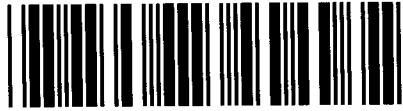


Control Number: 42971



Item Number: 6

Addendum StartPage: 0

House Bill (HB) 1600 and Senate Bill (SB) 567 83<sup>rd</sup>  
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.



RECEIVED  
2014 SEP 15 AM 10:19  
PUBLIC UTILITY COMMISSION  
FILING CLERK

42971  
1812 Centre Creek Drive  
Suite 207  
Austin, Texas  
United States 78754

T 512.306.4000  
F 512.306.4009  
www.corix.com

March 28, 2014

Tammy Benter, Manager  
Utilities & District Section  
Water Supply Division  
Texas Commission on Environmental Quality

Re: Applications from Corix Utilities (Texas) Inc. (Corix) to Purchase Facilities and Transfer Various Certificates of Convenience and Necessity (CCNs) held by the Lower Colorado River Authority (LCRA) and to Obtain or Amend various Water and Sewer CCNs, all as set out in the attached chart (the **Applications**)

Dear Ms. Benter:

Thank you for meeting with Corix on March 25, to discuss your letter dated February 25, 2014 regarding the Commission's approval of sale for the Applications, which are detailed in the chart attached.

Please be informed that the parties are still finalizing pre-closing matters and have agreed on a revised closing date of October 31, 2014, which is prior to the expiration of the executive director's approval of the Applications in accordance with the provisions of 30 TAC 30.5291.112(e). Corix and LCRA continue to work together collaboratively towards closing.

Corix, therefore, respectfully requests an extension of time to provide the closing documents as requested in your letter. Corix appreciates very much the extra effort made by your staff to process our applications so expediently and we truly apologize for any inconvenience we have caused as a result of the delayed closing.

We will provide TCEQ with regular updates on the progress of the closing and confirmation of the closing date. Please do not hesitate to contact us if you have any questions or require additional information.

Sincerely,

Ed Yanoshita, General Manager  
Corix Utilities (Texas) Inc.

CC: Dennis Daniel  
Manager, Risk Management, Lower Colorado River Authority

SP/Full

Bryan W. Shaw, Ph.D., *Chairman*  
 Toby Baker, *Commissioner*  
 Zak Covar, *Executive Director*



## TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

*Protecting Texas by Reducing and Preventing Pollution*

December 6, 2013

### **CERTIFIED MAIL**

Mr. Ed Yanoshita, General Manager  
 Corix Utilities (Texas) Inc.  
 1812 Centre Creek Drive, Suite 207  
 Austin, Texas 78754

Re: Application Nos. 37597-S and 37598-S, Applications from Corix Utilities (Texas) Inc., A2065 and A2066, to acquire water and sewer facilities from Lower Colorado River Authority (LCRA) (Alleyton) and to obtain Water and Sewer Certificates of Convenience and Necessity in Colorado County

CN: 600253637; (LCRA) No RN numbers are shown because the area and facilities being transferred are not within any CCN boundaries  
 CN: 604102301; RN: 106448079

Dear Mr. Yanoshita:

We have reviewed the criteria in Texas Water Code (TWC), Section 13.301(e) and determined that a public hearing will not be requested. You may complete your proposed transaction as scheduled, or any time after you receive this notification. Please note that the transaction must comply with the requirements of TWC Section 13.301(d) and therefore cannot be completed prior to the issuance of this letter.

The second part of the application, which is transferring the CCN, will occur following receipt of the following documents:

- a copy of the signed contract or bill of sale, and
- documents supporting the disposition of customer deposits.

The application cannot be approved nor the CCN transferred and issued until we receive evidence that the transaction was completed. These items must be received by the Utilities & Districts Section, Water Supply Division, within 30 days after the effective date of the transaction.

After the proper documentation is received, staff will prepare a proposed map, certificate, and recommendation for both applicants to review before submitting them to the Executive Director for approval and the issuance of

Mr. Ed Yanoshita, General Manager  
Page 2  
December 6, 2013

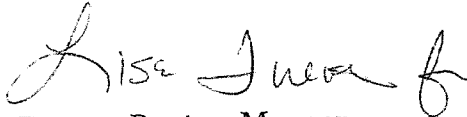
If you concur with the recommendation, the consent forms must be signed and returned by both applicants before the recommendation to transfer the CCN can be approved by the Executive Director. If both consents are not received, the CCN will remain in the name of the seller and the seller remains responsible for the system(s) for purposes of TWC Section 13 regulations. (See TWC, Section 5.122 and 30 Texas Administrative Code Section 50.33).

As an alternative to the seller's continued involvement in the process, the closing document(s) and any accompanying correspondence may include a statement that the seller consents with the transfer of the CCN to the buyer with specific references to the statute and rule noted above. The statement will serve to authorize the Executive Director to take action upon receipt of the buyer's signed consent form. In this situation, however, the seller is relying on the buyer to provide the final consent on the CCN transfer.

Finally, please note that from the time the application is filed until the CCN is issued, it is the applicants' (buyer and seller) responsibility to notify and update the Utility & Districts Section, Water Supply Division, of changes in the financial, managerial, or technical information provided in the application.

If you have any questions, please contact Ms. Sheresia Perryman by phone at 12/239-3654, by fax at 512/239-6972, by email at [sheresia.perryman@tceq.texas.gov](mailto:sheresia.perryman@tceq.texas.gov), or if by correspondence, include MC 153 in the letterhead address below.

Sincerely,



Tammy Benter, Manager  
Utilities & Districts Section  
Water Supply Division  
Texas Commission on Environmental Quality

TB/SP/sd

cc: TCEQ, Region 12 Office

Mr. Ed Yanoshita, General Manager

Page 2

December 6, 2013

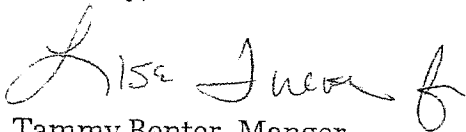
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Finally, please note that from the time the application is filed until the CCN is issued, it is the applicants' (buyer and seller) responsibility to notify and update the Utility & Districts Section, Water Supply Division, of changes in the financial, managerial, or technical information provided in the application.

If you have any questions, please contact Ms. Sheresia Perryman by phone at 12/239-3654, by fax at 512/239-6972, by email at [sheresia.perryman@tceq.texas.gov](mailto:sheresia.perryman@tceq.texas.gov), or if by correspondence, include MC 153 in the letterhead address below.

Sincerely,

A handwritten signature in cursive script, appearing to read "Tammy Benter".

Tammy Benter, Manger  
Utilities & Districts Section  
Water Supply Division  
Texas Commission on Environmental Quality

TB/SP/sd

cc: TCEQ, Region 12 Office

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

## STM Checklist and to Obtain or Amend a CCN

Applicant: Corix Utilities (Texas) Inc. (Alleyton)

Application No.: 37597-S & 37598-S

§13.301(a)	Was written application filed on or before the 120 <sup>th</sup> day before the effective date of a sale? Yes.	Date verified: 12/3/2013
Description: The application was filed on April 29, 2013 and was accepted for filing on June 25, 2013. The applicant indicates that the proposed effective date of the transaction is September 30, 2013.		
§13.241(a) & §13.301(b)	Does the applicant/purchaser possess FMT to provide continuous and adequate service to the requested area AND any areas currently certificated to that person?	Date verified: 12/3/2013
Description: See FM memo.		Date of FM checklist: 10/23/2013
	Description of qualifications: Corix Utilities (Texas) Inc. is a newly formed, wholly-owned subsidiary of Corix Infrastructure (US) Inc. The Company was established to acquire the assets and operations of 18 small utility systems from LCRA and to undertake additional utility operations and activities in the State of Texas. On July 1, 2012, Corix Utilities (Texas) Inc. assumed day-to-day operations, maintenance and asset management responsibility for 18 utility systems subject to this transaction under contract with LCRA. Corix has hired many of the utility operating staff from LCRA to maintain these systems knowledge. Corix Utilities (Texas) Inc. is a part of the Corix Group which provides utility services across North America.	Date verified: 12/3/2013
	Description of any plans for improvements: According to the application, no improvements are required to meet TCEQ standards. However, any planned or required improvements will be made from a combination of intercompany debt, equity funding from Corix Infrastructure (US) Inc., and internal cash flow from operations.	Date verified: 12/3/2013
§13.246(c) (6)	Is the applicant Financially stable, including debt-equity ratio? No.	Date verified: 10/23/2013
Description: The parent company's debt to equity ratio as of 6/30/2012 was \$105 million to \$215 million, or 0.49 to 1.00, which exceeds the TCEQ minimum coverage preferred.		

§13.246(d) & §13.301(c)	Is bond or other financial assurance required to ensure continuous and adequate service? No.	Date verified: 12/3/2013
Description: See FM memo dated 10/23/2013.		
§13.136	Have all tariff issues including rates, tap fees and service rules/extension policy language been resolved? Technical staff has questions if some the charges Corix Utilities (Texas) Inc. is proposing in its tariff are allowable under TWC Ch. 13 and 30 TAC 291. Please note that the TCEQ did not have original jurisdiction over the rates and service policies charged by the Lower Colorado River Authority (LCRA). Corix is proposing to charge the same rates as were being charged by the LCRA. A legal assignment was made on 10/18/13 to assist technical staff with reviewing the proposed Corix tariff.	Date verified: PENDING
Description: Pending		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	If the applicant is an <b>IOU</b> , do they have a current Annual Report on file? No.	Date verified: 12/3/2013
Description: Corix is a will be a regulated IOU and as such has never filed an annual report, but will be required to in the future. In addition districts/authorities such as LCRA are not required to submit an annual report.		Date annual report was received: N/A
§288.20	Have all drought contingency plan (DCP) issues been resolved? Yes.	Date verified: 12/3/2013
Description: N/A		Date DCP approval memo was received: 10/30/2013
§13.244(b)	Has the applicant provided all required maps? Yes.	Date verified: 12/3/2013
Date of most recent Overlap Check: 6/11/13		
§13.244(d)	Were any overlaps identified? None identified.	Date verified: 12/3/2013
Name(s) of Entity(ies) being overlapped: None.		
Were overlaps mentioned in the Overlap Check and the BTR letter: N/A		
Description and Date of how overlap was resolved: N/A		
Date of Agreement to Decertification (if applicable): N/A		
§13.246(h)	Were opt-out requests received during the comment period? No opt-out requests received.	Date verified: 12/3/2013

	Were opt-out requests granted? N/A	Date verified: 12/3/2013
Date revised maps were received: N/A		Date of subsequent Overlap Check: N/A
§291.102(d) ) §13.246(c) 1(2)	Was applicant able to demonstrate a need for service in the entire proposed area? The applicant, Corix Utilities (Texas) Inc. filed an STM application to acquire water and sewer facilities from LCRA and to obtain Water and Sewer CCNs in Colorado County.	Date verified: 12/3/2013
# of acres in proposed area: 630		Date of letter from developer requesting service from the applicant: N/A
Copies of letters from landowners requesting service: N/A		Date received from the applicant: N/A
Copies of applications for service received by the applicant: N/A		Date received from the applicant: N/A
Maps showing existing facilities in the proposed area: Yes.		Date received from the applicant: 4/29/2013
Maps showing existing customers in the proposed area: No.		Date received from the applicant: 4/29/2013
Maps showing locations of requests for service from landowners in the proposed area: N/A		Date received from the applicant: N/A
§13.244(c)	Has the applicant received the required consent, franchise, or permit of the proper municipality or other public authority. If a WSC is decertifying a portion of their CCN area, consent from USDA is required. N/A	Date verified:  12/3/2013
Description: N/A		
§13.246(a) & §13.301(a)	Notice of the application has been provided to all affected parties. Yes.	Date verified: 12/3/2013
Comment period end date: 11/16/2013		
Date(s) of Individual and Landowner Notices: 7/1/2013		
Name of Newspaper: "Colorado County Citizen"		
Waivers?: N/A		
Additional notice required for amendment?: Yes.		
Date(s) of Publication: 7/3/2013, 10/9/2013 & 10/16/2013		County(ies) Published: Colorado
Date Notice Information (affidavits, copies of individual notices) was received. 7/23/2013 & 11/8/2013		



Were notices revised by the applicant? Yes. In accordance with the accepted for filing letter. In addition, the notice was only published once on 7/3/2013; therefore, the applicant had to republish for two consecutive weeks.

If yes, please explain:

If applicable, have protestants' concerns been addressed by letter from the staff or utility? No protests received.	Date verified: 12/3/2013
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Names of protestants: N/A

Description of protests: N/A

Protestants included on mailing list?: N/A

§13.246(c) (1)	What is the adequacy of service currently being provided to the requested area?	Date verified: 12/3/2013
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Description: According to the application there are currently 47 water and 50 sewer customers. The notice indicated there are 49 water and 83 sewer customers. The application is for Corix to acquire uncertificated area that is currently being served by LCRA and to obtain water and sewer CCNs for this area.

§13.246(c) (3)	What is the effect of granting of a CCN to the recipient and on any other retail public utility of the same kind already serving the proximate area? None.	Date verified: 12/3/2013
-------------------	---	-----------------------------

Description: The area is already being served by LCRA and this application is for Corix to acquire facilities from LCRA and to obtain Water and Sewer CCNs.

§13.246(c) (4)	Will the applicant be able to provide adequate service to the proposed area? Yes.	Date verified: 12/3/2013
-------------------	---	-----------------------------

Description: LCRA is currently providing adequate service. However, in November 2010 LCRA announced its intention to divest itself of the retail and wholesale water and wastewater utility systems that it owned. Corix was selected to acquire substantially all of the utility systems that LCRA was seeking to divest.

§13.246(c) (5)	Is it feasible to obtain service from an adjacent retail public utility? No.	Date verified: 12/3/2013
-------------------	--	-----------------------------

Description: This is not a new system. It is an application for Corix to acquire facilities from LCRA and to obtain Water and Sewer CCNs.

§13.246(c) (7)	Is there an effect on the environmental integrity of the proposed area? N/A	Date verified: 12/3/2013
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Description: N/A. LCRA is currently providing service from existing facilities. This application is for Corix to acquire facilities from LCRA and to obtain Water and Sewer CCNs.

§13.246(c) (8)	Is there probable improvement of service or lowering of cost to consumers in the proposed area? Unknown	Date verified: 12/3/2013
-------------------	---	-----------------------------

Description: Corix will charge the existing rates currently charged by LCRA and maintain those rates until Corix has better information about the cost of services.

§13.246(c) (9)	What is the effect on the land in the proposed area? None.	Date verified: 12/3/2013
Description: Service will be provided to the customers from existing facilities.		
§13.246(e)	If applicable, has the applicant made efforts to extend service to any economically distressed areas? N/A	Date verified: 12/3/2013
Description: The proposed area is not an economically distressed area.		
§13.241(b) (1)	Is the applicant capable of providing drinking water that meets the requirements of Chapter 341, Health & Safety Code? Yes.	Date verified: 12/3/2013
Description: See Compliance Summary		
§13.241(b) (2)	Does the applicant have access to an adequate supply of water? Yes.	Date verified: 12/3/2013
Description: LCRA currently has facilities in the area that is being transferred and currently has the capacity to service, since the areas are currently being served.		
§13.241(c)	Is the applicant capable of meeting commission's design criteria for sewer treatment plants? N/A	Date verified:
Description: Sewer service is provided by existing sewer facilities.		
§13.241(d)	If the applicant has proposed to construct a physically separate water or sewer system, the applicant has demonstrated that regionalization with another retail public utility is not economically feasible. N/A	Date verified: 12/3/2013
Description. See attached Feasibility Checklist.		
	<p>If applicable, the staff person must send an email to Central Registry requesting them to link the appropriate CCN, CN and RN numbers.</p> <p><b>The email should be addressed to: WWW-Registry with WUD Priority in the subject line.</b></p> <p>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.</p>	Date verified: 12/3/2013
Description: N/A		
	If a WSC is decertifying a portion of their CCN area, consent from USDA is required. N/A	Date verified: 12/3/2013
Description: N/A		

COMPLIANCE SUMMARY:

General: Water System Name: Alleyton Water System  
Plans & Specs Approval Letter Date (*if applicable*): N/A  
Log # (*if applicable*): N/A  
Public Water System No.: 0450087  
Inspection Date: 9/23/2010  
Deficiencies: No violations were alleged as a result of the investigation.

General: Wastewater System: LCRA – Alleyton Wastewater Treatment Plant  
Permit No.: WQ-0013740-001  
Issued/Renewal Date: N/A  
Inspection Date: 11/23/2010  
Deficiencies: Failure to maintain compliance with the permitted effluent limits. Adequate compliance documentation was received on 2/2/2011 to resolve the alleged violation documented during the investigation on 11/23/2010.

Signed: \_\_\_\_\_ Date: December 3, 2013

## Feasibility Checklist

Applicant: Corix Utilities (Texas) Inc. (Alleyton)

Application No.: 37597-S & 37598-S

§291.102(3)	Applicant has provided a list of all public drinking water supply systems within a 2 mile radius. Yes.	Date verified: 12/3/2013
Description: A list of utilities was provided with the application and identified with the overlap check.		
§291.102(3)	Applicant has provided copies of written requests seeking to obtain service from each system within a 2 mile radius. N/A	Date verified: 12/3/2013
Description: The application is for Corix to acquire existing facilities from LCRA and to obtain Water and Sewer CCNs.		
§291.102(a)(3)	Applicant has demonstrated that it is not economically feasible to obtain service from a neighboring system.	Date verified: 12/3/2013
Description: N/A. See above.		
§291.102(a)(3)	Applicant has provided copies of written responses or evidence that the neighboring system has failed to respond.	Date verified: 12/3/2013
Description: N/A. See above.		
Date of letters sent to neighboring systems:		
§291.102(a)(3)	Applicant has provided a description of the type of service that the neighboring system is willing to provide and has compared it with the service the applicant is proposing and the applicant's service is clearly better.	Date verified: 12/3/2013
Description: N/A. See above.		
§291.102(a)(3)	Applicant has provided an analysis of all necessary costs for constructing, operating, and maintaining the new system for at least the first five years.	Date verified: 12/3/2013
Description: N/A. See above.		
§291.102(a)(3)	Applicant has provided an analysis of all necessary costs for acquiring and continuing to receive service from the neighboring system for at least the first five years.	Date verified: 12/3/2013
Description: N/A. See above.		
§291.102(a)(3)	How do the costs for providing service as a stand-alone system compare with the costs of obtaining service from a neighboring system?	Date verified: 12/3/2013
Description: N/A. See above.		

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

§13.301(d)	Will the transaction serve the public interest? Yes, the LCRA has chosen to divest of its water and wastewater operations in the Central Texas region. Yes. Corix is capable of rendering adequate and continuous service to every consumer within the certificated area, has extensive experience as a utility service provider and has a history of complying with regulatory requirements. Corix also has the ability to provide the necessary capital investment to ensure the provision of continuous and adequate service to the customers of the public utilities. Corix plans to maintain or increase system performance and ensure the provision of reliable, cost effective and complaint services over the term of the contract.	Date verified: 12/3/2013
	Is the applicant willing to make improvements?: Yes, However, according to the application, no improvements are required to meet TCEQ standards. However, any planned or required improvements will be made from a combination of intercompany debt, equity funding from Corix Infrastructure (US) Inc., and internal cash flow from operations.	
§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: 12/3/2013
Description: This is a newly formed IOU. Checked CCEDS and there are no enforcement cases pending regarding the seller.		
Any active enforcement actions?: No.		
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: 12/3/2013
Description: Verified in CCEDS and Corix Utilities Inc., RN: 106448079 does not have any enforcement actions.		
§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?	Date verified: 12/3/2013
Description: Yes. Corix Utilities (Texas) Inc. attached Exhibit G: <i>Price and Utility Cost Data</i> for the system(s) being sold from the LCRA. Alleyton's Water CIAC is listed as (\$728,913.00) and Alleyton's Wastewater CIAC is listed as (\$1,555,175) in this exhibit.		

Have any customer deposits been accounted for? Yes, Corix provided a list of customers holding deposits; reference Exhibit B in the application. In addition Exhibit H Other Transaction Considerations states that "Customer deposits will be purchases from LCRA and held on account. Amounts will be reviewed and adjusted as per the TCEQ rules and refunds will be provided to customers as required."	Date verified: 12/3/2013
Do any of the systems being transferred have violations that need to be corrected? No, see Compliance Summary.	Date verified: 12/3/2013
If the purchaser is a corporation, is it in good standing with the State Comptroller? Yes, reference Exhibit C.	Date verified: 12/3/2013
Have all TCEQ Fees and penalties and any laboratory fees owed by either the seller or purchaser been paid? Yes.	Date verified: 12/3/2013
What are the terms of the sale? See question 12 of the application.	Date verified: 12/3/2013
Sales price: \$40,000 (water); \$0 (wastewater) - See Exhibit G	
# of customers affected: 49 (water) and 83 (wastewater) customers per the notice.	
Original cost of plant being transferred: \$782,600 - See Exhibit G	
Accumulated depreciation: \$100,908 - See Exhibit G	
Date of closing: Pending.	
If facility being transferred is a wastewater treatment system, has the applicant requested a transfer of the wastewater discharge permit? Yes. See letters dated 3/27/2013 from TCEQ and 9/30/2013 from Corix to TCEQ.	Date verified: 12/3/2013
Miscellaneous information: N/A	Date verified: 12/3/2013
Is the system under the jurisdiction of a city (if yes, name the city)? No.	
Is the seller's CCN being canceled?: No, Corix Utilities (Texas) Inc. will be obtaining Water and Sewer CCN Nos.	

Signed: \_\_\_\_\_ Date: December 3, 2013

Bryan W. Shaw, Ph.D., *Chairman*  
Carlos Rubinstein, *Commissioner*  
Toby Baker, *Commissioner*  
Zak Covar, *Executive Director*

ACY-WW

## TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

*Protecting Texas by Reducing and Preventing Pollution*

March 27, 2013

### CERTIFIED MAIL

Mr. Darrin Barker  
6836 Bee Caves Road, Suite 209  
Austin, Texas 78746

Re: Application to Transfer Permit No. WQ0013740001 (EPA I.D. No. TX0115819)  
(RN101522266)  
Issued to Lower Colorado River Authority (CN600253637)

Dear Mr. Barker:

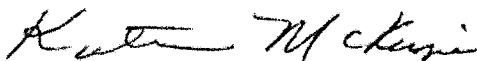
We have received the application to transfer the above referenced permit and it is currently under review. Your attention to the following items is requested before the permit can be transferred.

All fees must be paid to the agency prior to processing your transfer request.

1. Item 5 on page 5 of the transfer application: You have indicated that the transfer will take place on October 31, 2013. Please confirm after October 31, that the transfer of ownership has occurred.

If the requested information is not received by the given deadline, it may cause significant delays in the transfer process. You are considered operating without a permit until the transfer is approved, and any failure to respond will subject the applicant to enforcement actions. If you should have any other questions, please do not hesitate to call me at (512) 239-5704.

Sincerely,



Katherine C. McKenzie  
Applications Review and Processing Team  
Water Quality Assessment Section  
Water Quality Division (MC 148)





204-1002-02  
Suite 209, 6836 Bee Caves Road  
Austin, Texas  
United States 78746

T 512.306.4000  
F 512.306.4009  
www.corix.com

Certified Mail Return Receipt No. 7004 1350 0000 4854 0067

September 30, 2013

Texas Commission on Environmental Quality  
Water Quality Assessment Section  
Water Quality Division MC 148  
Post Office Box 13087  
Austin, Texas 78711-3087

Attention: Katherine McKenzie, Applications Review and Processing Team

Reference: Application to Transfer Permit No. WQ0013740001 (EPA ID No. TX0115819),  
RN101522266

Dear Ms. McKenzie:

In accordance with the instructions of the "Application and Instructions to Transfer a Wastewater Permit", TCEQ -20031, we are updating our transfer date.

Corix Utilities (Texas) originally projected a transfer date of October 31, 2013 for the Alletton Wastewater Treatment Plant, Permit No. WQ0013740001 (EPA ID No. TX0115819). The sale of the facility by LCRA (Lower Colorado River Authority), will not be complete by that date. Corix Utilities (Texas) now projects a transfer date of January 1, 2014. If there is any additional information you may need or additional documentation, please contact me at (512)306-4001 or on my cell phone at (512)619-1383. You may also e-mail me at [Gloria.Broussard@corix.com](mailto:Gloria.Broussard@corix.com).

Sincerely,

A handwritten signature in cursive script that reads "Gloria L. Broussard".

Gloria L. Broussard  
Senior Environmental Coordinator



Suite 209, 6836 Bee Caves Road  
Austin, Texas  
United States 78746

T 512.306.4000  
F 512.306.4009  
www.corix.com

Certified Mail Return Receipt No. 7012 1010 0001 1377 1109

Texas Commission on Environmental Quality  
Financial Administration Division  
Cashier's Office MC-214  
Post Office Box 13088  
Austin, Texas 78711-3088

Reference: Fees for Applications to Transfer Wastewater Permits

Dear Sir or Madam:

Enclosed is a check to cover the fees for Corix Utilities (Texas) Applications to Transfer Wastewater Permits. The check is for \$600.00, Check No. 3500000122. The fees, \$100.00 per system, are for the following wastewater treatment plants:

Alleyton Wastewater Treatment Plant	WQ0013740001
Camp Swift Wastewater Treatment Plant	WQ0013548001
Matagorda Bay Nature Park & Preserve Wastewater Treatment Plant	WQ0014404001
McKinney Roughs Wastewater Treatment Plant	WQ0013977001
Ridge Harbor Wastewater Treatment Plant	WQ0014022001
Windmill Ranch Wastewater Treatment Plant	WQ0014303001

If you have any questions or need further information please contact me at (512)306-4001.

Sincerely,

A handwritten signature in cursive script, appearing to read "Gloria L. Broussard".

Gloria L. Broussard  
Senior Environmental Coordinator

Enclosure

**CORIX**  
Utilities

PAYABLE THROUGH TD BANK 31 WEST 52ND ST, NEW YORK, NY 10019-6101

CORIX UTILITIES TEXAS INC.  
11020 W. Plank Court, Suite 100  
Wauwatosa, WI 53226 USA  
414-203-8700

TD CANADA TRUST 94000-004  
9400  
700 W GEORGIA PACIFIC CENTRE  
VANCOUVER, BC V7Y 1A2  
Canada  
US FUNDS

**3500000122**

DATE: 2 0 1 3 0 2 0 6  
Y Y Y Y M M D D

AMOUNT

\*\*\*\$\*\*\*\*\*600.00

PA. \*\*\*\*Six Hundred Dollars and 0/100

**TO THE ORDER OF**

TEXAS COMMISSION ON ENVIROMENTAL QUALITY  
12100 PARK 35 CIRCLE  
AUSTIN, TX 78753  
USA

**COPY**

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CORIX UTILITIES TEXAS INC.



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⑈ 96865 ⑈

TEXAS COMMISSION ON ENVIROME 2013 02 06

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# TCEQ Interoffice Memorandum

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**To:** Sheresia Perryman  
Elizabeth Flores  
Utilities Financial Review

Date: October 23, 2013

**From:**  Debi Loockerman, C.P.A.  
Utilities Financial Review

**Subject:** Application Nos. 37597-S and 37598-S from Corix Utilities (Texas) Inc., A2065 and A2066, to Acquire Water and Sewer Facilities from Lower Colorado River Authority (LCRA)(Alleytown) and to obtain Water and Sewer Certificates of Convenience and Necessity (CCN) in Colorado County

CN: 600253637; (LCRA) no RN numbers are shown because the area and facilities being transferred are not within any CCN boundaries  
CN: 604102301; RN numbers pending (Corix)

In my opinion, Corix Utilities (Texas) has demonstrated adequate financial and managerial capability to provide service to the requested area. These conclusions are based on information provided by the applicant prior to this date and may not reflect any changes in the applicant's status subsequent to this date. This financial review is considered adequate for all Corix Utilities (Texas) sale, merger, transfer applications, and any CCN amendment application related to the LCRA assets purchased filed during 2013.

## **Background**

Corix Utilities (Texas) (CorixTX) applies to acquire utilities from Lower Colorado River Authority (LCRA) due to LCRA's divestiture in retail services. There are 18 systems subject to the overall purchase sale transaction listed in this application. CorixTX has provided a schedule for utility price and cost data, which details information for each system purchased. Existing rates will be adopted, except for those not allowable to investor owned utilities in Texas, and cost of service studies will be prepared in the future for any rate change determination. The total price for the acquired systems is reported as \$12,234,100. The net book value of the assets is \$15,494,142. The transfer affects 3,423 customers who were served by LCRA and are currently served by CorixTX as contracted operator. Corix has reported CIAC in the amount of \$798,913.

CorixTX provided income statement and balance sheet for their parent company, Corix Infrastructure Inc. and for CorixTX as of December 31, 2012. CorixTX also provided calculation for debt service coverage ratio for the parent company revealing coverage exceeding the TCEQ technical review staff's minimum coverage preferred of 1.25 to 1.00. The parent company's debt to equity ratio as of June 30, 2012 (treating intra-company debt as capital for the purposes of this ratio only) was \$105 million to \$215 million, or 0.49 to 1.00. TCEQ staff prefers to see a ratio of less than 1.0 to 1.0 when reviewing for financial capability. Corix affiliates operate multiple utilities in the USA and Alaska and have operated the utilities being transferred under contract since July of 2011.

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY  
TELEPHONE MEMO TO THE FILE

Please complete with typewriter or black pen.

Call to: Ed Yonashita  
Date of call: 10/7/13  
Phone no.: 512, 306-4000

Call from: \_\_\_\_\_  
File no.: 37597-S+ 37598-S  
Subject: Published notice

Information for file: The applicant previously published notice, but it was only for one week, instead of 2 consecutive weeks. He will have the notice published again for 2 consecutive weeks.

Signed Sheresa Perryman