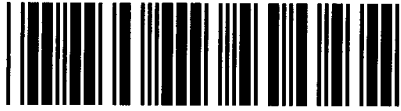




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House Bill (HB) 1600 and Senate Bill (SB) 567 83<sup>rd</sup>  
Legislature, Regular Session, transferred the functions  
relating to the economic regulation of water and sewer  
utilities from the TCEQ to the PUC effective  
September 1, 2014.

# STM Checklist

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

2014 SEP 15 AM 11:31

Applicant: Quadvest, L.P.

Application No.: 37656-S

PUBLIC UTILITY COMMISSION  
FILING CLERK

§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: 4/3/2014
Description: The application was received on 7/3/2013. Additional information was received 7/25/2013 and the application was accepted for filing 8/20/2013. (see question 2 of the application)		
§13.301(a)	Was proper public notice provided? Yes.	Date verified: 4/3/2014
Date(s): 9/5/2013 & 9/23/2013		
Waivers?: N/A		
Additional notice required for amendment?: No.		
All appropriate entities notified? Yes. Customers and Neighboring Utilities were provided notice on 9/5/2013. An additional entity was identified that notice was not provided to; therefore, the notice was provided to Gulf Coast Waste Disposal Authority on 9/23/2013.		
§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: 4/3/2014
Description: See FM Memos dated 10/24/2013 & 10/31/2013.		
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: H-M-W's current facility has reached its flow capacity. Quadvest intends to divert the flow to a nearby Quadvest facility and retire the H-M-W facility. No improvements are scheduled at this time. However, the applicant plans on replacing aged collection lines and upgrading lift stations as needed. (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: 4/3/2014
Description: See FM Memos dated 10/24/2013 and 10/31/2013. (review FMT Checklist and Memo for response)		
§13.301(d)	Will the transaction serve the public interest? Yes. Sewer service should be improved and a permitted wastewater treatment plant will be eliminated. (see pg. 4, question 11. D of the application)	Date verified: 4/3/2014
Is the applicant willing to make improvements? Yes.		
Description: The applicant plans to divert wastewater flow to existing Quadvest facilities. The applicant also plans on replacing aged collection lines and upgrading lift stations as needed. (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: 4/3/2014
Description: N/A. No enforcement cases were found. (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: 4/3/2014
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? Yes.	Date verified: 4/3/2014
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: 4/3/2014
Names of protestants: N/A		
Description of protests: N/A		
Protestants included on mailing list?: N/A		
Have any customer deposits been accounted for? A list of customers and deposits was provided with the application. Additional information should be provided with the closing documents. (see question 5. of the application)		Date verified: 4/3/2014
Have all tariff issues including rates, tap fees and service rules/extension policy language been resolved? N/A.		Date verified: 4/3/2014
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: 4/8/2013
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? N/A. (see Karen's NOD letter)		Date verified: 4/3/2014
What are the terms of the sale? Quadvest will acquire facilities and transfer CCN No. 20734 held by H-M-Q SUD. It is a sale of all assets to Quadvest. (see question 12 of the application)		Date verified: 4/3/2014
Sales price: \$142,040		
# of customers affected: 347		
Original cost of plant being transferred: \$533,410		
Accumulated depreciation: \$162,429		
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. Quadvest, L.P. plans to divert wastewater flow to existing Quadvest facilities. (see question 16 B of the application)		Date verified: 4/3/2014
Miscellaneous information: N/A		Date verified: 4/3/2014
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. <b>The email should be addressed to Karen Young with a copy to Bernadette Segala and say WUD Priority in the subject line.</b> 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: 4/3/2014
Description: N/A		

COMPLIANCE SUMMARY:

General: Water System Name: H-M-W SUD  
Public Water System No.: WQ-14266-001  
Inspection Date: 7/17/2012  
List of deficiencies/violations: No violations were alleged as a result of the investigation; however, there were some "Areas of Concern."

Signed: Sheresa Brownman Date: 4/3/14

