**History of Possum Kingdom Water Corporation (PKWSC)**

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In the early 1990's TCEQ advised the camps around the lake that they must close or obtain access to potable water. A group of commercial businesses started the process and eventually invited the residences to join due to the high cost of the project and the complications with providing potable water. A nine (9) member Board of Directors formed PKWSC and obtained loans and grants through the Texas Water Development Board (TWDB) and USDA Rural Development (USDA/RD). The debt was refinanced in 2021 which saved $750,000 and reduced the terms by five (5) years. As of December 2023, all debt to TWDB and USDA/RD has been satisfied with new bonds to be paid by 2041.

There were initially Five (5) phases to the system but only the first three (3) were funded and the other two (2) would be funded when built. The first three (3) phases became operational in January 2004 with the reverse osmosis water treatment plant with one (1) million gallon a day capacity. Phase 4 was funded with a loan from USDA Rural Development and became operational in 2007. Phase 5 (Caddo and the State Park) was originally to be funded with a grant and a loan but due to the New Orleans catastrophe (Hurricane Katrina), none were available. With only 75 potential members it became cost prohibitive thus it was cancelled when the largest member, the State Park at Possum Kingdom Lake, withdrew their support. This phase had a very high infrastructure cost as it included a lake crossing and the terrain was extremely complicated. This was no longer financial feasible and no additional plans were developed.

The growth around Possum Kingdom Lake has increased substantially since 2010. Prior to that date approximately 80% of the land around the lake was owned by the Brazos River Authority (BRA) and individuals or businesses leased the land from them and built their cabins, or homes on the leased land. About 2008, BRA made the decision to sell the land as they no longer wanted to be in the real estate business.

In 2009 Patterson Equity Partners purchased the BRA land and in turn offered the land to be purchased by the existing lease holder. This was both positive and negative for some leaseholders. Some could not afford to purchase the land at the quoted prices, it then opened an opportunity for growth and development on deeded property. Prior to this, PKWSC had only three (3) Non-Standard Contracts with developers. Upgrades to the water treatment plant were made within the existing building and Capital in aid Construction (CIAC) was around $2,500 per residential meter.

The water treatment plant, as of 2023, has the capacity to produce 2.5 million gallons a day. The upgrades have been funded through Rock Creek Water Supply Corporation merging with PKWSC which provided approximately $2.5 million in cash to increase the capacity of the plant and developers paying CIAC.

The building for the water treatment plant was designed for capacity expansion. With the last upgrade completed, there is no space for additional equipment upgrades within the current footprint. Any future expansion will require land acquisition, "brick and mortar" construction, an additional two (2) mile water line from the intake station and additional pumping capacity there.

In January 2020 PKWSC's engineers provided an estimate of $10.2 million for the construction of the additional building and equipment. This estimated was updated in December of 2022 to be $19.2 million due to many cost increases such as brass fittings and supply chain issues. Each .5 MGD upgrade will provide 777 meters based on Texas Commission on Environmental Quality (TCEQ) regulations. The Corporation has historically used the estimate provided by the engineers and divided it by 777 to obtain the fee to be charged for CIAC.

The PKWSC Board of Directors has used the state guidelines regarding developers and land sub-dividers which states they must pay for reserving capacity. There is no excess capacity in the current production plant to support developer growth, therefore, these requests must be part of the "Brick and Mortar" expansion.