



Filing Receipt

Received - 2022-03-11 11:47:43 AM
Control Number - 53345
ItemNumber - 1



Application for Sale, Transfer, or Merger of a Retail Public Utility

Pursuant to Texas Water Code § 13.301 and 16 Texas Administrative Code § 24.239

Sale, Transfer, or Merger (STM) Application Instructions

- I. **COMPLETE:** In order for the Commission to find the application sufficient for filing, the Applicant should:
 - i. Provide an answer to every question and submit any required attachment applicable to the STM request (i.e., agreements or contracts).
 - ii. Use attachments or additional pages to answer questions as necessary. If you use attachments or additional pages, reference their inclusion in the form.
 - iii. Provide all mapping information as detailed in Part G: Mapping & Affidavits.
- II. **FILE:** Seven (7) copies of the completed application with numbered attachments. One copy should be filed with no permanent binding, staples, tabs, or separators; and 7 copies of the portable electronic storage medium containing the digital mapping data.
 - i. **SEND TO:** Public Utility Commission of Texas, Attention: Filing Clerk, 1701 N. Congress Avenue, P.O. Box 13326, Austin, Texas 78711-3326 (NOTE: Electronic documents may be sent in advance of the paper copy, however they will not be processed and added to the Commission's on-line Interchange until the paper copy is received and file-stamped in Central Records).
- III. The application will be assigned a docket number, and an administrative law judge (ALJ) will issue an order requiring Commission Staff to file a recommendation on whether the application is sufficient. The ALJ will issue an order after Staff's recommendation has been filed:
 - i. **DEFICIENT (Administratively Incomplete):** Applicants will be ordered to provide information to cure the deficiencies by a certain date, usually 30 days from ALJ's order. *Application is not accepted for filing.*
 - ii. **SUFFICIENT (Administratively Complete):** Applicants will be ordered by the ALJ to give appropriate notice of the application using the notice prepared by Commission Staff. *Application is accepted for filing.*
- IV. Once the Applicants issue notice, a copy of the actual notice sent and an affidavit attesting to notice should be filed in the docket assigned to the application. Recipients of notice may request a hearing on the merits.
HEARING ON THE MERITS: An affected party may request a hearing within 30 days of notice. In this event, the application may be referred to the State Office of Administrative Hearings (SOAH) to complete this request.
- V. **TRANSACTION TO PROCEED:** at any time following the provision of notice, or prior to 120 days from the last date that proper notice was given, Commission Staff will file a recommendation for the transaction to proceed as proposed or recommend that the STM be referred to SOAH for further investigation. The Applicants will be required to file an update in the docket to the ALJ every 30 days following the approval of the transaction. The transaction must be completed within six (6) months from the ALJ's order (Note: The Applicants may request an extension to the 6 month provision for good cause).
- VI. **FILE:** Seven (7) copies of completed transaction documents and documentation addressing the transfer or disposition of any outstanding deposits. After receiving all required documents from the Applicants, the application will be granted a procedural schedule for final processing. The Applicants are requested to consent in writing to the proposed maps and certificates, or tariff if applicable.
- VII. **FINAL ORDER:** The ALJ will issue a final order issuing or amending the applicable CCNs.

FAQ:

Who can use this form?

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

Who is required to use this form?

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

Terms

Transferor: Seller

Transferee: Purchaser

CCN: Certificate of Convenience and Necessity

STM: Sale, Transfer, or Merger

IOU: Investor Owned Utility

Application Summary

Transferor: Water Necessities, Inc (WNI) and Grean Kelly Brewer d/b/a Rural Water Company (RWC)
(selling entity)

CCN No.s: 12243 (partial), 12400 (partial)

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

Transferee: T&W Water Service Company d/b/a Blue Topaz Utilities

(acquiring entity)

CCN No.s: 12892

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

County(ies): Hardin, Orange

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Please mark the items included in this filing

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

Part A: General Information

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

See Attachment 1.

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

For **Transferee** (Purchaser) CCN:

For **Transferor** (Seller) CCN:

- ☐ Obtaining a NEW CCN for Purchaser
☐ Transfer all CCN into Purchaser's CCN (Merger)
☒ Transfer Portion of CCN into Purchaser's CCN
☐ Transfer all CCN to Purchaser and retain Seller CCN
☐ Uncertificated area added to Purchaser's CCN

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

Part B: Transferor Information

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

3. A. Name: Water Necessities, Inc and Grean Kelly Brewer d/b/a Rural Water Company

(individual, corporation, or other legal entity)

☒ Individual ☒ Corporation ☐ WSC ☐ Other:

- B. Mailing Address: PO Box 1409 Vidor, TX 77670

Phone: 409-769-9030

Email: kellybrew92@gmail.com

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

Name: Kelly Brewer

Title: Owner

Mailing Address: PO Box 1409 Vidor, TX 77670

Phone: 409-769-9030

Email: kellybrew92@gmail.com

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

- A. Effective date for most recent rates: WNI 5/22/2010 and RWC 5/1/2021

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

See Attachment 5 -
Tariffs

☐ No ☒ Yes Application or Docket Number: WNI 36106-R and RWC 50552

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

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

☐ There are no customers that will be transferred

☒ # of customers without deposits held by the transferor 386 See Attachment 6 - Customer Deposits

☒ # of customers with deposits held by the transferor* 380

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

Part C: Transferee Information

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

6. A. Name: T&W Water Service Company d/b/a Blue Topaz Utilities
(individual, corporation, or other legal entity)

☐ Individual ☒ Corporation ☐ WSC ☐ Other:

B. Mailing Address: 12284 FM 3083, Conroe, Texas 77301

Phone: (281) 367-9566 Email: _____

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

Name: Geoffrey P. Kirshbaum Title: Attorney

Address: Terrill & Waldrop, 810 West 10th Street, Austin, Texas 78701

Phone: (512) 474-9100 Email: gkirshbaum@terriwaldrop.com

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

☐ No ☒ Yes ☐ N/A

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

☐ No ☒ Yes ☐ N/A

7. The legal status of the transferee is:

☐ Individual or sole proprietorship See Attachment 2 - Certificate of Account Status.

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

☒ Corporation
Charter number (as recorded with the Texas Secretary of State): Filing No. 46041000; Tax ID 17420569893

☐ Non-profit, member-owned, member controlled Cooperative Corporation [Article 1434(a) Water Supply or Sewer Service Corporation, incorporated under TWC Chapter 67]
Charter number (as recorded with the Texas Secretary of State): _____
☐ Articles of Incorporation and By-Laws established (*attach*)

☐ Municipally-owned utility

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

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

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

Name: Blue Topaz Utilities

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

Name: Justin B. Palfreyman

Position: President Ownership % (if applicable): 0.00%

Address: 250 SW Taylor St., Portland, Oregon 97204

Phone: _____ Email: _____

Name: Brody J. Wilson

Position: Treasurer Ownership % (if applicable): 0.00%

Address: 250 SW Taylor St., Portland, Oregon 97204

Phone: _____ Email: _____

Name: Shawn M. Filippi

Position: Secretary Ownership % (if applicable): 0.00%

Address: 250 SW Taylor St., Portland, Oregon 97204

Phone: _____ Email: _____

Name: _____

Position: _____ Ownership % (if applicable): 0.00%

Address: _____

Phone: _____ Email: _____

10. **Financial Information**

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

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

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

See Attachment 7 - NW Natural Holdings 2021 10K and Attachment 8 - T&W 2021 Annual Report.

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

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

Part D: Proposed Transaction Details

11. A. Proposed Purchase Price: \$ _____

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

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

☐ No ☒ Yes ☐ N/A

See Attachments 3, 9, and 10.

Total Original Cost of Plant in Service: \$ _____

Accumulated Depreciation: \$ _____

Net Book Value: \$ _____

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

☒ No ☐ Yes

Total Customer CIAC: \$ _____

Accumulated Amortization: \$ _____

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

☒ No ☐ Yes

Total developer CIAC: \$ _____

Accumulated Amortization: \$ _____

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

☒ No ☐ Yes

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

Not applicable.

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

See Attachment 1.

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

Utility Plant in Service:	\$ _____	See Attachment 10 - Total Original Cost of Plant in Service
Accumulated Depreciation of Plant:	\$ _____	
Cash:	\$ _____	
Notes Payable:	\$ _____	
Mortgage Payable:	\$ _____	
(Proposed) Acquisition Adjustment*:	\$ _____	
Other (NARUC account name & No.):	_____	
Other (NARUC account name & No.):	_____	

* Acquisition Adjustments will be subject to review under 16 TAC § 24.41(d) and (e)

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

No billing change is proposed to take place as a result of the proposed transaction except that bills will come from T&W Water instead of WNI and RWC.

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

Transferee does not intend to file an application to change rates for any customers as a result of the proposed transaction. Other factors would drive any decision regarding rate changes.

Part E: CCN Obtain or Amend Criteria Considerations

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

The quality of service will remain at a high level due to the experienced operators employed by T&W Water and will meet or exceed current levels. T&W Water will deal promptly with any service issues which may arise.

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

See Attachment 1, Overview. A report describing the compliance status for T&W Water water systems is included as Attachment 11. A TCEQ Compliance History Report for T&W Water is included as Attachment 12. T&W Water will provide additional system detail information to the Commission upon request.

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

☐

No

☒

Yes

See Attachment 11.

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

There will be no change with respect to to environmental intergrity of land impact/disruption as a result of the proposed transaction.

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

See Attachment 1, Overview.

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

See Attachment 13 Notice Information.

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

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

22. A. For Public Water System (PWS):TCEQ PWS Identification Number: 1000061 (7 digit ID)Name of PWS: Countrywood Water SystemDate of last TCEQ compliance inspection: May 12, 2021 (attach TCEQ letter)Subdivisions served: Countrywood Estates**B. For Sewer service:**TCEQ Water Quality (WQ) Discharge Permit Number: WQ - (8 digit ID)

Name of Wastewater Facility: _____

Name of Permittee: _____

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

Subdivisions served: _____

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

Water				Sewer	
	Non-metered	1	2"		Residential
161	5/8" or 3/4"		3"		Commercial
2	1"		4"		Industrial
	1 1/2"		Other		Other
Total Water Connections:		164		Total Sewer Connections:	0

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

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

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

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

Water: _____ Sewer: _____

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

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

22. A. For Public Water System (PWS):TCEQ PWS Identification Number: 1000037 (7 digit ID)Name of PWS: Enchanted ForestDate of last TCEQ compliance inspection: January 16, 2021 (attach TCEQ letter)Subdivisions served: Enchanted Forest**B. For Sewer service:**TCEQ Water Quality (WQ) Discharge Permit Number: WQ - (8 digit ID)

Name of Wastewater Facility: _____

Name of Permittee: _____

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

Subdivisions served: _____

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

Water				Sewer	
	Non-metered		2"		Residential
114	5/8" or 3/4"		3"		Commercial
	1"		4"		Industrial
	1 1/2"		Other		Other
Total Water Connections:			114	Total Sewer Connections:	0

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

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

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

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

Water: _____ Sewer: _____

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

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

22. A. For Public Water System (PWS):

TCEQ PWS Identification Number: 1810059 (7 digit ID)

Name of PWS: Kinard Estates

Date of last TCEQ compliance inspection: March 29, 2021 (attach TCEQ letter)

Subdivisions served: Kinard Estates

B. For Sewer service:

TCEQ Water Quality (WQ) Discharge Permit Number: WQ - (8 digit ID)

Name of Wastewater Facility: _____

Name of Permittee: _____

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

Subdivisions served: _____

Date of application to transfer permit submitted to TCEQ: _____

23. List the number of existing connections, by meter/connection type, to be affected by the proposed transaction:

Water				Sewer	
	Non-metered		2"		Residential
117	5/8" or 3/4"		3"		Commercial
	1"		4"		Industrial
	1 1/2"		Other		Other
Total Water Connections:			117	Total Sewer Connections:	0

24. A. Are any improvements required to meet TCEQ or Commission standards?

☒ No ☐ Yes

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

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

C. Is there a moratorium on new connections?

☒ No ☐ Yes:

25. Does the system being transferred operate within the corporate boundaries of a municipality?

☒ No ☐ Yes: _____ (name of municipality)

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

Water: _____ Sewer: _____

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

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

22. A. For Public Water System (PWS):

TCEQ PWS Identification Number: 1810170 (7 digit ID)

Name of PWS: Timer Water System

Date of last TCEQ compliance inspection: May 12, 2021 (attach TCEQ letter)

Subdivisions served: Timer

B. For Sewer service:

TCEQ Water Quality (WQ) Discharge Permit Number: WQ - (8 digit ID)

Name of Wastewater Facility: _____

Name of Permittee: _____

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

Subdivisions served: _____

Date of application to transfer permit submitted to TCEQ: _____

23. List the number of existing connections, by meter/connection type, to be affected by the proposed transaction:

Water				Sewer	
	Non-metered		2"		Residential
17	5/8" or 3/4"		3"		Commercial
	1"		4"		Industrial
	1 1/2"		Other		Other
Total Water Connections:			17	Total Sewer Connections:	0

24. A. Are any improvements required to meet TCEQ or Commission standards?

☒ No ☐ Yes

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

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

C. Is there a moratorium on new connections?

☒ No ☐ Yes:

25. Does the system being transferred operate within the corporate boundaries of a municipality?

☒ No ☐ Yes: _____ (name of municipality)

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

Water: _____ Sewer: _____

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

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

22. A. For Public Water System (PWS):

TCEQ PWS Identification Number: 1000062 (7 digit ID)

Name of PWS: New Forest Estates Water System

Date of last TCEQ compliance inspection: November 5, 2021 (attach TCEQ letter)

Subdivisions served: New Forest

B. For Sewer service:

TCEQ Water Quality (WQ) Discharge Permit Number: WQ - (8 digit ID)

Name of Wastewater Facility: _____

Name of Permittee: _____

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

Subdivisions served: _____

Date of application to transfer permit *submitted* to TCEQ: _____

23. List the number of *existing* connections, by meter/connection type, to be affected by the proposed transaction:

Water				Sewer	
	Non-metered		2"		Residential
34	5/8" or 3/4"		3"		Commercial
	1"		4"		Industrial
	1 1/2"		Other		Other
Total Water Connections:			34	Total Sewer Connections:	0

24. A. Are any improvements required to meet TCEQ or Commission standards?

☒ No ☐ Yes

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

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

C. Is there a moratorium on new connections?

☒ No ☐ Yes:

25. Does the system being transferred operate within the corporate boundaries of a municipality?

☒ No ☐ Yes: _____ (name of municipality)

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

Water: _____ Sewer: _____

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

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

22. A. For Public Water System (PWS):

TCEQ PWS Identification Number: 1000069 (7 digit ID)

Name of PWS: Breakaway Trails Subdivision

Date of last TCEQ compliance inspection: March 9, 2020 (attach TCEQ letter)

Subdivisions served: Breakaway Trails

B. For Sewer service:

TCEQ Water Quality (WQ) Discharge Permit Number: WQ - (8 digit ID)

Name of Wastewater Facility: _____

Name of Permittee: _____

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

Subdivisions served: _____

Date of application to transfer permit *submitted* to TCEQ: _____

23. List the number of existing connections, by meter/connection type, to be affected by the proposed transaction:

Water				Sewer	
	Non-metered		2"		Residential
49	5/8" or 3/4"		3"		Commercial
	1"		4"		Industrial
	1 1/2"		Other		Other
Total Water Connections:			49	Total Sewer Connections:	0

24. A. Are any improvements required to meet TCEQ or Commission standards?

☒ No ☐ Yes

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

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

C. Is there a moratorium on new connections?

☒ No ☐ Yes:

25. Does the system being transferred operate within the corporate boundaries of a municipality?

☒ No ☐ Yes: _____ (name of municipality)

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

Water: _____ Sewer: _____

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

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

22. A. For Public Water System (PWS):TCEQ PWS Identification Number: 1000060 (7 digit ID)Name of PWS: Northwoods SubdivisionDate of last TCEQ compliance inspection: November 5, 2020 (attach TCEQ letter)Subdivisions served: Northwoods**B. For Sewer service:**TCEQ Water Quality (WQ) Discharge Permit Number: WQ - (8 digit ID)

Name of Wastewater Facility: _____

Name of Permittee: _____

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

Subdivisions served: _____

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

Water				Sewer	
	Non-metered		2"		Residential
57	5/8" or 3/4"		3"		Commercial
	1"		4"		Industrial
	1 1/2"		Other		Other
Total Water Connections:			57	Total Sewer Connections:	0

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

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

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

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

Water: _____ Sewer: _____

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

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

22. A. For Public Water System (PWS):

TCEQ PWS Identification Number: 1000038 (7 digit ID)

Name of PWS: Whispering Pines Subdivision

Date of last TCEQ compliance inspection: January 16, 2020 (attach TCEQ letter)

Subdivisions served: Whispering Pines

B. For Sewer service:

TCEQ Water Quality (WQ) Discharge Permit Number: WQ - (8 digit ID)

Name of Wastewater Facility: _____

Name of Permittee: _____

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

Subdivisions served: _____

Date of application to transfer permit submitted to TCEQ: _____

23. List the number of existing connections, by meter/connection type, to be affected by the proposed transaction:

Water				Sewer	
	Non-metered		2"		Residential
24	5/8" or 3/4"		3"		Commercial
	1"		4"		Industrial
	1 1/2"		Other		Other
Total Water Connections:			24	Total Sewer Connections:	0

24. A. Are any improvements required to meet TCEQ or Commission standards?

☒ No ☐ Yes

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

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

C. Is there a moratorium on new connections?

☒ No ☐ Yes:

25. Does the system being transferred operate within the corporate boundaries of a municipality?

☒ No ☐ Yes: _____ (name of municipality)

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

Water: _____ Sewer: _____

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

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

22. A. For Public Water System (PWS):

TCEQ PWS Identification Number: 1810143 (7 digit ID)

Name of PWS: Claire Street Water System

Date of last TCEQ compliance inspection: November 16, 2020 (attach TCEQ letter)

Subdivisions served: Claire

B. For Sewer service:

TCEQ Water Quality (WQ) Discharge Permit Number: WQ - (8 digit ID)

Name of Wastewater Facility: _____

Name of Permittee: _____

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

Subdivisions served: _____

Date of application to transfer permit *submitted* to TCEQ: _____

23. List the number of existing connections, by meter/connection type, to be affected by the proposed transaction:

Water				Sewer	
	Non-metered		2"		Residential
42	5/8" or 3/4"		3"		Commercial
	1"		4"		Industrial
	1 1/2"		Other		Other
Total Water Connections:			42	Total Sewer Connections:	0

24. A. Are any improvements required to meet TCEQ or Commission standards?

☒ No ☐ Yes

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

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

C. Is there a moratorium on new connections?

☒ No ☐ Yes:

25. Does the system being transferred operate within the corporate boundaries of a municipality?

☒ No ☐ Yes: _____ (name of municipality)

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

Water: _____ Sewer: _____

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

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

22. A. For Public Water System (PWS):

TCEQ PWS Identification Number: 1000065 (7 digit ID)

Name of PWS: Dairyland Heights Water System

Date of last TCEQ compliance inspection: November 16, 2020 (attach TCEQ letter)

Subdivisions served: Dairyland Heights

B. For Sewer service:

TCEQ Water Quality (WQ) Discharge Permit Number: WQ - (8 digit ID)

Name of Wastewater Facility: _____

Name of Permittee: _____

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

Subdivisions served: _____

Date of application to transfer permit *submitted* to TCEQ: _____

23. List the number of existing connections, by meter/connection type, to be affected by the proposed transaction:

Water				Sewer	
	Non-metered		2"		Residential
49	5/8" or 3/4"		3"		Commercial
	1"		4"		Industrial
	1 1/2"		Other		Other
Total Water Connections:			49	Total Sewer Connections:	0

24. A. Are any improvements required to meet TCEQ or Commission standards?

☒ No ☐ Yes

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

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

C. Is there a moratorium on new connections?

☒ No ☐ Yes:

25. Does the system being transferred operate within the corporate boundaries of a municipality?

☒ No ☐ Yes: _____ (name of municipality)

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

Water: _____ Sewer: _____

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

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

22. A. For Public Water System (PWS):

TCEQ PWS Identification Number: 1810125 (7 digit ID)

Name of PWS: River Bend Water System

Date of last TCEQ compliance inspection: January 16, 2020 (attach TCEQ letter)

Subdivisions served: Riverbend

B. For Sewer service:

TCEQ Water Quality (WQ) Discharge Permit Number: WQ - (8 digit ID)

Name of Wastewater Facility: _____

Name of Permittee: _____

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

Subdivisions served: _____

Date of application to transfer permit submitted to TCEQ: _____

23. List the number of existing connections, by meter/connection type, to be affected by the proposed transaction:

Water				Sewer	
	Non-metered		2"		Residential
31	5/8" or 3/4"		3"		Commercial
	1"		4"		Industrial
	1 1/2"		Other		Other
Total Water Connections:			31	Total Sewer Connections:	0

24. A. Are any improvements required to meet TCEQ or Commission standards?

☒ No ☐ Yes

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

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

C. Is there a moratorium on new connections?

☒ No ☐ Yes:

25. Does the system being transferred operate within the corporate boundaries of a municipality?

☒ No ☐ Yes: _____ (name of municipality)

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

Water: _____ Sewer: _____

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

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

22. A. For Public Water System (PWS):

TCEQ PWS Identification Number: 1810123 (7 digit ID)

Name of PWS: Corbett Water System 1

Date of last TCEQ compliance inspection: May 11, 2020 (attach TCEQ letter)

Subdivisions served: Corbett

B. For Sewer service:

TCEQ Water Quality (WQ) Discharge Permit Number: WQ - (8 digit ID)

Name of Wastewater Facility: _____

Name of Permittee: _____

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

Subdivisions served: _____

Date of application to transfer permit *submitted* to TCEQ: _____

23. List the number of existing connections, by meter/connection type, to be affected by the proposed transaction:

Water				Sewer	
	Non-metered		2"		Residential
42	5/8" or 3/4"		3"		Commercial
	1"		4"		Industrial
	1 1/2"		Other		Other
Total Water Connections:			42	Total Sewer Connections:	0

24. A. Are any improvements required to meet TCEQ or Commission standards?

☒ No ☐ Yes

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

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

C. Is there a moratorium on new connections?

☒ No ☐ Yes:

25. Does the system being transferred operate within the corporate boundaries of a municipality?

☒ No ☐ Yes: _____ (name of municipality)

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

Water: _____ Sewer: _____

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

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

22. A. For Public Water System (PWS):

TCEQ PWS Identification Number: 1810150 (7 digit ID)

Name of PWS: Yeager Estates Addition

Date of last TCEQ compliance inspection: May 10, 2021 (attach TCEQ letter)

Subdivisions served: Yeager

B. For Sewer service:

TCEQ Water Quality (WQ) Discharge Permit Number: WQ - (8 digit ID)

Name of Wastewater Facility: _____

Name of Permittee: _____

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

Subdivisions served: _____

Date of application to transfer permit *submitted* to TCEQ: _____

23. List the number of *existing* connections, by meter/connection type, to be affected by the proposed transaction:

Water				Sewer	
	Non-metered		2"		Residential
26	5/8" or 3/4"		3"		Commercial
	1"		4"		Industrial
	1 1/2"		Other		Other
Total Water Connections:			26	Total Sewer Connections:	0

24. A. Are any improvements required to meet TCEQ or Commission standards?

☒ No ☐ Yes

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

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

C. Is there a moratorium on new connections?

☒ No ☐ Yes:

25. Does the system being transferred operate within the corporate boundaries of a municipality?

☒ No ☐ Yes: _____ (name of municipality)

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

Water: _____ Sewer: _____

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

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

Capacity is purchased from: _____

Water: _____

Sewer: _____

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

☒ No ☐ Yes

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

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

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

☐ No ☐ Yes: Not applicable.

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

☐ No ☒ Yes:

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

Name (as it appears on license)	Class	License No.	Water or Sewer
Charles Adams, Jr.	B	WS0000698	Water

Part G: Mapping & Affidavits

ALL applications require mapping information to be filed in conjunction with the STM application.

Read question 29 A and B to determine what information is required for your application.

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

1. A general location (small scale) map identifying the requested area in reference to the nearest county boundary, city, or town. The following guidance should be adhered to:

- See Attachment 14.
- If the application requests to transfer certificated service areas for both water and sewer, separate maps must be provided for each.
 - A hand drawn map, graphic, or diagram of the requested area is not considered an acceptable mapping document.

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

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

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

Part H: Notice Information

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

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

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

The total acreage of the requested area is approximately: See Attachment 13 - Notice Information

Number of customer connections in the requested area: _____

Affected subdivision : _____

The closest city or town: _____

Approximate mileage to closest city or town center: _____

Direction to closest city or town: _____

The requested area is generally bounded on the North by: _____

on the East by: _____

on the South by: _____

on the West by: _____

31. A copy of the proposed map will be available at: T & W Water Service Company, 12284 FM 3083, Conroe, Texas 77301

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

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

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

☐ higher monthly bill ☐ lower monthly bill

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

☐ higher monthly bill ☐ lower monthly bill

Oath for Transferor (Transferring Entity)

STATE OF

Texas

COUNTY OF

Orange

I, G. Kelly Brewer being duly sworn, file this application for sale,
merger, consolidation, acquisition, lease, or transfer,
rental, as owner

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

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

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

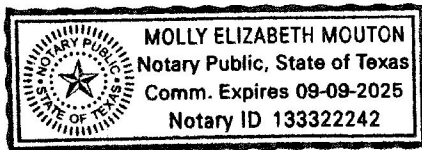
G. Kelly Brewer
AFFIANT
(Utility's Authorized Representative)

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

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

this day the 9th of March, 2022

SEAL



Molly Mouton
NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS

Molly Elizabeth Mouton
PRINT OR TYPE NAME OF NOTARY

My commission expires: 9/9/2025

Oath for Transferee (Acquiring Entity)


STATE OF Texas

COUNTY OF Montgomery

I, Ron Payne being duly sworn, file this application for sale, transfer, merger, consolidation, acquisition, lease, or rental, as General Manager
(owner, member of partnership, title as officer of corporation, or authorized representative)

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

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



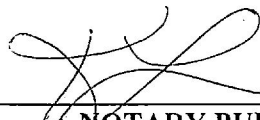
AFFIANT
(Utility's Authorized Representative)

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

SUBSCRIBED AND SWORN BEFORE ME, a Notary Public in and for the State of Texas
this day the 8th of March, 2022

SEAL





**NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS**
KARLA J LANGREDER
PRINT OR TYPE NAME OF NOTARY

My commission expires: 2/5/2024

Application for Sale, Transfer, or Merger of a Retail Public Utility

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ATTACHMENT 1 OVERVIEW

General Information

The proposed transaction this application requests approval for involves a transfer to T&W Water Service Company ("T&W") of the portions of water CCN No. 12243 service areas and assets used and useful for the Water Necessities, Inc. ("WNI") public drinking water systems ("PWS") with PWS ID Nos. 1000061, 1810170, 1000062, 1000060, 1000038, 1000065, 1810143, 1810125, 1810123, 1000069 and 1810150, and the portion of water CCN No. 12400 service areas and assets used and useful for the Grean Kelly Brewer d/b/a Rural Water Company ("RWC") public drinking water system with PWS ID No. 1810059. These service areas and systems are located in Hardin and Orange Counties, Texas. There are two additional WNI CCN No. 12243 water service areas located in Orange County, Texas, that are excluded from the proposed transaction because WNI has not served those areas in many years and they are served by another unrelated provider (i.e., Orange County Water Control and Improvement District No. 1). The applicants have also agreed that a remaining RWC CCN No. 12400 water service area and system called Colony Park is not reflected in this application and will remain with RWC. The applicants have combined their application requests into a single application as all systems are owned and operated by the Brewer family, with Kelly Brewer acting as representative for all, and the proposed transaction is governed by the same agreement documents.

The transferee applicant, T&W is a subsidiary of NW Natural Water of Texas, LLC, a wholly owned subsidiary of NW Natural Water Company LLC. NW Natural Water Company LLC is a wholly owned subsidiary of NW Natural Holding Company, a publicly traded company on the New York Stock Exchange. The transaction strictly involves asset sales/acquisitions/transfers between T&W and WNI and between T&W and RWC. While legal ownership and responsibility for the assets will be placed under a different corporate entity, day-to-day utility operations and applicable retail public utility rates will not change as a result of the proposed transaction or this Application.

The executed documents that support the proposed transaction are included in **Attachments 3 and 4**. T&W was assigned all rights of Blue Topaz Water, LLC to the asset purchase agreement with WNI and RWC included in **Attachment 3** as reflected in **Attachment 4**. Final documents evidencing closing of the transaction will be prepared if the Commission provides approval for the transaction to close. Existing land uses in the areas affected by the application are residential. Existing land uses are not anticipated to change as a result of the application.

T&W's experience in providing continuous and adequate service:

T&W operates 22 water systems in Harris, Liberty, and Montgomery counties, Texas, and holds water CCN No. 12892. T&W was originally incorporated in 1979. 100% of T&W's stock was acquired by NW Natural Water of Texas, LLC in early 2020.

NW Natural Holding Company (“NW Natural Holdings”) is headquartered in Portland, Oregon, and through its subsidiaries has been doing business for 163 years. NW Natural Holdings owns Northwest Natural Gas Company d/b/a NW Natural (“NW Natural Gas”), NW Natural Water Company, LLC (“NW Natural Water”), and other business interests and activities. NW Natural Water owns NW Natural Water of Texas, LLC, which is now the parent of T&W. Blue Topaz Water, LLC is another Texas NW Natural Water subsidiary, but that entity is not the parent of T&W. NW Natural Holdings, the ultimate parent of T&W, is a publicly-owned company with a market cap of approximately \$1.7 billion, and it has revolving credit facilities totaling approximately \$200 million in the aggregate. T&W, through its parent companies, will be able to provide enhanced investment for the WNI and RWC systems as needed, which will benefit customers served by those systems.

The NW Natural Holdings organization includes NW Natural Gas, NW Natural Water, NW Natural Renewables Holdings, LLC, and other business interests. NW Natural Gas is a local natural gas distribution company serving more than 140 communities through 785,000 meters in Oregon and Southwest Washington with one of the most modern pipeline systems in the nation. NW Natural Gas leads the industry with high J.D. Power & Associates customer satisfaction scores. NW Natural Water currently provides water distribution and wastewater services to a diverse range of communities. NW Natural Water serves over 80,000 people through approximately 33,000 connections.

NW Natural Holdings’ water and gas utility businesses rely on maintenance of and investment in critical pipe infrastructure to drive organic growth. NW Natural Water and NW Natural Water of Texas, LLC, now including T&W, understand how to plan for and build an efficient pipeline system and how to maintain that system to ensure safe and reliable service. In addition, both the water distribution and gas distribution businesses are largely regulated by public utility commissions—a regulatory environment with which NW Natural Water, NW Natural Water of Texas, LLC, and T&W are familiar. Thus, T&W’s ownership of the WNI and RWC systems will result in a stronger, and more financially sound water company.

From the perspective of WNI and RWC’s customers, the transition of ownership to T&W will be seamless. After the closing, there will be no change to the water rates for WNI and RWC customers as a result of the proposed transaction. While T&W will undertake management of the WNI and RWC systems after the closing, T&W anticipates that Charles Adams, Jr., a Class B licensed water operator with experienced in the region, will operate the systems.



Att.

2

Franchise Tax Account Status

As of : 03/03/2022 16:49:09

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

T & W WATER SERVICE COMPANY

Texas Taxpayer Number 17420569893

Mailing Address PO BOX 2927 CONROE, TX 77305-2927

Right to Transact Business in Texas ACTIVE

State of Formation TX

Effective SOS Registration Date 01/18/1979

Texas SOS File Number 0046041000

Registered Agent Name C T CORPORATION SYSTEM

Registered Office Street Address 1999 BRYAN ST., STE. 900 DALLAS, TX 75201

Asset Purchase Agreement

This Asset Purchase Agreement (this “**Agreement**”) is made between Blue Topaz Water, LLC, a Texas limited liability company (“**Buyer**”), Water Necessities, Inc, a Texas Corporation (“**WNI**”), Larry Brewer, a sole proprietorship (“**LB**”), Grean Kelly Brewer, a sole proprietorship (“**GB**”), Grean Kelly Brewer, a sole proprietorship d/b/a Rural Water Co. (“**RWC**”, and together with LB, GB and WNI, the “**Sellers**”), Larry Brewer, as shareholder of WNI and G. Kelly Brewer, as shareholder of WNI (G. Kelly Brewer and Larry Brewer each a “**Shareholder**” and collectively, the “**Shareholders**”), effective as of November 18, 2021 (the “**Signing Date**”). Capitalized terms used in this Agreement are defined where they are first used or in **Schedule 1**.

Sellers own and operate water supply and distribution systems in or near Orange County, Texas, as specified below:

Water System Name	Parent	Deed	CCN	# Connections*
1. Claire	WNI1	LB	12243	42
2. Corbett	WNI1	LB	12243	42
3. Timer	WNI1	LB	12243	18
4. Riverbend	WNI1	LB	12243	31
5. Yeager	WNI1	LB	12243	26
6. Dairyland	WNI1	LB	12243	49
7. Enchanted Forest	WNI1	LB	12243	114
8. Whispering Pines	WNI1	LB	12243	24
9. Countrywood	WNI1	LB	12243	164
10. Northwoods	WNI2	KB	12243	57
11. Breakaway Trails	WNI2	KB	12243	49
12. New Forest	WNI2	KB	12243	34
13. Kinard	RWC	KB	12400	116

*As of date of signing

(collectively, the “**Businesses**”). For the avoidance of doubt, the Businesses do not include the Colony Park water system. Sellers wish to sell, and Buyer wishes to purchase, and to assume and take subject to specified liabilities, substantially all of the assets of the Businesses. The parties, therefore, agree as follows.

- Assets.** At Closing, Buyer will buy, and Sellers will sell and transfer, the assets of the Businesses “as-is” subject only to the representations, warranties and obligations set forth herein, which assets shall include, without limitation, the items listed on **Schedule 2**, other than the Excluded Assets (defined below) (the “**Assets**”).
- Excluded Assets; Excluded Liabilities.** At Closing, Buyer will not buy, and Sellers will not sell, corporate seals, organizational documents, minute books, stock books, Tax Returns, books of account or other records having to do with the corporate organization of Sellers; benefit plans and assets attributable thereto; accounts receivable; accounts payable; short-term investments cash and cash equivalents; and the rights that accrue to any Seller under the Transaction Documents (the “**Excluded Assets**”). Buyer will not assume and will not be responsible to pay, perform or discharge any

liabilities, obligations or commitments of any nature whatsoever, asserted or unasserted, known or unknown, absolute or contingent, accrued or unaccrued, matured or unmatured, or otherwise ("**Liabilities**") of Sellers or any of their affiliates (the "**Excluded Liabilities**"), except any Liabilities that accrue under assigned contracts after the Closing which are unrelated to performance prior to Closing.

3. Purchase Price.

- a. The "**Purchase Price**" [REDACTED] At Closing, Buyer will pay Sellers an amount equal to [REDACTED]

- b. The allocation of the Purchase Price among the Assets and Assumed Liabilities (plus other capitalizable amounts) for all Tax purposes shall be in accordance with **Schedule 4**. Each party will file all Tax Returns (including Internal Revenue Service Form 8594) and information reports in a manner consistent with that allocation.
- c. Each party will bear its own costs and expenses, including those of its Representatives, incurred in connection with the transactions contemplated by this Agreement (the "**Transaction**") and related due diligence, whether or not Closing occurs.

4. Representations. Sellers and Shareholders, jointly and severally represent and warrant to Buyer that the statements set forth in this Section 4 are true and correct on Signing Date and will be true and correct on the Closing Date.

- a. **Authority; Ownership of Assets.** WNI is a corporation, duly formed in Texas; and RWC is a sole proprietorship. Each Seller has the authority to operate its respective Business, own or use its respective Assets, and sign this Agreement and take the actions contemplated by this Agreement. The Transaction Documents are enforceable against each Seller and each Shareholder in accordance with their terms. Sellers own all the Assets of the Businesses.
- b. **Real Property.** All Real Property is listed on **Schedule 2**. Each Seller holds legally enforceable Easements sufficient to own and operate its Utility System. Sellers have not granted to any other Person any right to the possession, lease, occupancy or enjoyment of any Real Property. All buildings, plants, and structures owned by Sellers and used in connection with the Businesses lie wholly within the boundaries of the Real Property (except for structures subject to valid Easements) and do not encroach upon the property of, or otherwise conflict with the property rights of, any other Person. No third party has a right to acquire any interest in the Owned Real Property or action that could result in the taking of all or any part of any parcel of Real Property, except the highway project planned in Hardin County along Highway 105 that may affect the property located at 120 Countrywood Circle.
- c. **Compliance with Laws.** To each of Seller's and Shareholders knowledge, each Seller and each Business is in compliance with all Law, including Texas Commission on Environmental Quality (TCEQ) Laws applicable to the conduct of its Business or the ownership and use of its Assets, including all of its Permits, in all material respects. No Seller has received notice, written or oral, from any Person, including any Governmental Authority, regarding actual, alleged, or potential violation of Law, Order, Permit, Easement or the like by it or its Business. Notwithstanding the above, the following TCEQ matters shall not give rise to a breach of this subclause (i):
- i) [fill in]
 - ii) [fill in]

iii) [fill in]

- d. **No Conflicts; Consents.** Entering into this Agreement or taking actions contemplated by this Agreement, including Closing, will not (i) conflict with or violate (or give any person a right to challenge the Transaction, to exercise a remedy or obtain relief) under any Law; (ii) require consent of, notice to, or other action by any other person; (iii) give rise to a breach, termination right, modification right, acceleration right, loss of any benefit or penalty under any Permit, Order, Contract, Easement, or other right; or (iv) result in the imposition or creation of a lien on any of the Assets.

5. **Closing; Closing Conditions.** The Transaction will close (the "**Closing**") at a time agreed by the parties two Business Days after all of the Closing conditions are met or waived or at another date and time agreed by the parties. The Closing is deemed effective as of 12:01 a.m. on the date of Closing (the "**Closing Date**"). Buyer's obligation to close the Transaction is subject to (a) Buyer's satisfactory due diligence, (b) receipt of all necessary government approvals and consents (including Commission Approval); (c) receipt of a title commitment from a nationally recognized title insurance company to issue an owner's title insurance policy insuring fee simple title to the Owned Real Property, free and clear of all Encumbrances other than Permitted Encumbrances; (d) documents signed by Sellers to transfer the Assets.;

and (m) all other documents signed by, and any other actions taken by, Sellers and Shareholders reasonably requested by Buyer to complete the Transaction. From the Signing Date until the Closing or the termination of this Agreement, each party will use commercially reasonable efforts to take actions necessary to promptly satisfy the Closing conditions.

6. **Termination.** The Agreement may be terminated before Closing (a) by either Sellers or Buyer if there is a Law that makes Closing illegal or prohibited or if the Closing is enjoined in a final, non-appealable Order; (b) by Buyer with written notice to Sellers if any of the Closing conditions are not met by [REDACTED] from signing date

7. **Interim Covenants.**

From the Signing Date until Closing, Sellers and Shareholders will (i) preserve the Businesses and its goodwill, (ii) operate the Businesses in the ordinary course of business consistent in nature, scope, and magnitude with past practices, (iii) comply with Law; and (iv) afford Buyer and its Representatives reasonable access to and the right to inspect all of the real property, properties, assets, premises, and other documents and data related to Sellers, including, if Buyer desires, a Phase II environmental audit(s). From the Signing Date until Closing, Sellers will not sell or acquire any Assets valued at more than [REDACTED] without Buyer's prior written approval. Each party will promptly, and in coordination with the other party, (i) make all filings and submissions required under any Law applicable to it or any of its affiliates; and (ii) use commercially reasonable efforts to obtain all Orders and approvals from all Governmental Authorities that may be necessary under the Transaction Documents and for the Closing.

8. **Confidentiality.** No party will publicly disclose the contents of this Agreement, except to the extent required by Law, including for the avoidance of doubt to the extent necessary to obtain Commission Approval.

9. **Taxes.**

Transfer Taxes. Sellers will pay when due all transfer, documentary, sales, use, stamp, registration, value added and other such Taxes and fees (including any penalties and interest) incurred in connection with this Agreement and the other Transaction Documents (including any real property transfer Tax and any other similar Tax). Sellers will, at their own expense, timely file any Tax Return or other document with respect to such Taxes or fees (and the Buyer and Shareholders shall cooperate with respect thereto as necessary).

Tax Indemnification. Each Shareholder and Seller will, jointly and severally, indemnify Buyer Indemnitees and hold them harmless from and against (a) any Loss attributable to any failure by Seller or

Shareholders to satisfy or comply with any tax obligations under Applicable Law or pursuant to this Agreement in any manner with respect to a Seller, a Business or the Assets prior to the Closing, accruing with respect to or related to a period prior to Closing or related to the transfer hereunder. Such indemnification shall include any out-of-pocket fees and expenses (including attorneys' and accountants' fees) incurred in connection therewith. Shareholders and Sellers shall reimburse each Buyer Indemnitee for any Taxes that are the responsibility of Sellers and Shareholders pursuant to this Section 11(b) on an after-tax grossed-up basis [REDACTED] after payment of such Taxes by Buyer Indemnitee.

Straddle Period. In the case of Taxes that are payable with respect to a taxable period that begins before and ends after the Closing Date, the portion of any such Taxes that are treated as pre-closing Taxes, and payable by Seller for purposes of this Agreement shall: (a) in the case of Taxes based upon, or related to, income, receipts, profits, wages, capital, net worth, or sales, transfers or assignments of property, be deemed equal to the amount which would be payable if the taxable year or period with respect to each Business ended with the Closing Date; and (b) in the case of other Taxes, be deemed to be the amount of such Taxes for the entire taxable period multiplied by a fraction the numerator of which is the number of days in the period ending on the Closing Date and the denominator of which is the number of days in the entire taxable period.

Cooperation and Exchange of Information. Shareholders, Sellers, and Buyer shall provide each other with such cooperation and information as any of them reasonably may request of the other in filing any Tax Return or in connection with any audit or other proceeding in respect of Taxes. Sellers and Buyer shall retain all tax documents in its possession relating to Tax matters of Sellers for any taxable period beginning before the Closing Date until the expiration of the applicable statute of limitations.

Survival. Despite anything in this Agreement to the contrary, this **Section 11** will survive for the full period of all applicable statutes of limitation (giving effect to any waiver, mitigation or extension thereof) plus 90 days.

10. Indemnity. All representations, warranties, and covenants set forth in the Transaction Documents will remain in full force and effect after Closing. [REDACTED]

[REDACTED] Each Seller and each Shareholder will, jointly and severally, indemnify Buyer and its officers, directors, affiliates, successors and assigns (the "Buyer Indemnitees") and hold them harmless from all Losses suffered by the Buyer Indemnitees arising out of or related to: (a) any breach or inaccuracy in any representation or warranty made by a Seller or a Shareholder in any Transaction Document; (b) any breach or non-fulfillment of any obligation of a Seller or a Shareholder in any Transaction Document; (c) any pre-Closing Taxes; (d) Excluded Assets; or (e) Excluded Liabilities. "Losses" means losses, damages, Liabilities, deficiencies, judgments, interest, awards, penalties, fees, or fines, or costs or expenses relating to the foregoing, including reasonable attorneys' fees (including reasonable attorney's fees associated with the cost of enforcing any indemnity right and the cost of pursuing any insurance providers). "Losses" [REDACTED]

[REDACTED] Sellers will not settle any indemnifiable third-party claim without the Buyer Indemnitee's prior written consent. All indemnification payments made under this Agreement will be treated for all Tax purposes as adjustments to the Purchase Price, unless otherwise required by Law.

- 11. Remedies.** Remedies under the Transaction Documents are cumulative. No right or remedy of the parties under the Transaction Documents is intended to be exclusive of any other right or remedy. A party would be irreparably damaged by reason of a failure of the other party to perform its obligations under the Transaction Documents in accordance with its terms. Each party is entitled, therefore, to equitable relief in the event of a breach or threatened breach (without any requirement to post bond), in addition to any other remedy to which it is entitled at law or in equity.
- 12. Owner Obligations and Guaranty.** To the extent any Shareholder owns assets that are used in or necessary for the conduct of the WNI Businesses as currently conducted, then they shall be deemed

an additional "Seller" under this Agreement with respect to such assets, provided that real property owned by a Shareholder will be transferred pursuant to a separate Real Property Purchase Agreement. Each Shareholder hereby absolutely, unconditionally and irrevocably guarantees to Buyer the payment, observance and performance by each Seller of all of its obligations under or arising out of this Agreement. Shareholders' obligations are primary and not that of collection.

13. **Amendment; Waiver.** Provisions of this Agreement may only be amended waived in a writing signed by the parties. The waiver of any provision hereof will not constitute the waiver of any other provision or of any other instance.
14. **Assignment.** This Agreement may not be assigned or otherwise transferred (including a change of voting control and a transfer by operation of law) without the prior written consent of the other party. However, Buyer may transfer its rights and obligations to an affiliate without the prior written consent of Sellers.
15. **Notices.** All notices must be in writing. Notice is deemed given when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); on the date sent by email of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient (otherwise on the next Business Day); or on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Notice is only effective if sent to the address or email addresses set forth on the signature page of this Agreement. Each party may change its address and email address for notices by giving notice in accordance with this paragraph.
16. **Governing Law; Venue.** The Transaction Documents are to be construed and enforced in accordance with Texas law, without giving effect to any conflict of law rule. Any action arising out of the Transaction Documents must be brought in the federal or state courts located in Harris County, Texas. The parties waive any objection to the jurisdiction or those courts.
17. **Entire Agreement.** This Agreement, Schedules 1-4, the Non-Disclosure Agreement between NW Natural Water Company, LLC and Sellers, dated November 18, 2019, and the Transaction Documents delivered by Sellers to Buyer at Closing, embody the entire agreement and understanding of the parties related to its subject matter and supersedes all prior approvals, correspondence, and agreements relating to its subject matter.

BLUE TOPAZ WATER, LLC

By: [Signature]
Name: Justin Palfreyman
Title: VP Strategy and Business Development

LARRY BREWER, a sole proprietor

By: [Signature]
Name: Larry Brewer
Title: Owner

WATER NECESSITIES, INC

By: [Signature]
Name: Larry Brewer
Title: President

GREAN KELLY BREWER, a sole proprietor

By: [Signature]
Name: Grean Kelly Brewer
Title: Owner

GREAN KELLY BREWER D/B/A RURAL
WATER CO.

By: [Signature]
Name: Grean Kelly Brewer
Title: Owner

[Signature]
Grean Kelly Brewer, Shareholder of Water Necessities, Inc

[Signature]
Larry Brewer, Shareholder of Water Necessities, Inc

Communications to Buyer:

Blue Topaz Water, LLC
250 SW Taylor Street
Portland, Oregon 97204
Attn: Justin Palfreyman
Email: Justin.Palfreyman@nwnatural.com

With copies, which will not constitute notice to:

NW Natural Water Company, LLC
250 SW Taylor Street
Portland, Oregon 97204
Attn: Darren Nakata
Email: Darren.Nakata@nwnatural.com

Communications to Sellers and Shareholders:

Water Necessities, Inc
Rural Water Co.
1020 N. Main Street
Vidor, TX 77662
Attn: G. Kelly Brewer, Owner
Email: kellybrew92@gmail.com

Schedule 1 Defined Terms

For purposes of this Agreement, (a) the words "include," "includes" and "including" are deemed to be followed by the words "without limitation"; (b) the word "or" is not exclusive; and (c) words denoting any gender include all genders. Unless the context otherwise requires, references: (i) to sections and Schedules mean the sections of, and Schedules attached to, this Agreement; (ii) to an agreement or other document means the agreement or other document as amended, supplemented and modified from time to time to the extent permitted by its provisions and (iii) to a statute means the statute as amended from time to time and includes any successor legislation and any regulations promulgated under the statute and successor legislation.

"Business Day" means any day except Saturday, Sunday or any other day on which commercial banks located in Portland, Oregon are authorized or required by Law to be closed for business.

"Commission Approval" means a final decision and Order by the Public Utility Commission of Texas (the **"Commission"**) that is (i) is final and reasonable and (ii) approves all of the relief requested in the application to the Commission (the **"Commission Application"**). The Commission's decision and Commission Approval will not be deemed to be final and reasonable, or an approval of all of the relief requested in the Commission Application, if (a) it is not an unconditional approval, (b) it denies or defers ruling on any part of the Commission Application or purports to amend, modify or supplement any of the terms and conditions of the Transaction, or (c) if the decision and Order is subject to further appeal or any party to the proceeding in which the decision and Order is issued, or other aggrieved Person with the right to appeal, intends to, and is legally entitled to, seek a change in the decision and Order through motion or appeal.

"Encumbrance" means any charge, claim, community property interest, pledge, condition, equitable interest, lien (statutory or other), option, security interest, mortgage, Easement, encroachment, right of way, right of first refusal, or restriction of any kind, including any restriction on use, voting, transfer, receipt of income or exercise of any other attribute of ownership.

"Governmental Authority" means any federal, state, local or foreign government or political subdivision thereof, or any agency or instrumentality of the government or political subdivision, or any self-regulated organization or other non-governmental regulatory authority or quasi-governmental authority (to the extent that the rules, regulations or Orders of that organization or authority have the force of Law), or any arbitrator, court or tribunal of competent jurisdiction.

"Law" means any statute, law, act, ordinance, regulation, rule, code, Order, constitution, treaty, principle of common law, judgment, decree, Order of general applicability or other requirement or rule of law of any Governmental Authority, including rules and regulations promulgated thereunder.

"Order" means any order, writ, judgment, injunction, decree, determination, ruling, assessment, or award entered by or with any Governmental Authority or arbitrator.

"Permitted Encumbrance" means (a) liens for Taxes, assessments or other governmental charges not yet delinquent or the amount or validity of which is being contested in good faith by appropriate proceedings; (b) mechanics, carriers', workmen's, repairmen's or other like liens or similar Encumbrances arising or incurred in the ordinary course of business consistent with past practice for amounts that are not delinquent; (c) covenants, exceptions, restrictions, Easements, zoning ordinances, rights of way, and other similar encumbrances affecting Real Property that appear in a preliminary title report delivered by Seller Representative.

[REDACTED] If a seller fails to cause an encumbrance described under clause (c) of the preceding sentence to be cured or otherwise removed from an updated preliminary title report before the Closing Date, Buyer shall have the right to either (i) waive Buyer's objection and proceed to close, or (ii) terminate this Agreement.

"Person" means an individual, corporation, partnership, joint venture, limited liability company, Governmental Authority, unincorporated organization, trust, association or other entity.

"Representative" means, with respect to any Person, any and all directors, officers, employees, consultants, financial advisors, counsel, accountants and other agents of the Person.

"Tax" or "Taxes" means all federal, state, local, foreign and other income, gross receipts, sales, use, production, ad valorem, transfer, franchise, registration, profits, license, lease, service, service use, withholding, payroll,

employment, unemployment, unclaimed property, escheat, estimated, excise, severance, environmental, stamp, occupation, premium, property (real or personal), real property gains, windfall profits, customs, duties or other taxes, fees, assessments or charges of any kind whatsoever, together with any interest, additions to tax or penalties with respect thereto and any interest in respect of those additions to tax or penalties.

"Tax Return" means any return, declaration, report, claim for refund, information return or statement or other document relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

"Transaction Documents" means this Agreement and each other agreement, instrument, certificate or document delivered pursuant hereto or thereto.

"Utility System" means, with respect to each Seller all potable water supply, treatment, storage and distribution systems and wastewater collection, transmission, treatment, disposals and reuse systems owned by it.

"Water Right" means any right, entitlement or authorization to divert, appropriate, store or use surface water or groundwater granted or recognized by a Governmental Authority, including, without limitation, all claims, licenses, permits, certificates, decrees and pending permit and transfer applications.

Disclosure Schedules of Sellers

These Disclosure Schedules are delivered by Water Necessities Inc, Rural Water Co., Larry Brewer and Grean Kelly Brewer on November 15, 2021 pursuant to the Asset Purchase Agreement (the "Agreement") among Blue Topaz Water, LLC, a Texas limited liability company ("Buyer"), Water Necessities, Inc, a Texas Corporation ("WNI"), Larry Brewer, a sole proprietorship ("LB"), Grean Kelly Brewer, a sole proprietorship ("KB"), Grean Kelly Brewer, a sole proprietorship d/b/a Rural Water Co. ("RWC", and together with LB, KB and WNI, the "Sellers"), Larry Brewer, as shareholder of WNI and G. Kelly Brewer, as shareholder of WNI (G. Kelly Brewer and Larry Brewer each a "Shareholder" and collectively, the "Shareholders").

To facilitate the timely completion of the transactions contemplated by the Agreement, Buyer assisted in the preparation of certain schedules based on information provided by the Sellers and Shareholders.

By signing below, the Sellers and Shareholders each agree and certify the following:

- They are solely responsible for the contents and accuracy of the Disclosure Schedules, and any misstatements or omissions in the Disclosure Schedules are attributable solely to the Sellers and Shareholders;
- They have carefully reviewed the Disclosure Schedules and the Disclosure Schedules are correct and complete as of the date set forth above;
- They waive any claim related to Buyer's preparation of any schedules, and will not assert as a defense to an indemnification claim that such schedules were prepared by Buyer or Buyer's Counsel; and
- If Buyer becomes aware of any additional assets or acquires additional knowledge about the Businesses relevant to these Disclosure Schedules, Buyer may amend these Disclosure Schedules in its reasonable discretion and will provide written notice to Sellers of each such revision.

WATER NECESSITIES, INC

By: Larry Brewer
Name: Larry Brewer
Title: President

LARRY BREWER, a sole proprietorship

By: Larry Brewer
Name: Larry Brewer
Title: Owner

GREAN KELLY BREWER, a sole proprietorship

By: Grean Kelly Brewer
Name: Grean Kelly Brewer
Title: Owner

GREAN KELLY BREWER, d/b/a Rural Water Co.

By: Grean Kelly Brewer
Name: Grean Kelly Brewer

Title: Owner

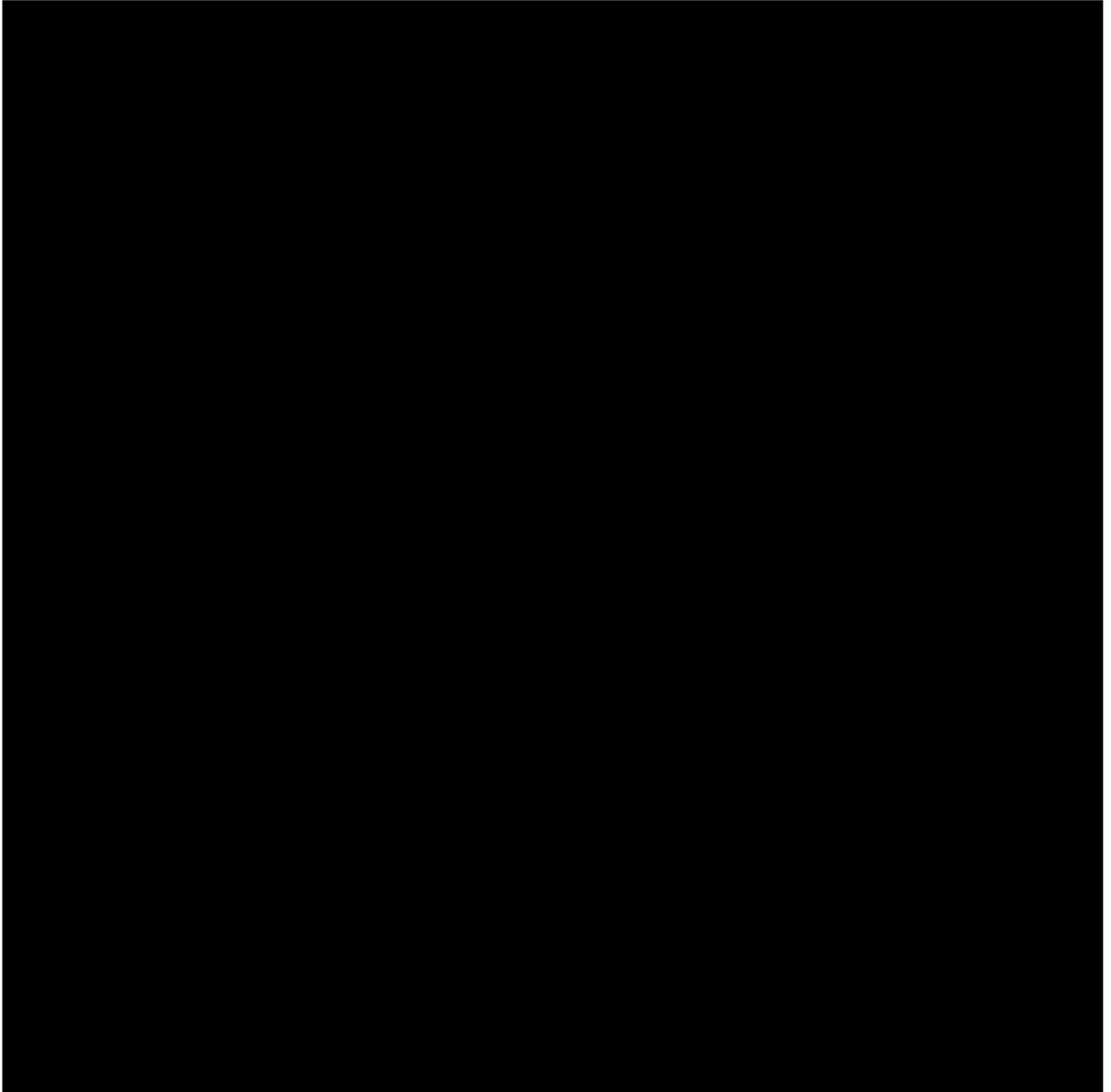

Larry Brewer, Shareholder


Grean Kelly Brewer, Shareholder

Schedule 2. Assets

- (a) all furniture, fixtures, equipment, machinery, tools, vehicles, office equipment, supplies, computers, telephones and other tangible personal property of each Seller ("**Tangible Personal Property**") that were included on Sellers' balance sheets related to the Business' as of December 31, 2020 or the costs of which were included in rates charged to the Business' water customers, including but not limited to the assets on Exhibit A.
- (b) all of real property owned by Sellers and used in or necessary for the conduct of the Businesses as currently conducted, together with all uildings, fixtures, structures and improvements situated thereon and all Easements, rights-of-way, Water Rights, and other rights and privileges appurtenant thereto ("**Owned Real Property**"), including but not limited to the real property identified in Exhibit B.
- (c) real property leased by Sellers (as a lessee, sub-lessee, or assignee) and used in or necessary for the conduct of the Businesses as currently conducted together with all rights, title and interest of Sellers in and to leasehold improvements relating thereto, including, but not limited to, security deposits, reserves or prepaid rents paid in connection therewith ("**Leased Real Property**," and together with Owned Real Property, the "**Real Property**"), including the following: none.
- (d) all rights, privileges, easements, licenses, rights-of-way, and rights to use public and private roads, highways, streets, railroads and other areas owned or used by Sellers in connection with the construction, reconstruction, installation, expansion, maintenance and operation of the Utility System ("**Easements**"), including but not limited to the easements included in Exhibit B.
- (e) all permits, licenses, franchises, approvals, authorizations, registrations, certificates, variances and similar rights obtained from Governmental Authorities ("**Permits**") held by the Sellers and required for the conduct of the Businesses as currently conducted or for the ownership and use of the Assets, including the following: None.
- (f) all right, entitlement or authorization to divert, appropriate, store or use surface water or groundwater granted or recognized by a Governmental Authority, including, without limitation, all claims, licenses, permits, certificates, decrees and pending permit and transfer applications ("**Water Right**") held by the Sellers and required for the conduct of the Businesses as currently conducted or for the ownership and use of the Assets, including the following: None.
- (g) all contracts and other agreements, commitments and legally binding arrangements ("**Contracts**") of the Businesses (the "**Assigned Contracts**"), including the following: None.
- (h) all rights to any actions of any nature available to or being pursued by a Seller to the extent related to the Businesses, the Assets or the, whether arising by way of counterclaim or otherwise;
- (i) all prepaid expenses, credits, advance payments, claims, security, refunds, rights of recovery, rights of set-off, rights of recoupment, deposits, charges, sums and fees (including any of those items relating to the payment of Taxes);
- (j) all of each Seller's rights under warranties, indemnities and all similar rights against third parties to the extent related to any Assets;
- (k) all insurance benefits, including rights and proceeds, arising from or relating to the Businesses, the Assets or the Assumed Liabilities;
- (l) inventory, supplies and parts required for continuing operations;
- (m) originals, or where not available, copies, of all books and records (other than the Excluded Assets) of each Seller and the Businesses; and
- (n) all goodwill and the going concern value of the Businesses

Schedule 4 Allocation Schedule



Blue Topaz Water, LLC
Unanimous Written Consent of the Board of Directors

The undersigned individuals, being all of the members of the Board of Directors (the “**Board**”) of Blue Topaz Water, LLC, a Texas limited liability company (the “**Company**”), acting pursuant to the Texas Business Organizations Code and the Company Agreement of the Company, hereby consent to the following actions and adopt the following resolutions effective as of February 18, 2022.

Assignment of Water Necessities Asset Purchase Agreement

RESOLVED, that the Company’s Board hereby approves the transfer to its affiliate, T & W Water Service Company, of all of the Company’s interest and rights in the Asset Purchase Agreement, dated November 18, 2021, among the Company, Water Necessities, Inc. (“**WNI**”), Larry Brewer, a sole proprietorship (“**LB**”), Grean Kelly Brewer, a sole proprietorship (“**KB**”), Grean Kelly Brewer, a sole proprietorship d/b/a Rural Water Co. (“**RWC**”, and together with WNI, LB, and KB, the “**Sellers**”), Larry Brewer, as a shareholder of WNI, and Grean Kelly Brewer, as a shareholder of WNI (together with Larry Brewer, the “**Shareholders**”), pursuant to that certain Assignment and Assumption Agreement attached as **Exhibit A** hereto (the “**Assignment Agreement**”); and

RESOLVED, that the Assignment Agreement is approved in the form attached hereto and each of the Company’s President, Treasurer and Corporate Secretary (the “**Authorized Officers**”) is authorized and empowered, in the name and on behalf of the Company, to execute the Assignment Agreement and any transfer or other documents, and to take any other actions that the Authorized Officer deems necessary, advisable, or appropriate to carry out the purposes and intent of the foregoing resolutions, and that all actions taken and things done by any Authorized Officer pursuant to the foregoing authorization are in all respects approved, ratified and confirmed.

General Authorizations

RESOLVED, that any and all actions taken by the Authorized Officers consistent with the foregoing resolutions are ratified, approved and confirmed; and

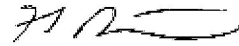
RESOLVED, that the Authorized Officers are authorized to take any and all actions necessary or desirable to implement the foregoing resolutions.

[Signature Page Follows]

Directors:



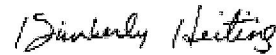
David H. Anderson



Frank H. Burkhartsmeier



MardiLyn Saathoff



Kimberly A. Heiting



Justin B. Palfreyman

T & W Water Service Company
Unanimous Written Consent of the Board of Directors

The undersigned individuals, being all of the members of the Board of Directors (the “**Board**”) of T & W Water Service Company, a Texas corporation (the “**Company**”), acting pursuant to Section 6.201 of the Texas Business Organizations Code and the Amended and Restated Bylaws of the Company, hereby consent to the following actions and adopt the following resolutions effective as of February 18, 2022.

Assumption of Water Necessities Asset Purchase Agreement

RESOLVED, that the Company’s Board hereby approves the transfer from its affiliate, Blue Topaz Water, LLC (“**Blue Topaz**”), of all of Blue Topaz’s interest and rights in the Asset Purchase Agreement (the “**APA**”), dated November 18, 2021, among Blue Topaz, Water Necessities, Inc. (“**WNI**”), Larry Brewer, a sole proprietorship (“**LB**”), Grean Kelly Brewer, a sole proprietorship (“**KB**”), Grean Kelly Brewer, a sole proprietorship d/b/a Rural Water Co. (“**RWC**”, and together with WNI, LB, and KB, the “**Sellers**”), Larry Brewer, as a shareholder of WNI, and Grean Kelly Brewer, as a shareholder of WNI (together with Larry Brewer, the “**Shareholders**”), pursuant to that certain Assignment and Assumption Agreement attached as **Exhibit A** hereto (the “**Assignment Agreement**”); and

RESOLVED, that the Assignment Agreement is approved in the form attached hereto and each of the Company’s President, Treasurer and Corporate Secretary (the “**Authorized Officers**”) is authorized and empowered, in the name and on behalf of the Company, to execute the Assignment Agreement and any transfer or other documents, and to take any other actions that the Authorized Officer deems necessary, advisable, or appropriate to carry out the purposes and intent of the foregoing resolutions, and that all actions taken and things done by any Authorized Officer pursuant to the foregoing authorization are in all respects approved, ratified and confirmed; and

RESOLVED, that the APA is approved and ratified in the form attached hereto as **Exhibit B**; and

RESOLVED, that each of the Authorized Officers is authorized to execute and deliver any agreements ancillary or necessary for the closing of the APA (collectively, the “**Ancillary Documents**”), in the name of and on behalf of the Company, each in such form and with such changes as he or she approves, execution and delivery of each such document to be conclusive evidence of such approval; and

RESOLVED, that all of the transactions contemplated by the APA are authorized and approved, and the Authorized Officers, and each of them, are authorized to (a) approve and enter into such other arrangements related to the transactions, including the Ancillary Documents, authorized by these resolutions as may be approved from time to time by the Authorized Officers and (b) approve and execute such additional documents, make such filings and take such further actions as they in their discretion, with the advice of counsel, deem necessary or appropriate to comply with the APA; and

RESOLVED, that the Authorized Officers, and each of them, are authorized to take any further action, including without limitation, obtaining all governmental and other consents and approvals necessary for consummation of the transactions contemplated by the APA, including without limitation, filings required by the Public Utility Commission of Texas, and to execute, deliver, and file any such documents as may be deemed necessary or advisable to implement the purpose and intent of the foregoing resolutions, and to consummate the transactions contemplated by the APA.

General Authorizations

RESOLVED, that any and all actions taken by the Authorized Officers consistent with the foregoing resolutions are ratified, approved and confirmed; and

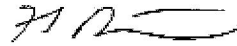
RESOLVED, that the Authorized Officers are authorized to take any and all actions necessary or desirable to implement the foregoing resolutions.

[Signature Page Follows]

Directors:



David H. Anderson



Frank H. Burkhartsmeier



MardiLyn Saathoff



Kimberly A. Heiting



Justin B. Palfreyman

ASSIGNMENT AND ASSUMPTION AGREEMENT

This Assignment and Assumption Agreement (the “**Assignment Agreement**”) is made and entered into as of February 18, 2022 (the “**Effective Date**”), by and between Blue Topaz Water, LLC (“**Assignor**”) and T & W Water Service Company (“**Assignee**”).

WHEREAS, Assignor entered into an Asset Purchase Agreement, dated November 18, 2021 (the “**Agreement**”), with Water Necessities, Inc. (“**WNI**”), Larry Brewer, a sole proprietorship (“**LB**”), Grean Kelly Brewer, a sole proprietorship (“**KB**”), Grean Kelly Brewer, a sole proprietorship d/b/a Rural Water Co. (“**RWC**”, and together with WNI, LB, and KB, the “**Sellers**”), Larry Brewer, as a shareholder of WNI, and Grean Kelly Brewer, as a shareholder of WNI (together with Larry Brewer, the “**Shareholders**”); and

WHEREAS, Assignor desires to assign all rights and obligations under the Agreement to Assignee, and Assignee desires to assume all rights and obligations of Assignor under the Agreement, as set forth herein.

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants contained herein, and for other good and valuable consideration, the receipt, adequacy and legal sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

1. Assignment and Assumption.


As of the Effective Date, pursuant to Section 14 of the Agreement, Assignor hereby assigns, sells, transfers and sets over (collectively, the “**Assignment**”) to Assignee all of Assignor’s right, title, benefit, privileges and interest in and to, and all of Assignor’s burdens, obligations and liabilities in connection with, the Agreement. Assignee hereby accepts the Assignment and assumes and agrees to observe and perform all of the duties, obligations, terms, provisions and covenants, and to pay and discharge all of the liabilities of Assignor to be observed, performed, paid or discharged under the Agreement from and after the Effective Date.

2. Governing Law; Binding Effect.


This Assignment Agreement shall be governed by and construed in accordance with the laws of the State of Oregon applicable to contracts made and performed in such state without giving effect to the choice of law principles of such state that would require or permit the application of the laws of another jurisdiction.

IN WITNESS WHEREOF, the parties have executed this Assignment Agreement as of the date first above written.

ASSIGNOR
BLUE TOPAZ WATER, LLC

By: 
Name: Justin B. Palfreyman
Title: President

ASSIGNEE
T & W WATER SERVICE COMPANY

By: 
Name: Justin B. Palfreyman
Title: President



Att.

5

WATER UTILITY TARIFF

Docket Number: 46851

Water Necessities, Inc.
(Utility Name)

1020 North Main
(Business Address)

Vidor, TX 77662
(City, State, Zip Code)

(409) 769-9030
(Area Code/Telephone)

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

12243

This tariff is effective in the following counties:

Hardin and Orange

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

None

This tariff is effective in the following subdivisions or systems:

See Attached List

TABLE OF CONTENTS

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

SECTION 1.0 -- RATE SCHEDULE	2
SECTION 2.0 -- SERVICE RULES AND POLICIES	5
SECTION 3.0 -- EXTENSION POLICY	12

APPENDIX A -- DROUGHT CONTINGENCY PLAN
APPENDIX B -- SAMPLE SERVICE AGREEMENT
APPENDIX C -- APPLICATION FOR SERVICE

LIST OF SUBDIVISIONS AND SYSTEMS

System Name	PWS ID No.	County
Claire Street Water System	1810143	Orange
Corbett Water System	1810123	Orange
Country Wood Estates	1000061	Hardin
Dairyland Heights	1000065	Hardin
Enchanted Forest	1000037	Hardin
New Forest Estates Water System	1000062	Hardin
Riverbend Water System	1810125	Orange
Timer Water System	1810170	Orange
Whispering Pines	1000038	Orange
Yeager Estates	1810150	Orange
Northwoods Subdivision	1000060	Hardin
Breakaway Trails Subdivision	1000069	Hardin

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 – Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallage Charge</u>
5/8" or 3/4"	<u>\$40.00</u> (Includes 0 gallons)	<u>\$3.75</u> per 1,000 gallons
1"	<u>\$100.00</u>	
1½"	<u>\$200.00</u>	
2"	<u>\$320.00</u>	
3"	<u>\$600.00</u>	

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

Cash X, Check X, Money Order X, Credit Card , Other (Specify)

THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH PAYMENTS. AT THE CUSTOMER'S OPTION, ANY BILLING TRANSACTION OR COMMUNICATION MAY BE PERFORMED ON THE INTERNET. THIS INCLUDES THE UTILITY SENDING PAPERLESS BILLS BY EMAIL.

REGULATORY ASSESSMENT 1.0%

PUC RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL AND TO REMIT FEE TO THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY (TCEQ).

Section 1.02 – Miscellaneous Fees

TAP FEE \$350.00

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

TAP FEE (Unique costs) Actual Cost
FOR EXAMPLE, A ROAD BORE FOR CUSTOMERS OUTSIDE OF SUBDIVISIONS OR RESIDENTIAL AREAS.

TAP FEE (Large meter) Actual Cost
TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METER SIZE INSTALLED.

METER RELOCATION FEE Actual Relocation Cost, Not to Exceed Tap Fee
THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS THAT AN EXISTING METER BE RELOCATED.

METER TEST FEE \$25.00
THIS FEE WHICH SHOULD REFLECT THE UTILITY'S COST MAY BE CHARGED IF A CUSTOMER REQUESTS A SECOND METER TEST WITHIN A TWO-YEAR PERIOD AND THE TEST INDICATES THAT THE METER IS RECORDING ACCURATELY. THE FEE MAY NOT EXCEED \$25

SECTION 1.0 -- RATE SCHEDULE (Continued)

RECONNECTION FEE

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

- a) Nonpayment of bill (Maximum \$25.00) \$25.00
- b) Customer's request that service be disconnected \$35.00

TRANSFER FEE \$35.00

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

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

A ONE-TIME PENALTY MAY BE MADE ON DELINQUENT BILLS BUT MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

RETURNED CHECK CHARGE..... \$25.00

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

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

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

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE

INCREASES IN INSPECTION FEES AND WATER TESTING COSTS IMPOSED BY STATE OR FEDERAL LAW MAY BE PASSED THROUGH AS AN ADJUSTMENT TO THE MONTHLY BASE RATE CHARGE UNDER THE TERMS AND CONDITIONS IN [16 TAC 24.21(b)(2)(F)] AFTER NOTICE TO CUSTOMERS AND UPON WRITTEN APPROVAL BY THE PUC.

LINE EXTENSION AND CONSTRUCTION CHARGES:

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

SECTION 1.0 - RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallonge Charge</u>
5/8" x 3/4"	\$30.00 (Includes 0 gallons)	\$3.06 per 1000 gallons
3/4"	\$45.00	
1"	\$75.00	
1½"	\$150.00	
2"	\$240.00	
3"	\$450.00	

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

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

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

REGULATORY ASSESSMENT1.0%

PUC RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL AND TO REMIT FEES TO THE TCEQ.

Section 1.02 - Miscellaneous Fees

TAP FEE \$350.00

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

TAP FEE (Unique costs)..... Actual Cost

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

TAP FEE (Large meter) Actual Cost

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

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

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

METER TEST FEE..... \$25.00

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

SECTION 1.0 - RATE SCHEDULE (Cont.)

RECONNECTION FEE

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

- a) Nonpayment of bill (Maximum \$25.00) \$25.00
b) Customer's request that service be disconnected \$35.00

TRANSFER FEE \$35.00

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

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

PUC RULES ALLOW A ONE-TIME PENALTY TO BE CHARGED ON DELINQUENT BILLS. A LATE CHARGE MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

RETURNED CHECK CHARGE \$25.00

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

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

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

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE

WHEN AUTHORIZED IN WRITING BY PUC AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [16 TAC 24.21(b)(2)(F)]

LINE EXTENSION AND CONSTRUCTION CHARGES:

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

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallage Charge</u>
5/8" or 3/4"	<u>\$34.00</u> (Includes 0 gallons)	<u>\$4.31</u> per 1,000 gallons
1"	<u>\$85.00</u>	
1½"	<u>\$170.00</u>	
2"	<u>\$272.00</u>	
3"	<u>\$510.00</u>	

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

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

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

REGULATORY ASSESSMENT 1.0%

PUC RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL AND TO REMIT FEES TO THE TCEQ.

Section 1.02 - Miscellaneous Fees

TAP FEE 500.00

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

TAP FEE (Unique costs) Actual Cost

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

TAP FEE (Large meter) Actual Cost

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

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

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

METER TEST FEE \$25.00

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

SECTION 1.0 -- RATE SCHEDULE (Continued)

RECONNECTION FEE

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

- a) Nonpayment of bill (Maximum \$25.00) \$25.00
- b) Customer's request that service be disconnected \$35.00

TRANSFER FEE \$35.00

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

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

PUC RULES ALLOW A ONE-TIME PENALTY TO BE CHARGED ON DELINQUENT BILLS. A LATE CHARGE MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

RETURNED CHECK CHARGE..... \$30.00

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

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

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

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE:

WHEN AUTHORIZED IN WRITING BY PUC AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [16 TAC 24.21(b)(2)(F)]

LINE EXTENSION AND CONSTRUCTION CHARGES:

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

SECTION 2.0 -- SERVICE RULES AND POLICIES

The utility will have the most current Public Utility Commission of Texas (PUC or Commission) Rules, Chapter 24, available at its office for reference purposes. The Rules and this tariff shall be available for public inspection and reproduction at a reasonable cost. The latest Rules or Commission approved changes to the Rules supersede any rules or requirements in this tariff.

Section 2.01 - Application for Water Service

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

Section 2.02 - Refusal of Service

The utility may decline to serve an applicant until the applicant has complied with the regulations of the regulatory agencies (state and municipal regulations) and for the reasons outlined in the PUC Rules. In the event that the utility refuses to serve an applicant, the utility will inform the applicant in writing of the basis of its refusal. The utility is also required to inform the applicant that a complaint may be filed with the Commission.

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

(A) Customer Deposits

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

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

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

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

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)**(B) Tap or Reconnect Fees**

A new customer requesting service at a location where service has not previously been provided must pay a tap fee as provided in Section 1. A customer requesting service where service has previously been provided must pay a reconnect fee as provided in Section 1. Any applicant or existing customer required to pay for any costs not specifically set forth in the rate schedule pages of this tariff shall be given a written explanation of such costs prior to request for payment and/or commencement of construction. If the applicant or existing customer does not believe that these costs are reasonable or necessary, the applicant or existing customer shall be informed of their right to appeal such costs to the PUC or such other regulatory authority having jurisdiction over the utility's rates in that portion of the utility's service area in which the applicant's or existing customer's property(ies) is located.

Fees in addition to the regular tap fee may be charged if listed specifically in Section 1 to cover unique costs not normally incurred as permitted by 16 TAC § 24.86(a)(1)(C). For example, a road bore for customers outside a subdivision or residential area could be considered a unique cost.

(C) Easement Requirement

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

Section 2.04 - Utility Response to Applications for Service

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

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

Section 2.05 - Customer Responsibility

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

Docket No. 46851

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

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

Section 2.06 - Customer Service Inspections

Applicants for new service connections or facilities which have undergone extensive plumbing modifications are required to furnish the utility a completed customer service inspection certificate. The inspection certificate shall certify that the establishment is in compliance with the TCEQ Rules and Regulations for Public Water Systems, Title 30 TAC § 290.46(j). The utility is not required to perform these inspections for the applicant/customer, but will assist the applicant/customer in locating and obtaining the services of a certified inspector.

Section 2.07 - Back Flow Prevention Devices

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

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

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

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

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

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

Section 2.08 - Access to Customer's Premises

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

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

Section 2.09 - Meter Requirements, Readings, and Testing

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

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

Meter tests. The utility will, upon the request of a customer, and, if the customer so desires, in his or her presence or in that of his or her authorized representative, make without charge a test of the accuracy of the customer's meter. If the customer asks to observe the test, the test will be made during the utility's normal working hours at a time convenient to the customer. Whenever possible, the test will be made on the customer's premises, but may, at the utility's discretion, be made at the utility's testing facility.

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

If within a period of two years the customer requests a new test, the utility will make the test, but if the meter is found to be within the accuracy standards established by the American Water Works Association, the utility will charge the customer a fee which reflects the cost to test the meter up to a maximum \$25 for a residential customer. Following the completion of any requested test, the utility will promptly advise the customer of the date of removal of the meter, the date of the test, the result of the test, and who made the test.

Section 2.10 - Billing(A) Regular Billing

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

(B) Late Fees

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

(C) Information on Bill

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

(D) Prorated Bills

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

Section 2.11- Payments

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

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

Docket No. 46851

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

Section 2.12 - Service Disconnection

(A) With Notice

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

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

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

B) Without Notice

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

Section 2.13 - Reconnection of Service

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

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

Section 2.14 - Service Interruptions

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

Section 2.15 - Quality of Service

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

Docket No. 46851

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

Section 2.16 - Customer Complaints and Disputes

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

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

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

Section 2.17 - Customer Liability

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

SECTION 3.0--EXTENSION POLICY

Section 3.01 - Standard Extension Requirements

Line Extension and Construction Charges: No Contribution in Aid of Construction may be required of any customer except as provided for in this approved extension policy.

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

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

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

Section 3.02 - Costs Utilities and Service Applicants Shall Bear

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

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

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

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

SECTION 3.0--EXTENSION POLICY (Continued)

Exceptions may be granted by the PUC if:

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

If an exception is granted by the PUC, the utility shall establish a proportional cost plan for the specific extension or a rebate plan which may be limited to seven years to return the portion of the applicant's costs for oversizing as new customers are added to ensure that future applicants for service on the line pay at least as much as the initial service applicant.

For purposes of determining the costs that service applicants shall pay, commercial customers with service demands greater than residential customer demands in the certified area, industrial, and wholesale customers shall be treated as developers. A service applicant requesting a one inch meter for a lawn sprinkler system to service a residential lot is not considered nonstandard service.

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

The utility will bear the full cost of any over-sizing of water mains necessary to serve other customers in the immediate area. The individual residential customer shall not be charged for any additional production, storage, or treatment facilities. Contributions in aid of construction may not be required of individual residential customers for production, storage, treatment or transmission facilities unless otherwise approved by the Commission under this specific extension policy.

Section 3.03 - Contributions in Aid of Construction

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

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

Docket No. 46851

SECTION 3.0--EXTENSION POLICY (Continued)

Any service extension to a subdivision (recorded or unrecorded) may be subject to the provisions and restrictions of 16 TAC § 24.86(d). When a developer wishes to extend the system to prepare to service multiple new connections, the charge shall be the cost of such extension, plus a pro-rata charge for facilities which must be committed to such extension compliant with the TCEQ minimum design criteria. As provided by 16 TAC § 24.85(e)(3), for purposes of this section, commercial, industrial, and wholesale customers shall be treated as developers.

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

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

Section 3.04 - Appealing Connection Costs

The imposition of additional extension costs or charges as provided by Sections 3.0 - Extension Policy of this tariff shall be subject to appeal as provided in this tariff, PUC rules, or the rules of such other regulatory authority as may have jurisdiction over the utility's rates and services. Any applicant required to pay for any costs not specifically set forth in the rate schedule pages of this tariff shall be given a written explanation of such costs prior to payment and/or commencement of construction. If the applicant does not believe that these costs are reasonable or necessary, the applicant shall be informed of the right to appeal such costs to the PUC or such other regulatory authority having jurisdiction over the utility's rates in that portion of the utility's service area in which the applicant's property(ies) is located.

Section 3.05 - Applying for Service

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

SECTION 3.0--EXTENSION POLICY (Continued)

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

Section 3.06 - Qualified Service Applicant

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

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

Section 3.07 - Developer Requirements

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

APPENDIX A – DROUGHT CONTINGENCY PLAN

“This page incorporates by reference the utility’s Drought Contingency Plan, as approved and periodically amended by the Texas Commission on Environmental Quality.”

APPENDIX B – SAMPLE SERVICE AGREEMENT
(Utility Must Attach)

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



WATER UTILITY TARIFF
Docket Number: 50552

G. Kelly Brewer
(Utility Name)

1020 N. Main
(Business Address)

Vidor, Texas 77662
(City, State, Zip Code)

(409) 769-9030
(Area Code/Telephone)

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

12400

This tariff is effective in the following counties:

Orange

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

None

This tariff is effective in the following subdivisions or systems:

Kinard Estates: PWS ID #1810059

Evergreen Park – Hickory Hills Water System: PWS ID #1810117

TABLE OF CONTENTS

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

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APPENDIX B – SAMPLE SERVICE AGREEMENT	

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

Effective May 1, 2021:

<u>Meter Size</u>	<u>Monthly Base Rate</u>	<u>Gallage Charge</u>
5/8" or 3/4"	\$39.90 (Includes 0 gallons)	<u>\$3.94</u> per 1000 gallons
1"	<u>\$59.85</u>	
1½"	<u>\$199.50</u>	
2"	<u>\$319.20</u>	
3"	<u>\$598.50</u>	

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

Check X, Money Order X, Other (specify) Online Payment or Automatic Bank Draft
 THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT PAYMENTS
 MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH
 PAYMENTS.

REGULATORY ASSESSMENT..... 1.0%
 PUC RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL AND
 TO REMIT TO THE TCEQ.

Section 1.02 - Miscellaneous Fees

TAP FEE.....\$500.00
 TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD
 RESIDENTIAL 5/8" or 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED
 ON THIS TARIFF.

TAP FEE (Unique costs) Actual Cost
 FOR EXAMPLE, A ROAD BORE FOR CUSTOMERS OUTSIDE OF SUBDIVISIONS OR RESIDENTIAL AREAS.

TAP FEE (Large meter) Actual Cost
 TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METER SIZE INSTALLED.

METER RELOCATION FEE..... Actual Relocation Cost, Not to Exceed Tap Fee
 THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS THAT AN EXISTING METER BE RELOCATED.

Docket Number: 50552

SECTION 1.0 -- RATE SCHEDULE (Continued)

METER TEST FEE.....\$25.00

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

RECONNECTION FEE

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

- a) Nonpayment of bill (Maximum \$25.00).....\$25.00
- b) Customer's request that service be disconnected.....\$35.00

TRANSFER FEE.....\$35.00

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

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

PUC RULES ALLOW A ONE-TIME PENALTY TO BE CHARGED ON DELINQUENT BILLS. A LATE CHARGE MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

RETURNED CHECK CHARGE.....\$25.00

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

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

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

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE:

WHEN AUTHORIZED IN WRITING BY PUC AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [16 TAC § 24.25(b)(2)(G)]

LINE EXTENSION AND CONSTRUCTION CHARGES:

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

Evergreen Park – Hickory Hill Water System

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

Effective May 1, 2021:

<u>Meter Size</u>	<u>Monthly Base Rate</u>	<u>Gallonge Charge</u>
5/8" or 3/4"	<u>\$38.85</u> (Includes 0 gallons)	<u>\$4.73</u> per 1,000 gallons
1"	<u>\$58.28</u>	
1½"	<u>\$97.13</u>	
2"	<u>\$310.80</u>	
3"	<u>\$582.75</u>	

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

Check X, Money Order X, Other (specify) Online Payment or Automatic Bank Draft
 THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT PAYMENTS
 MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH
 PAYMENTS.

REGULATORY ASSESSMENT 1.0%
 PUC RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL AND
 TO REMIT TO THE TCEQ.

Section 1.02 - Miscellaneous Fees

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 RESIDENTIAL 5/8" or 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED
 ON THIS TARIFF.

TAP FEE (Unique costs) Actual Cost
 FOR EXAMPLE, A ROAD BORE FOR CUSTOMERS OUTSIDE OF SUBDIVISIONS OR RESIDENTIAL AREAS.

TAP FEE (Large meter) Actual Cost
 TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METER SIZE INSTALLED.

METER RELOCATION FEE Actual Relocation Cost, Not to Exceed Tap Fee
 THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS THAT AN EXISTING METER BE RELOCATED.

Evergreen Park – Hickory Hill Water System**SECTION 1.0 -- RATE SCHEDULE (Continued)**

METER TEST FEE.....\$25.00

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

RECONNECTION FEE

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

a) Nonpayment of bill (Maximum \$25.00).....\$25.00

b) Customer's request that service be disconnected.....\$50.00

TRANSFER FEE.....\$50.00

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

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

PUC RULES ALLOW A ONE-TIME PENALTY TO BE CHARGED ON DELINQUENT BILLS. A LATE CHARGE MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

RETURNED CHECK CHARGE.....\$25.00

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

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

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

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE:

WHEN AUTHORIZED IN WRITING BY PUC AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [16 TAC § 24.25(b)(2)(G)]

LINE EXTENSION AND CONSTRUCTION CHARGES:

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

SECTION 2.0 - SERVICE RULES AND POLICIES

The utility will have the most current Public Utility Commission of Texas (PUC or Commission) Rules, Chapter 24, available at its office for reference purposes. The Rules and this tariff shall be available for public inspection and reproduction at a reasonable cost. The latest Rules or Commission approved changes to the Rules supersede any rules or requirements in this tariff.

Section 2.01 - Application for Water Service

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

Section 2.02 - Refusal of Service

The utility may decline to serve an applicant until the applicant has complied with the regulations of the regulatory agencies (state and municipal regulations) and for the reasons outlined in the PUC Rules. In the event that the utility refuses to serve an applicant, the utility will inform the applicant in writing of the basis of its refusal. The utility is also required to inform the applicant that a complaint may be filed with the Commission.

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

(A) Customer Deposits

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

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

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

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

(B) Tap or Reconnect Fees

A new customer requesting service at a location where service has not previously been provided must pay a tap fee as provided in Section 1. A customer requesting service where service has previously been provided must pay a reconnect fee as provided in Section 1.

Docket Number: 50552

SECTION 2.0 - SERVICE RULES AND POLICIES (Continued)

Any applicant or existing customer required to pay for any costs not specifically set forth in the rate schedule pages of this tariff shall be given a written explanation of such costs prior to request for payment and/or commencement of construction. If the applicant or existing customer does not believe that these costs are reasonable or necessary, the applicant or existing customer shall be informed of their right to appeal such costs to the PUC or such other regulatory authority having jurisdiction over the utility's rates in that portion of the utility's service area in which the applicant's or existing customer's property(ies) is located.

Fees in addition to the regular tap fee may be charged to cover unique costs not normally incurred as permitted by §24.163(a)(1)(C) if they are listed on this approved tariff. For example, a road bore for customers outside a subdivision or residential area could be considered a unique cost.

(C) Easement Requirement

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

Section 2.04 - Utility Response to Applications for Service

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

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

Section 2.05 - Customer Responsibility

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

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

SECTION 2.0 - SERVICE RULES AND POLICIES (Continued)

Section 2.06 - Customer Service Inspections

Applicants for new service connections or facilities which have undergone extensive plumbing modifications are required to furnish the utility a completed customer service inspection certificate. The inspection certificate shall certify that the establishment is in compliance with the Texas Commission on Environmental Quality (TCEQ) Rules and Regulations for Public Water Systems, 30 TAC § 290.46(j). The Utility is not required to perform these inspections for the applicant/customer, but will assist the applicant/customer in locating and obtaining the services of a certified inspector.

Section 2.07 - Back Flow Prevention Devices

All non-residential customers requiring a greater than 1" meter or any customer with irrigation or fire fighting systems, must install back flow prevention devices which have been approved by the utility or its consulting engineers on each of their customer service lines.

The back flow assembly shall be tested upon installation by a recognized prevention assembly tester and certified to be operating within specifications. Back flow prevention assemblies which are installed to provide protection against high health hazards must be tested and certified to be operating within specifications at least annually by a recognized back flow prevention device tester. The maintenance and testing of the back flow assembly shall occur at the customer's expense.

No water connection shall be made to any establishment where an actual or potential contamination or system hazard exists without an approved air gap or mechanical backflow prevention assembly. The air gap or backflow prevention assembly shall be installed in accordance with the American Water Works Association (AWWA) standards C510, C511 and AWWA Manual M14 or the University of Southern California Manual of Cross-Connection Control, current edition. The backflow assembly installation by a licensed plumber shall occur at the customer's expense.

Section 2.08 - Access to Customer's Premises

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

SECTION 2.0 - SERVICE RULES AND POLICIES (Continued)

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

Section 2.09 - Meter Requirements, Readings, and Testing

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

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

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

Section 2.10 - Billing

(A) Regular Billing

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

(B) Late Fees

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

(C) Information on Bill

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

SECTION 2.0 - SERVICE RULES AND POLICIES (Continued)

(D) Prorated Bills

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

Section 2.11- Payments

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

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

Section 2.12 - Service Disconnection

(A) With Notice

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

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

(B) Without Notice

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

Section 2.13 - Reconnection of Service

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

Service will be reconnected within 24 hours after the past due bill, reconnect fees and any other outstanding charges are paid or the conditions which caused service to be disconnected are corrected.

SECTION 2.0 - SERVICE RULES AND POLICIES (Continued)

Section 2.14 - Service Interruptions

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

Section 2.15 - Quality of Service

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

Section 2.16 - Customer Complaints and Disputes

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

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

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

Section 2.17 - Customer Liability

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

SECTION 3.0 - EXTENSION POLICY

Section 3.01 - Standard Extension Requirements

Line Extension and Construction Charges: No Contributions in Aid of Construction may be required of any customer except as provided for in the approved extension policy.

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

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

Exceptions may be granted by the PUC if:

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

If an exception is granted, the Utility shall establish a proportional cost plan for the specific extension or a rebate plan which may be limited to seven years to return the portion of the applicant's costs for oversizing as new customers are added to ensure that future applicants for service on the line pay at least as much as the initial service applicant.

The utility shall bear the cost of any over-sizing of water distribution lines or waste water collection lines necessary to serve other potential service applicants for customers in the immediate area.

For purposes of determining the costs that service applicants shall pay, commercial customers with service demands greater than residential customer demands in the certificated area, industrial, and wholesale customers shall be treated as developers. A service applicant requesting a one-inch meter for a lawn sprinkler system to service a residential lot is not considered nonstandard service.

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

Residential customers will be charged the equivalent of the costs of extending service to their property from the nearest transmission or distribution line even if that line does not have adequate capacity to serve the customer. However, if the customer places unique, non-standard service demands upon the

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SECTION 3.0 - EXTENSION POLICY (Continued)

Section 3.02 - Costs Utilities Shall Bear

system, the customer may be charged the additional cost of extending service to and throughout their property, including the cost of all necessary transmission and storage facilities necessary to meet the service demands anticipated to be created by that property.

The utility will bear the full cost of any oversizing of water mains necessary to serve other customers in the immediate area. The individual residential customer shall not be charged for any additional production, storage, or treatment facilities. Contributions in aid of construction may not be required of individual residential customers for production, storage, treatment or transmission facilities unless otherwise approved by the Commission under this specific extension policy.

Within its certificate area, the utility will pay the cost of the first 200 feet of any water main or distribution line necessary to extend service to an individual residential customer within a platted subdivision. However, if the residential customer requesting service purchased the property after the developer was notified of the need to provide facilities to the utility, the utility may charge for the first 200 feet. The utility must also be able to document that the developer of the subdivision refused to provide facilities compatible with the utility's facilities in accordance with the utility's approved extension policy after receiving a written request from the utility.

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

Section 3.03 - Contributions in Aid of Construction

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

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

Any service extension to a subdivision (recorded or unrecorded) may be subject to the provisions and restrictions of 16 TAC § 24.163(d). When a developer wishes to extend the system to prepare to service multiple new connections, the charge shall be the cost of such extension, plus a pro-rata charge for facilities which

SECTION 3.0 - EXTENSION POLICY (Continued)

must be committed to such extension compliant with the TCEQ minimum design criteria. As provided by 16 TAC § 24.161(d)(4), for purposes of this section, commercial, industrial, and wholesale customers shall be treated as developers.

Section 3.04 - Appealing Connection Costs

The imposition of additional extension costs or charges as provided by Sections 3.0 - Extension Policy of this tariff shall be subject to appeal as provided in this tariff, PUC rules, or the rules of such other regulatory authority as may have jurisdiction over the utility's rates and services. Any applicant required to pay for any costs not specifically set forth in the rate schedule pages of this tariff shall be given a written explanation of such costs prior to payment and/or commencement of construction. If the applicant does not believe that these costs are reasonable or necessary, the applicant shall be informed of the right to appeal such costs to the PUC or such other regulatory authority having jurisdiction over the utility's rates in that portion of the utility's service area in which the applicant's property(ies) is located.

Section 3.05 - Applying for Service

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

Where a new tap or service connection is required, the service applicant shall be required to submit a written service application and request that a tap be made.

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

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SECTION 3.0 - EXTENSION POLICY (Continued)

Section 3.06 - Qualified Service Applicant

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

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

Section 3.07 - Developer Requirements

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

In cases of extreme drought, periods of abnormally high usage, or extended reduction in ability to supply water due to equipment failure, temporary restrictions may be instituted to limit water usage. The purpose of the Drought Contingency Plan is to encourage customer conservation in order to maintain supply, storage or pressure or to comply with requirements of a court, government agency or other authority.

APPENDIX A – DROUGHT CONTINGENCY PLAN
(Utility must attach a copy of TCEQ approved Drought Contingency Plan)

APPENDIX B
30 TAC § 290.47(b) Sample Service Agreement
SERVICE AGREEMENT

- I. **PURPOSE.** The NAME OF WATER SYSTEM is responsible for protecting the drinking water supply from contamination or pollution which could result from improper private water distribution system construction or configuration. The purpose of this service agreement is to notify each customer of the restrictions which are in place to provide this protection. The utility enforces these restrictions to ensure the public health and welfare. Each customer must sign this agreement before the NAME OF WATER SYSTEM will begin service. In addition, when service to an existing connection has been suspended or terminated, the water system will not re-establish service unless it has a signed copy of this agreement.
- II. **RESTRICTIONS.** The following unacceptable 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 device.
 - 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 installation of an air-gap or a reduced pressure-zone backflow prevention device.
 - C. No connection which allows 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 at any connection which provides water for human use.
 - E. No solder or flux which contains more than 0.2% lead can be used for the installation or repair of plumbing at any connection which provides water for human use.
- III. **SERVICE AGREEMENT.** The following are the terms of the service agreement between the NAME OF WATER SYSTEM (the Water System) and NAME OF CUSTOMER (the Customer).
- A. The Water System will maintain a copy of this agreement as long as the Customer and/or the premises is connected to the Water System.
 - B. The Customer shall allow his property to be inspected for possible cross-connections and other potential contamination hazards. These inspections shall be conducted by the Water System or its designated agent prior to initiating new water service; when there is reason to believe that cross-connections or other potential contamination hazards exist; or after any major changes to the private water distribution facilities. The inspections shall be conducted during the Water System's normal business hours.
 - C. The Water System shall notify the Customer in writing of any cross-connection or other potential contamination hazard which has been identified during the initial inspection or the periodic re-inspection.
 - D. The Customer shall immediately remove or adequately isolate any potential cross-connections or other potential contamination hazards on his premises.
 - E. The Customer shall, at his expense, properly install, test, and maintain any backflow prevention device required by the Water System. Copies of all testing and maintenance records shall be provided to the Water System.
- IV. **ENFORCEMENT**
- If the Customer fails to comply with the terms of the Service Agreement, the Water System shall, at its option, 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 Customer.

CUSTOMER'S SIGNATURE: _____

DATE: _____

Scheduled Refunds Due Deposit 1

Water Nec./Rural Water

ACCT #	NAME	AMOUNT	PAID DATE	SCHEDULE REFUND	LAST LATE PAY
BA-194		\$50.00	5/13/2021		10/18/2021
BA-202		\$50.00	2/17/2016		1/17/2022
BA-204		\$100.00	2/28/2018		1/20/2022
BA-219		\$50.00	1/19/2021		9/25/2019
BA-222		\$50.00	10/30/2019		1/20/2021
BA-223		\$50.00	1/15/2021		12/20/2021
BA-224		\$50.00	7/14/2020		1/20/2022
BA-226		\$50.00	1/12/2021		12/20/2021
BA-228		\$50.00	8/31/2016		1/24/2017
BA-234		\$50.00	2/17/2016		1/20/2022
BA-244		\$50.00	10/27/2020		10/21/2020
BA-248		\$50.00	2/17/2016		4/16/2021
BA-250		\$50.00	2/17/2016		1/20/2021
BA-254		\$50.00	2/17/2016		7/16/2021
BA-256		\$50.00	2/17/2016		7/26/2021
BA-260		\$50.00	2/17/2016		6/21/2021
BA-262		\$50.00	8/31/2016		8/17/2021
BA-264		\$50.00	2/7/2020		12/24/2019
BA-272		\$50.00	2/17/2016		11/24/2020
BA-274		\$50.00	11/30/2017		1/20/2021
BA-276		\$50.00	6/12/2017		1/20/2021
BA-278		\$50.00	2/17/2016		2/22/2021
BA-284		\$50.00	2/17/2016		12/21/2020
BA-286		\$50.00	2/17/2016		1/20/2021
BA-288		\$100.00	2/17/2016		1/20/2022
BA-290		\$50.00	2/17/2016		9/21/2020
BA-292		\$50.00	7/31/2020		1/18/2022
CL-108		\$50.00	2/15/2016		9/27/2017
CL-112		\$50.00	3/8/2018		12/22/2021
CL-114		\$50.00	10/20/2017		10/17/2018
CL-118		\$50.00	5/10/2018		1/19/2022
CL-125		\$50.00	5/3/2019		1/24/2022
CL-130		\$50.00	2/15/2016		1/20/2022
CL-132		\$50.00	1/14/2022		12/22/2021
CL-133		\$50.00	9/5/2019		1/17/2022
CL-136		\$50.00	7/4/1776		1/24/2022
CL-144		\$50.00	7/4/1776		7/16/2021
CL-148		\$50.00	2/15/2016		
CL-150		\$50.00	7/4/1776		12/22/2021
CL-158		\$50.00	4/2/2019		3/16/2021
CL-160		\$50.00	2/15/2016		12/20/2021
CL-166		\$50.00	7/15/2019		1/21/2022
CL-168		\$50.00	9/18/2020		1/20/2022

Scheduled Refunds Due Deposit 1

Water Nec./Rural Water

ACCT #	NAME	AMOUNT	PAID DATE	SCHEDULE REFUND	LAST LATE PAY
CL-172		\$50.00	2/15/2016		1/21/2022
CL-176		\$50.00	7/4/1776		4/20/2021
CO-202		\$50.00	7/10/2019		8/17/2021
CO-204		\$50.00	6/27/2017		12/22/2021
CO-206		\$50.00	2/15/2016		1/19/2021
CO-208		\$50.00	2/15/2016		12/22/2021
CO-211		\$50.00	8/20/2020		12/22/2021
CO-218		\$50.00	2/15/2016		11/22/2021
CO-222		\$50.00	2/15/2016		10/16/2020
CO-224		\$50.00	10/13/2021		1/24/2022
CO-228		\$50.00	11/8/2021		6/21/2021
CO-232		\$50.00	2/15/2016		
CO-234		\$50.00	3/22/2021		10/25/2021
CO-236		\$50.00	2/15/2016		7/18/2017
CO-237		\$50.00	2/15/2016		6/18/2018
CO-238		\$50.00	2/15/2016		1/24/2022
CO-240		\$50.00	2/15/2016		1/20/2022
CO-241		\$50.00	2/15/2016		7/20/2021
CO-242		\$50.00	2/15/2016		8/17/2021
CO-246		\$50.00	2/15/2016		12/22/2021
CO-254		\$50.00	2/15/2016		6/24/2019
CO-260		\$50.00	2/15/2016		1/19/2022
CO-262		\$50.00	2/15/2016		10/25/2021
CO-266		\$50.00	8/11/2020		7/20/2021
CO-268		\$50.00	8/16/2017		1/24/2022
CO-269		\$50.00	2/15/2016		3/16/2017
CO-270		\$50.00	4/1/2021		1/20/2022
CO-271		\$50.00	2/15/2016		
CO-272		\$50.00	2/15/2016		8/17/2021
CP-103		\$175.62	8/9/2016		1/20/2021
CP-105		\$45.35	8/30/2016		5/23/2017
CP-110		\$81.79	8/2/2016		1/24/2017
CP-120		\$50.00	1/5/2018		1/20/2022
CP-125		\$106.86	8/19/2016		9/25/2019
CP-130		\$50.00	1/5/2018		1/20/2022
CP-135		\$51.34	8/2/2016		1/24/2017
CP-140		\$50.66	8/9/2016		1/24/2017
CP-145		\$52.06	8/15/2016		11/20/2019
CP-150		\$50.00	5/28/2020		10/20/2021
CP-155		\$57.02	8/19/2016		1/20/2021
CP-160		\$50.00	2/15/2018		9/21/2020
CP-165		\$53.96	4/6/2021		8/17/2021
CW-102		\$50.00	2/15/2016		6/16/2021

Scheduled Refunds Due Deposit 1

Water Nec./Rural Water

ACCT #	NAME	AMOUNT	PAID DATE	SCHEDULE REFUND	LAST LATE PAY
CW-104		\$85.00	12/13/2017		1/19/2021
CW-106		\$50.00	2/15/2016		
CW-108		\$50.00	2/15/2016		12/16/2021
CW-110		\$50.00	2/15/2016		11/18/2021
CW-1102		\$50.00	7/8/2019		11/18/2021
CW-1104		\$50.00	2/15/2016		12/20/2018
CW-1120		\$50.00	2/20/2020		1/19/2021
CW-1126		\$50.00	6/6/2016		11/16/2021
CW-1134		\$50.00	11/20/2018		12/20/2021
CW-1136		\$50.00	2/15/2016		1/19/2021
CW-1138		\$50.00	2/15/2016		12/20/2021
CW-114		\$50.00	6/25/2021		1/20/2022
CW-1142		\$50.00	8/20/2020		1/20/2022
CW-1146		\$50.00	6/12/2018		9/25/2019
CW-1150		\$50.00	4/24/2020		1/20/2022
CW-116		\$50.00	2/5/2018		12/16/2021
CW-1160		\$50.00	6/22/2021		12/17/2021
CW-1172		\$50.00	4/8/2016		1/20/2022
CW-1182		\$50.00	5/10/2021		1/19/2021
CW-1186		\$50.00	8/20/2020		1/18/2022
CW-1188		\$50.00	8/17/2018		12/24/2019
CW-120		\$50.00	1/25/2019		1/21/2019
CW-1207		\$50.00	2/15/2016		11/18/2021
CW-1208		\$50.00	11/1/2018		4/21/2021
CW-1210		\$50.00	12/30/2016		10/20/2021
CW-1216		\$50.00	2/15/2016		12/20/2021
CW-1228		\$50.00	6/6/2016		7/26/2021
CW-1230		\$50.00	2/15/2016		1/19/2021
CW-1234		\$100.00	2/15/2016		1/19/2021
CW-1236		\$50.00	11/8/2018		11/22/2021
CW-1238		\$50.00	6/7/2018		1/18/2022
CW-124		\$50.00	2/15/2016		1/20/2022
CW-1254		\$50.00	2/15/2016		12/17/2021
CW-1258		\$50.00	2/15/2016		7/20/2021
CW-1262		\$50.00	6/7/2019		9/20/2021
CW-1264		\$50.00	2/15/2016		1/18/2022
CW-1266		\$50.00	2/24/2021		4/20/2021
CW-1268		\$50.00	1/31/2022		1/18/2022
CW-1270		\$85.00	12/7/2017		12/17/2018
CW-1280		\$50.00	6/22/2020		12/16/2021
CW-1282		\$50.00	5/27/2020		6/16/2021
CW-1285		\$320.00	10/4/2018		
CW-1290		\$50.00	2/15/2016		12/17/2021

Scheduled Refunds Due Deposit 1

Water Nec./Rural Water

ACCT #	NAME	AMOUNT	PAID DATE	SCHEDULE REFUND	LAST LATE PAY
CW-1294		\$50.00	2/15/2016		1/20/2022
CW-139		\$350.00	2/15/2016		7/26/2021
CW-146		\$50.00	2/15/2016		1/19/2021
CW-150		\$50.00	2/15/2016		4/20/2021
CW-152		\$50.00	4/12/2018		9/18/2018
CW-154		\$50.00	5/31/2019		10/20/2021
CW-164		\$50.00	3/20/2018		1/19/2021
CW-165		\$50.00	8/27/2021		1/20/2022
CW-168		\$50.00	3/10/2021		6/16/2021
CW-169		\$50.00	2/13/2020		12/20/2021
CW-170		\$100.00	2/15/2016		7/16/2020
CW-176		\$50.00	2/15/2016		1/20/2022
CW-180		\$50.00	1/8/2018		1/19/2021
CW-182		\$50.00	1/8/2018		1/19/2021
CW-184		\$50.00	10/28/2019		12/16/2021
CW-192		\$50.00	2/15/2016		1/19/2021
CW-199		\$50.00	10/8/2021		1/19/2021
CW-27		\$400.00	6/1/2017		10/17/2018
CW-27A		\$200.00	6/1/2017		8/17/2021
CW-981		\$50.00	11/1/2021		1/20/2022
DL-04		\$50.00	4/14/2016		9/25/2019
dl-100		\$50.00	9/13/2021		
DL-1100		\$50.00	2/16/2016		1/22/2018
DL-112		\$50.00	9/3/2019		11/22/2021
DL-116		\$50.00	10/13/2017		1/18/2022
DL-118		\$50.00	10/13/2017		1/18/2022
DL-122		\$50.00	2/16/2016		1/20/2022
DL-123		\$450.00	2/13/2020		7/16/2020
DL-132		\$50.00	2/16/2016		1/17/2022
DL-134		\$50.00	5/10/2016		9/20/2021
DL-144		\$50.00	2/3/2020		9/21/2021
DL-150		\$50.00	2/16/2016		12/20/2021
DL-151		\$50.00	2/16/2016		1/18/2022
DL-154		\$50.00	1/27/2022		1/20/2022
DL-157		\$50.00	2/13/2019		11/22/2021
DL-160		\$50.00	7/4/1776		1/20/2022
DL-165		\$50.00	2/13/2020		
DL-174		\$50.00	2/24/2016		12/20/2021
DL-177		\$50.00	6/10/2021		1/20/2022
DL-182		\$50.00	5/27/2020		1/20/2022
DL-194		\$50.00	10/26/2018		12/20/2021
DL-198		\$50.00	12/1/2017		1/20/2022
EF-112		\$50.00	2/13/2018		11/21/2019

Scheduled Refunds Due Deposit 1

Water Nec./Rural Water

ACCT #	NAME	AMOUNT	PAID DATE	SCHEDULE REFUND	LAST LATE PAY
EF-120		\$50.00	2/16/2016		10/18/2021
EF-156		\$50.00	2/16/2016		1/20/2022
EF-202		\$50.00	2/22/2018		
EF-206		\$50.00	8/20/2020		3/22/2021
EF-208		\$50.00	8/20/2020		1/19/2021
EF-209		\$50.00	3/19/2021		1/17/2022
EF-2100		\$50.00	2/16/2016		12/20/2021
EF-2102		\$50.00	12/11/2020		8/17/2021
EF-2128		\$50.00	5/12/2020		1/21/2021
EF-2130		\$50.00	2/16/2016		9/16/2021
EF-2140		\$50.00	2/16/2016		1/20/2022
EF-2142		\$50.00	2/16/2016		1/19/2021
EF-2144		\$50.00	12/30/2019		1/20/2022
EF-2150		\$50.00	12/1/2017		12/16/2021
EF-2152		\$50.00	5/11/2021		7/20/2021
EF-2166		\$50.00	8/28/2019		6/16/2017
EF-2172		\$50.00	6/10/2021		9/21/2021
EF-2182		\$50.00	2/16/2016		9/18/2018
EF-2184		\$50.00	2/16/2016		12/22/2021
EF-2194		\$50.00	1/30/2018		1/20/2022
EF-220		\$50.00	4/28/2020		1/17/2022
EF-2202		\$50.00	1/12/2021		10/20/2021
EF-2206		\$50.00	2/26/2021		6/21/2021
EF-2208		\$50.00	12/10/2021		8/17/2017
EF-221		\$0.50	4/28/2020		1/20/2022
EF-2210		\$50.00	2/16/2016		9/25/2019
EF-2212		\$50.00	2/16/2016		1/20/2022
EF-2214		\$50.00	6/19/2017		11/22/2021
EF-2221		\$50.00	5/10/2017		11/18/2021
EF-2222		\$50.00	2/16/2016		11/22/2021
EF-2226		\$50.00	11/13/2017		1/20/2022
EF-2228		\$50.00	8/27/2019		9/21/2021
EF-226		\$50.00	2/16/2016		1/20/2022
EF-232		\$50.00	7/26/2019		2/22/2021
EF-250		\$100.00	2/16/2016		1/20/2022
EF-258		\$50.00	2/16/2016		6/20/2018
EF-262		\$50.00	5/10/2021		6/21/2021
EF-264		\$50.00	2/16/2016		7/21/2020
EF-268		\$50.00	1/17/2020		1/20/2022
EF-272		\$50.00	7/14/2020		10/20/2021
EF-274		\$50.00	7/3/2017		9/21/2021
EF-277		\$50.00	2/16/2016		1/19/2021
EF-278		\$50.00	2/16/2016		9/25/2019

Scheduled Refunds Due Deposit 1

Water Nec./Rural Water

ACCT #	NAME	AMOUNT	PAID DATE	SCHEDULE REFUND	LAST LATE PAY
EF-284		\$50.00	8/20/2020		8/17/2021
EF-292		\$50.00	2/16/2018		11/22/2021
EF-294		\$50.00	9/18/2017		12/17/2021
K-002		\$50.00	7/31/2020		1/24/2022
K-003		\$50.00	1/19/2018		1/20/2020
K-1		\$50.00	3/20/2018		1/19/2021
K-101		\$50.00	9/28/2017		1/19/2021
K-103		\$50.00	5/24/2018		1/24/2022
K-105		\$50.00	5/18/2020		1/18/2022
K-107		\$50.00	12/8/2021		1/24/2022
K-1101		\$50.00	8/20/2020		12/22/2021
K-1104		\$50.00	2/16/2016		1/24/2022
K-1110		\$50.00	2/16/2016		5/17/2017
K-1116		\$50.00	12/14/2017		1/24/2022
K-1124		\$50.00	5/13/2021		1/18/2022
K-1126		\$50.00	1/25/2019		12/22/2021
K-1131		\$50.00	3/24/2020		1/24/2022
K-1132		\$50.00	2/16/2016		1/20/2022
K-1133		\$50.00	7/18/2019		11/23/2021
K-1136		\$50.00	2/16/2016		12/22/2021
K-1139		\$50.00	2/16/2016		1/24/2022
K-114		\$50.00	2/7/2018		1/24/2022
K-1144		\$50.00	8/1/2018		8/20/2020
K-1150		\$50.00	2/16/2016		10/21/2021
K-1155		\$50.00	2/16/2016		1/17/2022
K-116		\$50.00	5/11/2018		10/24/2017
K-1165		\$50.00	11/13/2020		1/19/2021
K-1174		\$50.00	10/30/2017		7/16/2018
K-1176		\$50.00	5/26/2017		11/23/2021
K-118		\$50.00	7/6/2017		9/23/2021
K-1188		\$50.00	9/24/2020		7/26/2021
K-119		\$50.00	6/22/2020		1/20/2022
K-120		\$50.00	2/16/2016		1/24/2022
K-128		\$50.00	1/23/2018		1/21/2021
K-136		\$50.00	4/24/2018		1/24/2022
K-137		\$50.00	8/20/2020		5/24/2021
K-142		\$50.00	2/16/2016		1/24/2022
K-147		\$50.00	9/15/2017		1/18/2018
K-148		\$50.00	5/10/2021		12/20/2021
K-154		\$50.00	5/10/2021		12/20/2021
K-156		\$50.00	10/19/2018		1/24/2022
K-162		\$50.00	2/16/2016		11/18/2021
K-163		\$50.00	7/9/2020		1/24/2022

Scheduled Refunds Due Deposit 1

Water Nec./Rural Water

ACCT #	NAME	AMOUNT	PAID DATE	SCHEDULE REFUND	LAST LATE PAY
K-164		\$50.00	2/16/2016		1/24/2022
K-165		\$50.00	1/12/2021		2/22/2021
K-167		\$50.00	10/29/2020		12/22/2021
K-170		\$50.00	6/10/2021		1/24/2022
K-172		\$50.00	3/16/2021		11/16/2021
K-174		\$50.00	6/22/2020		1/20/2022
K-176		\$50.00	5/10/2018		1/20/2022
K-181		\$50.00	2/13/2020		12/20/2021
K-184		\$50.00	10/13/2017		9/20/2021
K-191		\$50.00	2/16/2016		1/24/2022
K-192		\$50.00	8/5/2019		1/24/2022
K-199		\$50.00	9/18/2017		1/24/2022
K-2		\$50.00	3/20/2018		7/20/2021
K-4		\$50.00	8/8/2018		1/24/2022
K-90		\$50.00	12/1/2017		11/17/2020
NF-302		\$75.00	8/31/2016		10/20/2021
NF-304		\$30.30	8/22/2016		1/24/2017
NF-306		\$49.03	8/9/2016		1/20/2021
NF-308		\$32.77	8/19/2016		1/24/2017
NF-309		\$38.27	8/9/2016		9/21/2020
NF-310		\$37.97	8/15/2016		7/17/2017
NF-314		\$50.00	7/17/2017		11/22/2021
NF-316		\$41.99	8/15/2016		1/20/2021
NF-317		\$33.95	8/31/2016		9/20/2021
NF-320		\$43.01	8/19/2016		11/21/2019
NF-321		\$55.37	8/31/2016		11/18/2019
NF-321-B		\$50.00	5/3/2017		10/21/2020
NF-322		\$36.69	8/9/2016		7/20/2021
NF-324		\$0.81	8/19/2016		1/20/2021
NF-325		\$19.70	5/9/2017		3/24/2020
NF-326		\$58.02	8/15/2016		10/18/2021
NF-327		\$89.56	8/12/2016		12/22/2021
NF-331		\$65.60	8/5/2016		1/18/2022
NF-332		\$99.40	8/5/2016		1/18/2022
NF-336		\$70.00	8/15/2016		1/20/2022
NF-338		\$50.00	2/17/2016		3/22/2021
NF-340		\$50.00	2/17/2016		10/20/2021
NF-342		\$64.21	8/31/2016		1/24/2017
NF-344		\$48.08	8/15/2016		2/25/2020
NF-346		\$63.31	8/15/2016		9/20/2021
NF-348		\$50.00	7/14/2020		7/20/2021
NW-101		\$17.82	4/11/2018		3/18/2020
NW-102		\$50.00	3/20/2018		1/20/2021

Scheduled Refunds Due Deposit 1

Water Nec./Rural Water

ACCT #	NAME	AMOUNT	PAID DATE	SCHEDULE REFUND	LAST LATE PAY
NW-105		\$50.00	1/12/2022		12/22/2021
NW-107		\$50.00	2/17/2016		6/18/2021
NW-108		\$50.00	4/24/2020		12/16/2021
NW-114		\$50.00	2/17/2016		10/20/2021
NW-116		\$50.00	2/17/2016		9/21/2020
NW-120		\$50.00	7/26/2019		1/20/2022
NW-131		\$50.00	8/4/2017		5/21/2018
NW-132		\$50.00	2/17/2016		2/25/2020
NW-151		\$50.00	10/15/2020		1/18/2021
NW-154		\$50.00	7/23/2019		12/16/2021
NW-157		\$50.00	2/17/2016		1/20/2022
NW-158		\$50.00	2/17/2016		7/20/2018
NW-160		\$50.00	2/17/2016		1/20/2021
NW-162		\$50.00	2/17/2016		1/20/2022
NW-164		\$50.00	6/22/2021		12/17/2021
NW-166		\$50.00	2/17/2016		8/17/2017
NW-172		\$50.00	2/17/2016		1/20/2021
NW-174		\$50.00	2/26/2020		1/18/2022
NW-176		\$50.00	2/17/2016		1/20/2021
NW-178		\$50.00	2/17/2016		7/26/2021
NW-183		\$50.00	2/17/2016		7/18/2017
NW-184		\$50.00	2/17/2016		1/24/2017
NW-185		\$50.00	11/17/2017		1/18/2018
NW-186		\$50.00	2/17/2016		1/20/2021
NW-188		\$50.00	2/17/2016		9/27/2017
NW-190		\$50.00	2/17/2016		10/24/2017
RB-302		\$50.00	2/16/2016		1/20/2022
RB-304		\$50.00	11/19/2021		11/16/2021
RB-306		\$50.00	2/16/2016		1/24/2022
RB-308		\$50.00	2/16/2016		12/22/2021
RB-314		\$50.00	2/16/2016		11/19/2021
RB-318		\$50.00	2/16/2016		6/16/2021
RB-320		\$50.00	2/16/2016		1/21/2021
RB-328		\$50.00	12/31/2019		12/23/2019
RB-329		\$50.00	7/14/2020		9/21/2020
RB-330		\$50.00	2/16/2016		
RB-331		\$50.00	5/5/2021		3/22/2021
RB-337		\$50.00	6/15/2020		9/16/2020
RB-338		\$85.00	4/27/2017		6/17/2021
RB-339		\$50.00	12/30/2019		11/18/2020
RB-340		\$50.00	2/16/2016		1/19/2022
RB-341		\$50.00	9/15/2021		1/24/2022
RB-346		\$50.00	2/16/2016		12/16/2021

Scheduled Refunds Due Deposit 1

Water Nec./Rural Water

ACCT #	NAME	AMOUNT	PAID DATE	SCHEDULE REFUND	LAST LATE PAY
RB-352		\$50.00	11/1/2021		5/24/2021
T-001		\$50.00	9/11/2018		9/24/2021
T-402		\$50.00	2/16/2016		
T-408		\$100.00	2/16/2016		4/21/2021
T-413		\$50.00	2/16/2016		11/24/2020
T-414		\$50.00	2/16/2016		3/22/2021
T-422		\$50.00	9/11/2018		7/18/2017
T-428		\$50.00	2/16/2016		1/24/2022
T-430		\$50.00	7/30/2019		1/19/2021
WP-304		\$50.00	11/13/2017		1/21/2021
WP-308		\$50.00	2/16/2016		
WP-310		\$50.00	2/16/2016		9/18/2018
WP-312		\$50.00	2/16/2016		12/20/2021
WP-314		\$50.00	5/31/2019		9/16/2021
WP-318		\$50.00	2/16/2016		1/20/2022
WP-320		\$50.00	2/16/2016		4/16/2020
WP-322		\$50.00	3/9/2018		7/26/2021
WP-324		\$50.00	2/16/2016		11/19/2021
WP-326		\$100.00	9/21/2018		9/21/2020
WP-328		\$100.00	6/22/2021		1/18/2022
WP-330		\$50.00	2/16/2016		11/22/2021
WP-332		\$50.00	2/16/2016		12/24/2019
WP-334		\$50.00	2/16/2016		1/21/2021
WP-336		\$50.00	3/26/2019		1/20/2022
WP-344		\$50.00	5/19/2017		1/20/2022
WP-348		\$50.00	2/16/2016		4/21/2017
Y-508		\$50.00	2/16/2016		6/19/2019
Y-510		\$50.00	2/16/2016		9/25/2019
Y-512		\$50.00	6/22/2020		12/21/2020
Y-524		\$50.00	2/16/2016		5/23/2017
Y-534		\$50.00	2/16/2016		1/24/2022
Y-540		\$50.00	2/16/2016		12/16/2021
Y-542		\$50.00	2/16/2016		12/16/2021
Y-544		\$50.00	11/19/2018		12/22/2021
Y-552		\$50.00	2/15/2018		1/19/2022
NF-330		\$50.00	8/31/2016	12/2/2019	5/21/2019

380 Accounts Listed:

All Customers Route 40

Water Necessities, Inc.

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 10-K

- ☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2021
OR
☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission file number 1-38681

**NORTHWEST NATURAL HOLDING COMPANY**

(Exact name of registrant as specified in its charter)

Oregon**82-4710680**(State or other jurisdiction of
incorporation or organization)(I.R.S. Employer
Identification No.)**250 S.W. Taylor Street Portland Oregon 97204**

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: **(503) 226-4211**

Commission file number 1-15973

**NORTHWEST NATURAL GAS COMPANY**

(Exact name of registrant as specified in its charter)

Oregon**93-0256722**(State or other jurisdiction of
incorporation or organization)(I.R.S. Employer
Identification No.)**250 S.W. Taylor Street Portland Oregon 97204**

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: **(503) 226-4211**

Securities registered pursuant to Section 12(b) of the Act:

<u>Registrant</u>	<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Name of each exchange on which registered</u>
Northwest Natural Holding Company	Common Stock	NWN	New York Stock Exchange
Northwest Natural Gas Company	None	None	None

Securities registered pursuant to Section 12(g) of the Act: None.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

NORTHWEST NATURAL HOLDING COMPANY Yes ☒ No ☐ NORTHWEST NATURAL GAS COMPANY Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

NORTHWEST NATURAL HOLDING COMPANY Yes ☐ No ☒ NORTHWEST NATURAL GAS COMPANY Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

NORTHWEST NATURAL HOLDING COMPANY Yes ☒ No ☐ NORTHWEST NATURAL GAS COMPANY Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

NORTHWEST NATURAL HOLDING COMPANY Yes ☒ No ☐ NORTHWEST NATURAL GAS COMPANY Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

NORTHWEST NATURAL HOLDING COMPANY

Large Accelerated Filer

☒

Accelerated Filer

☐

Non-accelerated Filer

☐

Smaller Reporting Company

☐

Emerging Growth Company

☐**NORTHWEST NATURAL GAS COMPANY**

Large Accelerated Filer

☐

Accelerated Filer

☐

Non-accelerated Filer

☒

Smaller Reporting Company

☐

Emerging Growth Company

☐If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

NORTHWEST NATURAL HOLDING COMPANY Yes ☒ No ☐ NORTHWEST NATURAL GAS COMPANY Yes ☐ No ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

NORTHWEST NATURAL HOLDING COMPANY Yes ☐ No ☒ NORTHWEST NATURAL GAS COMPANY Yes ☐ No ☒

As of the end of the second quarter of 2021, the aggregate market value of the shares of Common Stock of Northwest Natural Holding Company (based upon the closing price of these shares on the New York Stock Exchange on June 30, 2021) held by non-affiliates was \$1,593,506,169.

At February 17, 2022, 31,155,771 shares of Northwest Natural Holding Company's Common Stock (the only class of Common Stock) were outstanding. All shares of Northwest Natural Gas Company's Common Stock (the only class of Common Stock) outstanding were held by Northwest Natural Holding Company.

This combined Form 10-K is separately filed by Northwest Natural Holding Company and Northwest Natural Gas Company. Information contained in this document relating to Northwest Natural Gas Company is filed by Northwest Natural Holding Company and separately by Northwest Natural Gas Company. Northwest Natural Gas Company makes no representation as to information relating to Northwest Natural Holding Company or its subsidiaries, except as it may relate to Northwest Natural Gas Company and its subsidiaries.

Northwest Natural Gas Company meets the conditions set forth in General Instruction (I)(1)(a) and (b) of Form 10-K and is therefore filing this report with the reduced disclosure format.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of Northwest Natural Holding Company's Proxy Statement, to be filed in connection with the 2022 Annual Meeting of Shareholders, are incorporated by reference in Part III.
