

3G Water Supply Corporation
Balance Sheet
As of August 31, 2022

	<u>Aug 31, 22</u>
ASSETS	
Current Assets	
Checking/Savings	
Checking, Prosperity Bank	141,374.00
Money Market, Prosperity	311,147.10
	<u>452,521.10</u>
Total Checking/Savings	452,521.10
Total Current Assets	452,521.10
Fixed Assets	
Land	40,000.00
Property & Equipment	
Accumulated Depreciation	-309,037.00
Electrical Upgrade Project	40,548.00
System Improvements	128,974.48
Property & Equipment - Other	260,228.05
	<u>120,713.53</u>
Total Property & Equipment	120,713.53
Total Fixed Assets	160,713.53
TOTAL ASSETS	<u>613,234.63</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Membership Fee Deposits	91,920.00
Renter's Deposits	1,250.60
	<u>93,170.60</u>
Total Other Current Liabilities	93,170.60
Total Current Liabilities	93,170.60
Total Liabilities	93,170.60
Equity	

	<u>Aug 31, 22</u>
Retained Earnings	462,901.98
Net Income	<u>57,162.05</u>
Total Equity	<u>520,064.03</u>
TOTAL LIABILITIES & EQUITY	<u><u>613,234.63</u></u>

3G Water Supply Corporation
 Income and Expense
 August 2022

	Aug 22	Feb - Aug 22
Income		
5% Late Charge	220.63	1,298.56
Careflight	229.00	1,515.95
Connect Fees	0.00	50.00
Interest Income	105.67	395.25
Membership Fees	700.00	5,150.00
Miscellaneous	0.00	50.00
NSF Fee	0.00	150.00
Reimbursements	0.00	7,744.00
Water Sales	26,037.62	144,498.64
Water Taps	0.00	6,800.00
Total Income	27,292.92	167,652.40
Gross Profit	27,292.92	167,652.40
Expense		
Administrative Expenses		
Answering Service	27.40	219.20
Bank Fees	41.98	743.31
Billing & Office Supplies	162.82	1,221.75
Careflight Customers	237.00	1,658.00
Internet	42.48	159.92
Membership Dues	0.00	550.00
Membership Refunds	0.00	366.50
Office Administration	1,901.24	12,498.68
Postage	195.92	1,361.20
Reconciliation Discrepancies	0.00	-162.09
Reimbursed Expenses	0.00	120.16
telephone services	184.14	1,396.95
Total Administrative Expenses	2,792.98	20,133.58
Bad Debts	0.00	66.00
Insurance Expenses		
Insurance	0.00	5,254.00
Total Insurance Expenses	0.00	5,254.00
Payroll Expenses		
Federal Unemployment Tax	0.00	84.00
Total Payroll Expenses	0.00	84.00
Professional Fees		
Annual Report	0.00	187.18

3G Water Supply Corporation
Income and Expense
August 2022

	Aug 22	Feb - Aug 22
Engineering Project fees	279.30	14,687.10
Total Professional Fees	279.30	14,874.28
System Expenses		
Chemicals	0.00	809.15
Communications	0.00	94.96
Electricity	476.37	3,246.08
Equipment	0.00	2,799.46
Grounds Maintenance	0.00	825.00
Laboratory	182.84	2,877.57
Maintenance, Yearly	0.00	1,123.42
Parts & Supplies	0.00	5,258.30
Replacement & Repair	0.00	13,256.78
Routine Operations	5,247.69	36,733.83
Waste Services	0.00	279.19
Well Monitoring	21.00	167.00
System Expenses - Other	2,607.75	2,607.75
Total System Expenses	8,535.65	70,078.49
Total Expense	11,607.93	110,490.35
Net Income	15,684.99	57,162.05

Professional General Management Services, Inc.

Water Utility Management, Project Management

Planning, Training, Consulting

26550 Ranch Road 12, Suite 1 * Dripping Springs, Texas 78620 * (512) 894-3322 * fax (512) 858-1414

Memorandum

To: Nancy Stanford, President
Governing Board of Directors
3G Water Supply Corporation
From: Patric C. King, General Management
Subj: System Operations and Management Report
Date: September 12, 2022

Dear President Stanford, et al;

Professional General Management Services, Inc. (PGMS, Inc.) is pleased to provide the following information relating to water system management for the period ending August 2022.

I. Water Operations Report:

A. Water Accountability/Pumping Report.

Period Ending	Gallons Pumped (+)	Gallons Sold (-)	Gallons Flushed/Leaks (-)	Gallons Accounted For	Net Water Loss
Jan. 2022	928,700	620,590	51,300	671,890	256,810 (27.65%)
Feb. 2022	1,109,200	709,960	380,400	1,090,360	18,840 (1.7%)
Mar. 2022	1,111,900	707,840	280,200	988,040	123,860 (11.14%)
April 2022	1,397,000	962,510	118,474	1,080,984	316,016 (22.62%)
May 2022	1,381,000	914,790	51,160	965,950	415,160 (30.06%)
June 2022	1,738,300	1,298,660	77,140	1,375,800	362,500 (20.85%)
July 2022	1,828,400	1,487,750	222,365	1,710,115	118,285 (6.47%)
Aug. 2022	1,461,900	1,192,590	38,900	1,231,490	230,410 15.76%
Sept. 2021	1,314,900	1,128,720	28,021	1,156,741	158,159 (12.03%)
Oct. 2021	810,400	661,300	32,200	693,500	116,900 (14.43%)
Nov. 2021	877,700	696,290	32,000	728,290	149,410 (17.02%)
Dec. 2021	718,600	574,080	9,200	583,280	135,320 (18.83%)

(Gallons Pumped) - (Gallons sold) - (Estimated Gallons flushed)
= (Net Water Loss) / Gallons pumped = Percentage water loss

B. Water Leak & Repair Report.

Location	Date Repaired	Est. Gallons lost	Comments
1. Process water	Continuous	13,900	
2. Routine flushing	various	25,000	

Meters read

An itemized listing of water loss from leaks and flushing is attached to this report. Total estimated gallons lost (leaks / flushing) but accounted for this period **38,900 Gallons.**

(For frame of reference, a 5-gallon per minute leak over a 24-hour period totals 7,200 gallons/day, or 216,000/ month.)

C. System Report:

1. Monthly Bacteriological Testing.

The routine monthly bacteriological sample (1 ea.) was submitted for testing this period resulting in no coliform organisms found.

II. Systems Accounts. Water Customer Account Summary. Below recaps dollars (\$\$) billed.

		Current Period (August 2022)	# Of Accts.		Previous Period (July 2022)	# Of Accts.
1.	Active Connections					
2.	Water Billed (\$)	\$ 22,754.50	268		\$ 25,695.35	267
3.	Renters Deposit					
4.	CSI Fee					
5.	Late fees assessed	\$ 200.07	28		\$ 155.34	25
6.	Connect/Reconnect fees				\$ 50.00	1
7.	Adjustments (See adjustments report)	-228.60	5		-\$ 203.66	6
8.	Tap fees paid					
9.	Payment Plan	\$ 98.28	1		\$ 98.28	1
10.	Regulatory assessments	Not being Billed!			Not being Billed!	
11.	Total Membership fees	\$700.00	2			
12.	Transfer Fee					
13.	Care Flight	\$ 237.00	237		\$ 237.00	237
14.	Total current charges	\$ 23,761.28	268		\$ 26,032.31	267

(See Systems Totals & Adjustments Reports attached)

III. Significant Events:

A. Banking Changes.

The bank account with **Lone Star Capital Bank** is being set up at this time. Once the Bank Information Form is filled out by the signatories and returned electronically to the bank, Ms. Patrice Copenhaver will prepare the signature cards for each signer to sign. Identification will need to be provided to Ms. Copenhaver along with the signed signature cards. All of this can be done electronically. I have been asked to provide the bank with a copy of the 3G By-Laws that are signed. Management will bring a copy of the unsigned By-Laws to the meeting for signature, as we do not currently have a copy of signed By-Laws.

Once this account with Lone Star Capital Bank is established, we can then set up an account with **TexStar**. This will require a written Investment Policy. A draft Investment Policy will be forwarded to each director for review once it is drafted. Management recommends the funds that are now in the Prosperity Money Market Account we transferred to the new TexStar Account

B. Generator Status

We continue to wait for scheduling information from 5-S Services. We are informed that parts are now in hand.

C. Line Replacement Project.

We received a letter dated August 9, 2022, from Dan Bullock, P.E. relating to current estimated costs of construction for each of two options to extend a six-inch water line to Golden Beach Subdivision.

This most recent Engineering Estimate of Probable Costs "EEPC" will serve as a valuable tool when borrowing money to fund the project. Below is a summary of the EEPC, please refer to the letter dated August 9, 2022, for a detailed analysis of these two options. (*See attached*).

Option 1; Installation Parallel to Hwy 261. The estimated costs of Option 1 is between \$720,000 to \$4,600,000.

Option 2; Installation Across Jeckers Cove. The estimated costs of Option 2 is between \$\$455,000 to \$480,000.

D. Sale of surplus 4-inch HDPE.

Director E.J. Bible has arranged for the sale of the 4-inch HDPE piping to the City of Granite Shoals, in the amount of \$8,710.00. This is the amount that was paid for this material. Many thanks to Director Bible for arranging this deal.

There may be additional discussion about keeping this material to be used to replace water main to Geola Subdivision.

E. Investment Policy

As mentioned in item A. above, a written Investment Policy needs to be formally adopted in order to open an account with TexStar, and probably needed to borrow funds for the projects that are contemplated. Management is unaware if such a policy is now in place. If not, a DRAFT Investment Policy will be presented at the meeting for consideration.

F. Credit Card Payment Application.

There has been a steady increase in the members using the credit card payment system; February – 13, March – 16, April – 17, and May – 37, June – 42, July – 52 and August - 51.

Enclosures/ Systems Totals Report for August 2022 (three routes)
Adjustments Report for August 2022
Leak & Flushing Report, August 2022
Credit Card Usage Report, August 2022
Engineering Estimate of Probable Cost dated August 9, 2022.

9/7/2022

3:53:10PM

Reprinted for: 8/31/2022

Directors Report

3G WATER SUPPLY CORP.

Water Pumped This Month	1,461,900 Gallons
Water Sold This Month	1,192,590 Gallons
Water Used for Fire and Flushing Line	38,900 Gallons
Water Loss	230,410 Gallons
Water Loss (%)	15.76 %

	Amount (\$)	# Of Accounts
Total Water	22,754.50	268
Total Late Charge	200.07	28
Total Adjustments	-228.60	5
Total CareFlite	237.00	237
Total Membership fee	700.00	2
Total Payment Plan	98.28	1
Total Current Charges	23,761.25	268
<hr/>		
Amount Past Due 1-30 Days	1,608.71	15
Amount Past Due 31-60 Days	218.44	1
Amount Past Due Over 60 Days	378.13	4
Amount Of Overpayments/Prepayments	-5,448.79	67
Total Receivables	20,517.74	269

Total Receipts On Account	27,187.25	242
Net Change in Memberships	0.00	0
Amount of All Memberships	95,070.00	272
Amount of All Deposit 2	1,450.60	11
Turned Off Accounts (Amount Owed)	131.26	12
Collection Accounts (Amount Owed)	107.86	10
Number Of Unread (Turned On) Meters		
Average Usage For Active Meters	4,185	285
Average Water Charge For Active Meters	84.90	268

Usage Groups	Gallons	# Of Accounts	Usage	Gallons	% Of Usage	% Of Sales
Over 50,000		0		0	0.00	0.00
40,001-50,000		0		0	0.00	0.00
30,001-40,000		2		65,060	5.46	3.61
20,001-30,000		3		75,080	6.30	3.98
10,001-20,000		26		366,040	30.69	19.06
8,001-10,000		13		118,110	9.90	6.54
6,001-8,000		17		118,790	9.96	6.90
4,001-6,000		34		169,100	14.18	10.80
2,001-4,000		70		213,830	17.93	19.84
1-2,000		76		66,580	5.58	21.14
Zero Usage		44		0	0.00	8.13
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Total Meters		285		1,192,590	100.00	100.00

9/7/2022

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8/31/2022

Directors Report

3G WATER SUPPLY CORP.

Monthly Reconciliation

Ending Receivables (Last Month)		23,943.74
Sales this Month	+	23,989.85
Adjustments this Month		-228.60
Less Payments this Month	-	27,187.25
	=	<u>20,517.74</u>
Total Receivables		20,517.74
Ending Memberships (Last Month)		96,520.60
Changes this Month		0.00
	=	<u>96,520.60</u>
Total Memberships		96,520.60

9/7/2022

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Reprinted for: 8/31/2022

Route 1 Totals Report

3G WATER SUPPLY CORP.

Water Pumped This Month	1,461,900 Gallons
Water Sold This Month	544,170 Gallons
Water Used for Fire and Flushing Line	740,381 Gallons
Water Loss	177,349 Gallons
Water Loss (%)	12.13 %

	Amount (\$)	# Of Accounts
Total Water	10,555.25	127
Total Late Charge	34.60	6
Total Adjustments		
Total CareFlite	111.00	111
Total Payment Plan	98.28	1
Total Current Charges	10,799.13	127
<hr/>		
Amount Past Due 1-30 Days	5.00	1
Amount Past Due 31-60 Days	0.00	
Amount Past Due Over 60 Days	137.00	1
Amount Of Overpayments/Prepayments	-3,106.18	27
Total Receivables	7,834.95	128

Total Receipts On Account	12,947.61	118
Net Change in Memberships	0.00	0
Amount of All Memberships	45,500.00	130
Amount of All Deposit 2	400.00	3
Turned Off Accounts (Amount Owed)	107.00	5
Collection Accounts (Amount Owed)	-16.50	4
Number Of Unread (Turned On) Meters		
Average Usage For Active Meters	3,972	137
Average Water Charge For Active Meters	83.11	127

Usage Groups	Gallons	# Of Accounts	Usage	Gallons	% Of Usage	% Of Sales
Over 50,000		0	0		0.00	0.00
40,001-50,000		0	0		0.00	0.00
30,001-40,000		0	0		0.00	0.00
20,001-30,000		2	52,070		9.57	6.00
10,001-20,000		13	181,690		33.39	20.41
8,001-10,000		5	45,000		8.27	5.38
6,001-8,000		5	33,950		6.24	4.28
4,001-6,000		19	92,200		16.94	12.82
2,001-4,000		33	99,700		18.32	20.32
1-2,000		42	39,560		7.27	25.25
Zero Usage		18	0		0.00	5.54
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Total Meters		137	544,170		100.00	100.00

9/7/2022

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Route 2 Totals Report

3G WATER SUPPLY CORP.

Water Pumped This Month	543,000 Gallons
Water Sold This Month	512,380 Gallons
Water Used for Fire and Flushing Line	4,000 Gallons
Water Loss	26,620 Gallons
Water Loss (%)	4.90 %

	Amount (\$)	# Of Accounts
Total Water	9,412.90	107
Total Late Charge	143.97	18
Total Adjustments	-86.26	3
Total CareFlite	98.00	98
Total Membership fee	350.00	1
Total Current Charges	9,918.61	107
<hr/>		
Amount Past Due 1-30 Days	1,370.62	10
Amount Past Due 31-60 Days	218.44	1
Amount Past Due Over 60 Days	175.13	2
Amount Of Overpayments/Prepayments	-1,651.06	31
Total Receivables	10,031.74	106

Total Receipts On Account	11,502.95	96
Net Change in Memberships	0.00	0
Amount of All Memberships	38,045.00	109
Amount of All Deposit 2	550.60	4
Turned Off Accounts (Amount Owed)	24.26	6
Collection Accounts (Amount Owed)	-12.64	4
Number Of Unread (Turned On) Meters		
Average Usage For Active Meters	4,534	113
Average Water Charge For Active Meters	87.97	107

Usage Groups	Gallons	# Of Accounts	Usage	Gallons	% Of Usage	% Of Sales
Over 50,000		0		0	0.00	0.00
40,001-50,000		0		0	0.00	0.00
30,001-40,000		2		65,060	12.70	8.73
20,001-30,000		0		0	0.00	0.00
10,001-20,000		11		154,680	30.19	19.48
8,001-10,000		7		63,930	12.48	8.54
6,001-8,000		8		55,790	10.89	7.84
4,001-6,000		13		67,170	13.11	10.21
2,001-4,000		28		85,650	16.72	18.96
1-2,000		25		20,100	3.92	16.57
Zero Usage		19		0	0.00	9.67
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Total Meters		113		512,380	100.00	100.00

9/7/2022

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Reprinted for: 8/31/2022

Route 3 Totals Report

3G WATER SUPPLY CORP.

Water Pumped This Month	165,980 Gallons
Water Sold This Month	136,040 Gallons
Water Used for Fire and Flushing Line	3,500 Gallons
Water Loss	26,440 Gallons
Water Loss (%)	15.93 %

	Amount (\$)	# Of Accounts
Total Water	2,786.35	34
Total Late Charge	21.50	4
Total Adjustments	-142.34	2
Total CareFlite	28.00	28
Total Membership fee	350.00	1
Total Current Charges	3,043.51	34

Amount Past Due 1-30 Days	233.09	4
Amount Past Due 31-60 Days	0.00	
Amount Past Due Over 60 Days	66.00	1
Amount Of Overpayments/Prepayments	-691.55	9
Total Receivables	2,651.05	35

Total Receipts On Account	2,736.69	28
Net Change in Memberships	0.00	0
Amount of All Memberships	11,525.00	33
Amount of All Deposit 2	500.00	4
Turned Off Accounts (Amount Owed)	0.00	1
Collection Accounts (Amount Owed)	137.00	2
Number Of Unread (Turned On) Meters		
Average Usage For Active Meters	3,887	35
Average Water Charge For Active Meters	81.95	34

Usage Groups	Gallons	# Of Accounts	Usage	Gallons	% Of Usage	% Of Sales
Over 50,000		0		0	0.00	0.00
40,001-50,000		0		0	0.00	0.00
30,001-40,000		0		0	0.00	0.00
20,001-30,000		1		23,010	16.91	9.79
10,001-20,000		2		29,670	21.81	12.54
8,001-10,000		1		9,180	6.75	4.14
6,001-8,000		4		29,050	21.35	13.68
4,001-6,000		2		9,730	7.15	5.12
2,001-4,000		9		28,480	20.94	21.00
1-2,000		9		6,920	5.09	21.00
Zero Usage		7		0	0.00	12.74
Total Meters		35		136,040	100.00	100.00

ADJUSTMENTS

Friday, September 2, 2022
 Reprinted for: 8/31/2022
3G WATER SUPPLY CORP.

2:25:38PM

Reprinted For: 8/31/22

Page 1 of 1

ACCT. #	NAME	CODE	AMOUNT	APPROVAL	DATE
23	Graham, Marian	1	(\$112.34)		8/31/22
48	Lucia, Karan	1	(\$15.95)		8/31/22
67	LONGBINE, MARK & SUSA	1	(\$40.31)		8/31/22
	3 Total Adjustments	(168.60)	For Adjustment 1		
240	Golden Beach POA Park	28	(\$30.00)	LN	8/16/22
	should not have been charged-LN				
241	Geola POA Park	28	(\$30.00)	LN	8/16/22
	POA Park should have been charged-Ln				
	2 Total Adjustments	(60.00)	For Adjustment 28		

- 1. (168.60) Adjustment for mis-read meter
- 28. (60.00) Adjustment for poa park

5 Accounts 5Total Adjustments (\$228.60)

All Customers

***** Professional General Management

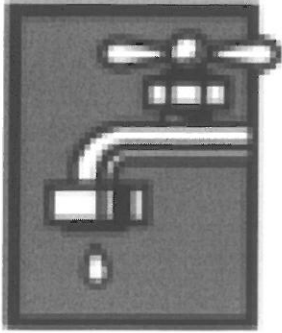
3G Water

Aug 2022									
Site	Address	Flush Duration (Minutes)	Outlet Size (Inches)	Average Flow (GPM)	Water Flushed (Gallons)	Cl2 Residual (mg/L)	Date	Operator	
1	505 Willow GW	20.0	2.0	80	1,600	1.35	8/10/2022	msl	
2	202 Willow GW	30.0	2.0	80	2,400	1.22	8/10/2022	msl	
3	114 N. Greenwood GW	15.0	2.0	80	1,200	0.94	8/10/2022	msl	
4	221 Lake Loop GW	15.0	2.0	80	1,200	1.34	8/10/2022	msl	
5	230 Panorama GEO	30.0	2.0	80	2,400	1.44	8/24/2022	msl	
6	Baja Pass GEO	20.0	2.0	80	1,600	1.32	8/24/2022	msl	
7	100 Blue Sky Way GB	20.0	2.0	70	1,400	1.33	8/24/2022	msl	
8	South Summit tr GB	30.0	2.0	70	2,100	1.22	8/24/2022	msl	
9					0				
10					0				
11	Plant Processing water				25,000			msl	
12					0				
14					0				
15					0				
16					0				
17					0				
18					0				
19					0				
20					0				
Totals		180.0			38,900				
Averages		22.5	2.0	78	2,047	1.27	Sites		
Maximums		30.0	2.0	80	25,000	1.44			
Minimums		15.0	2.0	70	0	0.94			

3G Water

Leak Log							August 2022		
Site	Location	Leak Duration (Days/Hours)	Leak Size (Inches)	Water Lost (Gallons)	Date	Operator			
1									
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
19									
20									
Totals									
Averages							N/A		
Maximums							N/A		
Minimums							N/A		
Sites							0		

[Reports \(/3gwater/report\)](/3gwater/report)
 [Administrators \(/3gwater/administrator\)](/3gwater/administrator)
 [Customers \(/3gwater/customer\)](/3gwater/customer)
[Settings \(/3gwater/application\)](/3gwater/application)
 [Payments \(/3gwater/report/transactionssummary\)](/3gwater/report/transactionssummary)
[Log Off 3gwateradmin \(/3gwater/account/logoff\)](/3gwater/admin)



Transaction Summary

Description: This report gives you an overview of customer payment activity during the specified date range. The results are broken down by how the transactions were conducted - Online Profiles (your customer logged in to make a payment), Automatic payments, QuickPay payments, Phone payments, and SMS payments - with the far right column showing totals across all payment types.

Date Range:

08/01/2022 to 08/31/2022

Load Report

	Profile	QuickPay	Automatic	Phone	SMS	POS	Total
Transaction Count	20	3	13	15	0	0	51
Amount Totals	\$1,791.57	\$448.62	\$1,180.73	\$2,084.54	\$0.00	\$0.00	\$5,505.46
Fee Totals	\$91.65	\$20.94	\$60.23	\$98.39	\$0.00	\$0.00	\$271.21
Donation Totals	\$0.00	--	--	--	--	--	\$0.00



COPY

Bullock, Bennett & Associates, LLC

www.bbaengineering.com

165 N. Lampasas St. • Bertram, Texas 78605 • (512) 355-9198

TRANSMITTAL VIA EMAIL

August 9, 2022

Mr. EJ Bible
3g Water Supply Corporation
504 Willow St.
Buchanan Dam, TX 78609

SUBJECT: UPDATED EVALUATION OF 3G WATER SUPPLY CORPORATION 6-INCH DIAMETER WATER SUPPLY PIPE INSTALLATION OPTIONS

Dear Mr. Bible:

Bullock, Bennett & Associates, LLC (BBA) has completed its update of installation options for the new, 6-inch diameter municipal water supply pipe between the existing 3g Water Supply Corporation (3gWSC) plant located at the above-listed address and the Golden Beach subdivision. This information updates the preliminary evaluation of installation options and associated opinions of probable cost (OPC) presented to 3gWSC in a letter dated April 8, 2019. The results of the April 2019 assessment indicated that installation of the new pipeline directly across Jeckers Cove was the most economical option as compared to the overland route parallel to Hwy 261. 3gWSC subsequently requested an Exception to the Waterline Crossing Encasement Requirement from the Texas Commission on Environmental Quality (TCEQ) which was granted on April 14, 2022. The purpose of this effort was to refine assumptions and contractor costs, particularly in light of the fact that Jeckers Cove is predicted to be dry if current weather patterns continue and water levels in Lake Buchanan continue to decline.

The engineering basis for the updated preliminary OPC for both the overland and lakebed installation options as shown in the attached Table 1 are presented below.

Options 1: Installation Parallel to Hwy 261

BBA conducted additional site visits to the 3gWSC facility and Golden Beach subdivision in March and April 2022 whereupon it was determined that the originally proposed overland path as described in the April 2019 letter should be modified to move the portion of new pipe to be installed parallel to Hwy 261 from the east side right-of-way (ROW) to the west ROW. This route would require less site prep and the creek crossings would be less significant. Costs associated with jack and bore under Hwy 261 would be mitigated by the reduction in site preparation and simplified creek crossings. The revised overland route is depicted in Figure 1. This proposed path is approximately 4,000 lf and the new waterline would consist of 6-inch C-900 high pressure PVC water pipe. Per 3gWSC's request, BBA included installation of two new fire hydrants.

As with the April 2019 effort, BBA did not conduct engineering calculations nor pipe flow modeling to evaluate whether the proposed piping configuration would integrate with the existing water distribution system. In addition, because no geotechnical data is available for this area, unit costs could vary considerably depending on existing site conditions. BBA did, however, refine unit costs using actual project bids for a similar project to be constructed through typical Texas Hill Country limestone and rock materials. Three OPC estimates for Option 1 are presented on Table 1 assuming that trench materials consist primarily of soil with little rock (Option 1A), mostly limestone or other loose rock (Option 1B), or mostly granite (Option 1C). Note that installation through primarily granite (1C) would be cost prohibitive. Assumptions for this option are as follows:

- Pre-design topographic and bathymetric survey data and existing utility location do not identify utilities or other impediments to construction,
- New 6-inch pipe could be connected to the existing piping at the locations shown with no or minimal disruption of service,
- Trench depth of 2.5 to 3 feet depending on site conditions,
- Existing piping is in good condition and does not require replacement at time of tie-in,
- Minimal comments are received from regulatory agencies during the permitting process,
- No significant weather or other delays will be experienced during construction,
- No environmental conditions exist that would require an ecological or environmental assessment, and
- Drawings created by Hejl, Lee & Associates as provided to BBA accurately represent existing conditions.

Prior to commencement of construction activities, 3gWSC will be required to obtain a General Utility Permit pursuant to Lower Colorado River Authority (LCRA) Highland Lakes Watershed Ordinance (HLWO) Section 4.1(3), a US Army Corps of Engineers (USACE) permit pursuant to Section 404 of the Clean Water Act, and a Texas Commission on Environmental Quality (TCEQ) Stormwater Pollution Prevention Plan (SWPPP). 3gWSC will also be required to submit an application for a TxDOT Utility Permit using the TxDOT Utility Installation Review (UIR) system which will incorporate a Traffic Control Plan. At this time, it does not appear that submittal of plans to the TCEQ for approval prior to construction will be necessary because installation of the new distribution line will not result in greater than 10% change of the number of connections (30 TAC 290.39(j)(1)(D)).

As shown in the attached preliminary OPC, the estimated cost range to install the new water pipe for Option 1 ranges from approximately \$720,000 to \$4.6 million. The estimated time of construction is approximately 10 months, including site survey, engineering design, contractor selection, permitting, materials procurement, and installation.

Option 2: Installation Across Jeckers Cove

Option 2 includes installation of the new 6-inch pipe under the lakebed across Jeckers Cove as shown on Figure 2 and as described in the April 2019 letter with the exception that the April 2019 installation route was refined based on the 2022 site visits. Per the TCEQ-approved Exception to the Waterline Crossing Encasement Requirement, the pipe would consist of 6-inch butt-welded, PE4710 high-density polyethylene (HDPE) pipe.

In consideration of the fact that Lake Buchanan water levels are dropping, and the cove bed is expected to be entirely dry assuming that no significant rain events occur, BBA has updated the OPC estimate to include an option for installation using traditional trenching techniques (Option 2B). BBA also updated the OPC estimate assuming the cove is full of water (Option 2A). BBA did not revise the cost estimate presented in the April 2019 assessment for directional drilling under the cove due to the high cost and technical impracticability. Assumptions used when evaluating Option 2 include:

- Pre-design topographic and bathymetric survey data and existing utility location do not identify significant quantities of rock or other utilities within excavation depth,
- New 6-inch pipe could be connected to the existing piping at the locations shown with no or minimal disruption of service,
- No granite rock is encountered during underwater trenching nor during on-land trenching,
- Depth of trenching will be approximately 3 ft,
- Existing piping is in good condition and does not require replacement at time of tie-in,
- The existing 4-inch water pipe will not be inadvertently encountered during construction,
- No significant weather or other delays will be experienced during construction,
- No environmental conditions exist that would require an ecological or environmental assessment, and
- Drawings created by Hejl, Lee & Associates as provided to BBA accurately represent existing conditions.

Permitting with the LCRA, TCEQ, and USACE as described under Option 1 would be applicable. It would not be necessary to obtain a permit with TxDOT.

As shown in Table 1, the estimated capital cost to install the pipeline directly across Jeckers Cove ranges from \$455,000 to \$480,000. Note that additional monitoring and testing costs would be associated with operating and maintaining an un-encased potable water line under running water as directed in the TCEQ's approval. Professional General Management Services, Inc. (PGMS) provided cost estimates to perform the additional annual testing. The costs presented in the OPC assume a 6 percent inflation rate over 20 years. Inclusion of the additional monitoring and testing costs increases the Jeckers Cove route to \$620,000 to \$640,000. PGMS indicated that if the system must be shut down that the cost could increase \$200,000. The estimated time to complete the project is 9 months including engineering design through final testing of the system.

Although overland installation of the new pipeline would be more expensive, the underwater option requires additional monitoring and testing, and general maintenance of the overland pipeline would be simpler. Either option (1, or 2) will require geotechnical analysis of existing soils to verify constructability prior to design, but currently it appears likely that Options 1A and 2A and 2B are viable. Of course, BBA recognizes that 3gWSC has budgetary obligations and is prepared to assist to finalize whichever option is selected.

Mr. EJ Bible
August 9, 2022
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We would be more than happy to discuss the specifics of this evaluation at your convenience. If you have any questions or comments, please call us at 512-355-9198.

Sincerely,

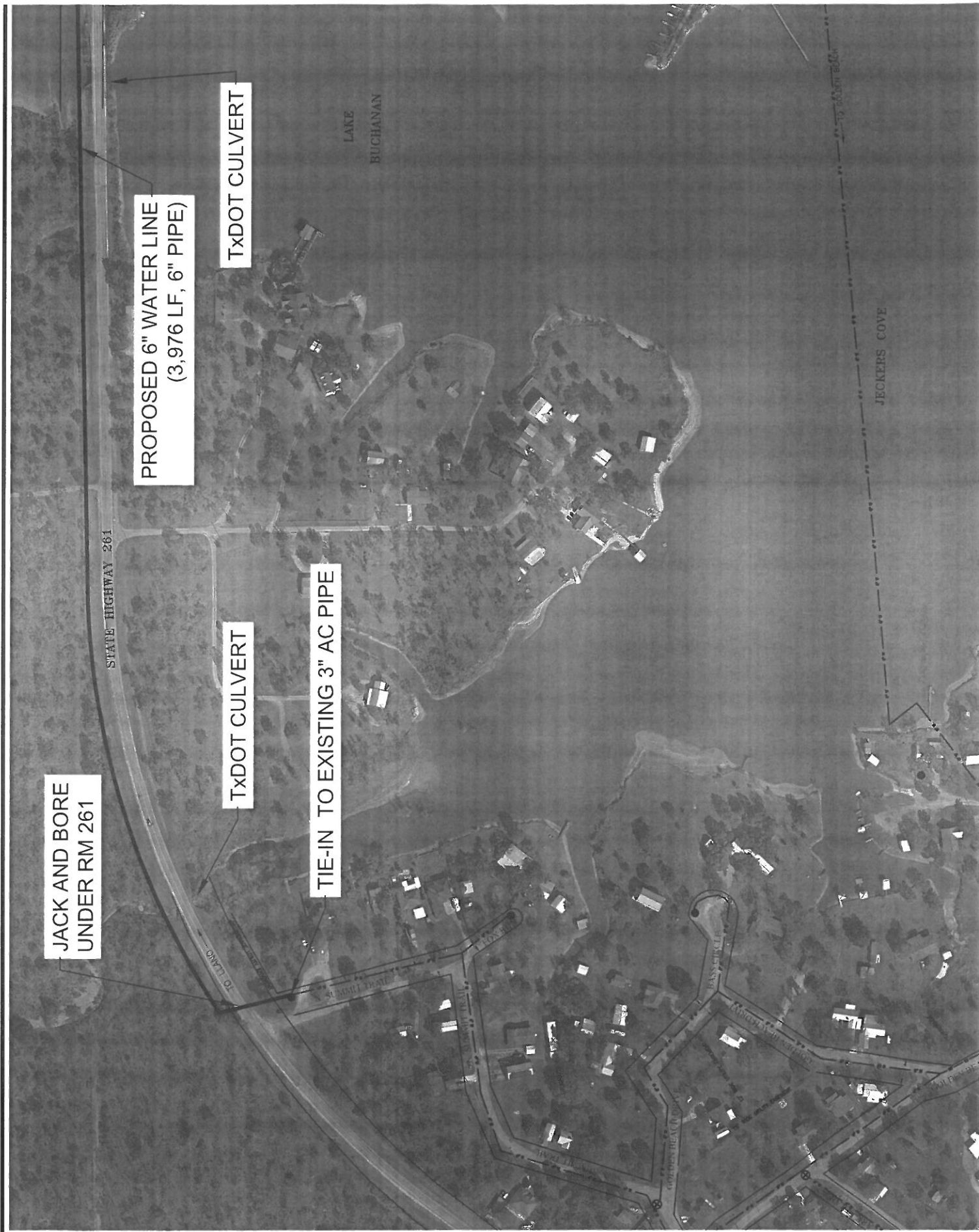
BULLOCK, BENNETT & ASSOCIATES, LLC

A handwritten signature in cursive script that reads "Dan Bullock".

Dan Bullock, P.E.
Principal Engineer

Attachments

FIGURES



JACK AND BORE UNDER RM 261

PROPOSED 6" WATER LINE (3,976 LF, 6" PIPE)

TXDOT CULVERT

TIE-IN TO EXISTING 3" AC PIPE

TXDOT CULVERT

LAKE BUCHANAN

STATE HIGHWAY 261

JECKER'S COVE

TO COUNTY ROAD

SUMMIT TRAIL

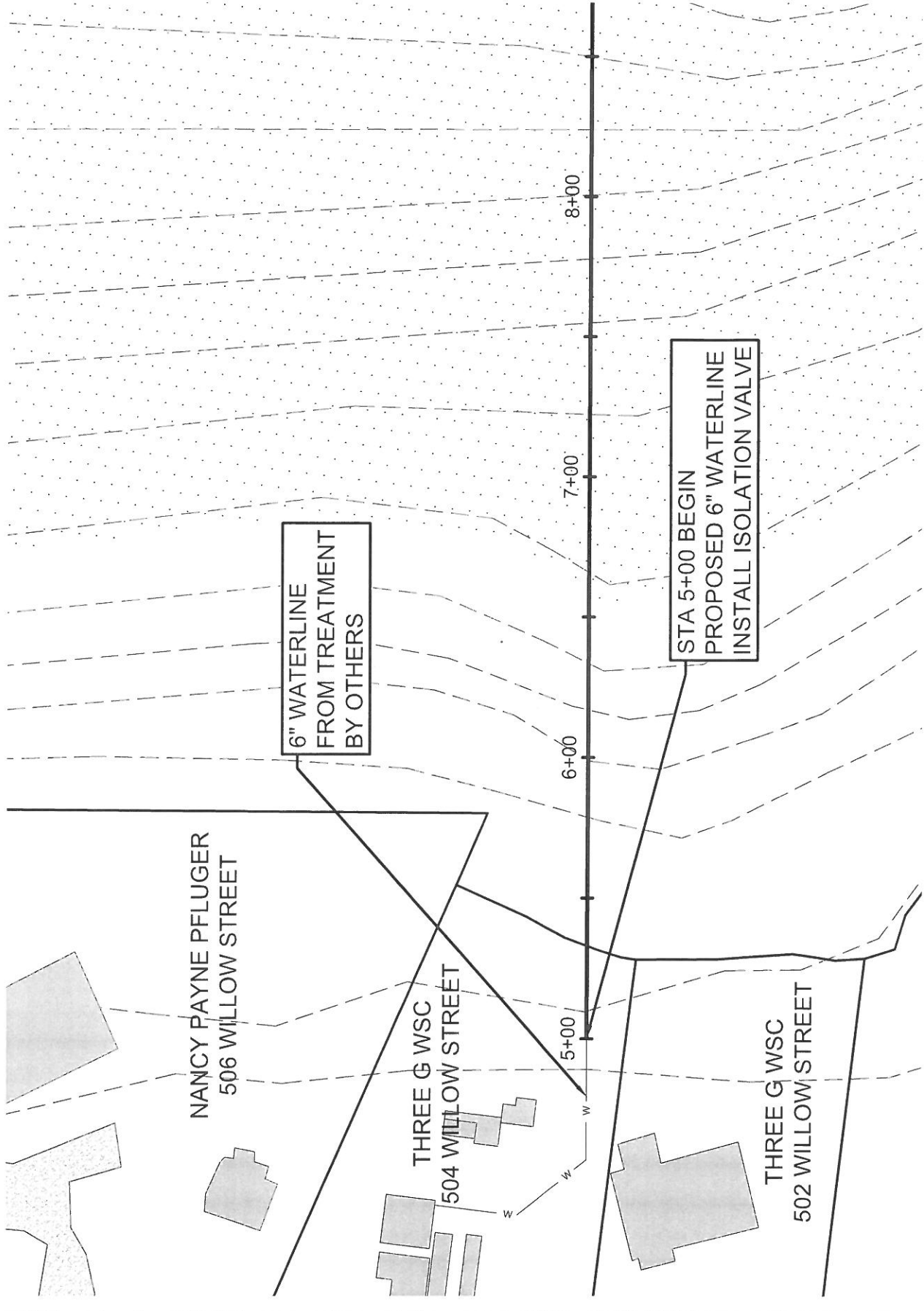
FOX TRAIL

GRANDS BEACH DR

BASS SIRCLE

MANEFAIR DR

SUNSET DR



6" WATERLINE
FROM TREATMENT
BY OTHERS

STA 5+00 BEGIN
PROPOSED 6" WATERLINE
INSTALL ISOLATION VALVE

NANCY PAYNE PFLUGER
506 WILLOW STREET

THREE G WSC
504 WILLOW STREET

THREE G WSC
502 WILLOW STREET

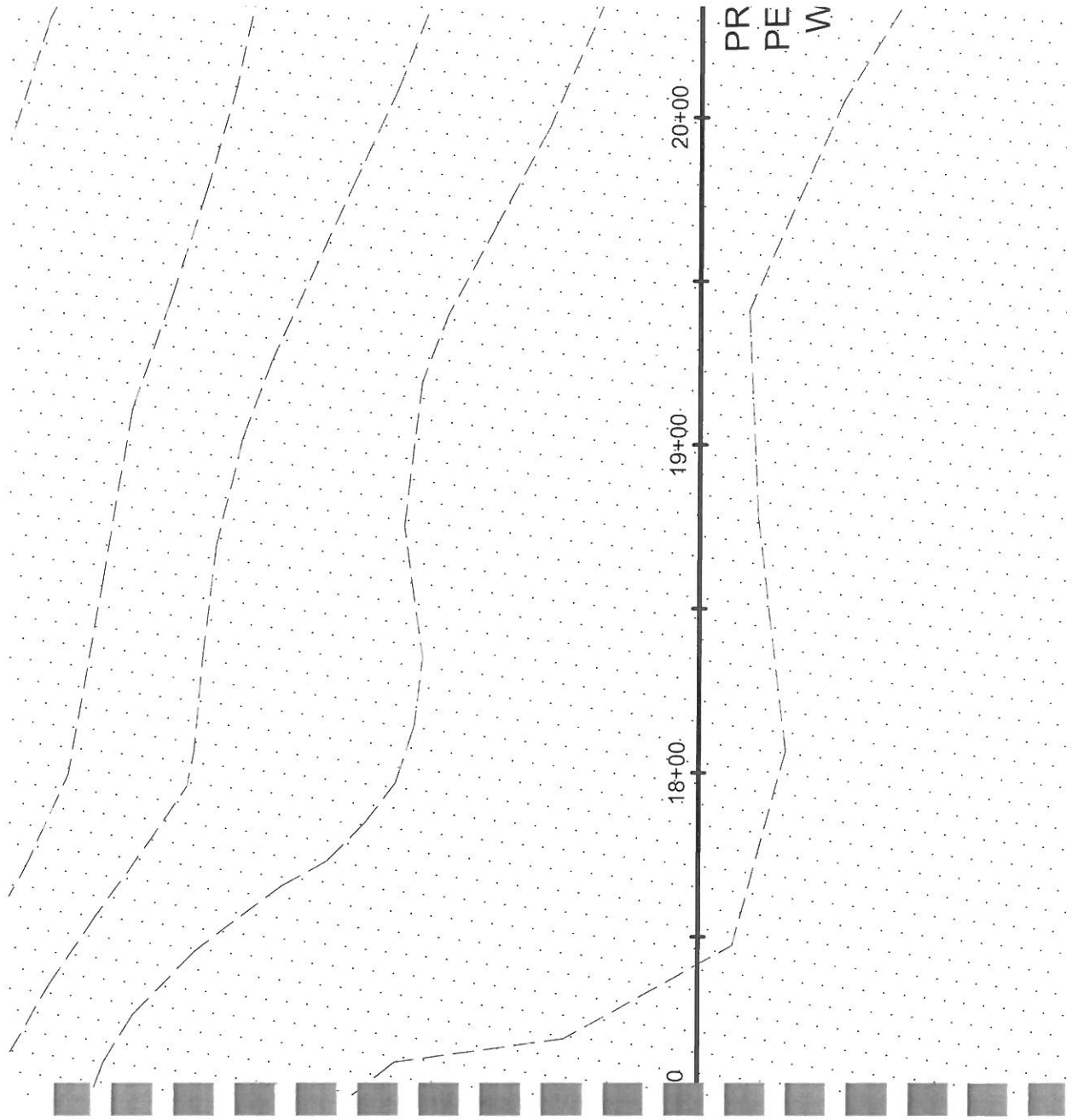
8+00

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MATCHLINE - STA 17+00
SEE PREVIOUS SHEET



TABLE

TABLE 1
3G WATER SUPPLY CORPORATION
6" WATER LINE INSTALLATION
PRELIMINARY OPINION OF PROBABLE COST
August 8, 2022

Item No.	Description	Unit	Option 1A - Trench Parallel to Hwy 261 - Minimal Rock		Option 1B - Trench Parallel to Hwy 261 - Primarily Rock		Option 1C - Trench Parallel to Hwy 261 - Primarily Granite		Option 2A - Lakebed Under Jackers Cove - Trenching Underwater		Option 2B - Lakebed Under Jackers Cove - Trenching in Dry Cove			
			Est. Quantity	Unit Price	Total Cost	Est. Quantity	Unit Price	Total Cost	Est. Quantity	Unit Price	Total Cost	Est. Quantity	Unit Price	Total Cost
1	Topography and Bathymetry Surveys (if water returns to Jackers Cove)	LS	8,000	1.00	\$ 8,000	8,000	1.00	\$ 8,000	8,000	1.00	\$ 8,000	8,000	1.00	\$ 8,000
2	Geotechnical Investigation	LS	10,000	1.00	\$ 10,000	10,000	1.00	\$ 10,000	10,000	1.00	\$ 10,000	10,000	1.00	\$ 10,000
3	Utility Location	LS	3,000	1.00	\$ 3,000	3,000	1.00	\$ 3,000	3,000	1.00	\$ 3,000	3,000	1.00	\$ 3,000
4	Permitting	LS	15,000	1.00	\$ 15,000	15,000	1.00	\$ 15,000	15,000	1.00	\$ 15,000	15,000	1.00	\$ 15,000
5	Mobilization/Demobilization	LS	40,000	1.00	\$ 40,000	40,000	1.00	\$ 40,000	40,000	1.00	\$ 40,000	40,000	1.00	\$ 40,000
6	Temporary Erosion and Sediment Control	LS	8,000	1.00	\$ 8,000	8,000	1.00	\$ 8,000	8,000	1.00	\$ 8,000	8,000	1.00	\$ 8,000
7	Site Clearing/Prep	AC	2.5	2,000	\$ 5,000	2.5	2,000	\$ 5,000	2.5	2,000	\$ 5,000	2.5	2,000	\$ 5,000
8	Overland Trenching/C-900 or PE 4710 D11 Pipe/Installation	LF	4000	70	\$ 280,000	4000	75	\$ 300,000	4000	800	\$ 3,200,000	900	75	\$ 67,500
9	Jack and Bore Under RM 261	LF	120	650	\$ 78,000	120	680	\$ 81,600	120	3,000	\$ 360,000	1800	80	\$ 144,000
10	Underwater Trenching/PE 4710 DR11 Pipe/Installation Across Jackers Cove	LF												
11	6" Gate Valve	EA	2	2,000	\$ 4,000	2	2,000	\$ 4,000	2	2,000	\$ 4,000	2	2,000	\$ 4,000
12	4" Gate Valve	EA	1	1,600	\$ 1,600	1	1,600	\$ 1,600	1	1,600	\$ 1,600	1	1,600	\$ 1,600
13	3" Gate Valve	EA	1	1,400	\$ 1,400	1	1,400	\$ 1,400	1	1,400	\$ 1,400	1	1,400	\$ 1,400
14	Fire Hydrant and Connections	EA	2	5,000	\$ 10,000	2	5,000	\$ 10,000	2	5,000	\$ 10,000	2	5,000	\$ 10,000
15	Trench Safety	LF	4000	4	\$ 16,000	4000	4	\$ 16,000	4000	4	\$ 16,000	4000	4	\$ 16,000
16	Traffic Control	MO	2	10,000	\$ 20,000	2.5	10,000	\$ 25,000	4	10,000	\$ 40,000	1	12,000	\$ 12,000
17	Site Restoration	AC	2.5	12,000	\$ 30,000	2.5	12,000	\$ 30,000	2.5	12,000	\$ 30,000	1	12,000	\$ 12,000
18	Construction Documentation/As-Built Report	LS			\$ 15,000			\$ 15,000			\$ 15,000			\$ 15,000

ESTIMATED TOTAL PROJECT COST		
Estimated Total Project Cost Subtotal	\$ 545,000	\$ 583,600
Engineering/Bid Package Preparation	\$ 50,000	\$ 50,000
Construction Quality Control/Quality Assurance	\$ 20,000	\$ 20,000
Contingency (20%)	\$ 109,000	\$ 116,720
20% Option Capital Cost Subtotal	\$ 724,000	\$ 770,320
20-Year of Additional Pipeline Testing Expenses Required for Underwater Route vs. Overland		
Estimated Total Project Cost	\$ 720,000	\$ 4,830,000

Option 1A - install 6" C-900 pipe as shown in Figure 1 in TxDOT Hwy 261 ROW. TxDOT requires pipe to be installed in lakebed adjacent to span the distance of the two TxDOT bridges on Hwy 261. Jack and bore under Hwy 261. Quoted installation price includes all time and materials including testing and disinfecting. Assumes geologic materials consist primarily of soil/gravel and no significant presence of solid rock.

Option 1B - Same as Option A(1) however geologic materials consist primarily of rock.

Option 1C - Same as Option A(1) however geologic materials consist primarily of granite.

Option 2A - install 6" butt-welded PE 4710 DR11 HDPE Pipe across Jackers Cove as shown in Figure 2. This option is only viable if lakebed geologic materials consist of soil and gravel. Assumes water is present in cove.

Option 2B - Same as Option B however cove is dry. If some water is present, may be possible to dewater. Add \$200,000 to cost.

Trenching must allow for a minimum of 24 inches of protective fill to be placed over the top of the pipe.

Unit costs are generally based on contractor budgetary estimates.

All existing piping dimensions and locations, as well as baseline topography contours, are based on archived drawings or anecdotal information from others, much of which does not include legible references. Full scale topographic and bathymetric surveys as well as geotechnical studies will be required prior to development of engineering design documents.

Materials and Installation/Materials/Installation for both Options assume that the majority of geologic materials encountered during installation will consist of soil/gravel materials. Significant cost and construction timeline increases would occur if granite or other rock material is encountered.

Assumes permits will be required from TxDOT, LRA, USACE, and TCEQ SWPPP, and USACE for all Option 1 scenarios.

Estimated Total Maintenance Cost for Underwater Route calculated based on an initial annual maintenance cost of \$5,200 and \$4,200 thereafter and a 6% average inflation rate. No other adjustments to present or future value of money were estimated.

Estimated Total Project Cost rounded to the nearest \$10,000.

NOTES/ASSUMPTIONS:
Option 1A - install 6" C-900 pipe as shown in Figure 1 in TxDOT Hwy 261 ROW. TxDOT requires pipe to be installed in lakebed adjacent to span the distance of the two TxDOT bridges on Hwy 261. Jack and bore under Hwy 261. Quoted installation price includes all time and materials including testing and disinfecting. Assumes geologic materials consist primarily of soil/gravel and no significant presence of solid rock.
Option 1B - Same as Option A(1) however geologic materials consist primarily of rock.
Option 1C - Same as Option A(1) however geologic materials consist primarily of granite.
Option 2A - install 6" butt-welded PE 4710 DR11 HDPE Pipe across Jackers Cove as shown in Figure 2. This option is only viable if lakebed geologic materials consist of soil and gravel. Assumes water is present in cove.
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