relies upon in determining what developers must pay to reserve**  
7 **capacity in Possum Kingdom's public drinking water system?**

8 **A.** Yes. The guidelines upon which Possum Kingdom relies are the Tariff and  
9 engineering recommendations.

10  
11 **Q. What costs are required to obtain standard service from Possum Kingdom?**

12 **A.** Currently, standard service for a single 5/8" x 3/4" meter installation will include a  
13 membership fee of \$300.00 (which is charged for each service unit), the equity buy-  
14 in fee of \$1,896, a service investigation fee of \$150.00, administrative fee of \$50.00,  
15 a \$1,520.00 fee for the installation of a meter with up to 30-feet of service line  
16 included, and a \$75.00 fee for inspection of each new meter connection. These fees  
17 total \$3,991.00. *See TEL-4* at Section G. Some of these fees have increased from  
18 the prior Possum Kingdom Tariff, but they are not new. *See TEL-2* at Section G.

19  
20 **Q. Please explain the significance to this proceeding, if any, of the fact that Possum**  
21 **Kingdom is organized as a non-profit water supply corporation.**

1    **A.**    Unlike some other types of retail public utilities, a non-profit water supply  
2            corporation such as Possum Kingdom does not have any taxing authority.  Thus,  
3            Possum Kingdom is required to cover the costs of providing service to its members.  
4            This requires that each Possum Kingdom member contributes that member's  
5            proportional share of the costs incurred by Possum Kingdom to provide service to  
6            that member.  This occurs through the various fees and rates authorized by the  
7            Possum Kingdom board of directors in the Tariffs that I have described.

8

9    **Q.**    Please describe how the Possum Kingdom board of directors operates.

10   **A.**    The Possum Kingdom board consists of nine members who are elected by the  
11           Possum Kingdom membership on an annual basis for three-year staggered terms at  
12           a publicly noticed meeting.  The board of directors meets monthly and conducts all  
13           of its affairs in compliance with the requirements of the Texas Open Meetings Act.  
14           As board President, I preside over all meetings of the Possum Kingdom board of  
15           directors.

16

17   **Q.**    Do the Possum Kingdom board of directors' meetings provide an opportunity  
18           for the public to raise issues regarding the policies, practices and procedures  
19           of Possum Kingdom?

20   **A.**    Yes.  In fact, such opportunities are specifically required by Possum Kingdom's  
21           bylaws.  TEL-3 includes a copy of the publicly posted agenda for our recent  
22           January 2023 monthly Possum Kingdom board of directors meeting.  All monthly

1 meeting agendas contain identical notice language that permits general, public  
2 comments to the board. If the board is made aware of an issue that a particular  
3 person wants to address, specific notice of that agenda item is posted.

4  
5 **Q. To your knowledge, did Mr. Ray or any other Crystal Bluff representative ever**  
6 **take the opportunity to voice concerns to the Possum Kingdom board related**  
7 **to the cost estimate provided to Crystal Bluff for Possum Kingdom to serve**  
8 **Hummingbird West?**

9 **A.** No.  
10

11 **IV. COMPLIANCE WITH POSSUM KINGDOM TARIFF AND RESPONSE**  
12 **TO CRYSTAL BLUFF REQUESTS FOR SERVICE TO HUMMINGBIRD WEST**  
13 **SUBDIVISION**

14 **Q. When did you first discuss the possibility of Possum Kingdom serving the**  
15 **Hummingbird West subdivision with a representative of Crystal Bluff?**

16 **A.** In June 2017, Mr. Ray with Crystal Bluff verbally requested a meter for the  
17 Hummingbird West subdivision development. I informed him he would need to  
18 execute a non-standard service contract and pay CIAC for the 12 lots to be served.  
19 Mr. Ray then indicated to me that he was not developing all 12 lots and was only  
20 planning to build one house to see if there was a demand. I informed him if he  
21 developed any more lots, a non-standard service contract and CIAC payment would  
22 be needed. This information was e-mailed to Mr. Ray with a draft/example of the  
23 contract on June 6, 2017. *See TEL-10.*



1     **Q.     What has transpired with respect to Possum Kingdom’s dealings with Crystal**  
2     **Bluff regarding service to the Hummingbird West subdivision since that first**  
3     **interaction with Crystal Bluff?**

4     **A.**     After reviewing Mr. Ray’s direct testimony, it seems Possum Kingdom has a much  
5     different version of events than I do with respect to what has transpired since my  
6     first interaction with Mr. Ray about service to the Hummingbird West subdivision  
7     in June 2017. Here is what actually occurred:

8             1.     June 6, 2017, I e-mailed Mr. Ray a boiler plate of the non-standard service  
9                     contract that would need to be put in place for a development of two or more  
10                    lots/meters. See **TEL-10**.

11            2.     June 6, 2017, a "will serve" letter was issued to Mr. Ray indicating that  
12                     Possum Kingdom would service the property but stating that compliance  
13                     with Possum Kingdom’s non-standard service sections of Possum  
14                     Kingdom’s Tariff was required (which include that a contract must be put in  
15                     place). See **TEL-10**.

16            3.     July 19, 2017, e-mail received from Mr. Ray that construction was to begin  
17                     on the one lot he had planned. See **TEL-10**.

18            4.     July 19, 2017, I responded to the e-mail of July 19, 2017, and provided a  
19                     draft of the non-standard service agreement and detailed the cost of CIAC  
20                     and meter installation. See **TEL-10**.

21            5.     July 26, 2017, Mr. Ray contacted Possum Kingdom. I spoke with Mr. Ray  
22                     and informed him if he was developing or subdividing two or more lots he

1 would need a non-standard service contract and CIAC would be required.  
2 Mr. Ray stated that he only needed one to see if there was demand for the  
3 property and the house he was building.

4 6. August 2, 2017, Possum Kingdom's engineer, eHT, approved the installation  
5 of one meter on Lot 7 which was installed based on the cost for a standard  
6 residential meter in the Tariff. *See JSH-2.*

7 7. A second meter in Hummingbird West for Lot 5 was requested by Gary Ray  
8 and was sent by Possum Kingdom for review by eHT on January 7, 2019,  
9 approved by eHT on January 23, 2019 and installed shortly thereafter without  
10 a non-standard service contract in place. *See JSH-3.*

11 8. A third meter was installed later in 2019 on Lot 3 at the request of an  
12 individual without a non-standard service contract with Crystal Bluff in  
13 place, but Possum Kingdom's Office Manager in place at the time was not  
14 aware of the previous communications with Mr. Ray. Possum Kingdom has  
15 been unable to locate its records related to Lot 3.

16 9. The cost of CIAC at the time Possum Kingdom and I started discussing water  
17 service to the Hummingbird West subdivision property with Mr. Ray was  
18 around \$2,500 in 2017, which would have reserved the capacity Crystal Bluff  
19 and Mr. Ray were eventually going to need, but no contract was ever put in  
20 place.

- 1           10.   Many attempts were made to get in touch with Mr. Ray, but we were not  
2                   successful. Mr. Ray committed to coming to the Possum Kingdom office  
3                   on at least one occasion, but never showed up.
- 4           11.   April 21, 2021, Jordan Hibbs from eHT, presented the cost estimate for the  
5                   plant expansion at \$10.4M and Possum Kingdom approved the CIAC amount  
6                   of \$13,385.00 per connection based on this estimated cost for future plant  
7                   expansion. *See JSH-5 and TEL-11.*
- 8           12.   May 11, 2021, Possum Kingdom sent Mr. Ray a letter, again with a draft of  
9                   the non-standard contract, detailing the current CIAC cost per meter with a  
10                  concession of applying it to only 10 meters instead of 12 with a 90-day  
11                  response parameter. *See TEL-9.*
- 12          13.   No action was taken by Mr. Ray until the September 21, 2021 letter from Mr.  
13                  Modric on behalf of Crystal Bluff. *See TEL-10.*
- 14          14.   September 21, 2021, Mr. Joseph Modric, Esq. responded to a letter Possum  
15                  Kingdom sent to Mr. Ray on May 11, 2021, regarding the CIAC for water to  
16                  his development. *See TEL-10.*
- 17          15.   September 29, 2021, I responded to Mr. Modric with the explanation that  
18                  CIAC had increased from 2017 to 2021 and withdrew the concession that  
19                  was offered in the May 11, 2021 letter to Mr. Ray. *See TEL-10.*
- 20          16.   January 6, 2022, Possum Kingdom received a letter from Mr. Timothy R.  
21                  MacGorman requesting details on the cost of CIAC. *See TEL-10.*

1 17. January 11, 2022, I responded to Mr. MacGorman's January 6, 2022 letter  
2 with answers to his questions regarding the cost of CIAC and Mr. Ray's lack  
3 of response to previous requests for a contract. A copy of the engineering  
4 quote was provided with the letter. *See TEL-10.*

5 18. Crystal Bluff then filed its cost to obtain service appeal that initiated this  
6 docket.  
7

8 **Q. When did you first become aware that Crystal Bluff was dissatisfied with**  
9 **Possum Kingdom's estimated cost of service to the Hummingbird West**  
10 **subdivision?**

11 **A.** In my initial phone call with Mr. Ray in 2017, Mr. Ray appeared very concerned  
12 about the cost of service to Crystal Bluff's Hummingbird West subdivision. So of  
13 course Mr. Ray did not like it when Possum Kingdom's CIAC amounts increased.  
14

15 **Q. You mentioned above that the monthly board meetings provide an opportunity**  
16 **for public comment. Does the Tariff provide a mechanism for addressing**  
17 **grievances?**

18 **A.** Yes. Section B.8 of the tariff provides a process by which a person can "voice  
19 concerns or grievances" to Possum Kingdom. In escalating order, the tariff  
20 provides that the complaining person may (1) present the concerns to the Possum  
21 Kingdom manager or authorized staff member and, if not resolved, may (2) present  
22 a letter to the board of directors describing the grievance and desired result.

1 Following this, the board is required to “respond to the complaint by communicating  
2 the board’s *decision* in writing.” See **TEL-2** and **TEL-4** at Section B.8.

3  
4 **Q. Does the process you described above apply only to members of Possum**  
5 **Kingdom?**

6 **A.** No. The process described in Section B.8, and which I have summarized above, is  
7 specifically applicable to any “individual demonstrating an interest under the  
8 policies of this Tariff in becoming a Member...” We extend this process to  
9 developers even though they sometimes allow the home purchasers to become the  
10 Possum Kingdom member for service to the developed property in place of the  
11 developer. However, Mr. Ray has been a Possum Kingdom member on an  
12 individual basis (*i.e.*, separate and apart from Crystal Bluff) for a long time.

13  
14 **Q. To your knowledge, did Crystal Bluff or Mr. Ray avail itself of the process in**  
15 **the Tariff or attend a Possum Kingdom board of directors meeting to voice**  
16 **concerns regarding the cost estimates to obtain service for the Hummingbird**  
17 **West subdivision prior to filing this Commission appeal?**

18 **A.** Not that I am aware. Attempts to communicate with Mr. Ray were unsuccessful.

19  
20 **Q. Has the Possum Kingdom Board of directors ever made a decision regarding**  
21 **the provision of service to the Hummingbird West subdivision property?**

1     **A.**     No. I am not sure on what basis a “decision” could be made. The only decision  
2             Possum Kingdom’s board has made affecting the cost for Crystal Bluff to obtain  
3             service to the Hummingbird West subdivision Property is to establish and revise its  
4             CIAC charges periodically. To my knowledge, Crystal Bluff has never submitted  
5             a Non-Standard Service Application or complied with any of the requirements for  
6             the provision of non-standard service to the Property. Crystal Bluff’s  
7             representatives only requested standard service and paid for a service investigation  
8             and tap fee for Lots 5 and 7. I am uncertain about Lot 3. Crystal Bluff has done  
9             nothing to further its request for non-standard service to the remainder of its  
10            subdivided Property since. Now, it seems Crystal Bluff would like Possum  
11            Kingdom to treat its request for service to its subdivided property as a standard  
12            service request for all 12 lots.

13                 More recently, the Possum Kingdom Board of directors approved Possum  
14            Kingdom’s General Manager, Tom Labbe, and I, Sue Cathey, to mediate on behalf  
15            of Possum Kingdom with Crystal Bluff Goat Ranches, LLC. That mediation did  
16            not result in a resolution for this matter.

17

18     **Q.**     **What is your response to Crystal Bluff witness Gary Ray’s characterization of**  
19             **Crystal Bluff’s Hummingbird West subdivision service requests in Mr. Ray’s**  
20             **direct testimony as standard service requests?**

21     **A.**     The first meter was processed as a standard service request as Mr. Ray stated he was  
22             not developing all the properties and only wanted one meter. I informed him any

1 additional meters would require a non-standard service contract and CIAC. The  
2 CIAC fee was not for lines in the ground already available, but for the capacity at  
3 the water treatment plant. I never indicated that additional meters would be  
4 considered standard service. Possum Kingdom personnel should not have  
5 provided meters for Lots 3 and 5 without Crystal Bluff compliance with Possum  
6 Kingdom's non-standard service requirements. The personnel that handled those  
7 requests were simply not familiar with the prior discussions with Mr. Ray and  
8 Crystal Bluff about Hummingbird West.

9  
10 **Q. Does the Possum Kingdom Tariff identify any prerequisites to obtaining Non-**  
11 **Standard Service?**

12 **A.** Yes. Section F of the tariff provides in great detail the requirements that must be  
13 met prior to the initiation of non-standard service.

14  
15 **Q. Does the Possum Kingdom Tariff specify whether cost estimates for service are**  
16 **binding?**

17 **A.** Yes. The Possum Kingdom Tariff makes clear that an applicant for Non-Standard  
18 Service is required to pay the entire amount of actual design and construction costs  
19 without regard to the estimate. In my view, the New Water Service Investigation  
20 Request is a useful tool for a developer in assessing whether the required service  
21 will fit within the project budget, whether the project should be resized, and whether  
22 the developer should proceed with the project. However, the Board typically has

1 the option to review and question such estimates before they are provided to the  
2 developer.

3  
4 **Q. As President of the Board of Directors, would you consider it wise to allow an**  
5 **applicant for service, whether Standard or Non-Standard, to have its costs**  
6 **subsidized by the other Possum Kingdom members?**

7 **A.** That type of subsidization would not only be unwise, but it could place the very  
8 viability of Possum Kingdom at risk. I would see the adoption of such a policy,  
9 even applied on a limited basis, as a violation of the fiduciary duty the Possum  
10 Kingdom board of directors has to each of its members.

11  
12 **Q. Based on your knowledge of the prior and current Possum Kingdom Tariffs,**  
13 **has Possum Kingdom violated any terms of its Tariffs with regard to Crystal**  
14 **Bluff's requests to obtain service to the Hummingbird West subdivision**  
15 **property?**

16 **A.** No. Possum Kingdom as complied with all relevant provisions of its Tariff.

17 **Q. Have you reviewed Crystal Bluff witness Gary Ray's direct testimony in this**  
18 **proceeding?**

19 **A.** Yes, I have.

20  
21 **Q. Did Mr. Ray allege any violations of the Possum Kingdom tariff?**

22 **A.** No.



1

2 **Q. To your knowledge, has Crystal Bluff sought alternative cost estimates for**  
3 **service to the Hummingbird West subdivision property?**

4 **A.** Not to my knowledge. Crystal Bluff filed its appeal with the Public Utility  
5 Commission without any alternative cost estimates besides proposing Possum  
6 Kingdom charge the CIAC amount discussed with Crystal Bluff in 2017. Crystal  
7 Bluff has not presented any evidence that its CIAC charges were incorrectly or  
8 unreasonably calculated based on the engineering reports provided to Possum  
9 Kingdom by eHT.

10

11 **Q. Has Crystal Bluff ever applied for non-standard water service?**

12 **A.** No.

13

14 **Q. Is Possum Kingdom willing to serve the Hummingbird West subdivision**  
15 **property?**

16 **A.** Yes. Possum Kingdom is ready, willing and able to provide water service to the  
17 Crystal Bluff property, but Possum Kingdom will not do so without Crystal Bluff  
18 paying Possum Kingdom's current CIAC charges and complying with all Possum  
19 Kingdom's non-standard service requirements. The CIAC charges discussed in  
20 2017 are outdated.

21

1   **Q.**    **Does this conclude your prefiled direct testimony?**

2   **A.**    Yes, but I reserve the right to supplement my testimony as additional information  
3           becomes available.

# Sue Cathey

**Education:** BBA North Texas State University (now named University of North Texas)

## Work History:

### **Xerox Corporation 1969 - 2003 (retired to Possum Kingdom Lake)**

My career with Xerox Corporation crossed many lines of business relating to administrative management of people and processes. Training was a key priority of the corporation and this enabled growth in current and expanded positions.

- Various management levels in administration, distribution, accounting with responsibilities for:
  - ~ Process design and improvement
  - ~ Project management
  - ~ Employee hiring and management
  - ~ Financial controls
- Training to improve skills and performance
  - ~ Quality
  - ~ Client management for customer satisfaction
  - ~ HR and Management
  - ~ Process Development
  - ~ Presentation Development and delivery
  - ~ Proposal writing
- Executive sales positions for major national accounts
  - ~ Develop strategies for success for various teams supporting the sales responsibilities
  - ~ Customer contract negotiations and contract management
  - ~ Implementation processes

### **Possum Kingdom Water Supply Corporation 2004 - 2018 and July 2021 to February 2022**

- 2004 - Part-time assisting Office Manager establishing processes for the new water corporation
- 2005 - Office Manager responsible for all administrative processes to include billing, accounts, payable, accounts receivable, contracts, and financial controls
- 2006 - 2018 General Manager - responsible for all aspects of the corporation which includes:
  - ~ Budgeting
  - ~ Hiring and Human Resource Management
  - ~ Billing and accounts receivable
  - ~ Member satisfaction
  - ~ Rate analysis and rate setting
  - ~ Establishing processes within TCEQ guidelines
  - ~ Accounts payable
  - ~ Financial management through established investment agency
  - ~ Negotiate standard and non-standard contracts
  - ~ Following bond covenants
- 2017 Managed the merger of Rock Creek Water Supply with PKWSC to include technical specifications defined by TCEQ, financial considerations and communications to all parties involved.
- Retired in February 2018 after training my replacement and a new Office Manager
- July 2021 to February 2022 - The General Manager resigned in February 2021. Due to the length of time required to hire a replacement the Board of Directors ask me to return to manage the operation as well as assist with the hiring and training of a General Manager and an Office Manager. The current GM was hired November 2021 with training through February 2022.
- March 2022 joined the Board of Directors of PKWSC and was elected President to continue to bring continuity to the corporation.

EXHIBIT  
**SC-1**

**PUC DOCKET NO. 53299  
SOAH DOCKET NO. 473-23-01064.WS**

<b>CRYSTAL BLUFF GOAT RANCHES</b>	<b>§</b>	<b>BEFORE THE PUBLIC UTILITY</b>
<b>LLC’S APPEAL OF THE COST OF</b>	<b>§</b>	
<b>OBTAINING SERVICE FROM</b>	<b>§</b>	<b>COMMISSION OF TEXAS</b>
<b>POSSUM KINGDOM WATER SUPPLY</b>	<b>§</b>	
<b>CORPORATION</b>	<b>§</b>	

**DIRECT TESTIMONY AND EXHIBITS**

**OF**

**JORDAN S. HIBBS, P.E.**

**ON BEHALF OF**

**POSSUM KINGDOM WATER SUPPLY CORPORATION**

**February 28, 2023**

# **DIRECT TESTIMONY AND EXHIBITS OF**

**JORDAN S. HIBBS, P.E.**

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## **EXHIBITS**

<b>JSH-1</b>	Resume
<b>JSH-2</b>	Meter Request Evaluation for Lot 7
<b>JSH-3</b>	Meter Request Evaluation for Lot 5
<b>JSH-4</b>	2020 eHT Opinion of Probable Construction Cost
<b>JSH-5</b>	2021 eHT Opinion of Probable Construction Cost
<b>JSH-6</b>	2022 eHT Opinion of Probable Construction Cost

1                                   **DIRECT TESTIMONY OF JORDAN S. HIBBS, P.E.**

2   **ON BEHALF OF**

3                                   **POSSUM KINGDOM WATER SUPPLY CORPORATION**

4                                   **I.       BACKGROUND AND QUALIFICATIONS**

5   **Q.     Please state your name and business address.**

6   **A.     My name is Jordan S. Hibbs, P.E.   My business address is 402 Cedar Street, Abilene,**  
7           **Texas 79601.**

8  
9   **Q.     By whom are you employed and in what position?**

10  **A.     I am the Vice President of Enprotec/Hibbs & Todd, Inc. (“eHT”).**

11  
12 **Q.     On whose behalf are you testifying in this proceeding?**

13 **A.     I am providing testimony on behalf of Possum Kingdom Water Supply Corporation**  
14 **(“Possum Kingdom”).**

15  
16 **Q.     Please describe Enprotec/Hibbs & Todd, Inc.**

17 **A.     Enprotec/Hibbs & Todd, Inc. is a general civil consulting firm that has been in**  
18 **business since 1989 serving clients mainly in Texas.   The firm specializes in**  
19 **working with municipalities, special utility districts, and water supply corporations**  
20 **related to water and wastewater projects.   Relevant to this proceeding, eHT has**  
21 **extensive experience designing water treatment plants, pipelines, pump stations and**

1 other appurtenances related to drinking water along with guiding the process of  
2 Texas Commission on Environmental Quality (“TCEQ”) permitting, conducting  
3 feasibility studies, preparing opinions of probable construction cost, compliance  
4 with local governmental and state regulatory requirements, and coordination of  
5 government grant and funding processes.  
6

7 **Q. Please describe your educational and professional background.**

8 **A.** I have been involved as an engineer and consultant on major water and wastewater  
9 projects for municipalities, other local governmental entities, and rural water supply  
10 corporations for approximately 15 years. The majority of my career has been spent  
11 designing and managing water and wastewater treatment plant projects. In 2008,  
12 I graduated from the Colorado School of Mines, earning a Bachelor of Science in  
13 civil engineering and a Master of Science in Engineering and Technology  
14 Management. I am a registered professional engineer in Texas, holding license  
15 TX #115723. A copy of my resume is attached as **JSH-1**.  
16

17 **Q. How does your background relate to the issues in this case?**

18 **A.** Since I began my professional career in 2008, I have completed multiple municipal  
19 and governmental projects, including planning, regulatory compliance and funding  
20 for water and wastewater projects. I have coordinated planning and design efforts  
21 for numerous projects from their inception through planning, design, bidding,  
22 construction, and commissioning. eHT has served as a retained consultant

1 engineer since the inception of the Possum Kingdom Water Supply Corporation,  
2 including all requests for non-standard service and all new water service  
3 investigations.

## 4 5 **II. OVERVIEW OF TESTIMONY**

6 **Q. Please describe the purpose of your testimony and provide a summary of the**  
7 **subjects on which you will testify.**

8 **A.** I have reviewed the September 15, 2022 Public Utility Commission of Texas  
9 (“PUC”) Preliminary Order in this appeal. I have also reviewed the prefiled direct  
10 testimony of Gary Ray on behalf of Crystal Bluff Goat Ranches, LLC (“Crystal  
11 Bluff”). The primary purpose of my testimony is to provide an explanation of the  
12 steps that myself and my firm took in providing Possum Kingdom with an opinion  
13 of probable construction cost for its water treatment plant expansion projects in  
14 2020, 2021 and 2022. Also, eHT provided analysis and subsequent  
15 recommendations for Possum Kingdom connections on Lots 5 and 7 in Crystal  
16 Bluff’s Hummingbird West subdivision property (“Hummingbird West” or  
17 “Property”). This testimony is intended to aid the Administrative Law Judge and  
18 PUC in determining whether the estimated costs for Possum Kingdom’s water  
19 treatment plant expansion projects and the estimated cost for Crystal Bluff to obtain  
20 water service from Possum Kingdom in response to Crystal Bluff’s requests for  
21 service to its Property were reasonable. Specifically, I provide testimony  
22 regarding Preliminary Issue Nos. 5 and 7 through 11.



1 Since its inception, eHT has served as the consultant engineering firm for the  
2 Possum Kingdom Water Supply Corporation. During that period, we have  
3 processed approximately 460 service request evaluations for Possum Kingdom  
4 Water Supply Corporation from approximately 2004 to present. We average  
5 25-30 requests per year. Each evaluation takes approximately 30 minutes to  
6 complete and write up. Large developments can take up to a half day to review,  
7 depending on the complexity of the request. Having been directly involved in the  
8 day-to-day activities related to Possum Kingdom's provision of water service to new  
9 and existing customers, and having performed similar services for numerous local  
10 governmental and rural water supply entities, I am uniquely qualified to attest to the  
11 reasonableness of the cost estimates eHT provided to Possum Kingdom that were  
12 used to determine the cost for Crystal Bluff to obtain service from Possum Kingdom  
13 to the Hummingbird West subdivision property during various time periods from  
14 2017 to the present.

15  
16 **Q. Have you attached any documents to your testimony?**

17 **A.** Yes, I have attached my resume as **JSH-1**. Also attached are **JSH-2** Meter  
18 Request Evaluation for Lot 7; **JSH-3** Meter Request Evaluation for Lot 5; **JSH-4**  
19 2020 eHT Opinion of Probable Construction Cost; **JSH-5** 2021 eHT Opinion of  
20 Probable Construction Cost; and **JSH-6** 2022 eHT Opinion of Probable  
21 Construction Cost.

1     **Q.**     **As an employee of eHT are you familiar with the manner in which JSH-2**  
2             **through JSH-6 were created and maintained?**

3     **A.**     Yes.

4

5     **Q.**     **Based on eHT's regular practices were these records made at or near the time**  
6             **of each act, event, condition, opinion, or diagnosis set forth in the record, made**  
7             **by, or from information transmitted by, persons with knowledge of the matters**  
8             **set forth, and kept in the course of regularly conducted business activity?**

9     **A.**     Yes.

10

11    **Q.**     **Are JSH-2 through JSH-6 exact duplicates of the original records?**

12    **A.**     Yes.

13

14       **III.   CRYSTAL BLUFF SERVICE REQUEST EVALUATION PROCESS**

15    **Q.**     **What is the role of eHT in assisting Possum Kingdom with its evaluation of new**  
16             **water service requests?**

17    **A.**     Possum Kingdom sends new water service requests to eHT to evaluate the  
18             feasibility of serving the potential connection(s). For each meter evaluation, we  
19             utilize a hydraulic computer model, designed and developed to provide a reasonable  
20             representation of actual field operating conditions, to determine the anticipated  
21             impact that a new meter connection will likely have on the system. Each request is  
22             typically reviewed under peak flow conditions, or a system-wide demand of