



Control Number: 43048



Item Number: 1

Addendum StartPage: 0

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.

43048

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PUBLIC UTILITY COMMISSION
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BLUEBONNET RURAL WATER CORPORATION (BRWC)

APPLICATION FOR SALE, TRANSFER OR MERGER OF A RETAIL
PUBLIC UTILITY

FOR

THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

SUBMITTED TO:

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
WATER SUPPLY DIVISION
UTILITIES AND DISTRICTS SECTION, MC-153
P.O. Box 13087
AUSTIN, TX 78711-3087

RECEPTION PHONE: 512.239.1000

BY:

CORIX UTILITIES (TEXAS) INC.
1812 CENTRE CREEK DRIVE, SUITE 207
AUSTIN, TX 78754
MAIN CONTACT: DARRIN BARKER
UTILITIES OPERATIONS MANAGER

PHONE: 512.306.4000
FAX: 512.306.4009
EMAIL: darrin.barker@corix.com

DATE:

JULY 2014

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TCEQ APPLICATION: BLUEBONNET RURAL WATER CORPORATION

1. TCEQ APPLICATION

Corix Utilities (Texas) Inc. (Corix) is pleased to submit to the Texas Commission on Environmental Quality (TCEQ) an Application for Sale, Transfer, or Merger of a Retail Public Utility (STM) for Bluebonnet Rural Water Corporation (BRWC).



APPLICATION FOR SALE, TRANSFER, OR MERGER OF A RETAIL PUBLIC UTILITY

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APPLICATION FOR SALE, TRANSFER,
OR MERGER OF A RETAIL PUBLIC UTILITY

*RN# *CN# **11556** *If known (See instructions)

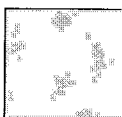
1. Proposed action of application (check all the boxes that apply):

☒ Sale of ☒ All ☐ Portion of the ☒ Water system(s) under CCN No.:
☐ Acq. system(s) under CCN No.:
☐ Lease

☒ Trans:

tified water service area – CCN No.: **11556**
tified sewer service area – CCN No.:
is affected by this transaction, please specify the areas

If only a
or subdi



and to:
☐ Obt
☐ Ame
☐ Mer
☐ Canc

ate if purchaser will take the seller's CCN

2. Proposed effective date of this transaction: **February 1, 2015**

(Must be at least 120 days after proper notice is provided)

**QUESTIONS 3 THROUGH 5 APPLY TO THE TRANSFEROR
(CURRENT SERVICE PROVIDER OR SELLER)**

3. For the current CCN holder or service provider please indicate:

A. Name: **Bluebonnet Rural Water Corporation**

(Individual, Corporation or Other Legal Entity)

Who is a(n): of ☐ Individual ☒ Corporation ☐ WSC ☐ HOA or POA ☐ Other

B. Utility Name (if different than above): **also known as Northeast Washington County WSC**

Address: **PO BOX 729 Bastrop, TX 78602** Telephone: (AC) **512.332.7914**

C. Contact person. Please provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney or accountant.

Name: **Elizabeth Kana**
Address: **PO BOX 729 Bastrop, TX 78602**
Fax: **512.321.1482**

Title: **CFO**
Telephone: (AC) **512.332.7925**
Email: **elizabeth.kana@bluebonnet.coop**

4. About the last rate increase for the system or facilities being transferred: **36720-R**
A. What was the effective date of the last rate increase? **July 26, 2010**

B. Was notice of this increase provided to the Texas Commission on Environmental Quality or its predecessors?

☐ No ☒ Yes- Application/Docket Number: **36720** Date

5. Please provide a list of all customers affected by this transaction who have deposits held by the transferor or seller utility, if any, and include the following information (attach additional sheets if necessary):

Name and Address of Utility Customer	Date of Deposit	Amount of Deposit	Amount of Unpaid Interest on Deposit
See Exhibit A – Customer Deposits			

Within 30 days of the actual transaction date, and prior to the transfer of the certificate by the TCEQ, the seller must provide proof to the Commission that these customer deposits were returned to the customers or transferred to the purchasing utility. Proof should include a sworn affidavit.

QUESTIONS 6 THROUGH 16 REFER TO THE TRANSFEREE OR PURCHASER

6. For the person or entity acquiring the facilities and/or CCN:

Applicant: **Corix Utilities (Texas) Inc.**
(Individual, Corporation, or Other Legal Entity)

Utility Name: **Same as Above**
(If different than above)

Utility Address: **1812 Centre Creek Drive, Suite 207, Austin, TX 78754**

Fax: **512.306.4009** Email: **darrin.barker@corix.com** Telephone (AC): **512.306.4000**

CCN Numbers held prior to the filing of this application: **Application is Pending with TCEQ – CCN 11556 to be merged with Corix Utilities (Texas) Inc. new CCN.**

7. Check the appropriate box and provide information regarding the legal status of the transferee applicant:

- ☐ Individual
☐ Home or Property Owners Association
☐ Partnership; attach copy of partnership agreement
☒ Corporation; provide charter number as recorded with the Office of the Secretary of State for Texas: **801600117 (Copy of Certificate in Appendix A)**
☐ Non-profit, member-owned, member-controlled Cooperative Corporation (Article 1434(a) Water Supply or Sewer Service Corporation); provide charter number:
☐ Municipally-owned utility
☐ District (MUD, SUD, WCID, etc.)
☐ County
☐ Other (please explain):

8. If the applicant is an *Individual* or sole proprietorship, provide the following information. If not, skip to the next question.

Name:	Not Applicable		Email	
Address				
Telephone (AC):		Fax (AC):		

9. If the applicant is other than an *Individual* provide the following information regarding the officers or partners of the legal entity applying for the transfer. You must complete either question 8 or question 9, whichever applies to the transferee applicant.

Please see Exhibit C – Certificate

•Name:	Brett Hodson	Telephone (AC):	604.697.6711
Address:	Suite 1160, 1188 West Georgia Street, Vancouver, BC V6E 4A2 Canada		
Position:	President and CEO	Ownership % (if applicable):	Not Applicable

•Name:	Hamish Cumming	Telephone (AC):	604.697.6714
Address:	Suite 1160, 1188 West Georgia Street, Vancouver, BC V6E 4A2 Canada		
Position:	Executive Vice President, and Corporate Secretary	Ownership % (if applicable):	Not Applicable

•Name:	Albert Low	Telephone (AC):	604.697.6704
Address:	Suite 1160, 1188 West Georgia Street, Vancouver, BC V6E 4A2 Canada		
Position:	Executive Vice President, Support Services and Chief Financial Officer	Ownership % (if applicable):	Not Applicable

•Name:	Dietz Kellmann	Telephone (AC):	604.697.6742
Address:	Suite 1160, 1188 West Georgia Street, Vancouver, BC V6E 4A2 Canada		
Position:	Executive Vice President, Corporate Development	Ownership % (if applicable):	Not Applicable

•Name:	Kevin Meagher	Telephone (AC):	414.203.8701
Address:	Suite 100, 11020 West Plank Court, Wauwatosa, WI 53226 United States		
Position:	Vice President and COO	Ownership % (if applicable):	Not Applicable

•Name:		Telephone (AC):	
Address:			
Position:		Ownership % (if applicable):	

- Attach additional sheet(s) if necessary -

- Important:** • If the applicant is a for-profit corporation, please provide a copy of the corporation's "Certification of Account Status" from the State Comptroller Office. This "Certification of Account Status" can be obtained from:

Texas Comptroller of Public Accounts

P. O. Box 13528, Capitol Station
Austin, Texas 78711
1-800-252-5555

- If the applicant is an Article 1434a water supply or sewer service corporation or other non-profit corporation, please provide a copy of the Articles of Incorporation and By-Laws.

10. Contact person. Please provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney or accountant.

Name:	Darrin Barker	Title:	Utilities Operations Manager
Address:	1812 Centre Creek Drive, Suite 207, Austin, TX 78754	Telephone (AC):	519.306.4007
Fax #	512.306.4009	Email	darrin.barker@corix.com
Relationship to the applicant:	Operations Manager for Corix Utilities (Texas) Inc.		

IF THERE ARE MORE THAN TWO PARTIES INVOLVED IN THIS TRANSACTION, PLEASE ATTACH SHEETS PROVIDING THE INFORMATION REQUIRED IN QUESTION 6 THROUGH QUESTION 10 FOR EACH PARTY

11. Please respond to each of the following questions. Attach additional sheets if necessary.

- A. Describe the experience and qualifications of the applicant to provide adequate utility service to the requested area

See Exhibit C – Experience and Qualifications

- B. Has the applicant acquiring the CCN or facilities or an affiliated interest of the applicant been under enforcement action by the TCEQ, Texas Department of Health (TDH), the Office of the Attorney General (OAG) or the Environmental Protection Agency (EPA) in the past for noncompliance with rules, orders or State Statutes? ☐ Yes ☒ No

If yes, please attach copies of any correspondence with these regulatory agencies concerning these enforcement actions and describe any actions and efforts to comply with those requirements. Attach additional sheets if needed.

- C. Describe the source and availability of funds required to make the planned or required improvements, if any, to meet minimum requirements of the TCEQ and ensure continuous and adequate service.

The source and availability of funds required to make the planned or required improvements as identified in Exhibit H (Q.17.c), if any, will be from a combination of intercompany debt, equity funding from Corix Infrastructure (US) Inc., and internal cash flow from operations.

See Exhibit D – Corix Organizational Charts.

- D. Describe the anticipated impact of this transaction on the quality of utility service and explain any anticipated changes in the quality of service.

Corix anticipates the quality of utility service will be the same or better subsequent to this transaction. Corix has an extensive proven track record of providing dependable, cost-effective water utility services to similar sizes and types of systems as the system subject to this transaction.

Corix Operation and Quality Management Plan for the system is attached as Exhibit E.

E. How will the transaction serve the public interest?

Based on 30 Texas Administrative Code Section 291.112(c)(5) of TCEQ's rules, which describes the factors that TCEQ must consider in determining whether the transaction is in the public interest, Corix will provide proper notice, and as described in more detail in other provisions of the application, Corix is capable of rendering adequate and continuous service to every consumer within the certificated area, has extensive experience as a utility service provider, has a history of complying with regulatory requirements that apply to regulated public utilities and of properly managing or using revenues as a utility service provider, and 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.

12. Please describe the nature of the proposed transaction:

Bluebonnet Rural Water Corporation, a subsidiary of Bluebonnet Electric Cooperative, is selling its assets in the Northeast Washington County rural water system and has entered into a purchase and sale agreement with Corix Utilities (Texas) Inc. The utility was purchased by Bluebonnet Rural Water Corporation in 2007 and serves 1,103 meters northeast of Brenham.

13. If the transferee applicant is an Investor Owned Utility (IOU) and will be under the rate jurisdiction of the TCEQ, please provide the following information. Water supply or sewer service corporations and political subdivisions of the state should mark this section N/A:

A.	• Total Purchase Price (estimated as at December 31, 2013):	\$1,107,675
	• Total Original Cost (as recorded on books of seller or merging entity):	\$5,099,752
	• Accumulated Depreciation as of the proposed effective date of the transaction:	\$2,354,997
	• Contributions in Aid of Construction:	
	- Specific surcharges approved by TCEQ:	
	- Revenues from explicit customer agreements:	
	- Developer Contributions (please explain):	
	- Other Contributions (please explain):	\$352,002
	HUD Grant and Texas Department of Transportation line relocation	
	Total Contributions in Aid of Construction	\$352,002
	• Net Book Value:	\$2,392,753

If the Original Cost or any of the above items has been established in a rate case proceeding by the PUC, the TWC or the TCEQ, please provide the Application/Docket Number and date:

Application/Docket Number: 36720-R Date: July 26, 2010

If the applicant is not under the rate jurisdiction of the TCEQ, only the purchase price and information related to Contributions in Aid of Construction is required.

B. Please provide any other information concerning the nature of the transaction you believe should be given consideration if not explained elsewhere in the application.
[attach additional sheet(s) if necessary]:

See Exhibit F – Other Transactions Considerations

- C. Complete the following proposed entries listed below as shown in books of purchasing (or surviving) company. Additional entries may be made; the following are suggested only, and not intended to pose descriptive limitations.

Utility Plant in Service:	
Plant Acquisition Adjustment:	
Extraordinary Loss on Purchase:	
Provide Accumulated Depreciation of Plant:	
Cash:	
Notes Payable:	
Mortgage Payable:	
Others (please list):	

Corix requests a waiver for the provision of the journal entries described above. The existing tariffs that are being adopted by Corix are based on an Application for a Rate/Tariff Change dated July 26, 2010 that was approved by TCEQ on November 15, 2010 (see Section 4). The utility plant values at that time were based on a trending study that was prepared in support of the rate application (see Section 13(A)). Corix has no current plan to apply for a change in rates and therefore no immediate need to recalculate the utility plant values. This work would be done at a future date should the need arise for a change in rates in the future.

As the purchaser, I understand that it is **my responsibility** in any future rate proceeding to provide written evidence and support for the original cost and installation date of all facilities used and useful for providing utility service.

Purchaser's Initials: *ES* Date: JULY 30 2014

14. Please indicate the proposed effect of this transaction on the rates to be charged to the affected customers:
- ☒ All the customers will be charged the same rates as they were charged before the transaction.
- ☐ Some ☐ All customers will be charged different rates than they were charged before the transaction.

Please refer: Exhibit G - Tariff Terms and Conditions (including Drought Contingency Plan)

If rates are changing, please explain:

--

☐ Applicant is an IOU and intends to file with the Commission or municipal regulatory authority an application to change rates of some/all of its customers as a result of this transaction. If so, please explain:

--

☐ Other. Please explain:

--

15. List all neighboring water and /or sewer utilities, cities, and political subdivisions providing the same service within two (2) miles of area affected by this proposed transaction. This information should be available from the water utility database (WUD) or Applicant's licensed water operator.

City of Brenham (10343)
Brazos County
Burleson County
Grimes County
Washington County
Brazos River Authority
Oak Hill FWSD 1 (PWS ID2390005, District #6170000)
Bluebonnet Groundwater Conservation District
Brazos Valley Groundwater Conservation District
Post Oak Savannah Groundwater Conservation District
Bluebonnet Rural Water Corp
Central Washington County WSC (12177)
Clay WSC
Country Place Northwest Home Owners Association Inc. (11985)
G & W WSC
G & W WSC Field Store
Northeast Washington County

16. Financial, Managerial and Technical information for the acquiring entity.

See Exhibit H – Corix Infrastructure (US) Inc. Historical Financial Statements

HISTORICAL BALANCE SHEETS

Information provided in Exhibit H – Corix Infrastructure (US) Inc. Financial Statements.

	CURRENT YEAR (A)	A-1 YEAR	A-2 YEAR	A-3 YEAR	A-4 YEAR	A-5 YEAR
CURRENT ASSETS						
Cash						
Accounts Receivable						
Inventories						
Income Tax Receivable						
Other						
Total						
FIXED ASSETS						
Land						
Collection/Distribution System						
Buildings						
Equipment						
Other						
Less: Accum. Depreciation or Reserves						
Total						
TOTAL ASSETS						
CURRENT LIABILITIES						
Accounts Payable						
Notes Payable, Current						
Accrued Expenses						
Other						
TOTAL						
LONGTERM LIABILITIES						
Notes Payable, Long-term						
Other						
TOTAL LIABILITIES						
OWNER'S EQUITY						
Paid in Capital						
Retained Equity						
Other						
Current Period Profit or Loss						
TOTAL OWNER'S EQUITY						
TOTAL LIABILITIES AND EQUITY						
WORKING CAPITAL						
CURRENT RATIO						
DEBT TO EQUITY RATIO EQUITY TO TOTAL ASSETS						

HISTORICAL INCOME STATEMENT

Information provided in Exhibit H – Corix Infrastructure (US) Inc. Financial Statements.

	CURRENT YEAR (A)	A-1 YEAR	A-2 YEAR	A-3 YEAR	A-4 YEAR	A-5 YEAR
METER NUMBER						
Existing Number of Taps						
New Taps Per Year						
Total Meters at Year End						
METER REVENUE						
Fees Per Meter						
Cost Per Meter						
Operating Revenue Per Meter						
GROSS WATER REVENUE						
Fees						
Other						
Gross Income						
OPERATING EXPENSES						
General & Administrative						
Interest						
Other						
NET INCOME						

HISTORICAL EXPENSES STATEMENT

Information provided in Exhibit H – Corix Infrastructure (US) Inc. Financial Statements.

	CURRENT YEAR (A)	A-1 YEAR	A-2 YEAR	A-3 YEAR	A-4 YEAR	A-5 YEAR
GENERAL/ADMINISTRATIVE EXPENSES						
Salaries						
Office Expense						
Computer Expense						
Auto Expense						
Insurance Expense						
Telephone Expense						
Utilities Expense						
Depreciation Expense						
Property Taxes						
Professional Fees						
Other						
Total						
% Increase Per Year						
OPERATIONAL EXPENSES						
Salaries						
Auto Expense						
Utilities Expense						
Depreciation Expense						
Repair & Maintenance						
Supplies						
Other						
Total						
% Increase Per Year						
ASSUMPTIONS						
Interest Rate/Terms						
Utility Cost/gal.						
Depreciation Schedule						
Other						

PROJECTED BALANCE SHEETS

Information provided in Exhibit H – Corix Infrastructure (US) Inc. Financial Statements.

	START UP	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
CURRENT ASSETS						
Cash						
Accounts Receivable						
Inventories						
Income Tax Receivable						
Other						
Total						
FIXED ASSETS						
Land						
Collection/Distribution System						
Buildings						
Equipment						
Other						
Less: Accum. Depreciation or Reserves						
Total						
TOTAL ASSETS						
CURRENT LIABILITIES						
Accounts Payable						
Notes Payable, Current						
Accrued Expenses						
Other						
Total						
LONGTERM LIABILITIES						
Notes Payable, Long-term						
Other						
TOTAL LIABILITIES						
OWNER'S EQUITY						
Paid in Capital						
Retained Equity						
Other						
Current Period Profit or Loss						
TOTAL OWNER'S EQUITY						
TOTAL LIABILITIES AND EQUITY						
WORKING CAPITAL						
CURRENT RATIO						
DEBT TO EQUITY RATIO						
EQUITY TO TOTAL ASSETS						

PROJECTED INCOME STATEMENT

Information provided in Exhibit H – Corix Infrastructure (US) Inc. Financial Statements.

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
METER NUMBER						
Existing Number of Taps						
New Taps Per Year						
Total Meters at Year End						
METER REVENUE						
Fees Per Meter						
Cost Per Meter						
Operating Revenue Per Meter						
GROSS WATER REVENUE						
Fees						
Other						
Gross Income						
OPERATING EXPENSES						
General & Administrative						
Interest						
Other						
NET INCOME						

PROJECTED INCOME STATEMENT

Information provided in Exhibit H – Corix Infrastructure (US) Inc. Financial Statements.

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
GENERAL/ADMINISTRATIVE EXPENSES						
Salaries						
Office Expense						
Computer Expense						
Auto Expense						
Insurance Expense						
Telephone Expense						
Utilities Expense						
Depreciation Expense						
Property Taxes						
Professional Fees						
Other						
Total						
% Increase Per Year						
OPERATIONAL EXPENSES						
Salaries						
Auto Expense						
Utilities Expense						
Depreciation Expense						
Repair & Maintenance						
Supplies						
Other						
Total						
% Increase Per Year						
ASSUMPTIONS						
Interest Rate/Terms						
Utility Cost/gal.						
Depreciation Schedule						
Other						

PROJECTED SOURCES AND USES OF CASH STATEMENTS

Information provided in Exhibit H – Corix Infrastructure (US) Inc. Financial Statements.

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
SOURCES OF CASH						
Net Income						
Depreciation (If Funded)						
Loan Proceeds						
Other						
Total Sources						
USES OF CASH						
Net Loss						
Principle Portion of Pmts.						
Fixed Asset Purchase						
Reserve						
Other						
Total Uses						
NET CASH FLOW						
DEBT SERVICE COVERAGE						
Cash Available for Debt						
SERVICE (CADS)						
Net Income (Loss)						
Depreciation, or Reserve Interest						
Total						
REQUIRED DEBT SERVICE (RDS)						
Principle Plus Interest						
DEBT SERVICE COVERAGE RATIO						
CADS Divided by RDS						

**PLEASE ANSWER QUESTIONS 17 THROUGH 22 ON A DIFFERENT SHEET
FOR EACH PHYSICALLY DISTINCT SYSTEM BEING
TRANSFERRED OR ACQUIRED**

17. A. For Water Systems. TCEQ Public Water System Identification Number:

2 3 9 0 0 4 3

Date of last inspection: **March 6, 2013**

B. For Wastewater Systems: Not Applicable

-TCEQ Discharge Permit Number: W Q -

-Name of Permittee:

-Date of application to transfer Discharge Permit submitted:

-Date of application to transfer Discharge Permit approved by TCEQ:

18. A. Are any improvements required to meet TCEQ standards? ☐ Yes ☒ No. If yes, please explain:

--

B. Is there a moratorium on new connections? ☐ Yes ☒ No. If yes, please explain:

--

C. Provide details of each required major capital improvement to correct the deficiencies and meet the TCEQ standards (attach additional sheets if necessary):

Description of the Required Improvement	Schedule to Complete	Estimated Cost

19. Does the system being transferred operate within the city limits of a municipality or within district boundaries? ☐ Yes ☒ No

If yes, indicate the number of customers within the city limits or district boundaries:

Water Sewer

Attach copy of franchise agreement or consent letter from the city or district.

20. Do you currently purchase water or sewer treatment capacity from another source? ☐ Yes ☒ No
☐ Water ☐ Sewer Purchased on a ☐ Regular ☐ Seasonal ☐ Emergency Basis

• Source: % of total supply:

21. List the number of existing connections to be effected by this transaction.

Water				Sewer	
0	-Non Metered	1	-2" meter	-Residential Connection	Not Applicable
1095	-5/8" or 3/4" meter	0	-3" meter	-Commercial Connection	Not Applicable
6	-1" meter	0	-4" meter	-Industrial Connection	Not Applicable
1	-1 1/2" meter	0	-Other	-Other	Not Applicable
Total Water Connections:			1103	Total Sewer Connections	Not Applicable

22. Has the system reached 85% of its capacity based on TCEQ's minimum requirements? ☐ Yes ☒ No
If yes, please explain what steps are being taken to address the capacity issues:

--

23. List the name, class, and license number of the operator(s) that will be responsible for the system:

Name	Class	License#
Joe Woolley	Ground Water "B"	WG0000484
Shannon Johnson	Ground Water "C"	WG0012355
Anthony McGinty	Ground Water "C"	WG0008698

24. Attach the following maps with each copy of the application: **See Exhibit I – System Specific Maps**

- One small scale map clearly showing affected service area with enough detail to accurately locate the area if the application is for the transfer of all or a portion of a CCN.
- One large scale map showing the proposed service area boundaries being sold, transferred, or merged and, if available, the existing and proposed facilities. Color coding should be used to differentiate existing from proposed facilities. Facilities and service area boundaries should be shown with such exactness that they can be located on the ground. If transferring area not currently in a CCN or a portion of an existing CCN area please attach the following hard copy maps with each copy of the application:
 - A general location map delineating the proposed service area with enough detail to accurately locate the proposed area within the county.
 - A map showing only the proposed area by:
 - metes and bounds survey certified by a licensed state or registered professional land surveyor; or
 - projectable digital data with metadata (proposed areas should be in a single record and clearly labeled, data disk should be included); or
 - following verifiable natural and man-made landmarks, or
 - a copy of recorded plat map with metes and bounds.
 - A written description of the proposed service area.

OATH FOR SELLER OR FORMER SERVICE PROVIDER

See Exhibit J for the completed Oath for Seller.

STATE OF _____

COUNTY OF _____

I, _____, being duly sworn, file this application for sale, lease, rental or merger or consolidation as _____ (*indicate relationship to applicant*) that is, owner, member of partnership, title as officer of corporation, or other authorized representative of applicant); that, in such capacity, I am qualified and authorized to file and verify such application, am personally familiar with the documents filed with this application, and have complied with all the requirements contained in the application; and, that all such statements made and matters set forth therein with respect to applicant are true and correct. Statements about other parties are made on information and belief. I further state that the application is made in good faith and that this application does not duplicate any filing presently before the Commission.

I further state that I have provided to the purchaser or transferee a written disclosure statement about any contributed property as required under Section 13.301(j) and copies of any outstanding Orders of the Commission or Attorney General and have also complied with the notice requirements in Section 13.301(k) of the Water Code.

AFFIANT

(Utility's Authorized Representative)

If the Affiant to this form is any person other than the sole owner, partner, officer of the Applicant, or its attorney, a properly verified Power of Attorney must be enclosed.

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public in and for the State of Texas,
day _____ of _____, 20 _____.

SEAL

NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS

PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES _____

One copy of this page must be submitted for each utility involved in this transaction.

OATH FOR PURCHASER OR ACQUIRING ENTITY

See Exhibit K for the completed Oath for Purchaser.

STATE OF _____

COUNTY OF _____

I, _____, being duly sworn, file this application for

sale, lease, rental or merger or consolidation as _____
(*indicate relationship to applicant*) that is, owner, member of partnership, title as officer of corporation, or other authorized representative of applicant); that, in such capacity, I am qualified and authorized to file and verify such application, am personally familiar with the documents filed with this application, and have complied with all the requirements contained in the application; and, that all such statements made and matters set forth therein with respect to applicant are true and correct. Statements about other parties are made on information and belief. I further state that the application is made in good faith and that this application does not duplicate any filing presently before the Commission.

I am also authorized and do agree to be bound by and comply with any outstanding orders of the Commission or the Attorney General which have been issued to the system or facilities being acquired and recognize that I will be subject to administrative penalties or other enforcement actions if I do not comply.

AFFIANT
(Utility's Authorized Representative)

If the Affiant to this form is any person other than the sole owner, partner, officer of the Applicant, or its attorney, a properly verified Power of Attorney must be enclosed.

Applicant represents that all other parties to this transaction have been furnished copies of this completed application.

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public in and for the State of Texas,
day _____ of _____, 20 _____.

SEAL

NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS

PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES _____

One copy of this page must be submitted for each utility involved in this transaction.

Notice to Current Customers, Neighboring Systems and Cities**Bluebonnet Rural Water Corporation**

'S

(Seller's or Transferor's Name)

NOTICE OF INTENT TO SELL FACILITIES AND TRANSFER CERTIFICATE OF CONVENIENCE AND
NECESSITY (CCN) NO **11556** TO **Corix Utilities (Texas) Inc.**

(Purchaser's or Transferee's Name)

IN **Washington**

COUNTY, TEXAS

To: _____ Date Notice Mailed _____, 20 ____
(Name of Customer, Neighboring System or City)

(Address)

City

State

Zip

Sellers or Transferors' Name

Address

City/State/Zip Code

has submitted an application with the Texas Commission on Environmental Quality to sell facilities and transfer
water or sewer (please select) CCN No. **11556** in **Washington** [County Name]

County to:

Purchasers or Transferee's Name

Address

City/State/Zip Code

The sale is scheduled to take place as approved by the Executive Director (V.T.C.A., Water Code §13.301). The
transaction and the transfer of the CCN include the following subdivision(s) and zip codes:The area subject to this transaction is located approximately **3** miles **NE** [direction] of
downtown **Brenham (along SH 105)**, [City or Town] Texas, and is **generally** bounded on the north by**Sun Oil Road,****FM 390,****Asa Hoxie Road,****Coles Road,****McCrocklin Road,****Seward Plantation Road,****Mertins Creek Lane,****St Peters School Road,****Kettler Road,****FM 1835,****Schwartz Road,****Lone Star Road,****Sweed Road,****Conner Road****and Pickens Road**

;on the east by

FM 1155**FM 1370****and Burt Road**

;on the south by **Kolkhorst Schultz Road,
Kruger Road,
Bosse Road,
Whitman Road,
Dillard Road,
FM 1155 E,
FM 2193,
Copelyn Springs Road,
Earlyvine Road,
N Meyersville Road,
Wiespape Road,
Old Navasota Road,
Allen Road,
SH 105,
FM 50,
Airport Road,
Old Independence Road,
and Big Sandy Creek**

**FM 2935,
Tommelson Creek Road,
Cedar Hill Road,
FM 390,
Chriesman Road,
Dannheim Road,
and City Creek Road**

The total area being requested includes approximately 73,620 acres and serves 1103 current customers. This transaction will have the following effect on the current customer's rates and services:

Affected persons may file written protests and/or request a public hearing within 30 days of this notice.

To request a hearing, you must:

- (1) state your name, mailing address and daytime telephone number;
- (2) state the applicant's name, application number or another recognizable reference to this application;
- (3) include the statement "I/we request a public hearing";
- (4) write a brief description of how you, the persons you represent, or the public interest would be adversely affected by the proposed transaction and transfer of the CCN; and
- (5) state your proposed adjustment to the application or CCN which would satisfy your concerns and cause you to withdraw your request for a hearing.

Only those persons who submit a written request to be notified of a hearing will receive notice if a hearing is scheduled. The Executive Director will issue the CCN requested in the referenced application unless a hearing is scheduled to consider the transaction. If no protests or requests for hearing are filed during the comment period, the Executive Director may issue the CCN 30 days after publication of this notice.

Persons who wish to protest or request a hearing on this application should write the:

Texas Commission on Environmental Quality
Water Supply Division
Utilities and Districts Section, MC-153
P. O. Box 13087, Austin, TX 78711-3087

Se desea informacion on Espanol, puede llamar al 512-239-0200.

Darrin Barker, Utilities Operations Manager
Utility Representative

Corix Utilities (Texas) Inc.

Utility Name

Notice to Current Customers, Neighboring Systems, Landowner and Cities

(Seller's or Transferor's Name) 'S NOTICE OF INTENT TO SELL FACILITIES TO

(Purchaser's or Transferee's Name) AND FOR _____
Purchaser's or Transferee's Name)

TO OBTAIN OR AMEND A CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) IN

COUNTY, TEXAS

To: _____ Date Notice Mailed _____, 20 ____
(Name of Customer, Neighboring System, Landowner or City)

(Address)

City

State

Zip

Sellers or Transferors' Name

Address

City/State/Zip Code

has submitted an application with the Texas Commission on Environmental Quality to sell water or sewer (please select) Facilities in _____ [County Name] County to:

Purchasers or Transferee's Name

Address

City/State/Zip Code

The transferee has also requested to obtain/amend a CCN in this application. The sale is scheduled to take place as approved by the Executive Director (V.T.C.A., Water Code §13.301). The transaction and the proposed service area include the following subdivision(s) and zip codes:

The area subject to this transaction is located approximately _____ miles _____ [direction] of downtown _____, [City or Town] Texas, and is **generally** bounded on the north by _____; on the east by _____; on the south by _____; and on the west by _____

The total area being requested includes approximately _____ acres and serves _____ current customers. This transaction will have the following effect on the current customer's rates and services:

Affected persons may file written protests and/or request a public hearing within 30 days of this notice.

To request a hearing, you must:

- (1) state your name, mailing address and daytime telephone number;
- (2) state the applicant's name, application number or another recognizable reference to this application;
- (3) include the statement "I/we request a public hearing";
- (4) write a brief description of how you, the persons you represent, or the public interest would be adversely affected by the proposed transaction and transfer of the CCN; and
- (5) state your proposed adjustment to the application or CCN which would satisfy your concerns and cause you to withdraw your request for a hearing.

Only those persons who submit a written request to be notified of a hearing will receive notice if a hearing is scheduled. The Executive Director will issue the CCN requested in the referenced application unless a hearing is scheduled to consider the transaction. If no protests or requests for hearing are filed during the comment period, the Executive Director may issue the CCN 30 days after publication of this notice.

Persons who wish to protest or request a hearing on this application should write the:

Texas Commission on Environmental Quality
Water Supply Division
Utilities and Districts Section, MC-153
P. O. Box 13087, Austin, TX 78711-3087

Se desea informacion on Espanol, puede llamar al 512-239-0200.

Utility Representative

Utility Name

EXHIBIT A: DEPOSITS FOR BRWC

2. DEPOSITS FOR BRWC

Please refer to the following pages for the water deposits for the Bluebonnet Rural Water Corporation as it relates to Question 5 of the TCEQ Application.

2.1 DEPOSITS FOR BLUEBONNET RURAL WATER CORPORATION

Donnale and Enza Washington	301 Third St., Navasota 77868	10/24/2007	50.00	5.99
Nowicki	17129 Hwy 105, Washington, 77880	3/17/2008	50.00	4.96
Edward Shepherd	P.O. Box 2441, Brenham 77834	5/5/2008	50.00	4.63
Rubio De Los Santos	8465 Tass Lane, Brenham, 77833	6/5/2008	50.00	4.40
Brenda Orozco	3029 Kathryn Circle, Brenham, 77833	7/8/2008	50.00	4.14
Elizabeth Riley	P.O. Box 181, Chappell Hill 77426	7/18/2008	50.00	4.04
Bracy Sweed	P.O. Box 511, Washington 77880	7/29/2008	50.00	3.97
Kim Schulz	6355 Little York Ln., Washington 77880	10/21/2008	50.00	3.41
Lechia Marshall	17050 Hwy 105, Washington 77880	2/9/2009	50.00	2.67
Don L. Aken	2852 Five Oaks Ln., Brenham, 77833	4/28/2009	50.00	2.06
Betty Bryant	2902 Kathryn Circle, Brenham 77833	5/14/2009	50.00	1.96
Margarita Rivera Gaytan	10820 FM 50, Brenham 77833	5/18/2009	50.00	1.93
Donna Lee	20630 Sunset Bend, Spring 77379	5/19/2009	50.00	1.93
Vanessa Dailey	17425 Wm. Penn Rd., Washington 77880	6/22/2009	50.00	1.70
Juan Andrade	915 Allen Rd #2, Brenham 77833	10/19/2009	50.00	0.93
Tomas Garcia	3039 Reagan Beth Ln. Brenham 77833	12/3/2009	50.00	0.56
Mark Mertz	6109 Clay Lane, Brenham 77833	12/9/2009	50.00	0.52
Ricardo Rodriguez	6608 Old Independence Rd., Brenham 77833	1/5/2010	50.00	0.38
Angel Green	17526 Sweed Rd., Washington 77880	1/19/2010	50.00	0.38
Dorothy Rice	2870 Bent Tree Ln., Brenham 77833	2/2/2010	50.00	0.37
Sharon Richardson	15636 Hwy. 105, Washington, 77868	2/17/2010	50.00	0.37
Jason Holle	9750 Kettler Rd., Brenham 77833	3/24/2010	50.00	0.36
Bryan Butler	P.O. Box 2108, Brenham 77834	4/13/2010	50.00	0.35
Jonathan Green	506 S. Park St., Brenham 77833	8/3/2010	50.00	0.31
Richel Smith	3980 Clay Creek Rd., Brenham 77833	8/13/2010	50.00	0.31
Deidra Prewitt	12005 FM 50, Brenham 77833	8/16/2010	50.00	0.31
Chancie Moore	4080 Clay Creek Rd., Brenham 77833	8/16/2010	50.00	0.31

Manasas Vega Flores	2829 David Lane, Brenham 77836	9/1/2010	50.00	0.30
Glinda Hoskins	12616 FM 50, Brenham 77833	9/2/2010	50.00	0.30
Felicia Thomas	4180 Clay Creek Rd., Brenham 77833	9/3/2010	50.00	0.30
Cedric Briscoe	4270 Clay Creek Rd., Brenham 77833	12/21/2010	50.00	0.27
Larry Johnson	16243 Evergreen Lake Ln, Cypress 77429	3/7/2011	50.00	0.24
Bobby Costello	7009 Sandy Hill Rd, Brenham 77833	3/8/2011	50.00	0.24
Kenneth Armstead	P.O. Box 35, Washington 77880	3/31/2011	50.00	0.23
Amy Klusman	11988 Schwartz Rd, Brenham 77833	4/14/2011	50.00	0.22
Maceo Moore	P.O. Box 251, Brenham 77834	4/14/2011	50.00	0.22
Erica Helmer	6060 Hwy 105, Brenham 77833	6/23/2011	50.00	0.20
Annie Rivers	9600 Lone Star Rd, Washington 77880	7/26/2011	50.00	0.19
Armstead Scales	18770 Hwy 105, Washington 77880	7/26/2011	50.00	0.19
Allen Heinrich	20218 Misty River Way, Cypress 77433	9/23/2011	50.00	0.18
Regina Walker	19091 Sweed Rd., Washington 77880	9/29/2011	50.00	0.18
Louis Riley	20044 Washington Bridge, Wash. 77883	10/10/2011	50.00	0.17
Robert Hall	507 W. Wilkins St. Brenham 77833	10/12/2011	50.00	0.17
William Ward	6708 Clay Lane, Brenham 77833	11/3/2011	50.00	0.16
Genevia Little	10770 FM 50, Brenham 77833	12/15/2011	50.00	0.14
Tamantha Levy	P.O. Box 511, Washington 77880	2/16/2012	50.00	0.13
Leonard Royal	7775 Roxie Lane, Independence 77833	2/22/2012	50.00	0.13
David Woods	2305 S. Day St. PMB227, Brenham 77833	5/7/2012	50.00	0.11
Benjamin Menjares	2939 Kathryn Cir, Brenham, 77833	5/11/2012	50.00	0.11
Kenny Lucherik	P.O. Box 350, Burton 77835	5/14/2012	50.00	0.11
Wilonda Powell	12955 Hwy 105, Washington 77880	5/24/2012	50.00	0.11
Jake Moesta	3220 Wood Creek Rd., Brenham 77833	5/30/2012	50.00	0.11
Albert Smith	402 Alkire Dr. Sugar Land 77478	6/14/2012	50.00	0.11
Tammy Johnson	12530 FM 50, Brenham 77833	6/14/2012	50.00	0.11
Julie Massey	422 Oak Rd., Clear Lake Shores 77565	8/10/2012	50.00	0.09
Valerie Ross	7530 Richardson Ln, Brenham 77833	8/16/2012	50.00	0.09

Juan Paredes	7331 Creek Crest Dr, Houston 77095	8/28/2012	50.00	0.09
Willie Dilworth	P.O. Box 3, Brenham 77834	9/21/2012	50.00	0.09
Joe/ Cheryl Franklin	9539 FM 2621, Brenham 77833	9/21/2012	50.00	0.09
Rebecca Conner	19135 Sweed Rd. Washington 77880	9/27/2012	50.00	0.09
Shawn Zeth	17877 Wellman Rd. Washington 77880	10/26/2012	50.00	0.09
Darren Hinze	16082 Hwy 105, Washington 77880	10/26/2012	50.00	0.09
Rita Ramirez	3551 Old Masonic Rd. Brenham 77833	11/9/2012	50.00	0.08
Clover Carroll	3009 Five Oaks Ln. Brenham 77833	11/13/2012	50.00	0.08
Leotis Taylor Jr	18409 Wellman Rd. Washington 77880	11/13/2012	50.00	0.08
Erwin Thompson	2335 Addison, Houston 72030	11/13/2012	50.00	0.08
Shaun Kerns	4218 FM 390 East, Brenham 77833	11/16/2012	50.00	0.08
Aaron Connell	5050 FM 390 E, Brenham 77833	11/19/2012	50.00	0.08
Anne Giles	1507 New Years Creek Ln. Brenham 77833	12/27/2012	50.00	0.08
Stoney Lacina	104 E.Germania, Brenham 77833	2/14/2013	50.00	0.06
Vaughn Family Par	3900 Essex Ln. #535, Houston 77027	2/21/2013	50.00	0.06
Martin Deyrs	900 Allen Rd. #21, Brenham 77833	2/26/2013	50.00	0.06
Angelean Tomczak	20481 Pickens Rd Washington 77880	4/10/2013	50.00	0.05
Casey Conner	P.O. Box 328, Washington 77880	4/18/2013	50.00	0.05
Allen Winters	23741 - 1155 Rd. Washington 77880	4/26/2013	50.00	0.05
Joe Burrell III	P.O. Box 724, Brenham 77833	4/26/2013	50.00	0.05
Mike Tisdal	19550 FM 1155 E., Washington 77880	5/17/2013	50.00	0.04
Branham Hanger	6114 Kirby Dr., Houston 77005	5/17/2013	50.00	0.04
Paul Buro	6540 FM 1370, Washington 77880	5/17/2013	50.00	0.04
Alberto Garcia	1807 S. Day, Brenham 77833	5/29/2013	50.00	0.04
Willy Dilworth	3150 Deer Rd. Brenham 77833	6/27/2013	50.00	0.04
Brooke Eckermann	7939 Sandy Hill Rd. Brenham 77833	7/5/2013	50.00	0.03
Jim & Ann Johnson	2223 Saddlehorn Trail, Katy 77494	7/10/2013	50.00	0.03
Glenn Jaster	10325 Hood Hotel Rd. Brenham 77833	7/30/2013	50.00	0.03
Gilda Sager	8962 Randermann Rd. Brenham 77833	7/30/2013	50.00	0.03

Michael Patton	16007 Stratton Park Dr., Spring 77379	8/13/2013	50.00	0.02
Hannah Fick	8305 Old Baylor College, Brenham 77833	8/13/2013	50.00	0.02
Rickey Newsome	1420 Allen Road, Brenham 77833	8/28/2013	50.00	0.02
Villard Hunter	P.O. Box 1644, Brenham 77880	9/13/2013	50.00	0.02
Judy Steele	13132 Orphanage Rd. Santa Rosa 78593	9/13/2013	50.00	0.02
Anderson Mitchell	7825 Roxie Lane, Brenham 77833	9/13/2013	50.00	0.02
Lorenzo Vega	6508 Old Independence Rd. Brenham 77833	9/13/2013	50.00	0.02
Judith Hulsey	7575 Steinfeld Lane, Brenham 77833	9/26/2013	50.00	0.02
Sarah Shrank	6708 Clay Lane, Brenham 77833	10/24/2013	50.00	0.01
Luciano Cruz	P.O. Box 272, Brenham 77833	10/24/2013	50.00	0.01
Franco R. Rivera	19881 Washington Bridge, Washington 77880	10/24/2013	50.00	0.01
Todd Chapman	12894 Jerry Lane, Brenham 77833	10/24/2013	50.00	0.01
Shrum Denny/Line	7726 N. Boenker Ln. Washington 77880	10/29/2013	50.00	0.01
Tommy Wilson	14503 Broadgreen Dr. Houston 77079	11/21/2013	50.00	0.01
Lou Ann Canatell	P.O. Box 1521, Navasota 77868	11/21/2013	50.00	0.01
Herbert Jozwiak	13107 Finch Brook Dr. Cypress 77429	11/22/2013	50.00	0.01
Charles Green	P.O. Box 394, Brenham 77834	12/17/2013	50.00	-
Mario Argueta	465 Lillie Lange Rd. Brenham 77833	12/23/2013	50.00	-
Angela Rivera	3272 Reagan Beth Ln. Brenham 77833	12/23/2013	50.00	-
Ines Diaz	2839 Kathryn Circle, Brenham 77833	1/16/2014	50.00	-
Christine Bartistich	3090 Old Navasota Rd. Brenham 77833	1/20/2014	50.00	-
Wade Cunningham	2730 Peach Creek Ln. Brenham 77833	1/30/2014	50.00	-
Harlan Heilman	4508 FM 390 East, Brenham 77833	2/20/2014	50.00	-
Megan Fridye	1108 West Main, Brenham 77833	2/26/2014	50.00	-
Enrique Sanches	11428 McCrocklin Rd. Brenham 77833	2/26/2014	50.00	-
Shatoria King	3032 Reagan Beth Ln. Brenham 77833	3/4/2014	50.00	-
Justin Carpenter	19759 Clements Ln. Navasota 77868	3/20/2014	50.00	-
Jorge Paniagua	915 Allen Rd.#19, Brenham 77833	3/20/2014	50.00	-
Robert Paret	9824 FM 390 E., Brenham 77833	3/20/2014	50.00	-

Shaun Grell	P.O. Box 675, Bellville, 77418	3/20/2014	50.00	-
Brandon Smith	10605 Old Independence Rd. Brenham 77833	3/20/2014	50.00	-
Patricia Elliott	1440 Allen Rd., Brenham 77833	4/1/2014	50.00	-
Curtis Meyer	2679 Old Gay Hill Rd., Brenham 77833	4/1/2014	50.00	-
Cheryl Joswiak	12102 Whitman Rd. Brenham 77833	4/1/2014	50.00	-
Kathy Pickens	19589 Pickens Road, Washington 77880	4/14/2014	50.00	-
Claude Heidbreder	22654 FM 1155 East, Washington 77880	4/15/2014	50.00	-
New Dime Box Investment	321 Buffalo Trail, Lake Jackson 77566	4/25/2014	50.00	-
Johnny Lignes	3000 Hwy 390 West, Brenham 77833	4/25/2014	50.00	-
Adam Whitehead	400 FM 50, Brenham 77833	4/25/2014	50.00	-
Mikel Erickson	5706 Whitebrook Dr., Austin 78724	4/25/2014	50.00	-
Cynthia McKee	6410 FM 1370, Washington 77880	4/25/2014	50.00	-
Victor Guerro	10109 Hwy 105-#2, Brenham 77833	4/28/2014	50.00	-
Kimberly Sexton	17219 Hwy 105, Washington 77880	5/6/2014	50.00	-
Jill / Trevor Eckert	5819 Hwy 50, Brenham 77833	5/15/2014	50.00	-
Amy Helmer	2829 FM 50, Brenham 77833	5/15/2014	50.00	-
Grimes Country Cowboy Church	P.O. Box 1442, Navasota 77868	5/15/2014	50.00	-
			\$6,550.00	\$60.40

EXHIBIT B: CERTIFICATE OF ACCOUNT STATUS

3. CERTIFICATE OF ACCOUNT

On the following page please find the Certificate of Account Status for Corix Utilities (Texas) Inc. as it relates to Question 9 of the TCEQ Application.



Franchise Tax Account Status

As of: 05/19/2014 04:29:22 PM

This Page is Not Sufficient for Filings with the Secretary of State

CORIX UTILITIES (TEXAS) INC.	
Texas Taxpayer Number	32048021474
Mailing Address	1999 BRYAN ST STE 900 DALLAS, TX 75201-3140
Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	05/21/2012
Texas SOS File Number	0801600117
Registered Agent Name	C T CORPORATION SYSTEM
Registered Office Street Address	1999 BRYAN ST., STE. 900 DALLAS, TX 75201

5/19/2014

EXHIBIT C: EXPERIENCE AND QUALIFICATIONS

4. EXPERIENCE AND QUALIFICATIONS

In this section please find Corix's experience and qualification as it relates to Question 11 of the TCEQ Application.

4.1 CORIX UTILITIES (TEXAS) INC.

Corix Utilities (Texas) Inc. (the "applicant") is a wholly-owned subsidiary of Corix Infrastructure (US) Inc. The Company was established to acquire the assets and undertake operations of water and wastewater utility systems in the State of Texas. On July 1, 2012, Corix Utilities (Texas) Inc. assumed day-to-day operations, maintenance, asset management and customer care and billing responsibility for 18 water and wastewater utility systems owned by the Lower Colorado River Authority (LCRA). Corix Utilities (Texas) Inc. hired many of the utility operations staff from LCRA, thereby retaining the knowledge and experience of the operations of the systems. The TCEQ has approved Corix Utilities (Texas) Inc. STM applications for the LCRA systems and financial close of the sale is anticipated to take place on July 30, 2014.

Corix Group

Corix Utilities (Texas) Inc. is part of the Corix Group, a recognized leader in the implementation of sustainable water, wastewater and energy infrastructure solutions for communities across North America. Corix designs, supplies, builds, installs, finances and manages utility infrastructure on behalf of municipal, institutional, military and private-sector customers.

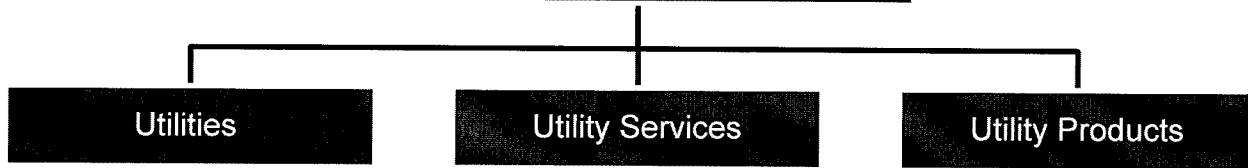
Corix currently has over 2,250 employees, in three business groups; Utilities, Utilities Services and Utilities Products, dedicated to providing high quality utilities, services and products across North America. Combined with its subsidiaries, Corix brings 70 years of experience, financial stability and cost effective, efficient approaches to operating and maintaining community utility infrastructure. Corix operations and maintenance expertise, in-house management capabilities, financial resources, and integration of products, systems and services, combine to deliver sustainable solutions for single utility or multi-utility systems. The Corix team also offers a wide range of professional, qualified operators and technicians in all fields of sustainable energy, potable and non-potable water and wastewater. With its national operational governance, technical supervision and training, Corix assures high quality operational performance and safety in the systems it operates.

This integrated business model allows Corix to bring unique benefits to our utility operations by leveraging our in-house utility services and products, manufacturing and control solutions capacity. In the United States, Corix now operates in 31 states (refer to map below). The Corix Water Products group maintains a network of stores in California, Oregon and Texas and is continuously expanding. Corix Utilities operations currently has over 1,477 staff in the United States and Canada, serving approximately 914,978 people with water, wastewater and multi-utility systems.

4.2 LINES OF BUSINESS

Corix has a unique "economies of scope" business model that integrates three distinct but highly complementary lines of business: Utilities, Utility Services and Utility Products as noted below:

CORIX[®] Group of Companies



Utilities

Corix focus is placed on providing utility ownership and management across multiple utilities at the local level. Utilities under management by Corix include water treatment and distribution, wastewater collection and treatment, combined heat and power (CHP) plants and heat distribution systems, natural gas and electricity distribution, chilled water plants and distribution systems.

Utility Services

Through our Utility Services area Corix provides measurement and metering services to municipalities, utilities, and cooperatives throughout North America. The services provided include automated meter reading deployment, maintenance and support, meter changes and retrofits, contract meter reading, code compliance, utility field installation services and other special field services. Corix also provides water and wastewater contract operations and turnkey design-build water systems, fire hydrant leak detection, maintenance and repair. Corix currently has utility services contracts in Texas with Austin Energy and CPS Energy in San Antonio.

Utility Products

Operating 38 Utility Product branches across North America, which distributes a full line of pipes, valves, meters, pumps, irrigation equipment, service and repair products, and other components that are used to transport clean water and wastewater. Corix also serves the oil, gas, and industrial products sector by providing measurement and flow control equipment. Part of our Utility Products are the Corix Water Systems division manufacturer's prefabricated, modular water and wastewater treatment systems. A Corix prefabricated water treatment plant has been approved by the TCEQ at Spicewood Beach, Texas to serve approximately 450 connections this plant became operational on June 26, 2014.

Corix Operations Location Map**4.3 KEY STAFF**

The following offers a brief overview of Corix Utilities (Texas) Inc. personnel qualifications and experience (also refer to the staff organizational chart in Exhibit D):

Kevin G. Meagher - Vice President and Chief Operating Officer - Corix Utilities (US) Inc.

Kevin Meagher is Vice President and Chief Operating Officer for Corix Utilities (US) Inc. Drawing on over 32 years of utility experience, Kevin is responsible for the overall US operations of Corix Utilities, Oklahoma, Texas and Infrastructure (US) Inc. with more than 1,100 employees and currently over twenty utility and municipal projects that continue to expand. Under Kevin's leadership and guidance, Corix Utilities (US) has evolved to become one of the leading Infrastructure, Automated Meter Installation/Automated Meter Reading (AMI/AMR) project management and services contractors in the country. Kevin has played a major role in the development of Corix's systems and processes while continuing to build on the founding principles of employee safety, high quality value added services and customer satisfaction. He has also played a key role in the transition and integration of the University of Oklahoma utility privatization project.

Edward T. Yanoshita, P.Eng., JD, General Manager, Corix Utilities (Texas) Inc.

Edward Yanoshita is a professional engineer and also a lawyer. Prior to attending law school where he earned a business law degree, Ed had a 25 year career in business, engineering and technical sales of process equipment, specializing in water and wastewater treatment equipment. Ed is utilizing his range of skills and experience overseeing the transition of multi-utility operations for Corix in the US. He is currently based in Austin, overseeing the utility systems acquisitions in Texas.

R. Darrin Barker, MBA, Utilities Operations Manager, Corix Utilities (Texas) Inc.

Darrin Barker is the Utility Operations Manager for Corix in Texas. He was hired by Corix in July of 2012. Prior to that, Darrin was the Operations Manager for LCRA's water and wastewater utilities. Following three years as City Manager for the City of San Saba, Darrin was employed by LCRA where he remained for 18 years. Darrin has also served as a rate design analyst and management analyst for the Public Utility Commission of Texas from 1989 to 1992. Darrin has a BSc. in Agriculture Economics and MBA (Texas A&M University).

Gloria L. Broussard, Senior Environmental Coordinator, Corix Utilities (Texas) Inc.

Gloria Broussard has been involved in the water and wastewater industry since 1974, holding Water Operator, Lab Analyst, Laboratory Supervisor, Wastewater Superintendent and Water Quality (pretreatment program) Administrator positions. With 11 years experience as a Senior Environmental Coordinator, and a Wastewater Operations License, Gloria is responsible for the regulatory compliance of water and wastewater facilities at Corix, including all regulatory reporting to state agencies such as the Texas Commission on Environmental Quality, Texas Water Development Board, and local groundwater conservation districts. Current duties at Corix also involve addressing public water quality enquiries and training water and wastewater operators on new regulations.

Gregg Goldsmith, Supervisor, Corix Utilities (Texas) Inc.

Gregg Goldsmith has both Surface Water License and B Wastewater license. Gregg began his water and wastewater career in 1992 at LBJ MUD in Horseshoe Bay, working in all areas of field and plant operations. In 1999, Gregg accepted a job offer for employment with the LCRA to operate the Uplands water system in Bee Caves. In 2000 he was promoted to Area Supervisor for the Hill Country Region. He began his position with Corix in 2012 as a Hill Country Supervisor, overseeing numerous surface and ground water plants, water systems, wastewater plants and a composting facility.

Jason Murry, Supervisor, Corix Utilities (Texas) Inc.

Jason Murry is currently Operations Supervisor for Corix Utilities (Texas) Inc. for the Southeast Region which includes water and wastewater utility systems in the Bastrop, Camp Swift, Alleyton and Matagorda areas. Jason has more than 10 years supervisory experience in the operation, repair and construction of water/wastewater distribution systems, leak repair and new service connections/extensions.

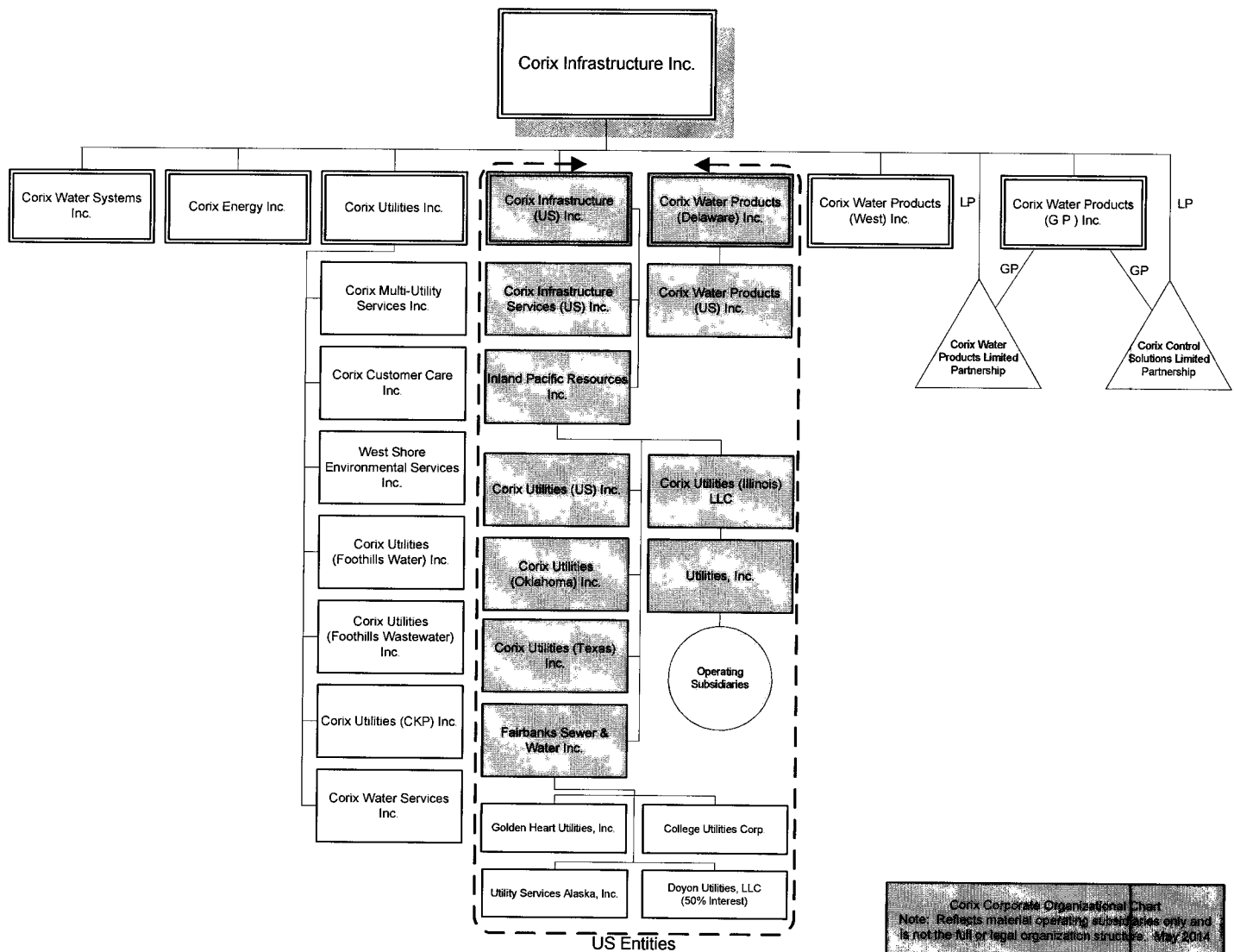
Lance Beaver, Customer Care and Billing Supervisor, Corix Utilities (Texas) Inc.

Lance Beaver is a dedicated and experienced team leader with several years of employment history within the utility billing, customer service and banking industry, including one year with LCRA as a Customer Service Supervisor. While working with the LCRA, Lance managed a service team for over 10,000 customers, oversaw in-house collection on past due/finalized accounts and resolved customer complaints and escalated phone calls. Lance has excelled in providing exceptional customer service, building strong customer relationships and attaining valuable knowledge of the utilities industry in his service area.

EXHIBIT D: ORGANIZATIONAL CHARTS

5. CORIX ORGANIZATIONAL CHART

The following organizational chart is the Corix overall structure.



5.1 CORIX UTILITIES (TEXAS) INC. ORGANIZATIONAL STRUCTURE

Please refer to the following page for an overview of Corix Utilities (Texas) Inc. organizational structure and staffing.

CORIX UTILITIES (TEXAS) INC. Organizational Structure

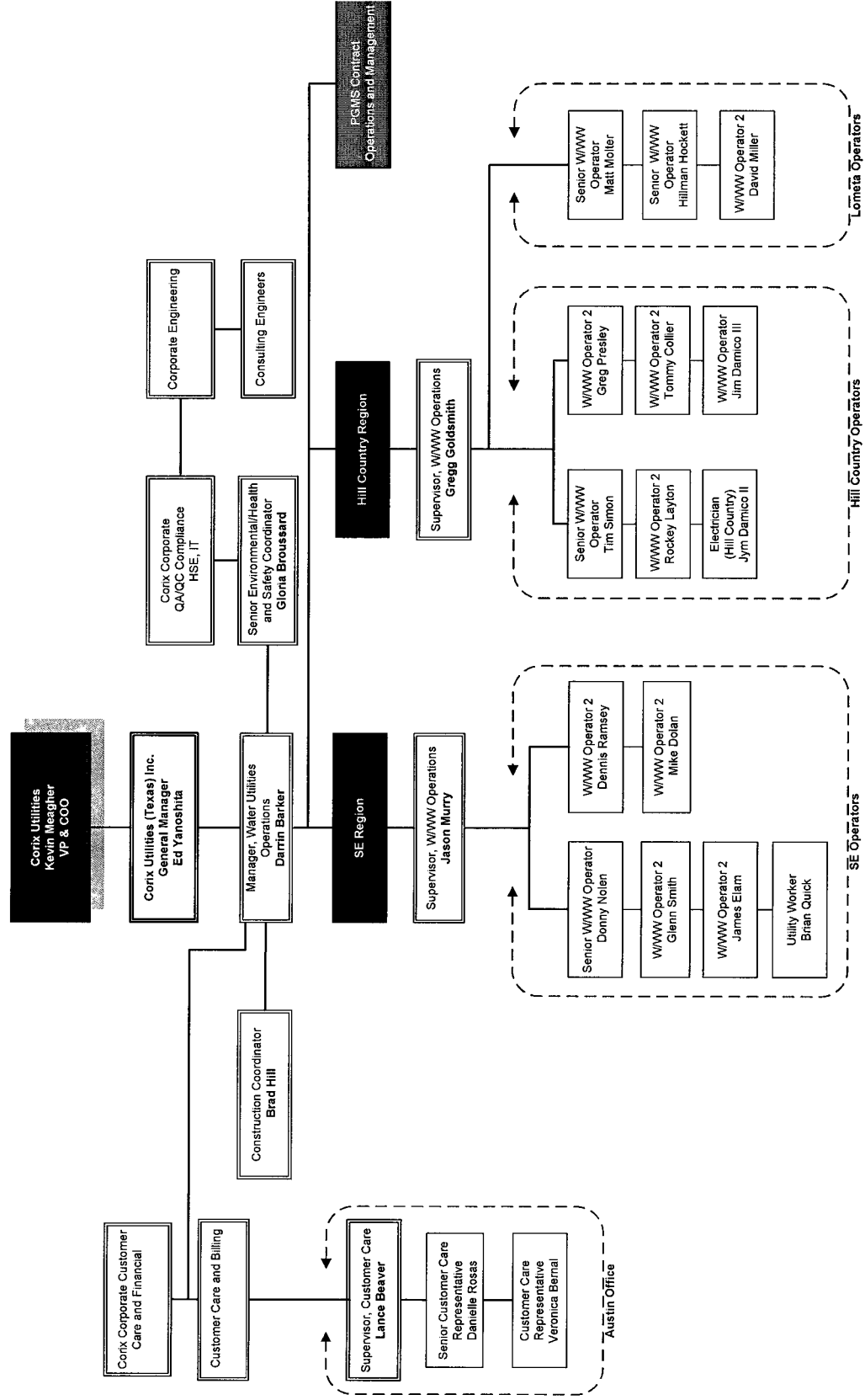


EXHIBIT E: OPERATING AND QUALITY MANAGEMENT PLAN

6. UTILITY SERVICE QUALITY

Please refer to the following pages for the Corix Operating and Quality Management Plan as it relates to Question 11 (c) of the TCEQ Application.

OPERATING AND QUALITY MANAGEMENT PLAN

FOR

BLUEBONNET RURAL WATER CORPORATION (BRWC)

Submitted to:

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
WATER SUPPLY DIVISION
UTILITIES AND DISTRICTS SECTION, MC-153
P.O. Box 13087
AUSTIN, TX 78711-3087

RECEPTION PHONE: 512.239.1000

By:

CORIX UTILITIES (TEXAS) INC.
1812 CENTRE CREEK DRIVE, SUITE 207
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DATE:

JULY 2014

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OPERATIONS AND MAINTENANCE PLAN

1 WATER OPERATIONS AND MAINTENANCE PLAN

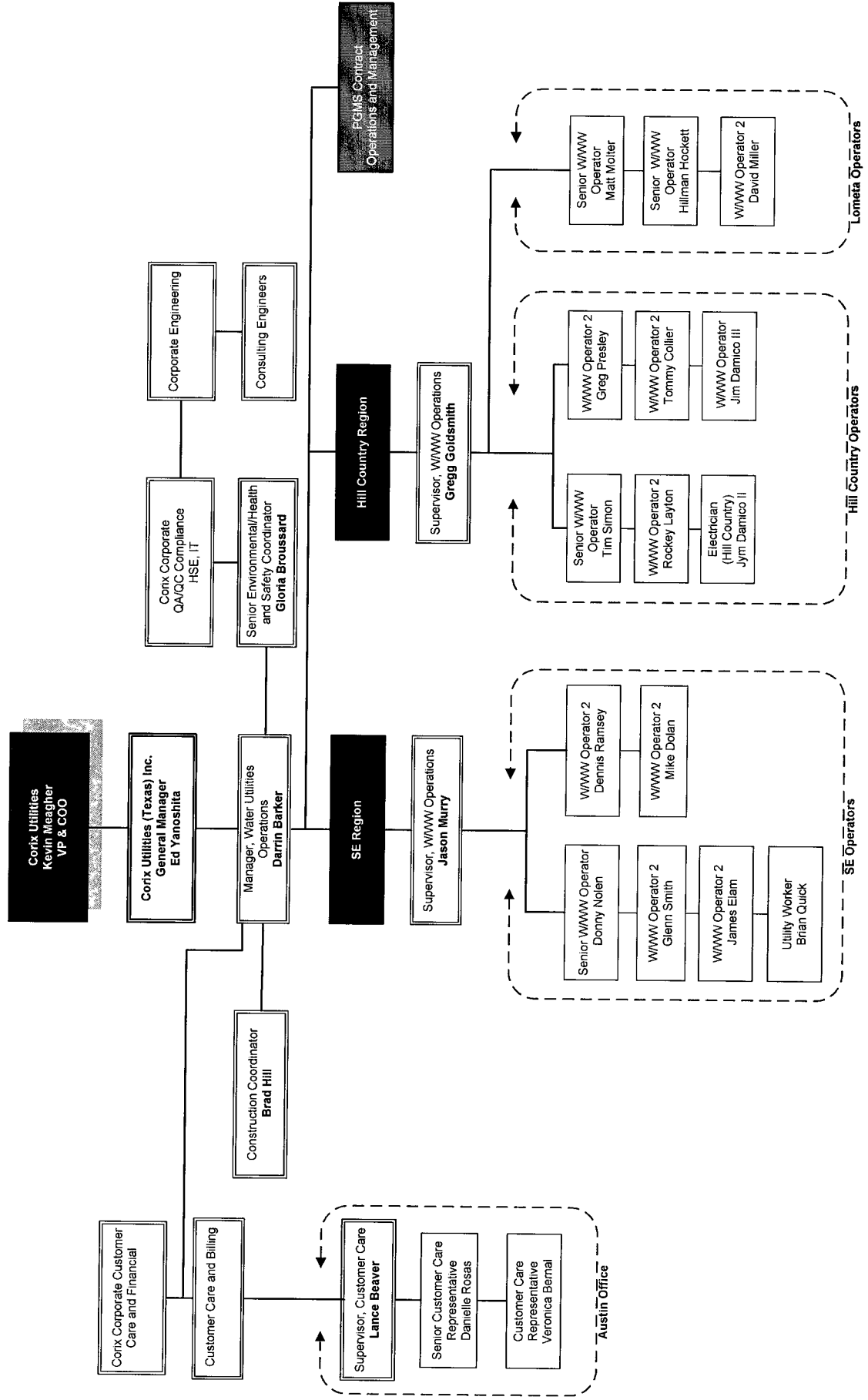
Corix will maintain or increase system performance and ensure the provision of reliable, cost effective, and compliant services. Our approach includes strategies that provide an increase in the value of services provided.

1.1 STAFFING PLAN THAT OPTIMIZES CROSS TRAINING AND CERTIFICATION

Corix owns and operates both regulated and non-regulated utilities using a cost of service tariff approach. Corix has the skill sets to operate water treatment and distribution, wastewater treatment and collection systems in central Texas.

The operations will have employees located in the Brenham, Texas area, readily available to respond and support the O&M of the utility systems. Operators will be cross trained so as to have capacity to provide services on all components of the system. Corix may have supplemental on-site labor through contractors working under the direction of the Manager of Water Utilities Operations.

Figure 1: Corix Utilities Staffing Organizational and Staffing Chart



1.2 PROCESS OPTIMIZATION OVERVIEW

Corix's primary process control objective is to consistently meet or exceed current standards for quality imposed by Federal and State regulatory agencies. We will meet this objective by using the following established process control strategies:

- **Process Control Strategy** - All process control strategies will be in written format. Monitoring, control parameters, and target values will be established for each process and each utility system will be electronically recorded.
- **Process Data Management** - All data will be maintained electronically.
- **Maintenance Management** - As part of the system inventory, Corix will develop a Master Equipment List (Asset List) and maintain it within an Enterprise Asset Management System (EAMS). Problems and trends that cause failures can be tracked and responded to accordingly.
- **Information** - Information will be collected, this data can be used to develop measurement tools such as Key Performance Indicators (KPI's) to determine the effectiveness of the process.

Corix will optimize utility processes by developing an operating plan which will include:

- Standard Operating Procedures (SOPs)
- Trend Charts for Process Control

To ensure efficient operation of the water system and compliance with regulatory requirements, Corix has established process optimization goals for the Bluebonnet Rural Water Corporation (BRWC) facilities. Table 1 presents these goals.

Table 1: Process Optimization Actions

FUNCTION	IMPROVEMENT ACTION(S)
Compliance	Comply with all Federal, state, and local water quality requirements: 100% compliance, 100% of the time.
Reliability and Redundancy	Ensure redundancy of critical processes and reliability of all electromechanical equipment by implementing comprehensive predictive and process maintenance programs.
Chemical	Develop Chemical Management Plan to track and optimize treatment chemical usage. Implement necessary safety improvements and complete a Process Safety Plan.
Energy	Reduce pumping and process energy demand by tracking usage and optimizing pump/motor efficiencies and hydraulic profile especially at water pump stations and lift stations. Use variable speed drive equipment where possible to reduce electrical usage. Develop measurement system to identify overloaded components and insulators breaking down and replacement plans to reduce system losses through these replacements.
O&M Cost	Reduce O&M cost through best management practices of labor and resources.
Staffing	Train and utilize qualified, certified staff, cross-trained for multiple functions.
Conservation	Strive for less than 10% unaccounted for water (UAW).

1.3 STANDARD OPERATING PROCEDURES

These SOPs will be based on operating the utility at an optimum performance level, and therefore cannot be fully developed in advance. To the extent that there are existing SOPs, these will serve as the starting point for Corix's review and establishment of appropriate SOPs. Typically, the O&M Manual is developed at three levels — the individual component level, the systems level, and the utility level. The component-level data, which is provided by manufacturers and equipment vendors, will be assembled and organized in a consistent, indexed format for easy reference. Upon reviewing this information on equipment and systems and developing a basic understanding of their operation — as well as studying the BRWC facility designs — our operations specialists will extract pertinent data developed by the various disciplines (e.g. operating limits, warnings, notes) and integrate them into an overall, system-wide and utility-wide O&M Manual.

The purpose of the O&M Manual is to consolidate data on the background, principles, and purpose of each process in the facilities/system. The manual will provide the staff with a clear understanding of the utility facilities/system goals and process objectives, and will serve as a single reference for locating all the information and approaches necessary to successfully operate the utilities.

For the management team, the O&M Manual will provide a single document to record and list the process goals, objectives, and basic operating parameters for the system.

The facility's O&M Manual includes SOPs, which will be updated annually if necessary or whenever the process or equipment is modified or changed. We will retain the SOPs electronically within our secure data center to provide ready access for reference, field use, and updating.

SOPs are the backbone of any system operation strategy. Operators create process SOPs to explain the operations of an entire process. Equipment SOPs detail the operation of a single piece of equipment, such as a pump. Whether the SOP is for a process or for a piece of equipment, the SOP is a basic guideline to be followed to ensure proper operation. SOPs are written in a form that reduces each step of the process or equipment operation to action words or phrases. A secondary use of SOPs includes training a new operator on the proper operation of the process or equipment. SOPs are not intended to replace well-organized and prepared training programs used for new operators.

SOPs include instructive guidelines for start-up, shutdown, and emergency operations. Each SOP includes safety notes, warnings, and cautions. For clarity and to facilitate comprehension, SOPs also include tables, diagrams, and drawings as appropriate. Corix will refine and expand current SOPs as needed for all aspects of the BRWC facilities.

SOPs provide operators with a quick reference to verify proper procedures. They will be placed in key areas to be easily accessible.

SOPs are useful in training new operators to operate specific pieces of equipment or perform testing procedures and in reminding operators of the specific procedures to follow before they start a task that they may not have performed recently.

Table 2: Dependability and Operation and Maintenance of WTS and WDS Utilities

WATER TREATMENT AND DISTRIBUTION SYSTEM (WTS & WDS) STANDARD OPERATING PROCEDURES	
1.	Water operators inspect critical equipment and facilities on a recurring basis.
2.	Routine monitoring of water system pressures to immediately detect any pressure drops that would indicate a distribution system leak.
3.	Operate all water treatment filters, chemical systems and related equipment according to the operating plan.
4.	Routine monitoring of chlorine residuals in the system.
5.	Routine flushing of hydrants ensures proper functioning of valves and adequate flows.