

Diamond water systems improvement efforts 2008-2018

Water Services Inc., a water utility in Texas, includes Diamond water systems in Comal, Gillespie and Bandera counties. The Diamond water systems have benefited from more than \$4.37 million in capital improvements in the last 10 years.

Many improvements were needed after the company acquired the Diamond water systems to bring them up to state standards and improve water quality and quantity. Specifically, Enchanted River, River Bend, Oakview, Rim Rock and Windmill/Kestrel had assets that needed major rehab or replacement. To provide better water quality in these areas, the company completed significant groundwater well work and spent more than \$792,000 to update pump stations in Enchanted River, Oakview and River Bend.

In 2013, a new water treatment plant was built in Rim Rock totaling \$2.5 million to treat the water that comes out of groundwater wells. Additionally, a well was re-drilled in Rim Rock that was struck by lightning. The total cost of this project was \$325,000.

New automated meters were installed in all of the Diamond water systems in 2011 to ease gathering of meter reads and collecting data. This upgrade cost \$191,675 and has helped save labor time, prevent recording errors and document leaks through usage data collection.

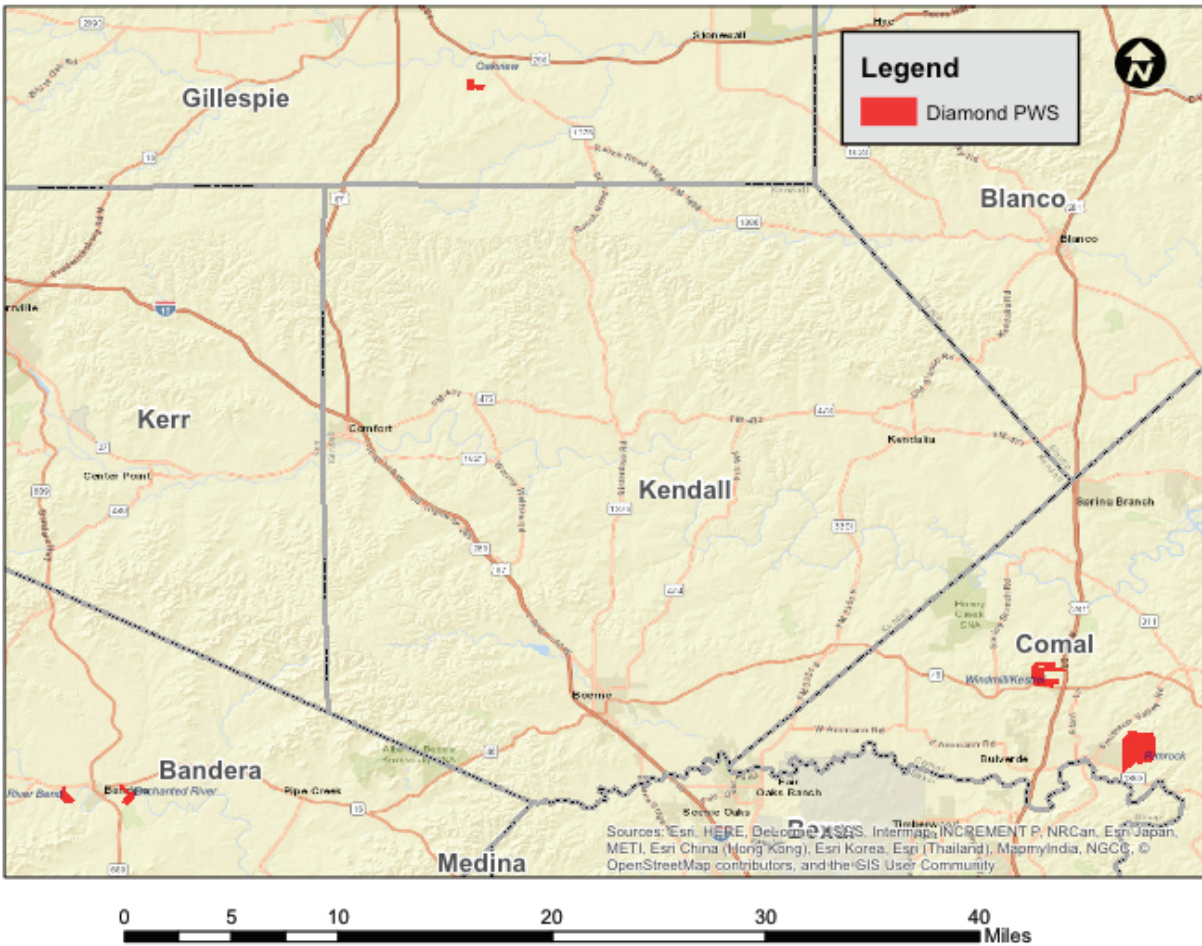
In November 2017, Water Services Inc. filed a rate application with the Public Utility Commission of Texas (PUC). When preparing the rate application, a number of factors were carefully considered. The new rates were necessary to offset significant capital improvements to water systems and to recover increased operating costs. Prior to this, the company had not filed a rate application for Diamond water systems since June 2012.

On October 25, 2018, Water Services Inc., Public Utility Commission Staff, and the Office of Public Utility Counsel (OPUC) reached an agreement in principle, which sets rates based on the system's cost of service and results in rates shown in the notice of the January 4, 2019 prehearing conference for Diamond customers.

Water Services Inc. does ongoing maintenance and small improvements on our utilities that sometimes go unnoticed. When major improvements are required, though, it is critical that a utility have the significant capital to ensure that customers continue to receive clean, safe, reliable water and effective wastewater treatment to safeguard Texas' streams and waterways.

In the Diamond water systems service areas, the company has invested a total of \$4,370,521. With 862 customers, this is the equivalent of \$5,070 per customer.

DIAMOND WATER SYSTEMS



Diamond water systems upgrades

| Year | System | Project Description | Cost |
|------|-------------------|---|-------------|
| 2011 | Diamond Overall | AMR Meters | \$191,675 |
| 2011 | Enchanted River | Pump Station Replacement (Pump Building, 2-GST's, Hydro Tank, Water Line) | \$330,264 |
| 2011 | River Bend | Pump Station Replacement (Pump Building, GST, Hydro Tank, Water Line) | \$248,852 |
| 2016 | River Bend | Water Well Stimulation and Pump Improvements | \$87,796 |
| 2010 | Oakview | Pump Station Ground Storage Tank, Hydro Tank and Water Line Improvements | \$125,852 |
| 2008 | Rim Rock | Well Motor, Booster Pump, Chlorination and Electronics | \$47,774 |
| 2009 | Rim Rock | Well Rehab and Pump, Booster Pump, and Filter Project | \$219,132 |
| 2013 | Rim Rock | New Surface Water Treatment Plant | \$2,500,000 |
| 2013 | Rim Rock | Well Drilling and Completion | \$325,000 |
| 2008 | Windmill/ Kestrel | Driveway, Well Motor, Booster Pump, Chlorination and Electronics | \$89,125 |
| 2013 | Windmill/ Kestrel | Interconnect with Canyon Lake Water Supply Corporation | \$160,000 |
| 2016 | Windmill/ Kestrel | GST Rehabilitation | \$45,051 |

Diamond water systems upgrades

Rim Rock



River Bend



Windmill



Enchanted River



Oakview

