

JOHNSON COUNTY SPECIAL UTILITY DISTRICT

A History of "People Helping People"

In the spring of 1964, a group of men held a meeting at the Sand Flat Baptist Church to discuss the possibility of supplying water for general farm use and domestic purposes to the people residing in the general rural area. A steering committee was formed to pursue the necessities in making this happen. On the committee were Jerome H. Cribbs, Bob Elder, C.M. Chambless, W. B. Basham and Joe L. Roten. Among others present at the meeting was John Tracy, who lived near Liberty Chapel. Bob Childress, who was just starting his own engineering consulting firm in Cleburne, was asked to attend the meeting. Later Childress would become an integral resource for beginning a new rural community water system.

During this era, the Farmers Home Administration (FmHA) began funding rural water systems similar to the government-supported rural electric cooperatives in earlier years. These men were dedicated to help their rural neighbors, so they began knocking on doors. They presented the idea of having a water cooperative to serve rural families in this general area of the county. Folks were skeptical at first and this new concept of participating in a community water system wasn't easily accepted. Many thought that individual wells worked fine; but the vision was much greater. The strategy was to provide an economic benefit for these rural families and for the many to come as Johnson County steadily grew. The steering committee proposed an initial \$50 membership fee to have a meter installed and join the new member-owned, non-profit organization. It made sense to create a rural community water system to serve those that would share as stakeholders in this cooperative effort.

In April of 1965, the Articles of Incorporation was signed to form a Water Supply Corporation. The document was signed by the same five men that had been on the steering committee in the beginning. These listed were also the first Board of Directors: Jerome Cribbs, President; C.M. Chambless, Vice President; Bob Elder, Secretary/Treasurer; and Joe L. Roten and W. B. Basham.

With slide rule in hand, Childress' first engineering project was also the beginnings of a lasting relationship with this unique water system. He designed the original layout and prepared construction plans for the pumping facilities and distribution system to jumpstart the operations of the new Johnson County Water Supply Corporation. Childress was a pioneer in engineering rural water systems. It all happened during a time when the federal funding program arrived, coupled with the advent of PVC plastic pipe; newly approved for potable water use. The growth of rural community water in the United States was on its way and so was Johnson County, Texas; at the leading edge in this new era.

In 1966, an application for the Corporation's first loan of \$106,000 from FmHA was made and approved to construct the first two pump stations, 58 miles of water lines, install 250 meters, and one Trinity well. Rural participants working together to financially support and donate easement was the key in getting this community project on its feet. The first office was at 108 West Henderson in a small section of the old original Cleburne Hotel where Cleburne Eye Clinic is today. Frances Parnell was hired as office secretary (later became the manager). A few years later, the office moved to Caddo Street across from the old Carnegie Library, in the building where Cleburne Floral is today. As the years passed, new connections were coming on and the system grew steadily.

In 1973, Bill Parnell became manager and Ulas "Sprout" Solomon was the superintendent of operations. Parnell served as the general manager until 1988. Solomon was the operations superintendent for 24 years and retired in 1997. The success of the organization in this era was prominently founded on the dedication of both these men. Parnell and Director Bob Elder were also integral players in the beginnings of the Texas Rural Water Association. Both men served as president in the early years of the state association. Parnell went on further to serve as president of the National Rural Water Association.

During this time, the West Prairie Water Supply Corporation was a sister system serving to the northwest of the county. After a few years of sharing office space and personnel, in 1972 they consolidated with the water co-op. The name was officially changed to the Johnson County Rural Water Supply Corporation and served a combined 1,300 connections. In 1977, the Corporation purchased facilities of the small water system, Nolan River Water Supply Corporation. Its service area was generally around the Rio Vista and the Bono community. Later that year the Corporation implemented a plan to effectively interconnect all facilities. This was done by drilling two more water wells and constructing two additional pumping plants. It consolidated three separate distribution systems with twelve-inch and ten-inch transmission lines. This project was funded by FmHA, and construction was completed in 1978. Plans were being made to find another location for the headquarters of the Corporation.

In 1980, a fine office building was constructed and the new headquarters was completed with money received from a grant. The entire operations moved into its present location at South Hwy 171 (the Hillsboro Hwy), two miles south of Cleburne. As the rural community grew, it was always a challenge in searching for more water supply and installing new lines and facilities. Serious issues with water supply and distribution problems peaked during the summer of 1980. At the time, it was the hottest and driest on record. New service for applicants was suspended for an extended period until a major capital improvement program could be initiated. Approval of this project and loan applications in the amount of \$2,000,000 was finally received from the

Farmers Home Administration in the early part of 1981. Construction of the facilities was completed in August 1982.

In 1984 with 5,116 rural families being served, the growth trend for the county climbed steadily. The Corporation and the Johnson County Fresh Water Supply District, supplying the Joshua area, worked together to find an alternate water supply source. The well water would not continue to sustain the steady growth in Johnson County. They partnered with the Brazos River Authority to evaluate the feasibility of treating and transporting surface water from Lake Granbury to the two systems 24 miles away in Johnson County. Having a reliable source to supplement the wells was becoming increasingly urgent. Groundwater levels in the northwest part of the county were experiencing serious decline.

By 1988, Johnson County was receiving treated surface water from Lake Granbury. The Brazos River Authority issued public bonds to fund the construction of the Surface Water and Treatment System (SWATS) with an initial treatment capacity of 3.5 million gallons per day (MGD). The Corporation was the largest user of the plant. Johnson County Fresh Water District, Acton Municipal Utility District and the City of Granbury contracted to take treated water. The SWATS plant was fitted with desalinization facilities to remove the salt that existed in the Brazos River. In 1999, the SWATS plant capacity was increased to 5 MGD. The SWATS participants agreed that it was time to consider a sizeable expansion of the plant to 15 MGD. A couple of years later the SWATS plant expansion was completed at a cost of \$30 million.

In March 2000, the Board of Directors voted to convert Johnson County Rural Water Supply Corporation to a special utility district (SUD). Enabling legislation in the 1980's allowed for member-owned water supply corporations to become a political subdivision of the state by becoming a special utility district. The Board's decision was based on significant cost savings for the ratepayers, like issuing tax-exempt bonds for capital projects, sales tax-exemption, and being eligible to join the state-sponsored insurance risk pool to avoid the high cost of public market insurance premiums. Finally in 2004, the process was state-approved and the organization began operating as the Johnson County Special Utility District.

Much happened in 2005, as this 40th year milestone was also the beginning of a new era in becoming a regional water provider for others in the area. Over this span of time, the District has expanded its distribution system into Ellis, Hill, and Tarrant counties while the staff continually works to find ways that will enhance customer service. In this year the District became the first known rural-type water supplier to offer both credit/debit card payment and on-line bill payment options. As the largest special utility district in the state, JCSUD takes seriously the potential as a "role-model" system among the many rural water providers in Texas.

That year the District completed a \$9 million Bond Refunding Issue and in the process achieved an upgraded bond rating to an A-. Also during this time, the Johnson County Fresh Water Supply District #1 who provided utility services for the city of Joshua had gone through several years of tough economic times. The District spent considerable time with their officials in trying to help streamline costs. The next year, their Board of Directors tendered a resolution to merge with the District and an application was submitted to the state to approve the consolidation. In April 2007, the project was approved and JCSUD began managing the day-to-day operation of the Freshwater District. Merging the Joshua area connections with the District was good for the combined domain of ratepayers. Regionalization is indeed a solution for a brighter outlook in supplying water and maintaining the course to keep rates stable. In 2008, Standard & Poor informed that the District's bond rating was upgraded to an A+.

In the last decade, management's focus was on acquiring additional supply capacity from a Trinity Basin source since half of the county is in the Trinity Basin. Finally in 2009, the District was successful to amend its water purchase agreement with the City of Mansfield to have a total available volume of 9 MGD for a 20-year term. Likewise in 2010, a water purchase agreement with Grand Prairie was consummated; adding another 6 MGD for the Trinity side source. Now the District's total long-term available surface water supply capacity totals 22 MGD.

During this time, the City of Alvarado, Bethany Special Utility District and the Metroplex Homesteads (4,000+ combined connections) has signed on as wholesale water customers to the District for long-term water supply needs. The cities of Joshua and Lillian are currently served exclusively by the District. Keene is the District's newest wholesale customer in the SWATS project restructure. Rio Vista and Godley maintain a water meter with the District serving only on an as-needed basis when the well(s) is being repaired.

2011 and 2012 were quite remarkable years for the District in creating the new Brazos Regional Public Utility Agency. This entity was created to assume control of the SWATS plant on Lake Granbury. Acton Municipal Utility District partnered with JCSUD to create this new entity and replace the Brazos River Authority as owner/operator of this treatment system since it began in 1988. Two of the four user-entities departed the SWATS project in the transition. The City of Granbury opted to build their own water treatment facility and the City of Keene became a wholesale customer to JCSUD. This enabled a much more streamlined operation for SWATS and having only two sponsor-entities in JCSUD and AMUD. This transition prompted another Bond Refunding Issue for the District; this time for \$13.2 million. In Standard & Poor's evaluation of this issue coupled with a financially stable position and proven management qualities, an improved rating of AA- was assigned. In the last quarter of 2012, the District issued \$9.5 million in Bonds to begin the Trinity Basin Transmission Facilities project. The total cost

of \$17.5 million for this 12-mile 30” pipeline with two major pump stations will enable the transport of treated water from Mansfield and Grand Prairie.

In 2013 the balance of cost will be funded in the second of two bond issues. The District has done very well over the last few years to restructure its long-term debt; particularly when the SWATS project ownership was restructured. Besides its wholesale customers, today the District serves a population over 40,000 with 14,500 retail connections in four counties. Terry Kelley has served as General Manager since 1992. The District’s hard work has finally paid dividends in accomplishing a respectable position in regional operations with ample water supply capacity for the foreseeable future. The District has some 6 MG of elevated storage capacity that transports water across the county some 46 miles via 24”-30” transmission lines and over 800 miles of distribution pipelines. Ronnie Nichols serves as the Operations Manager today. Nichols is the longest-tenured employee beginning in 1978. At that time, there were only 4 employees in the Operations side of the business. Today, Nichols provides oversight for 18 operators, and is very much a part of dealing with new projects and development within the system.

The trending concept for water systems in Texas prompts suppliers to do better in planning ahead for future water needs. In these recent years, JCSUD’s long-term planning strategy includes supplying water in a regional way. Reliability is enhanced by developing surface water sources as opposed to counting solely on groundwater. Regionalization affords scales of economies among communities to acquire more capacity and uninterrupted service is better preserved. Communities win as water suppliers embrace the ideals of working together. If we can work smarter to share facilities, we can optimize value and minimize the impact on the land and the people. Cooperation is the foundation for entities to come together in crafting solutions that best serves everyone.

Looking back over the years, granted this rural water system isn’t as rural as its beginnings in 1964; but the legacy upon which the old ‘water co-op’ was founded continues today. It’s still an effort as simple as “People Helping People.”