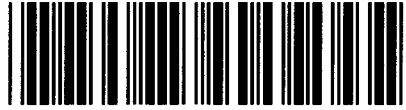




Control Number: 42994



Item Number: 22

Addendum StartPage: 0

RECEIVED

APPLICATION OF D&K §
 DEVELOPMENT CORPORATION §
 AND EMCAD WATER AND §
 WASTEWATER, LLC §
 FOR SALE, TRANSFER, OR MERGER §
 OF FACILITIES AND CERTIFICATE §
 RIGHTS IN TARRANT COUNTY §
 (37727-S) §

2015 APR 29 PM 4:04
 PUBLIC UTILITY COMMISSION

PUBLIC UTILITY COMMISSION
 FILING OFFICE
 OF TEXAS

JOINT STATUS REPORT AND NOTICE OF CLOSING

Pursuant to Order No. 3 issued in this docket and P.U.C. SUBST. R. 24.109(g) and 24.112(e), the above-referenced parties are filing this status report and notifying the Public Utility Commission of Texas ("PUC") of the closing of this transaction. Accordingly, the parties state as follows:

1. On or about May 23, 2014, the Texas Commission on Environmental Quality ("TCEQ"), predecessor to the PUC in jurisdiction over this matter, issued its authorization for the parties to complete this transaction. The TCEQ authorization letter is attached hereto as Exhibit A for your reference.
2. This transaction was timely closed on April 22, 2015. Pursuant to P.U.C. SUBST.R. 24.109(g), attached as Exhibit B is a fully-executed Bill of Sale and Assignment reflecting this closing and transfer of utility assets to EMCAD Water and Wastewater, LLC ("EMCAD").
3. Pursuant to P.U.C. SUBST. R. 24.112(e), a seller must file a list of customers served by the utility who have to their credit a deposit, the date the deposit was made, the amount thereof and the unpaid interest thereon and the disposition of such funds. In this case, the seller utility did not require customer deposits, so no such assets existed at closing to trigger application of this rule. Attached collectively as Exhibit C are excerpted documents from the underlying application (identified as Exhibit G-Asset Purchase Agreement and Schedule E.3.1(p)) reflecting that no customer deposits exist that are subject to this transaction.
4. Attached as Exhibit D is a Certificate of Completion document, fully executed by the parties, further documenting the closure of this transaction and that EMCAD, the new owner, fully assumes responsibility for any customer deposits which may be required in the future.
5. Based on the foregoing, the parties request the PUC accept these closing documents and proceed with the timely transfer of the underlying Certificate of Convenience and Necessity to EMCAD.

22

Respectfully submitted,

FRITZ, BYRNE, HEAD & FITZPATRICK, PLLC

By: Bob Renbarger

Bob Renbarger

TX Bar No. 16768100

98 San Jacinto Blvd., Suite 2000

Austin, TX 78701

Telephone: (512) 476-2020

Facsimile: (512) 477-5267

Email: bob@fbhf.com

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on all parties of record on April 29, 2015, in accordance with P.U.C. Procedural Rule 22.74.

Bob Renbarger
Bob Renbarger

EXHIBIT A

Bryan W. Shaw, Ph.D., P.E., *Chairman*
Toby Baker, *Commissioner*
Zak Covar, *Commissioner*
Richard A. Hyde, P.E., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

May 23, 2014

**BY FAX AT 512/477-5267 AND BY
BY CERTIFIED MAIL**

Mr. Bob Renbarger, Attorney
Fritz, Byrne, Head & Harrison, PLLC
98 San Jacinto Boulevard, Suite 2000
Austin, TX 78701-4288

Re: Application from EMCAD Water and Wastewater, LLC, A2089, to Acquire Facilities and transfer Certificate of Convenience and Necessity (CCN) No. 20816 held by Dusty Drury dba D & K Development Corp., in Tarrant County; Application No. 37727-S

CN: 604519330; RN: 107111247 (EMCAD Water and Wastewater, LLC)
CN: 600677470; RN: 101239796 (D&K Development Corp.)

Dear Mr. Renbarger:

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 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 transfer of the CCN. A copy of this information will be sent to both the buyer and seller.

Mr. Bob Renbarger, Attorney
Page 2
May 23, 2014

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 systems 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 transferred, it is the applicants' (buyer and seller) responsibility to notify and update the Utilities & Districts Section, Water Supply Division, of changes in the financial, managerial, or technical information provided in the application.

If you have further questions, please contact Ms. Debbie Reyes Tamayo at (512) 239-4683, or if by correspondence, include Mail Code 153 in the letterhead address.

Sincerely,



Cari-Michel La Caille, Assistant Director
Water Supply Division
Texas Commission on Environmental Quality

TB/DRT/ln

cc: EMCAD Water and Wastewater, LLC
D&K Development Corporation

EXHIBIT B

BILL OF SALE AND ASSIGNMENT

**THE STATE OF TEXAS §
 §
COUNTY OF TARRANT §**

KNOW ALL MEN BY THESE PRESENTS:

Pursuant to the terms of that certain Asset Purchase Agreement (the "Purchase Agreement") dated as of June 6, 2013, by and among **D & K Development Corp.**, a Texas corporation ("Grantor"), Dewey D. Drury, Jr., and **EMCAD Water and Wastewater, LLC**, a Texas limited liability company ("Grantee"), and for and in consideration of the sum of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration paid to Grantor by Grantee, the receipt and sufficiency of which are hereby acknowledged, Grantor does hereby grant, sell, transfer, deliver, assign and convey unto Grantee the Assets, excluding the Real Property (which is being conveyed pursuant to a separate Special Warranty Deed). Grantee acknowledges that the Assets do not include the Excluded Assets. All capitalized terms used herein, but not defined herein, shall have the meanings ascribed to them in the Purchase Agreement.

TO HAVE AND TO HOLD THE Assets, together with all rights and appurtenances thereto in anyway belonging, unto Grantee, its successors and assigns, forever, and Grantor does hereby bind itself and its successors to WARRANT and FOREVER DEFEND good and marketable title to the Assets unto Grantee, its successors and assigns, to and for its use forever, against the lawful claims of any and all persons lawfully claiming or to claim the same or any part thereof, by, through or under Grantor, but not otherwise.

The Assets are hereby conveyed free and clear of all claims, liens, mortgages, security interests, charges, leases, encumbrances, licenses, or sublicenses and other restrictions of any kind and nature except for the Permitted Encumbrances.

Grantee, upon execution below, accepts this Bill of Sale and hereby accepts and assumes the Assumed Liabilities and such assignment and transfer of the Assumed Liabilities effective as of the date hereof. Further, to the extent provided for in Section 8.3 of the Purchase Agreement, Grantee hereby agrees to indemnify, defend and hold harmless Grantor and its shareholders, directors, officers, employees, agents and assigns, from and against any and all claims, losses, liabilities and expenses relating to the Assets and accruing after the date hereof.

Except as otherwise provided in the representations made by Grantor in the Purchase Agreement, the Assets are being conveyed to Grantee and accepted by Grantee on an "as is," "where is" and "with all faults" basis, without representations, warranties or covenants, express or implied, of any kind or nature.

Grantor hereby constitutes and appoints Grantee, its successors and assigns, the true and lawful attorney of Grantor for and in the name or otherwise on behalf of Grantor, with full power of substitution, to do and execute all acts, deeds, matters and things whatsoever necessary for the assignment, transfer and/or conveyance of any interest in the Assets to Grantee, its successors and assigns. The power of attorney contained herein, being coupled with an interest, shall not be revoked by the dissolution of Grantor or be otherwise revocable.

If any term or provision hereof shall be held to be invalid or unenforceable for any reason, such term or provision hereof shall be ineffective to the extent of such invalidity or unenforceability without invalidating or otherwise affecting the remaining terms and provisions hereof, which shall remain in full force and effect, nor shall the invalidity or a portion of any provision of this Bill of Sale affect the balance of such provision.

This Bill of Sale and Assignment shall be binding upon and shall enure to the benefit of the parties hereto and their respective permitted successors and assigns.

This Bill of Sale and Assignment shall be governed by and interpreted in accordance with the laws of the State of Texas.

Nothing herein shall be deemed to alter, amend, or supersede the Purchase Agreement, the terms of which shall in all respects be controlling.

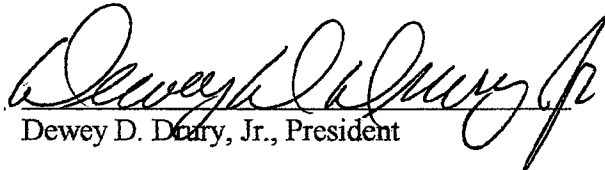
This Bill of Sale and Assignment may be executed in multiple counterparts, each of which shall be considered an original for all purposes and all of which together shall be considered one instrument.

[SIGNATURE PAGE FOLLOWS.]

IN WITNESS WHEREOF, Grantor and Grantee have executed this Bill of Sale and Assignment as of the 22nd day of April, 2015.


GRANTOR:

D & K DEVELOPMENT CORP.

By: 
Dewey D. Dary, Jr., President

GRANTEE:

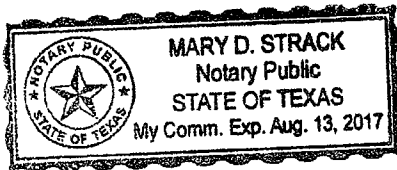
EMCAD WATER AND WASTEWATER, LLC

By: 
Name: Donald J. Clayton
Title: Manager

STATE OF TEXAS §
COUNTY OF Tarrant §

BEFORE ME, the undersigned authority on this day personally appeared Dewey D. Drury, Jr., President of D & K DEVELOPMENT CORP., a Texas corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 22nd day of April, 2015.



Mary D Strack
Notary Public in and for the State of Texas
Printed Name: Mary D Strack
My Commission Expires: 8-13-17

~~STATE OF TEXAS §
COUNTY OF _____ §~~

COMMONWEALTH OF PENNSYLVANIA
COUNTY OF ALLEGHENY

BEFORE ME, the undersigned authority on this day personally appeared Donald J. Clifton, Manager of EMCAD WATER AND WASTEWATER, LLC, a Texas limited liability company, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 21st day of April, 2015.

Harry M. Ruben
Notary Public in and for the State of Texas
Printed Name: _____
My Commission Expires: _____

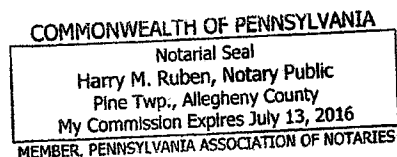


EXHIBIT C

Exhibit G

Asset Purchase Agreement

SCHEDULE 3.1(p)

CUSTOMER LIST AND CUSTOMER DEPOSITS

1. See attached Customer List. Seller does not hold any Customer Deposits.
-

EXHIBIT D

CERTIFICATE OF COMPLETION

RE: Application from EMCAD Water and Wastewater, LLC, to Acquire Facilities from Certificate of Convenience and Necessity (CCN) No. 20816 held by D & K Development Corp., in Tarrant County; Application No. 37727-S

This Certificate of Completion is executed by Dewey D. Drury, Jr., on behalf of D & K Development Corp. ("D & K"), and by Donald J. Clayton, on behalf of EMCAD Water and Wastewater, LLC ("EMCAD"), for the purpose of certifying to the Public Utility Commission of Texas ("PUC") that the sale and transfer of the assets of D&K, subject to that certain Sale, Transfer or Merger application (Application No. 37727-S) (the "STM Application") to EMCAD has been completed pursuant to the terms of the parties' Asset Purchase Agreement dated June 6, 2013.

D & K further concurs and consents to the transfer of the sewer utility service areas covered by the STM Application to EMCAD, the buyer in this transaction, pursuant to Texas Water Code ("TWC") § 13.301 and 16 TAC § 24.109.

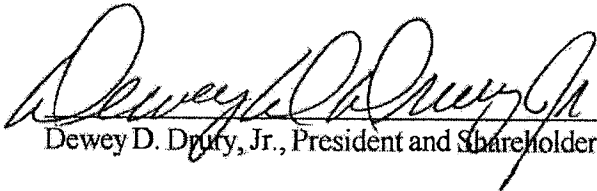
EMCAD represents and warrants that, as of the date of execution of this document, it is assuming responsibility for any customer deposits that may be required by sewer utility regulations or ordinances for any affected customer. EMCAD further represents and warrants that it will provide written notice to the customers concerning this change in service providers.

This Certificate may be executed in multiple counterparts, each of which shall be considered an original for all purposes and all of which together shall be considered one instrument.

IN WITNESS WHEREOF, D&K and EMCAD have executed this Certificate of Completion as of the 22nd day of April, 2015.

D & K DEVELOPMENT CORP.,
a Texas corporation

By:


Dewey D. Drury, Jr., President and Shareholder

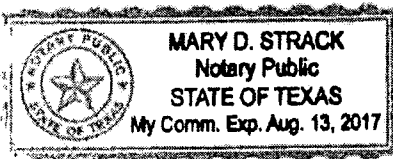
EMCAD WATER AND WASTEWATER, LLC,
a Texas limited liability company

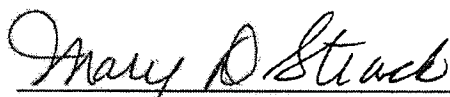
By: 
Donald J. Clayton, Manager

THE STATE OF TEXAS
COUNTY OF Tarrant

This instrument was executed and acknowledged before me on this 22nd day of April, 2015, by Dewey D. Drury, Jr., the President and Shareholder of D & K Development Corp., a Texas corporation, on behalf of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 22nd day of April, 2015.

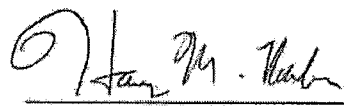



Notary Public, State of Texas

THE STATE OF TEXAS
COMMONWEALTH OF PENNSYLVANIA
COUNTY OF ALLEGHENY

This instrument was executed and acknowledged before me on this 21st day of April, 2015, by Donald J. Clayton, the Manager of EMCAD Water and Wastewater, LLC, a Texas limited liability company, on behalf of said company.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 21st day of April, 2015.


Notary Public, State of Texas

