



Control Number: 42948



Item Number: 3

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House Bill (HB) 1600 and Senate Bill (SB) 567 83rd
Legislature, Regular Session, transferred the functions
relating to the economic regulation of water and sewer
utilities from the TCEQ to the PUC effective
September 1, 2014.

STM Checklist

Checklist must be submitted to Work Leader and Team Leader prior to final map or hearing request.

Applicant: Quadvest, L.P.
Application No.: 37530-S

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PUBLIC UTILITY COMMISSION
FILING CLERK

§13.301(a)	Was written application filed on or before the 120 th day before the effective date of a sale? Yes.	Date verified: 7/30/2013
Description: The application was received on 2/8/2013. A Notice of Deficiency was issued 2/22/2013 and the application was accepted for filing 4/22/2013. (see question 2 of the application)		
§13.301(a)	Was proper public notice provided? Yes.	Date verified: 7/30/2013
Date(s): 5/16/2013.		
Waivers?: N/A		
Additional notice required for amendment?: N/A		
All appropriate entities notified? Yes. Customers and Neighboring Utilities were provided notice on 5/16/2013.		
§13.301(b)	Does the purchaser have adequate FMT to provide continuous and adequate service to the requested area AND any areas currently certificated to that person?	Date verified: 7/30/2013
Description: See FM Memo dated 7/17/2013.		
Description of qualifications: Quadvest is an investor owned utility which has been in the industry for over 30 years and serves multiple subdivisions near this service area. (see question 11. A. of the application)		
Description of any plans for improvements: The applicant plans to replace the aged distribution lines, over time, and construct a new water distribution facility and construct a water treatment plant. (see question 11. C and pg. 7, question 17. A of the application)		
§13.301(c)	Is a bond or other financial assurance required to ensure continuous and adequate service? No.	Date verified: 7/30/2013
Description: See FM Memo dated 7/17/2013. (review FMT Checklist and Memo for response)		
§13.301(d)	Will the transaction serve the public interest? Yes. (see pg. 4, question 11. D of the application)	Date verified: 7/30/2013
Is the applicant willing to make improvements? Yes. The applicant plans to replace the aged distribution lines, over time, and construct a new water distribution facility and construct a water treatment plant.		
Description: The water service will improve. (see question 11. C of the application)		
§13.301(e)	Does the purchaser or any affiliate of the purchaser have a history of noncompliance with the requirements of the commission within the past 5 years? No	Date verified: 7/30/2013

Description: See attached Enforcement case information for the seller. (see question 11. B. of the application)		
Any active enforcement actions?: N/A		
Enforcement Coordinator: N/A		
Date of previous enforcement orders: N/A		
Penalties: N/A		
In compliance with previous orders?: N/A		
§13.301(e)	Does the purchaser or any affiliate of the purchaser have a history of continuing mismanagement or misuse of revenues as a utility service provider? No.	Date verified: 7/30/2013
Description: N/A (see question 11. B. of the application)		
§13.301(j)	If applicable, has the seller made a written disclosure to the purchaser related to customer contributions in aid of construction derived from specific surcharges? No.	Date verified: 7/30/2013
Description: N/A (see question 13. A. of the application)		
If applicable, have protestants' concerns been addressed by letter from the staff or utility? No protests received.		Date verified: 7/30/2013
Names of protestants: N/A		
Description of protests: N/A		
Protestants included on mailing list?: N/A		
Have any customer deposits been accounted for? No deposits held. (see question 5. of the application)		Date verified: 7/30/2013
Have all tariff issues including rates, tap fees and service rules/extension policy language been resolved? N/A.		Date verified: 7/30/2013
Description: N/A		Date tariff was stamped approved: Pending
If entity is a WSC, is most recent version of tariff on file? N/A		Date WSC tariff was received: N/A
§13.132	Does the applicant have a current Annual Report on file? Yes.	Date verified: 7/30/2013
Description: N/A		Date annual report was received: 3/12/2011
Do any of the systems being transferred have violations that need to be corrected? See Compliance Summary.		Date verified: 7/30/2013
If the purchaser is a corporation, is it in good standing with the State Comptroller? Yes.		Date verified: 7/30/2013
Have all TCEQ Fees and penalties and any laboratory fees owed by either the seller or purchaser been paid? Quadvest, L.P. submitted a check in the amount of \$735.34 for payment of Public Health Service & Consolidated Water Quality late fees. However, the payment was returned with a statement indicating "Payment Not Required". (see Karen's NOD letter)		Date verified: 7/30/2013

What are the terms of the sale? The application is for Quadvest, LP to acquire facilities and to transfer and cancel CCN No. 12281 held by Bayer Water System, Inc. It is a sale of all assets to Quadvest. (see question 12 of the application)		Date verified: 7/30/2013
Sales price: \$75,000		
# of customers affected: 347		
Original cost of plant being transferred: Unknown		
Accumulated depreciation: Unknown		
Date of closing: Unknown at this time.		
If facility being transferred is a wastewater treatment system, has the applicant requested a transfer of the wastewater discharge permit? N/A. This application is for a transfer of water service only. (see question 16 B of the application)		Date verified: 7/30/2013
Miscellaneous information: N/A		Date verified: 7/30/2013
Is the system under the jurisdiction of a city (if yes, name the city)? No. (see question 18 of the application)		
Is the seller's CCN being canceled? Yes. (see question 1 of the application)		
	If applicable, the staff person must send an email to Central Registry requesting them to link the appropriate CCN, CN and RN numbers. The email should be addressed to Karen Young with a copy to Bernadette Segala and say WUD Priority in the subject line. If these numbers are not linked appropriately, the Chief Clerk's Office will not be able to accept the application for posting and the file will be returned to our program area. This will cause a delay in the getting the final order and CCN(s) signed.	Date verified:
Description:		

COMPLIANCE SUMMARY:

General: Water System Name: Bayer Water System

Public Water System No.: 1010212

Inspection Date: 3/19/2013

List of deficiencies/violations:

1. Failure to properly maintain the regulated entity by not:
 1. Repairing or replacing the 500 gpm service pump at the water plant that has been disconnected.
 2. Repairing the leaks at the south ground storage tank.
2. Failure to conduct an interior surface inspection every five years.
3. Failure by the regulated entity to calibrate the well meter required by 30 TAC 290.41(c)(3)(N)
4. Failure to provide an intruder-resistant fence in order to protect the water plant.

Description of region inspector's comments: See Investigation Report

Date of letter describing improvements/compliance: No documentation has been sent to the Regional Office to show that these alleged violations have been corrected.

Signed: _____ Date: _____