

Control Number: 45317



Item Number: 1

Addendum StartPage: 0

45317



**Monarch  
Utilities I, L.P.**

**A SouthWest Water Company**

Customer Service  
866.654.SWWC (7992)

2015 NOV -5 PM 1:55

PUBLIC UTILITY COMMISSION  
FILING CLERK

November 5, 2015

Public Utility Commission of Texas  
Attention: Filing Clerk  
1701 Congress Avenue  
P.O. Box 13326  
Austin, Texas 78711-3326

Re: Application of Monarch Utilities I, L.P. to Acquire Romark Utility Company (CCN 10116) and Amend CCN 12983

To Whom it May Concern:

Attached is the request of Monarch Utilities I, L.P. to Acquire Romark Utility Company (CCN 10116) and to amend the water CCN of Monarch Utilities I, L.P. (CCN 12983). The documents include:

1. Application
2. Appendices
  - A. Customer Deposits Held
  - B. SOS Note of Good standing
  - C. Summary of Current Compliance Activities
  - D. Location Maps and Electronic Data
  - E. List of Neighboring Utilities, Cities, and Other Jurisdictions
  - F. Financial Data (submitted separately under CONFIDENTIALITY)
  - G. Romark Tariff Pages

Please note this is a request to transfer an existing certificated service area and to correct the service area with deletions and additions. The electronic mapping data submitted includes the final requested service area.

Please contact me for any additional information required.

Sincerely,  
George Freitag, P.E.  
Texas Regulatory Manager  
SouthWest Water Company  
SWWC Utilities, Inc.  
(512) 219-2288  
gfreitag@swwc.com



**Application for Sale, Transfer, or Merger of a Retail Public Utility**

Pursuant to Chapter 13.251 of the Texas Water Code

**Docket Number: 45317**

(this number will be assigned by the Public Utility Commission after your application is filed)

7 copies of the application, including the original, along with one copy of the portable electronic storage medium (such as CD or DVD) containing the GIS data shall be filed with

Public Utility Commission of Texas  
Attention: Filing Clerk  
1701 N. Congress Avenue  
P.O. Box 13326  
Austin, Texas 78711-3326

No later than seven days after filing the application for the boundary change, provide a copy of each paper map and a portable electronic storage medium (such as CD, flash drive or DVD) containing complete and identical data to the portable electronic storage medium submitted above to

Texas Natural Resources Information System  
1700 N. Congress Ave, Room B40  
Austin, Texas 78701

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**Part A – General Information**

\*RN# **102673902** \*CN# **601357726** \* (PRIOR TCEQ ID numbers)

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

Sale of  All  Portion of the  Water system(s) under CCN No.: **10116**  
 Acquisition  Sewer system(s) under CCN No.:  
 Lease/Rental

Transfer of  All  Portion of the  Certificated water service area – CCN No.:  
 Certificated sewer service area – CCN No.:

If only a portion of a system or certificated service area is affected by this transaction, please specify the areas or subdivision involved:

and to:

Obtain a CCN for the transferee (purchaser) – indicate if purchaser will take the seller's CCN  
 Amend the transferee's CCN No.: **12983**  
 Merge or consolidate public utilities  
 Cancel CCN of the transferor (seller) **10116**

2. Proposed effective date of this transaction: **March 1, 2016 or 120 days from notice (if later)**  
(Must be at least 120 days after proper notice is provided)

**Part B – Current Service Provider or Seller Information**

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: **Robert M. Smith dba Romark Utility Company**  
(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):  
Address: **108 S. Washington, Livingston, TX 77351** Telephone: (AC)

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: **Robert M. Smith** Title: **Owner**  
Address: **108 S. Washington, Livingston, TX 77351** Telephone: (AC)

Fax:

Email:

4. About the last rate increase for the system or facilities being transferred:

A. What was the effective date of the last rate increase?

B. Was notice of this increase provided to the Public Utility Commission of Texas (commission or PUC) or a predecessor regulatory authority?

No  Yes- Application/Docket Number:  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 attached list - Appendix A			

**Part C – Purchaser or Transferee Information**

Questions 6 through 16 refer to the transferee or purchaser.

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

Applicant:

(Individual, Corporation, or Other Legal Entity)

Utility Name:

(If different than above)

Utility Address:

Fax:  Email:  Telephone (AC):

CCN Numbers held prior to the filing of this application:

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:
- Non-profit, member-owned, member-controlled Cooperative Corporation (Article 1434(a) Water

Supply or Sewer Service Corporation); provide charter number:

<input type="checkbox"/>	Municipally-owned utility
<input type="checkbox"/>	District (MUD, SUD, WCID, etc.)
<input type="checkbox"/>	County
<input type="checkbox"/>	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:		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.

•Name:	Charles W. Profflet, Jr.	Telephone (AC):	281 207 5800
Address:	12535 Reed Road, Sugar Land, TX 77478		
Position:	President	Ownership % (if applicable):	

•Name:	William K. Dix	Telephone (AC):	562 944 8219
Address:	15088 Rosecrans Ave., La Mirada, CA 90638		
Position:	Vice President, Sect., Gen.Couns.	Ownership % (if applicable):	

•Name:	Kirk Michael	Telephone (AC):	281 207 5800
Address:	12535 Reed Road, Sugar Land, TX 77478		
Position:	Chief Financial Officer, Treas.	Ownership % (if applicable):	

•Name:	Texas Water Services Group, LLC	Telephone (AC):	281 207 5800
Address:	12535 Reed Road, Sugar Land, TX 77478		
Position:	General Partner	Ownership % (if applicable):	0.1%

•Name:		Telephone (AC):	
Address:			
Position:		Ownership % (if 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: **see Appendix B**

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:	George Freitag, P.E.	Title:	Regulatory Manager
Address:	12535 Reed Road, Sugar Land, TX 77478	Telephone (AC):	512 219 2288
Fax #	512 252 8782	Email	gfreitag@swwc.com
Relationship to the applicant:	Employee		

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

Monarch Utilities I, L.P. is the second largest IOU in Texas and has the financial resources and operating structure to successfully provide quality service to the customers of Romark. Monarch currently has water and wastewater systems very near to this system and a regional operations office within 20 miles of the service area. In addition to experienced, licensed operators, Monarch's management staff includes engineers, accountants, and environmental safety and health officers.

B. Has the applicant acquiring the CCN or facilities or an affiliated interest of the applicant been under enforcement action by the PUC, 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.

There have been enforcement actions by TCEQ against Monarch. The company typically achieves compliance with the various orders by working with TCEQ to execute compliance agreements that allow it make the necessary improvements over a realistic time frame. See Attachment C for a summary of current compliance activities.

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 PUC and ensure continuous and adequate service.

Monarch has more than adequate capitalization and will use a variety of sources including investors' equity, lines of credit, and internally generated funds.

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

Customer service will be improved. Monarch maintains a centralized customer service center and customers have the ability to pay bills through a variety of ways. Monarch has a dedicated management and operations staff including licensed operators, accountants, engineers, environmental health and safety staff, and experienced customer service representatives.

E. How will the transaction serve the public interest?

Romark is a small developer run water system. The customers will now be served by a professional utility company with the resources to adequately provide quality service.

12. Please describe the nature of the proposed transaction:

Customer accounts will be transferred to Monarch's customer service system and customers will be charged at the same rates currently on Romark's tariff. Operation and maintenance of the facilities will be assumed by Monarch's field operations staff. The assets of Romark Utility Company will be combined with the assets of Monarch Utilities I, L.P. on the books.

13. If the transferee applicant is an Investor Owned Utility (IOU) and will be under the rate jurisdiction of the PUC, 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: **\$125,000**

• Total Original Cost (as recorded on books of seller or merging entity): **\$ unknown**

• Accumulated Depreciation as of the proposed effective date of the transaction: **\$**

• Contributions in Aid of Construction:

- Specific surcharges approved by TCEQ or PUC:

- Revenues from explicit customer agreements:

- Developer Contributions (please explain): **\$ none**

- Other Contributions (please explain):

Total Contributions in Aid of Construction

• Net Book Value: **unknown**



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: **Dockets 6529 and 6642** Date: **01/20/1986**

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.

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]:

This application is to transfer, but also requests amendment and decertification of portions of the service area to be transferred. The current boundaries of the CCN area do not correctly fit the service area. The mapping data provided shows the requested changes (additions and deletions) from the existing boundaries to correct for previous map errors and misalignment of property boundaries. The electronic mapping data provided is based on the corrected boundaries. See Appendix D.

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:	<b>\$264,841 estimated</b>
Plant Acquisition Adjustment:	
Extraordinary Loss on Purchase:	
Accumulated Depreciation of Plant:	<b>\$113,325 estimated</b>
Cash:	
Notes Payable:	
Mortgage Payable:	
Others (please list):	

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: **[Signature]** Date: **11/04/2015**

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.

If rates are changing, please explain:

[Redacted]

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:

[Redacted]

Other. Please explain:

**Monarch will continue to charge the current user rates on Romark's approved tariff. Where the customer service fees and other minor charges are different, Monarch requests that its charges be used.**

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.

**See list in Appendix E.**

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

Monarch is the second largest IOU in Texas and has been successfully operating for many years. The addition of the 125 customers of Romark will not significantly change the overall financial and operating structure of Monarch. In lieu of Historical Financial Worksheets below, Financial Statements for Monarch Utilities I, L.P. are submitted as Appendix F under CONFIDENTIALITY which can demonstrate the company does have the financial, managerial, and technical capability to own the acquired system and provide quality service to the customers.

**Part D – Historical Financial Information**

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

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

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

**Part E – Projected Information**

**PROJECTED BALANCE SHEETS**

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

**PROJECTED INCOME STATEMENT**

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

**PROJECTED EXPENSE DETAIL**

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



**PROJECTED SOURCES AND USES OF CASH STATEMENTS**

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

**Part F – TCEQ Public Water or Sewer System Information**

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:         
Oak Terrace Estates Water System  
Date of last inspection:

B. For Wastewater Systems:

-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 or PUC standards?  Yes  No. If yes, please explain:

Romark Utility had enforcement actions against it for failure to deliver Consumer Confidence Reports, failure to take various required samples and provide the results, failure to submit Quarterly Operating Reports, and failure to provide other customer notifications. These are operational and management deficiencies that will be alleviated when Monarch takes ownership of the system. There are no known facility improvements that are required at this time.

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 or PUC standards (attach additional sheets if necessary):

Description of the Required Improvement	Schedule to Complete	Estimated Cost
see response to Item 18		

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	
	-Non Metered		-2"meter
125	-5/8" or 3/4" meter		-3" meter
	-1" meter		-4" meter
	-1 1/2" meter		-Other
Total Water Connections:		125	Total Sewer Connections

20. 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#
Joel Massie	C Gmd, A WW, BFP	WG0013990, WW009245, BP0013509
Clyde Jordan	C Gmd, D WW, CSI	WG0012431, WW0050197, C10009015
there are 13 additional operators in the regional operations office available as needed		

24. Attach the following maps with each copy of the application: **see Appendix D**
- a. 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.
  - b. 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:
    1. A general location map delineating the proposed service area with enough detail to accurately locate the proposed area within the county.
    2. A map showing only the proposed area by:
      - i. metes and bounds survey certified by a licensed state or registered professional land surveyor; or
      - ii. projectable digital data with metadata (proposed areas should be in a single record and clearly labeled, data disk should be included); or
      - iii. following verifiable natural and man-made landmarks, or
      - iv. a copy of recorded plat map with metes and bounds.
    3. A written description of the proposed service area.

**Part G – Oaths and Notices**

**OATH FOR SELLER OR FORMER SERVICE PROVIDER**

STATE OF Texas

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(i) and copies of any outstanding Orders of the Texas Commission on Environmental Quality, the Public Utility Commission of Texas, or Attorney General and have also complied with the notice requirements in Section 13.301(k) of the Texas 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, this day \_\_\_\_\_ of \_\_\_\_\_, 20 15.

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**

STATE OF Texas

COUNTY OF Fort Bend

I, Charles W. Profilet, Jr., being duly sworn, file this application for

sale, lease, rental or merger or consolidation as President, Monarch Utilities I, L.P.  
*(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 Texas Commission on Environmental Quality, the Public Utility Commission of Texas 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.

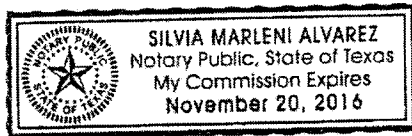
Charles W Profilet Jr  
AFFIANT  
(Utility's Authorized Representative)

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, this day 3<sup>rd</sup> of November, 20 15.

SEAL



Silvia Alvarez  
NOTARY PUBLIC IN AND FOR THE  
STATE OF TEXAS

Silvia Marleni Alvarez Sigaran  
PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES November 20, 2016

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

**Notice to Current Customers, Neighboring Systems and Cities**

Romark Utility Company 'S  
(Seller's or Transferor's Name)

**NOTICE OF INTENT TO SELL FACILITIES AND TRANSFER CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) NO** 10116 **TO** Monarch Utilities I, L.P.  
(Purchaser's or Transferee's Name)

**IN** Polk COUNTY, TEXAS

**To:** \_\_\_\_\_ **Date Notice Mailed** \_\_\_\_\_, 20 \_\_\_\_  
(Name of Customer, Neighboring System or City)

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
City State Zip

Robert M. Smith dba Romark Utility Company 108 S. Washington Livingston / TX / 77351  
Sellers or Transferors' Name Address City/State/Zip Code

has submitted an application with the Public Utility Commission of Texas to sell facilities and transfer water or sewer (please select) CCN No. 10116 in Polk [County Name]

County to:

Monarch Utilities I, L.P. 12535 Reed Road Sugar Land / TX / 77478  
Purchasers or Transferee's Name Address City/State/Zip Code

The sale is scheduled to take place as approved by the Commission (V.T.C.A., Water Code §13.301). The transaction and the transfer of the CCN include the following subdivision(s):

**Oak Terrace Estates**

The area subject to this transaction is located approximately 6 miles southwest [direction] of downtown Livingston, [City or Town] Texas, and is generally bounded on the north by FM 350 and FM 3126; on the east by Air Park Drive; on the south by Lake Livingston and Live Oak St.; and on the west by Lake Livingston

The total area being requested includes approximately 387 acres and serves 125 current customers.

This transaction will have the following effect on the current customer's rates and services:  
no change in rates, Monarch Utilities I, LP will provide improved service

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 Commission 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 Commission 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:

Filing Clerk  
Public Utility Commission of Texas  
1701 North Congress Avenue  
P.O. Box 13326  
Austin, Texas 78711-3326

**Se desea informacion en Espanol, puede llamar al  
1-888-782-8477**

---

Utility Representative

**Monarch Utilities I.L.P.**

Utility Name

Notice to Current Customers, Neighboring Systems, Landowner and Cities

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

\_\_\_\_\_  
(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 Public Utility Commission of Texas 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 Commission (Texas Water Code §13.301). The transaction and the proposed service area include the following subdivision(s):

\_\_\_\_\_  
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 Commission 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 Commission 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:

Filing Clerk  
Public Utility Commission of Texas  
1701 North Congress Avenue  
P.O. Box 13326  
Austin, Texas 78711-3326

**Se desea informacion en Espanol, puede llamar al  
1-888-782-8477**

\_\_\_\_\_  
Utility Representative

\_\_\_\_\_  
Utility Name

## **APPENDIX A**

*Romark Utility*  
*Company*  
**PO Box 2216**  
**Livingston, TX 77351**  
**936-327-8262**

List of accounts that we hold a \$50 deposit as of 10/01/15

00100455	00100528	00100632	00100360	00100339	00100399
00100399	00100363	00100016	00100038	00100395	00100382
00200004	00100508	00100518	00100529	00100364	00100306
00100411	00100362	00100394	00100520	00100333	00100523
00200006	00200007	00100446	00100337	00100384	00100324
00100361	00100414	00100463	00100516	00100250	00100510
00100203	00100527	00100371	00100525	00100515	00100430
00100334	00100456	00100506	00100514	00100353	00100389
00100381	00100378	00100631	00100331	00100522	00100326
00100436	00100444	00100439	00100123	00100421	00100427
00100316	00100440	00200005	00100322	00100372	00100300
00100408	00100392	00100214	00100503	00100340	00100433
00100160	00100231	00100512	00100526	00100199	00100356
00100375	00100315	00100117	00100344	00100202	00100524
00100437	00100341	00100426	00100511	00100303	00100521

## **APPENDIX B**



## Franchise Tax Account Status

As of: 09/04/2015 01:47:55 PM

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

MONARCH UTILITIES I L.P.	
Texas Taxpayer Number	10303732514
Mailing Address	12535 REED RD C/O TAX DEPT (FSC) SUGAR LAND, TX 77478-2837
Right to Transact Business in Texas	ACTIVE
State of Formation	TX
Effective SOS Registration Date	12/10/2001
Texas SOS File Number	0800034797
Registered Agent Name	CORPORATION SERVICE COMPANY DBA CSC - LAWYERS INCO
Registered Office Street Address	211 E. 7TH STREET SUITE 620 AUSTIN, TX 78701

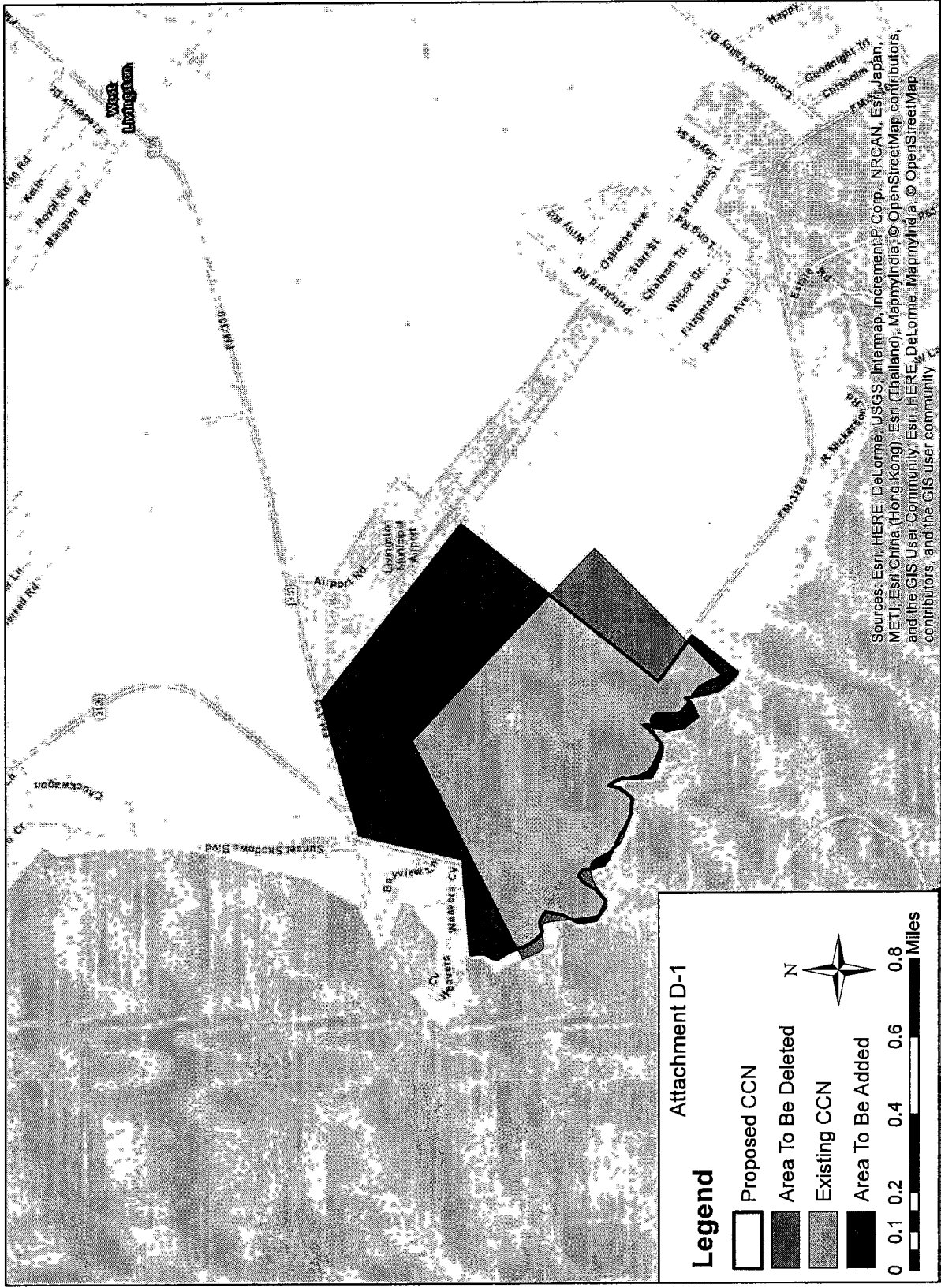
## **APPENDIX C**

## ACTIVE COMPLIANCE ORDERS

AGREED ORDER	DATE	REGULATED ENTITY (TCEQ)	ALLEGED VIOLATIONS	COMPLIANCE ACTIONS	STATUS
Docket 2015-0724-PWS-E	6/5/2015	RN104359526 Beachwood Estates and North Trinidad	Exceeding MCL for TTHMs	Documentation of Compliance within 365 days	Facility and Operations Improvements in Progress
Docket 2014-0123-PWS-E	5/30/2014	RN101376085 Carolyn Estates	Exceeding MCL for TTHMs, Failure to collect Lead/copper samples	Submit documentation of actions, achieve compliance by various deadlines	Documentation of Compliance submitted to TCEQ 8/3/2015
Docket 2015-0491-PWS-E	9/25/2015	RN101376424 Holiday Villages of Livingston	Failure to comply with MCL for Radium 226-Radium 228	Submit feasibility study within 185 days and achieve compliance within 1095 days	Investigation of compliance in progress
Docket 2014-0067-PWS-E	5/30/2014	RN102987856 Pinwah Pines	Exceeding MCL for TTHMs, Failure to collect Lead/copper samples	Implement improvements and achieve compliance with 365 days	Documentation of Compliance submitted to TCEQ 8/3/2015
Docket 2014-0068-PWS-E	7/2/2014	RN102987856 Pinwah Pines	Failure to comply with MCL for Radium 226-Radium 228, Failure to comply with Gross Alpha Particle activity	Submit feasibility study within 185 days and achieve compliance within 1095 days	Investigation of compliance in progress
Docket 2015-0962-PWS-E	7/31/2015	RN101376986 Tanglewood on Texoma	Exceeding MCL for TTHMs	Achieve compliance within 365 days of order	Order pending

## APPENDIX D

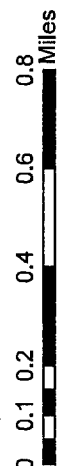




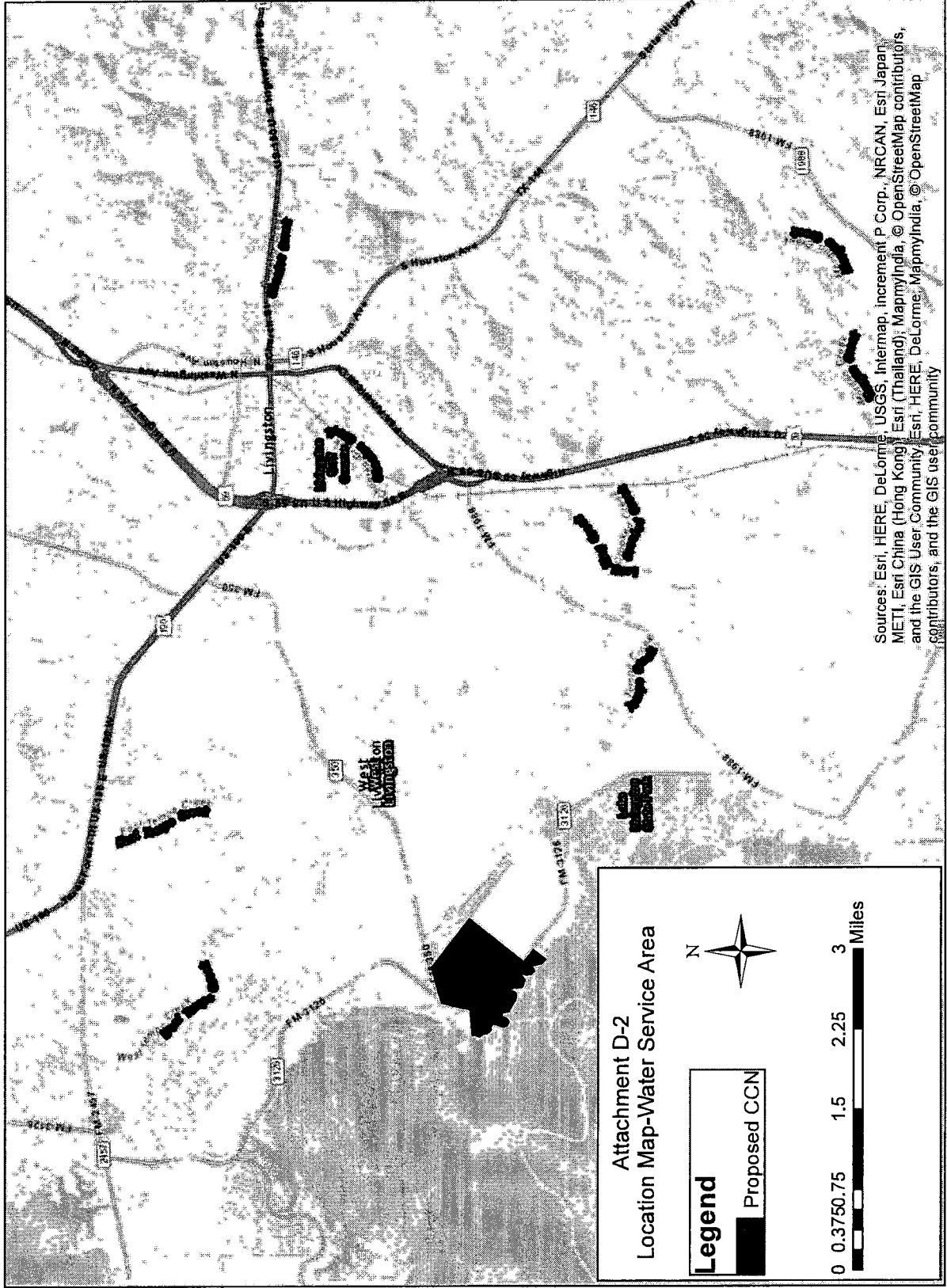
Attachment D-1

**Legend**

- Proposed CCN
- Area To Be Deleted
- Existing CCN
- Area To Be Added



Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri Japan, METI, Esri China (Hong Kong), Esri (Thailand), MapmyIndia, © OpenStreetMap contributors, and the GIS User Community, Esri, HERE, DeLorme, MapmyIndia, © OpenStreetMap contributors, and the GIS user community



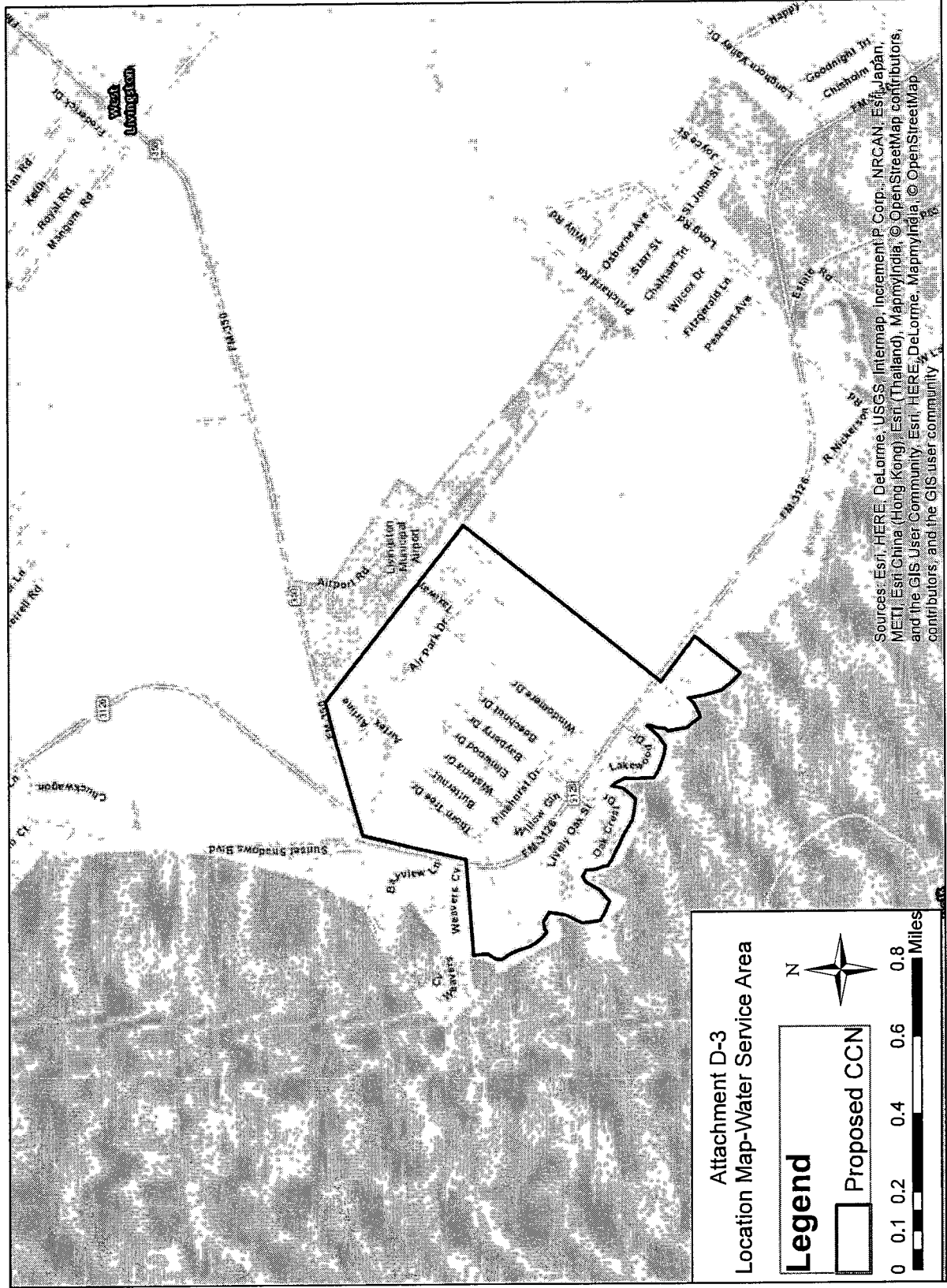
Attachment D-2  
Location Map-Water Service Area

**Legend**  
 Proposed CCN



0 0.3750.75 1.5 2.25 3 Miles

Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri Japan, METI, Esri China (Hong Kong), Esri (Thailand), MapmyIndia, © OpenStreetMap contributors, and the GIS User Community; Esri, HERE, DeLorme, MapmyIndia, © OpenStreetMap contributors, and the GIS user community



Attachment D-3  
Location Map-Water Service Area

**Legend**

Proposed CCN

0 0.1 0.2 0.4 0.6 0.8 Miles

Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P. Corp., NRCAN, Esri, Japan, METI, Esri, China (Hong Kong), Esri, (Thailand), MapmyIndia, © OpenStreetMap contributors, and the GIS User Community, Esri, HERE, DeLorme, MapmyIndia, © OpenStreetMap contributors, and the GIS user community

## **APPENDIX E**

Application of Monarch Utilities I, LP to acquire  
 Remark Utility Company

**Neighboring Utilities within 2 miles, Other Relevant Agencies**

Utility Name	Address	City	State	Zip Code
Texas Landing Utilities	P.O. Box 2110	Onalaska	TX	77360-2110
Lake Livingston Water Supply and Sewer Service Corporation	P.O. Box 1149	Livingston	TX	77351

**Groundwater District**

Lower Trinity Groundwater Conservation District	P.O. Box 1879	Livingston	TX	77351
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**County**

Polk County	101 W. Church St	Livingston	TX	77351
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**River Authority**

Trinity River Authority	P.O. Box 60	Arlington	TX	76004
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## **APPENDIX F**

**Confidential Documents  
to be submitted separately**

## **APPENDIX G**



**WATER UTILITY TARIFF  
FOR**

Romark Utility Company  
(Utility Name)

108 SW Abington  
(Business Address)

Livinston Texas 7735  
(City, State, Zip Code)

(936) 327-826  
(Area Code, Phone Number)

This tariff is effective for utility operations under the following Certificate(s) of Convenience and Necessity:

10116

This tariff is effective in the following county:

Polk

This tariff is effective in the following cities or unincorporated towns (if any):

None

This tariff is effective in the following subdivisions or systems:

Oak Terrace Estates: PWS# 1870055

**TABLE OF CONTENTS**

The above utility lists the following sections of its tariff (if additional pages are needed for a section, all pages should be numbered consecutively):

SECTION 1.0 -- RATE SCHEDULE.....	2
SECTION 2.0 -- SERVICE RULES AND POLICIES .....	4
SECTION 3.0 -- EXTENSION POLICY .....	11
SECTION 4.0 -- DROUGHT CONTINGENCY PLAN .....	15
APPENDIX A -- SAMPLE SERVICE AGREEMENT	
APPENDIX B -- APPLICATION FOR SERVICE	

TEXAS COMM. ON ENVIRONMENTAL QUALITY

CCN 10116 MAY 22, 2008

APPROVED TARIFF BY [Signature]

SECTION 1.0 -- RATESCHEDULE

Section 1.01 - Rates

Meter Size	Monthly Minimum Charge	Usage Charge
5/8" or 3/4"	\$43.50 (Include 0 gallons)	\$3.00 per 100 gallons
1"	\$7.00	

FORM OF PAYMENT: The utility will accept the following form(s) of payment.

Cash, Check, Money Order, Credit Card, Other (specify)

THIS UTILITY MAY REQUIRE EXAMINATION OF ACCOUNTS AND MAY REQUIRE OATH FOR PAYMENTS MADE UNDER AN OATH. WITHIN THE PERIOD OF THE OATH WILL BE FOR CASH PAYMENT.

REGULATORY ASSESSMENT ..... 1.4

Section 1.02 Miscellaneous

TAP FEE .....  
 TAP FEE COVERS THE UTILITY'S COST OF MATERIALS AND LABOR FOR THE TAP. AN ADDITIONAL TAP FEE WILL BE CHARGED FOR EACH ADDITIONAL TAP. THIS FEE IS NOT TO BE USED FOR ANY OTHER PURPOSE.

TAP FEE (Unique cost) .....  
 FOR EXAMPLE, ROAD BORE FOR CURBS OUTSIDE OF DIVISIONS OR REPAIRS.

TAP FEE (Labor meter) .....  
 TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METER INSTALLATION.

METER RELOCATION FEE .....  
 THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS A TAP AT A NEW LOCATION.

METER TEST FEE .....  
 THIS FEE WILL BE CHARGED FOR EACH UTILITY COMPANY METER ACCURACY TEST.

TRANSFER FEE .....  
 THIS FEE WILL BE CHARGED FOR CHANGING A TAP LOCATION AT THE SAME LOCATION.

RATES LISTED ARE EFFECTIVE ONLY  
 IF THIS PAGE HAS TCEQ APPROVAL STAMP

TELEPHONE ENVIRONMENTAL QUALITY

2006 CON 10-9-SEP 20

APPROVED TARIFF

SECTION 1.0 - RATE SCHEDULE ( continued)

RECONNECTION FEE

THE RECONNECTION FEE MUST BE PAID BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS (OR OTHER REASONS LISTED UNDER SECTION 2.0 OF THIS TARIFF):

- a) Non payment of bill (Maximum \$25.00) ..... \$25
- b) Customer's request that service be disconnected ..... \$5

LATE CHARGE (OTHER \$5.00 OR 10% OF THE BILL) ..... \$1  
THE RULE SHALL ALLOW A ONE-TIME PENALTY TO BE CHARGED ON A DELINQUENT BILL. A LATE CHARGE MAY NOT BE APPLIED TO ANY BALANCE TO WHICH A PENALTY HAS ALREADY BEEN APPLIED PREVIOUSLY.

RETURNED CHECK CHARGE ..... \$25  
CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50) ..... \$5

COMMERCIAL & NON-RESIDENTIAL DEPOSIT ..... \$  
16TH ORDER TIMELY DANN

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE ..... \$  
WHEN NOT ORDERED IN WRITING BY CONTRACTOR AND A FEE IS CHARGED FOR THE TESTING AND INSPECTION COSTS TO RECOVER INCREASED COSTS OR NON-SPECIFICATION OF WORK.

LINE EXTENSION AND CONSTRUCTION CHARGES:  
REFER TO CHAPTER 1.0 FOR THE RATE SCHEDULE AND TO CHAPTER 2.0 FOR THE TERMS AND CONDITIONS AND CHARGE SCHEDULE.

RATES LISTED ARE EFFECTIVE ONLY  
IF THIS PAGE HAS TCEQ APPROVAL STAMP

330040 10/16 SEP 20  
TCEQ APPROVAL STAMP