



Control Number: 45873



Item Number: 1

Addendum StartPage: 0



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

Pursuant to Chapter 13.251 of the Texas Water Code

Docket Number: 45873

(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

RECEIVED
2016 APR 20 AM 9:38
PUBLIC UTILITY COMMISSION
FILING CLERK

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# 101459485 *CN# 603060872 * (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.: 10924
☐ Acquisition ☐ Sewer system(s) under CCN No.:
☐ Lease/Rental

☒ Transfer of ☒ All ☐ Portion of the ☒ Certificated water service area – CCN No.: 10924
☐ 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.: Purchaser will take Seller's CCN
☐ Merge or consolidate public utilities
☐ Cancel CCN of the transferor (seller)

2. Proposed effective date of this transaction: 3/1/2016

(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: Riviera Water System Inc
(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: P. O. Box 127 Riviera TX 78379 Telephone: (AC) (361) 516-1996

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: Gerald L. Gibson Title: Owner
Address: 178 CR 1040 S Kingsville TX 78363 Telephone: (AC) (361) 516-1996

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 listing			

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 Sewer Service Corporation); provide charter number:

Acct #	Customer Name & Address	Date of Deposit	Deposit Amount	Unpaid Interest
4	Leticia White P. O. Box 12 Riviera TX 78379	7/26/2013	50.00	0.11
5	Julia Strubhart P. O. Box 173 Riviera TX 78379	5/24/2005	25.00	5.16
7	Catalina Garcia P. O. Box 466 Riviera TX 78379	11/1/2001	40.00	18.21
9	Manuel Pina P. O. Box 425 Riviera TX 78379	7/1/2007	25.00	2.60
12	Gabrielle Taylor P.O. Box 333 Riviera TX 78379	7/1/2015	50.00	0.01
16	Travis Unterbrink 6546 Ivy Glen Dr Dallas TX 75254	1/25/2012	50.00	0.20
20	Rodney Light P. O. Box 126 Riviera TX 78379	10/24/2013	50.00	0.09
27	Myrna Holland 125 E Cypress St Riviera TX 78379	6/23/2015	50.00	0.01
29	Vera Yaklin P. O. Box 34 Riviera TX 78379	9/1/2004	25.00	6.43
35	Nelly Flores P. O. Box 362 Riviera TX 78379	2/17/2013	50.00	0.13
36	Artie De La Rosa P. O. Box 144 Riviera TX 78379	6/1/1997	30.00	22.92

Acct #	Customer Name & Address	Date of Deposit	Deposit Amount	Unpaid Interest
38	Mari Reyes P. O. Box 223 Riviera TX 78379	9/27/2011	50.00	0.23
39	Esperanza Cantu P. O. Box 271 Riviera TX 78379	7/31/2009	50.00	0.91
40	Adolfo Arredondo P. O. Box 317 Riviera TX 78379	9/20/2005	25.00	4.59
41	Matthew & Cherie Emmons P. O. Box 134 Riviera TX 78379	10/4/2005	50.00	9.05
44	Jerry & Gloria Martinez P. O. Box 152 Riviera TX 78379	2/17/2013	50.00	0.13
45	Eliza Gonzalez P. O. Box 5109 Kingsville TX 78364	5/5/2005	50.00	10.50
48	Valerie Villanueva P. O. Box 41 Riviera TX 78379	1/23/2006	50.00	8.10
50	Los Olmos Creek Ent P. O. Box 232 Sarita TX 78385	5/1/2003	100.00	35.07
51	Arturo Arredondo P. O. Box 4 Riviera TX 78379	7/11/2005	25.00	4.93
52	Los Olmos Creek Ent P. O. Box 232 Sarita TX 78385	5/1/2003	100.00	35.07
56	Sylvia Arguijo 631 W King Kingsville TX 78363	8/1/2004	50.00	13.15

Acct #	Customer Name & Address	Date of Deposit	Deposit Amount	Unpaid Interest
57	Santiago Arguijo P. O. Box 470 Riviera TX 78379	7/31/2009	50.00	0.91
60	Lloyd Jr. & Yvonne Quarles P. O. Box 197 Riviera, TX 78379	7/31/2009	25.00	0.45
65	Leonel Castillo P. O. Box 7 Riviera TX 78379	7/31/2009	50.00	0.91
67	Becky Gutierrez P. O. Box 443 Riviera TX 78379	5/1/1998	15.00	10.50
70	Laura Palreiro P. O. Box 479 Riviera TX 78379	9/7/2014	50.00	0.05
72	Eddie Longoria P. O. Box 426 Riviera, TX 78379	3/29/2015	50.00	0.02
80	Cesario Pina 304 Poinsettia Circle San Juan, TX 78589	7/31/2009	25.00	0.45
81	Joel Yaws P. O. Box 51 Sarita, TX 78385	8/29/2011	50.00	0.23
82	Israel & Gloria Longoria 130 W CR 2195 Kingsville, TX 78363	10/29/2012	50.00	0.15
83	Sheila Buenrostro P. O. Box 333 Riviera, TX 78379	5/20/2014	50.00	0.06
84	Julio Lopez C/O 1322 Comanche Corpus Christi TX 78401	7/1/1996	15.00	12.42

Acct #	Customer Name & Address	Date of Deposit	Deposit Amount	Unpaid Interest
85	Sandra De Luna P. O. Box 373 Riviera, TX 78379	12/20/2011	50.00	0.20
88	Israel Longoria 130 W CR 2195 Kingsville, TX 78363	10/24/2013	50.00	0.09
89	Richard Del Gaudio P. O. Box 356 Riviera TX 78379	7/28/2005	25.00	4.85
98	Sabino Ortiz P. O. Box 392 Riviera, TX 78379	2/17/2013	50.00	0.13
100	Gumecindo De La Rosa 672 S. CR 1070 Riviera TX 78379	12/21/2013	50.00	0.08
102	Rosie Buster 311 W Willow Riviera TX 78379	12/1/2004	25.00	5.99
105	Sharon Salazar 314 E CR 2295 Riviera TX 78379	7/31/2009	25.00	0.45
107	Barbara Andrus P. O. Box 471 Riviera TX 78379	2/1/2005	50.00	11.39
110	Martin De Leon P. O. Box 56 Riviera TX 78379	7/31/2009	75.00	1.36
111	Margarita Gonzalez 793 CR 1080 Riviera TX 78379	5/1/2003	15.00	5.26
112	Rosa Lerma 226 E FM 771 Riviera TX 78379	4/22/2014	50.00	0.07

Acct #	Customer Name & Address	Date of Deposit	Deposit Amount	Unpaid Interest
113	Matthew Harden 299 E FM 771 Riviera, TX 78379	3/23/2014	50.00	0.07
115	Kip Jones 800 S CR 1080 Riviera TX 78379	1/1/2005	25.00	5.84
116	Amy Polly 679 S CR 1070 Riviera TX 78379	4/22/2014	50.00	0.07
117	David Miller 746 Rancho Seco Riviera TX 78379	11/1/2004	25.00	6.14
120	Donald Polhemus P. O. Box 236 Riviera TX 78379	2/5/2005	25.00	5.68
121	Thomas Wade Ivey 310 E CR 2305 Riviera TX 78379	2/7/2015	50.00	0.02
128	Judy Milton P. O. Box 462 Riviera TX 78379	7/31/2009	25.00	0.45
129	Julie Reyes P. O. Box 294 Riviera TX 78379	8/20/2005	25.00	4.74
130	Jose or Patricia Alegria P. O. Box 418 Armstrong TX 78338	4/22/2013	50.00	0.12
133	Michael Valenzuela 306 E CR 2305 Riviera TX 78379	6/1/2004	25.00	6.87
134	Lloyd Vernon P. O. Box 201 Riviera TX 78379	6/1/2004	25.00	6.87

Acct #	Customer Name & Address	Date of Deposit	Deposit Amount	Unpaid Interest
186	Eddie Longoria P. O. Box 12 Riviera TX 78379	1/25/2014	50.00	0.08
187	Jim C. Lowe P. O. Box 112 Riviera TX 78379	7/31/2009	25.00	0.45
191	Shiela Buenrostro P. O. Box 333 Riviera TX 78379	8/1/2002	50.00	20.15
194	Maria A. Garza 1012 E CR 2320 Riviera TX 78379	4/22/2014	50.00	0.07
196	Gracie De Leon P. O. Box 162 Riviera TX 78379	9/1/2001	20.00	9.34
198	Elizar M. Esparza P. O. Box 232 Riviera TX 78379	12/12/2013	50.00	0.08
199	Modesto Gonzales Jr. P. O. Box 324 Riviera TX 78379	10/1/1990	10.00	12.30
202	Alfred J. Garcia 312 E CR 2305 Riviera TX 78379	1/23/2006	25.00	4.05
207	Norma Perez P.O. Box 420 Riviera TX 78379	12/28/2014	50.00	0.04
208	Alex Pralbe P. O. Box 344 Riviera TX 78379	12/28/2014	75.00	0.05
214	Zenaida Salinas P. O. Box 163 Riviera TX 78379	7/1/1990	10.00	12.48

As of 9/30/2015

Acct #	Customer Name & Address	Date of Deposit	Deposit Amount	Unpaid Interest
216	Riviera Inn & Suites 6232 S Hwy 77 Riviera TX 78379	5/31/2015	200.00	0.05
221	Uvaldo Vela 1169 CR 2360 Riviera TX 78379	2/25/2014	50.00	0.07
222	Richard Bullock 13 N Rancho Serna Riviera TX 78379	7/31/2009	25.00	0.45
224	Ernesto Caballero Sr 346 E CR 2295 Riviera TX 78379	7/31/2009	50.00	0.91
225	Israel & Gloria Longoria 130 W CR 2195 Kingsville TX 78363	7/31/2009	50.00	0.91
228	SSP/Stripes 2201 P. O. Box 9036 Corpus Christi TX 78469	5/27/2005	100.00	20.59
234	Teresa Hernandez P.O. Box 2841 San Juan TX 78589	10/29/2012	50.00	0.15
235	Monty Bryant P. O. Box 462 Riviera TX 78379	8/23/2005	25.00	4.73
236	Chris Olvera 251 E. CR 2290 Riviera TX 78379	8/24/2015	50.00	0.00
237	Raul Cuellar P. O. Box 130 Riviera TX 78379	8/27/2005	25.00	4.71
238	Dalia Serna P.O. Box 331 Riviera TX 78379	6/23/2015	50.00	0.01

Acct #	Customer Name & Address	Date of Deposit	Deposit Amount	Unpaid Interest
240	Amador Caballero 361 E CR 2290 Riviera TX 78379	9/19/2005	25.00	4.60
243	Joel Yaws P. O. Box 51 Sarita, TX 78385	6/23/2014	50.00	0.06
246	Cruz Rosales P. O. Box 478 Riviera TX 78379	7/31/2009	25.00	0.45
247	Gloria Longoria P. O. Box 380 Riviera TX 78379	1/23/2007	25.00	3.15
248	Elizabeth Gomez 346 E CR 2280 Riviera TX 78379	7/24/2015	50.00	0.01
250	Joe A Salazar P. O. Box 84 Riviera TX 78379	7/31/2009	50.00	0.91
251	John T Murphy 307 E CR 2280 Riviera TX 78379	1/23/2007	25.00	3.15
252	Arnoldo De La Rosa P. O. Box 372 Riviera TX 78379	1/23/2007	25.00	3.15
253	Dina Reyes 328 CR 2280 Riviera TX 78379	1/23/2007	25.00	3.15
254	Mercedes Kunkel 328 CR 2280 Riviera TX 78379	1/23/2007	25.00	3.15
255	Faustino Montalvo 332 E CR 2280 Riviera TX 78379	1/23/2007	25.00	3.15

Acct #	Customer Name & Address	Date of Deposit	Deposit Amount	Unpaid Interest
256	Mercedes Silguero 342 E CR 2280 Riviera TX 78379	1/23/2007	25.00	3.15
257	Gloria G Calderon P. O. Box 307 Riviera TX 78379	7/31/2009	25.00	0.45
259	Rebecca Wilson 349 E CR 2280 Riviera TX 78379	1/23/2007	25.00	3.15
260	Rosendo P. Montalvo P. O. Box 397 Riviera TX 78379	1/23/2007	25.00	3.15
261	Maria P. Garcia 350 E CR 2280 Riviera TX 78379	1/23/2007	25.00	3.15
262	Rosalie Richter P.O. Box 35 Riviera TX 78379	7/31/2009	25.00	0.45
263	Everando Olivares P. O. Box 291 Riviera TX 78379	5/15/2007	50.00	5.53
264	Zeba Inc P. O. Box 3696 Corpus Christi TX 78463	7/31/2009	100.00	1.82
267	Subway 700 S 14th #A Kingsville TX 78363	7/31/2009	150.00	2.73
268	Orville Ballard P. O. Box 39 Riviera TX 78379	7/31/2009	25.00	0.45
269	Juan Vela P. O. Box 26 Sarita TX 78385	7/31/2009	25.00	0.45

Acct #	Customer Name & Address	Date of Deposit	Deposit Amount	Unpaid Interest
270	Eric Cortes 310 W Live Oak Riviera TX 78379	7/31/2009	50.00	0.91
271	Ricardo Melendez P. O. Box 58 Riviera TX 78379	1/8/2012	50.00	0.20
275	Ramiro Suarez P. O. Box 353 Riviera TX 78379	7/31/2009	25.00	0.45
276	Leonardo Longoria P. O. Box 175 Riviera TX 78379	7/31/2009	25.00	0.45
277	Raymundo Pina P. O. Box 123 Riviera TX 78379	7/31/2009	25.00	0.45
279	Leo Garcia 352 E FM 771 Riviera TX 78379	7/31/2009	25.00	0.45
280	Johnny Aregood P. O. Box 33 Riviera TX 78379	7/31/2009	100.00	1.82
281	Toby Yaklin P. O. Box 244 Riviera TX 78379	1/8/2012	100.00	0.40
282	Marilyn Walz 318 E CR 2305 Riviera TX 78379	7/31/2009	25.00	0.45
284	Angela Alvarado 204 W Olive Riviera TX 78379	3/26/2012	50.00	0.19
286	Omar Gonzales P. O. Box 184 Sarita TX 78385	7/31/2009	50.00	0.91

Acct #	Customer Name & Address	Date of Deposit	Deposit Amount	Unpaid Interest
287	Stefanie Escobedo P.O. Box 163 Riviera TX 78379	3/29/2015	50.00	0.02
289	Rose Noyola P. O. Box 154 Riviera TX 78379	7/31/2009	25.00	0.45
290	Burger King P. O. Box 59924 Dallas TX 75229	7/31/2009	125.00	2.27
292	Toby Yaklin P. O. Box 244 Riviera TX 78379	7/31/2009	100.00	1.82
293	John Robbins 727 S CR 1080 Riviera TX 78379	12/21/2013	50.00	0.08
296	Kleberg Co Pct 3 Maint 433 E CR 2310 Riviera TX 78379	7/21/2010	100.00	0.74
297	Jerry Walz 320 E CR 2305 Riviera TX 78379	1/8/2012	50.00	0.20
298	Mari Reyes P. O. Box 223 Riviera TX 78379	8/9/2010	50.00	0.36
299	Rene Longoria P. O. Box 275 Riviera TX 78379	1/8/2012	50.00	0.20
300	Zachary Mittag P.O. Box 171 Riviera TX 78379	10/1/2015	50.00	0.00
	Totals		\$5,890.00	\$495.07

<input type="checkbox"/>	Municipally-owned utility
<input checked="" 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:	N/A	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:	Toby Yaklin	Telephone (AC):	(361) 296-4170
Address:	P.O. Box 244 Riviera TX 78379		
Position:	President	Ownership % (if applicable):	0.00%

•Name:	Sylvia Arguijo	Telephone (AC):	(361) 228-3545
Address:	P.O. Box 91 Riviera TX 78379		
Position:	Vice President	Ownership % (if applicable):	0.00%

•Name:	Hilda Cantu	Telephone (AC):	(361) 296-3395
Address:	303 Elm St (P.O. Box 303) Riviera TX 78379		(361) 296-4333
Position:	Secretary	Ownership % (if applicable):	0.00%

•Name:	Felix Barrera	Telephone (AC):	(361) 296-3934
Address:	319 W. Olive (P.O. Box 272) Riviera TX 78379		
Position:	Director	Ownership % (if applicable):	0.00%

•Name:	Noe Quintanilla	Telephone (AC):	(361) 774-3174
Address:	P.O. Box 85 Riviera TX 78379		
Position:	Director	Ownership % (if applicable):	0.00%

•Name:		Telephone (AC):	
Address:			
Position:		Ownership % (if applicable):	0.00%

- 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:	Toby Yaklin	Title:	President
Address:	P.O. Box 244 Riviera TX 78379	Telephone (AC):	(361) 296-4170
Fax #		Email	Toby Yaklin@yahoo.com
Relationship to the applicant:	President		

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

The board manages all aspects of the Sewer System for Riviera, TX. 97% of sewer customers are also water customers of the Seller; thus, the Sewer System already has an established relationship with the customers and as well, has the necessary experience and qualifications to provide adequate utility service. The current Operator of the Sewer System is licensed to manage and operate the Water System; billings to customers of the Sewer System are currently handled in-house.

- 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.

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- 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.

Grants and customer charges.

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

The Purchaser believes customers will be served more effectively; Seller and Purchaser have worked together in the past to ensure that customers' needs have been met; Purchaser will continue to provide good quality services to customers. The system will now be community-run as the RMUD is governed by an elected body. Water and sewer control and services will now be combined as a one-stop shop for utility billing and maintenance.

E. How will the transaction serve the public interest?

Management of water and sewer services by the same entity.

12. Please describe the nature of the proposed transaction:

Upon the purchase of the water system, the Purchaser will thereafter provide both sewer and water services; and all related operations of both systems, including billings, new customer connections, disconnections/reconnections, etc.

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: \$ 250,000.00

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

• 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):

- Other Contributions (please explain):

Various improvements to distribution system; funding provided via community development grants obtained by Kleberg County. See attached depreciation schedules.

Total Contributions in Aid of Construction

\$ 1,149,547.00

• Net Book Value:

- ☐ 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: 2011-0804-UCR (TCEQ)

Date: 9/26/2011

- ☐ 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]:

See attached detail schedules of CIAC acquired by Seller from previous owner in 2005, as well as CIAC projects during recent years of ownership.

Total CIAC of \$1,149,547 consists of the following items located on attached depreciation schedule:

CIAC purchased by seller from prior owner \$168,117 (items marked ** page 3)
Other CIAC \$981,430 (page 5)

- 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:	
Accumulated Depreciation of Plant:	
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:

Date:

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.

Depreciation Detail Schedule - Year Ended December 31, 2014

Asset *	Property Description	Date In Service	Book Cost	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Value	Book Method	Book Period
Group: 00 Land									
	Land	10/04/60	4,000	0	0	0	4,000	n/a	0
	00 Land		4,000	0	0	0	4,000		
Group: 05 Wells									
	Well - Eastside	10/04/60	7,617	7,617	0	7,617	0	S/L	50
	Well - Westside Cost Share	1/18/01	11,000	2,842	220	3,062	7,938	S/L	50
	05 Wells		18,617	10,459	220	10,679	7,938		
Group: 10 Well Pumps >5 HP									
	Well Pump > 7.5 HP	10/28/00	5,399	5,399	0	5,399	0	S/L	10
	Pump House Motor & Rewind	2/20/10	1,046	340	105	444	602	S/L	10
	Motor Rewind - Eastside	8/31/11	3,545	827	355	1,182	2,364	S/L	10
	Elec Mtr Rewind & Rebuild	12/30/11	4,287	857	429	1,286	3,001	S/L	10
	Submersible Motor	1/21/11	3,232	942	323	1,266	1,966	S/L	10
	Pump & Freight - Westside	8/03/12	4,002	567	400	967	3,035	S/L	10
	Pump Transducer - WS	8/13/12	280	37	28	65	215	S/L	10
	Pump Hse Parts WS	8/02/12	1,649	234	165	399	1,250	S/L	10
	Pump Hse Labor	8/01/12	3,217	429	322	751	2,466	S/L	10
	Submersible Pump & Install	3/11/13	7,496	562	750	1,312	6,184	S/L	10
	ES Pump Hse - Gen Tech	11/13/13	3,257	27	326	353	2,904	S/L	10
	Transducer - ES	3/03/14	316	0	26	26	290	S/L	10
	Pump Hse - Gen Tech	4/03/14	882	0	66	66	816	S/L	10
	PH 1 - DXF	6/16/14	2,552	0	128	128	2,424	S/L	10
	PH - cptr install/Raun Elec	6/16/14	565	0	28	28	537	S/L	10

Depreciation Detail Schedule - Year Ended December 31, 2014

Asset *	Property Description	Date In Service	Book Cost	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Value	Book Method	Book Period
PH - DXP		6/25/14	3,016	0	151	151	2,865	S/L	10
Transducer - WS		7/10/14	314	0	13	13	301	S/L	10
PH Computer/Raun - WS		7/16/14	565	0	24	24	541	S/L	10
PH Computer/Gen Tech		7/16/14	4,573	0	191	191	4,382	S/L	10
Elec Mtr Rewind - WS		10/10/14	1,649	0	27	27	1,622	S/L	10
						0	0	S/L	10
10 Well Pumps >5 HP			51,842	10,221	3,855	14,076	37,766		

Group: 20 Chlorinators

4 Chlorine Cylinders	8/18/05	1,133	944	113	1,058	76	S/L	10
Chlorine Regulator	5/01/07	611	407	61	469	143	S/L	10
Chlorine Ejector Well 2	5/10/07	456	304	46	350	106	S/L	10
Colorimeter/Pump	1/01/07	1,110	777	111	888	222	S/L	10
Chlorine Meter	1/07/10	1,215	486	122	608	608	S/L	10
Chlorinator - Westside	6/08/12	1,572	249	157	406	1,166	S/L	10
				0	0	0	S/L	10
20 Chlorinators		6,097	3,168	610	3,778	2,319		

Group: 35 Pressure Tanks

Pressure Tank	8/13/12	385	10	8	18	367	S/L	50
30 Storage Tanks			385	10	8	367		

Group: 40 Distribution System

Distribution System	10/04/60	16,249	16,249	0	16,249	0	S/L	50
Distribution System	6/30/79	2,160	1,491	43	1,534	626	S/L	50

Depreciation Detail Schedule - Year Ended December 31, 2014

Asset *	Property Description	Date In Service	Book Cost	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Value	Book Method	Book Period
	Distribution System	1/31/80	497	337	10	347	150	S/L	50
*	Distribution System Improv	8/12/96	119,354	41,575	2,387	43,962	75,392	S/L	50
*	10 Fire Hydrants	8/12/96	15,125	5,269	303	5,572	9,554	S/L	50
	Valve - Main Line	6/01/06	373	57	7	64	309	S/L	50
	Tower Demolition	8/10/07	4,851	622	97	719	4,132	S/L	50
	Well 1 Electrical	6/02/08	12,466	1,392	249	1,642	10,824	S/L	50
	Well 1 Solenoid Valve	6/02/08	644	72	13	84	560	S/L	50
	Solenoid Valve Well 2	11/20/09	183	15	4	18	165	S/L	50
	2 Ck Valves	12/29/11	518	21	10	31	487	S/L	50
	Ck Valve - Westside	7/16/12	518	15	10	25	493	S/L	50
	Misc Equipment	12/21/12	658	13	13	26	632	S/L	50
	Ck Valve	7/10/14	482	0	4	4	478	S/L	50
40 Distribution System			174,078	67,127	3,151	70,278	103,800		

Group: 45 Meters and Service

*	139 Connections	8/12/96	33,638	29,293	1,682	30,975	2,663	S/L	20
	Used Meters	5/18/05	750	322	38	360	391	S/L	20
	3 Meters/10 Boxes	10/20/05	479	196	24	220	259	S/L	20
	Water Meters	1/10/06	162	64	8	73	90	S/L	20
	Meters & Boxes	4/06/06	205	79	10	89	116	S/L	20
	2 Meters & Fittings	8/29/06	195	72	10	82	113	S/L	20
	Meter Calibration Cap	5/01/07	275	92	14	106	169	S/L	20
	Meters	11/12/07	266	82	13	96	171	S/L	20
	Meters	3/11/08	402	117	20	138	265	S/L	20
	3" Meter	5/09/08	927	262	46	309	618	S/L	20
	Bulk Water Dock Station	4/30/09	336	78	17	95	241	S/L	20
	6 Meters	7/23/09	262	57	13	71	192	S/L	20

Depreciation Detail Schedule - Year Ended December 31, 2014

Asset *	Property Description	Date In Service	Book Cost	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Value	Book Method	Book Period
4 Water Meters		9/09/09	207	44	10	55	152	S/L	20
2 Meters & Boxes		10/15/09	176	37	9	46	130	S/L	20
4 Meters		11/10/09	186	39	9	49	138	S/L	20
Meter Strainer		1/29/10	575	113	29	141	434	S/L	20
Meters		8/02/10	280	48	14	62	218	S/L	20
Meter Boxes		9/03/10	101	17	5	22	79	S/L	20
Meters		6/10/11	516	65	26	90	426	S/L	20
Meters & Fittings		12/05/11	1,214	121	61	182	1,032	S/L	20
Flanges		2/10/12	161	15	8	23	138	S/L	20
Meter, Box & Fittings		4/02/12	214	19	11	29	185	S/L	20
Meters		9/15/12	524	33	26	59	465	S/L	20
Meters		2/16/13	162	7	8	15	147	S/L	20
Meters		7/02/13	162	4	8	12	150	S/L	20
Meters		8/10/13	223	4	11	15	208	S/L	20
Meters		2/06/14	361	0	15	15	346	S/L	20
Meters		10/08/14	110	0	1	1	109	S/L	20
Meters		11/15/14	110	0	0	0	110	S/L	20
45 Meters and Service			43,179	31,280	2,146	33,426	9,753		

Group: 65 Heavy Equipment

Emergency Generator	11/10/08	3,600	1,240	240	1,480	2,120	S/L	15
65 Heavy Equipment		3,600	1,240	240	1,480	2,120		

Group: 70 Fencing

Fencing	9/27/98	2,951	2,250	148	2,398	553	S/L	20
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Depreciation Detail Schedule - Year Ended December 31, 2014

Asset *	Property Description	Date In Service	Book Cost	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Value	Book Method	Book Period
	Well 1 Fencing	5/31/08	2,357	658	118	776	1,581	S/L	20
	70 Fencing		5,308	2,909	265	3,174	2,134		
<hr/>									
Total System Assets on Books of Seller			307,106	126,414	10,495	136,909	170,197		
* CIAC Purchased by Seller from Prev Owner									
<hr/>									
Other CIAC not Owned by Seller			981,430	160,273	19,408	179,681	801,749		
(schedules attached)									
<hr/>									
Total Assets Utilized by System			1,288,536	286,687	29,903	316,590	971,946		
<hr/>									

Other CIAC Summary Schedule - Net Book Value Dec 31, 2014

Property Description	Book Cost	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Book Value	Book Method	Book Period
Land	11,000	0	0	0	11,000		
Wells	292,737	72,209	5,855	78,064	214,673	S/L	50.00
Storage Tanks	45,263	11,165	905	12,070	33,193	S/L	50.00
Distribution System	632,430	76,899	12,648	89,547	542,883	S/L	50.00
Totals	981,430	160,273	19,408	179,681	801,749		

This summary represents CIAC projects and costs not owned by seller, but utilized in providing water to customers. Land/Wells/Storage Tanks placed in service during prior ownership, funded partly by previous owner, in coordination with grants obtained by Kleberg County in 2001.

Distribution System Improvements provided via additional grants in recent years as indicated on supplemental schedule following - placed in service during ownership of seller.

Contract	Completed Date	Per Bid	Well	Tank	Land
TCDP 720411	Well Drilled Jan 2001				
		293,000	255,000	38,000	
Addl Costs - Engineering/Admin		56,000	48,737	7,263	
Less: Cash and Land contributed by UDR Corp.		<u>(11,000)</u>	<u>(11,000)</u>		
Subtotals		338,000	292,737	45,263	-
Land Acq Costs		<u>11,000</u>			<u>11,000</u>
Final Allocated Costs - County Funded Portion		349,000	292,737	45,263	11,000

Above costs based on estimates per grant application documents.

Contract	Completed Date	Final Contract Costs	Sewer	Water
TCDP 724095	8/13/2007	313,079	153,116	159,963
Addl Costs - Change Order		<u>20,172</u>	<u>15,753</u>	<u>4,419</u>
Subtotals		333,251	168,869	164,382
Prorate Mobilization		<u>20,840</u>	<u>10,560</u>	<u>10,280</u>
Final Allocated Costs		354,091	179,429	174,662

Contract	Completed Date	Final Contract Costs	Sewer	Water
TCDP 725122	8/23/2007	293,665	192,832	100,833
Addl Costs - Change Order		<u>13,956</u>	<u>6,909</u>	<u>7,047</u>
Subtotals		307,621	199,741	107,880
Prorate Mobilization	(not included in final amts - ignored here)	_____	_____	_____
Final Allocated Costs		307,621	199,741	107,880

Contract	Completed Date	Final Contract Costs	Sewer	Water
TXCDBG 726065	3/5/2008	384,706	64,612	320,094
Addl Costs - Change Order		<u>29,794</u>	_____	<u>29,794</u>
Subtotals		414,500	64,612	349,888
Prorate Mobilization		_____	_____	_____
Final Allocated Costs		414,500	64,612	349,888

Riviera Water System Inc

CIAC - Supplemental Sch

632,430 ***

If rates are changing, please explain:

N/A

☐ 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:

N/A

☐ Other. Please explain:

N/A

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.

N/A

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

Per contact with and recommendation by PUC staff, because purchaser is not an investor owned utility, the historical and proforma'd financial schedules have not been submitted; in lieu of such, please find attached the depreciation schedule which provides details of the plant assets (including CIAC) utilized in providing water services, and as well, a copy of the Purchaser's audit report.

Part D – Historical Financial Information

HISTORICAL BALANCE SHEETS	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	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 EXPENSE DETAIL	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						

Part E – Projected Information

PROJECTED BALANCE SHEETS

	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

	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 EXPENSE DETAIL

	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	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
OPERATIONAL EXPENSES						
Salaries						
Auto Expense						
Utilities Expense						
Depreciation Expense						
Repair & Maintenance						
Supplies						
Other						
Total						
% Increase Per Year	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
ASSUMPTIONS						
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
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						

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:

1	3	7	0	0	0	7
---	---	---	---	---	---	---

Date of last inspection: May 30, 2013

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:

To provide cleaning plants to remove naturally occurring uranium in the water. Purchaser has obtained a grant to cover the costs expected.

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
Uranium Cleaning System Installation	12/1/2016	\$ 185,000.00

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.

Summary of Investigation Findings

RIVIERA WATER SUPPLY

Investigation #

1094716

Investigation Date: 05/30/2013

, KLEBERG COUNTY,

Additional ID(s): 1370007

ALLEGED VIOLATION(S) NOTED AND RESOLVED ASSOCIATED TO A NOTICE OF VIOLATION

Track No: 503424

30 TAC Chapter 290.42(l)

Alleged Violation:

Investigation: 1094716

Comment Date: 05/31/2013

Failed to compile a thorough plant operations manual and keep up-to-date for operator review and reference.

An investigation conducted on May 30, 2013 determined a plant operations manual was not available for review.

Investigation: 1134518

Comment Date: 12/03/2013

A file record review was conducted on December 3, 2013 to evaluate the compliance status of this alleged violation. The compliance documentation submitted appears to identify corrective action for the alleged violation.

Recommended Corrective Action: To achieve compliance, the facility shall compile a thorough plant operations manual and keep up-to-date for operator review and reference. This manual should be of sufficient detail to provide the operator with routine maintenance and repair procedures, with protocols to be utilized in the event of a natural or man-made catastrophe, as well as provide telephone numbers of water system personnel, system officials, and local/state/federal agencies to be contacted in the event of an emergency. To verify compliance, please send documentation to the TCEQ Corpus Christi Region 14 Office, Attn: Shaunette Gillespie, indicating compliance with this requirement by the compliance due date.

Resolution: The regulated entity submitted appropriate compliance documentation to the TCEQ Corpus Christi Region 14 office on August 12, 2013. Specifically, the regulated entity submitted a compiled plant operations manual. No further response is necessary regarding this violation.

Track No: 503426

30 TAC Chapter 290.43(c)(3)

Alleged Violation:

Investigation: 1094716

Comment Date: 05/31/2013

Failed to terminate the overflow at ground level or locate the overflow near enough and at a position accessible from a ladder or the balcony for inspection purposes.

An investigation conducted on May 30, 2013 determined the overflow for the ground storage tank located at the Well No. 2 facility did not terminate at ground level or near enough to a ladder or balcony. The facility did have a pipe that once connected to the overflow to extend it to ground level, but was damaged in a storm.

Investigation: 1134518

Comment Date: 12/03/2013

A file record review was conducted on December 3, 2013 to evaluate the compliance status of this alleged violation. The compliance documentation submitted appears to identify corrective action for the alleged violation.

Recommended Corrective Action: To achieve compliance, provide an overflow designed in strict accordance with current AWWA standards and that terminates with a gravity-hinged and

weighted cover. If the overflow terminates at any point other than ground level, it shall be located near enough and at a position accessible from a ladder or the balcony for inspection purposes. To verify compliance, please send documentation to the TCEQ Corpus Christi Region 14 Office, Attn: Shaunette Gillespie, indicating compliance with this requirement by the compliance due date.

Resolution: The regulated entity submitted appropriate compliance documentation to the TCEQ Corpus Christi Region 14 office on August 12, 2013. Specifically, the regulated entity submitted photographs documenting the ground storage tank overflow now terminates at ground level. No further response is necessary regarding this violation.

Track No: 503427

30 TAC Chapter 290.38(37)

30 TAC Chapter 290.42(m)

30 TAC Chapter 290.46(m)

Alleged Violation:

Investigation: 1094716

Comment Date: 06/04/2013

Failed to use maintenance and housekeeping practice to ensure the good working condition and general appearance of the system's facilities and equipment. The grounds and facilities shall be maintained in a manner so as to minimize the possibility of the harboring of rodents, insects, and other disease vectors, and in such a way as to prevent other conditions that might cause the contamination of the water.

An investigation conducted on May 30, 2013 determined the facility was not maintaining the good working condition of the intruder-resistant fence at the Well No. 1 facility located on Pecan Street. Specifically, the three strands of barbed wire were sagging on the left side of the fence.

Investigation: 1134518

Comment Date: 12/03/2013

A file record review was conducted on December 3, 2013 to evaluate the compliance status of this alleged violation. The compliance documentation submitted appears to identify corrective action for the alleged violation.

Recommended Corrective Action: To achieve compliance, maintain the good working condition of the intruder-resistant fence located at the Well No. 1 facility. To verify compliance, please send documentation to the TCEQ Corpus Christi Region 14 Office, Attn: Shaunette Gillespie, indicating compliance with this requirement by the compliance due date.

Resolution: The regulated entity submitted appropriate compliance documentation to the TCEQ Corpus Christi Region 14 office on August 12, 2013. Specifically, the regulated entity submitted photographs documenting the fence at the Well No. 1 facility was repaired. No further response is necessary regarding this violation.

Track No: 503428

30 TAC Chapter 290.46(m)(1)

30 TAC Chapter 290.46(m)(1)(B)

Alleged Violation:

Investigation: 1094716

Comment Date: 07/02/2013

Failed to inspect each of the system's ground, elevated, and pressure tanks annually by water system personnel or a contracted inspection service. Pressure tanks provided with an inspection port must have the interior surface inspected every five years.

An investigation conducted on May 30, 2013 determined an inspection of the system's ground storage and pressure tanks was not being conducted annually. Specifically, both ground storage tanks and all four pressure tanks were last inspected in January 2012.

Investigation: 1134518

Comment Date: 12/03/2013

A file record review was conducted on December 3, 2013 to evaluate the compliance status of this alleged violation. The compliance documentation submitted appears to identify corrective action for the alleged violation.

Recommended Corrective Action: To achieve compliance, inspect each of the system's ground, elevated, and pressure tanks annually by water system personnel or a contracted inspection service. Pressure tanks provided with an inspection port must have the interior surface inspected every five years. To verify compliance, please send documentation to the TCEQ Corpus Christi Region 14 Office, Attn: Shaunette Gillespie, indicating compliance with this requirement by the compliance due date.

Resolution: The regulated entity submitted appropriate compliance documentation to the TCEQ Corpus Christi Region 14 office on August 12, 2013 and August 26, 2013. Specifically, the regulated entity submitted copies of the storage tank inspection reports. No further response is necessary regarding this violation.

Track No: 503429

30 TAC Chapter 290.46(s)(1)

Alleged Violation:

Investigation: 1094716

Comment Date: 05/31/2013

Failed to calibrate well meters at least once every three years.

An investigation conducted on May 30, 2013 determined that the well meters for Well No. 1 and Well No. 2 were last calibrated in 2007.

Investigation: 1134518

Comment Date: 12/03/2013

A file record review was conducted on December 3, 2013 to evaluate the compliance status of this alleged violation. The compliance documentation submitted appears to identify corrective action for the alleged violation.

Recommended Corrective Action: To achieve compliance, calibrate both well meters and ensure that they are calibrated every three years. To verify compliance, please send documentation to the TCEQ Corpus Christi Region 14 Office, Attn: Shaunette Gillespie, indicating compliance with this requirement by the compliance due date.

Resolution: The regulated entity submitted appropriate compliance documentation to the TCEQ Corpus Christi Region 14 office on November 20, 2013. Specifically, the regulated entity submitted an invoice documenting the well meters for Well No. 1 and Well No. 2 were both calibrated on November 12, 2013. No further response is necessary regarding this violation.

Track No: 503430

30 TAC Chapter 290.110(f)(1)(A)

Alleged Violation:

Investigation: 1094716

Comment Date: 05/31/2013

Failed to include in the compliance determination calculations all samples collected at sites designated in the monitoring plan as microbiological and disinfectant residual monitoring sites.

An investigation conducted on May 30, 2013 determined that the disinfectant residual measurements obtained when collecting routine coliform samples (sites designated in the monitoring plan) were not included in the compliance determination calculations on the Disinfectant Level Quarterly Operating Reports (DLQORs).

Investigation: 1134518

Comment Date: 12/03/2013

A file record review was conducted on December 3, 2013 to evaluate the compliance status of this alleged violation. The compliance documentation submitted appears to identify corrective action for the alleged violation.

Recommended Corrective Action: To achieve compliance, include all samples collected at sites designated in the monitoring plan as microbiological and disinfectant residual monitoring in the compliance determination calculations. To verify compliance, please send documentation to the TCEQ Corpus Christi Region 14 Office, Attn: Shaunette Gillespie, indicating compliance with this requirement by the compliance due date.

Resolution: The regulated entity submitted appropriate compliance documentation to the

TCEQ Corpus Christi Region 14 office on August 12, 2013. Specifically, the regulated entity submitted a corrected copy of the DLQOR, which included the disinfectant residual measurements obtained when collecting the routine coliform samples. No further response is necessary regarding this violation.

Track No: 503723

30 TAC Chapter 290.39(j)

30 TAC Chapter 290.39(j)(1)(A)

Alleged Violation:

Investigation: 1094716

Comment Date: 07/10/2013

Failed to notify the executive director prior to making any significant change or addition to the system's production, treatment, storage, pressure maintenance, or distribution facilities. Changes to existing systems which result in an increase or decrease in production, treatment, storage, or pressure maintenance capacity are considered to be significant.

An investigation conducted on May 30, 2013 determined the facility did not submit plans and specifications for the addition of a pressure tank located at the Well No. 2 facility on Cypress Street.

Investigation: 1134518

Comment Date: 12/03/2013

A file record review was conducted on December 3, 2013 to evaluate the compliance status of this alleged violation. The compliance documentation submitted did not address this alleged violation.

Investigation: 1156265

Comment Date: 03/11/2014

A file record review was conducted on March 10, 2014 to evaluate the compliance status of this alleged violation. The compliance documentation submitted appears to identify corrective action for the alleged violation.

Recommended Corrective Action: To achieve compliance, the water system shall submit plans, specifications, and related documents prepared under the direction of a licensed professional engineer for the addition of a pressure tank located at the Well No. 2 facility. All engineering documents must have engineering seals, signatures, and dates affixed in accordance with the rules of the Texas Board of Professional Engineers. To verify compliance, please send documentation to the TCEQ Corpus Christi Region 14 Office, Attn: Shaunette Gillespie, indicating compliance with this requirement by the compliance due date and submit the completed as-built plans to:

Utilities Technical Review Team
Water Supply Division MC - 159
TCEQ
P.O. Box 13087
Austin, Texas 78711-3087

Additional information for submission of plans and specifications can be found online at the following website:

http://www.tceq.state.tx.us/permitting/water_supply/ud/planrev.html#submittals

Please submit a compliance plan within 30 days that indicates the facility has secured the service of a licensed engineer. The compliance plan must include a date in which the facility intends to have the documents submitted to the TCEQ Util. Creation & Plan Rev. Team. A due date for submitting compliance documentation for this outstanding alleged violation will be determined after you provide a compliance plan.

Resolution: The regulated entity submitted appropriate compliance documentation to the TCEQ Corpus Christi Region 14 office on March 7, 2014. Specifically, the engineer submitted the as-built plans for the Well No. 2 facility located on Cypress Street.

Track No: 505385

30 TAC Chapter 290.44(h)(4)

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	5	-2" meter	-Residential Connection	177
245	-5/8" or 3/4" meter		-3" meter	-Commercial Connection	20
	-1" meter		-4" meter	-Industrial Connection	
	-1 1/2" meter		-Other	-Other	
Total Water Connections:			250	Total Sewer Connections	197

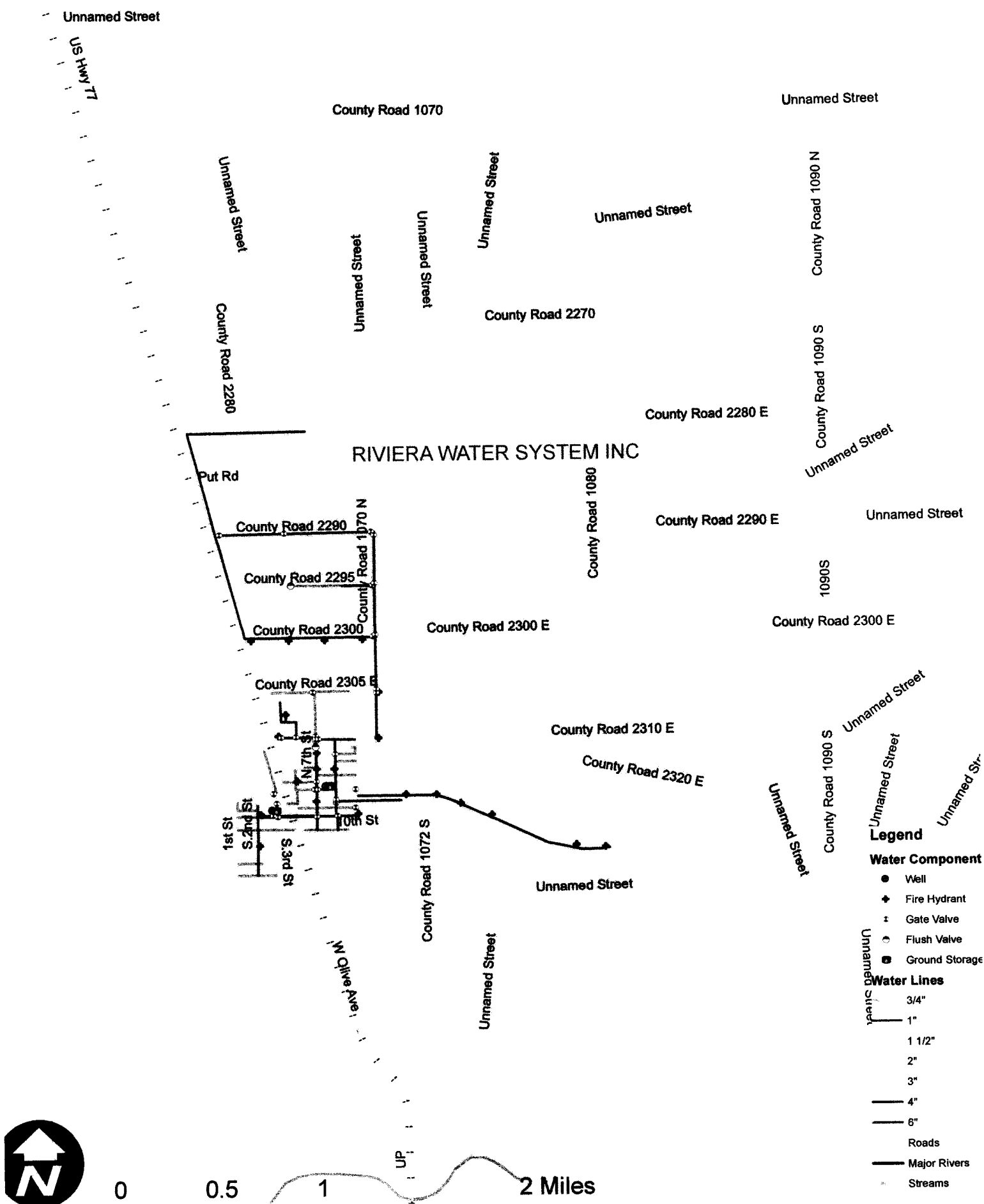
20. Has the system reached 85% of its capacity based on TCEQ's minimum requirements? ☐ Yes ☒ No
If yes, please explain what steps are being taken to address the capacity issues:

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

Name	Class	License#
Daniel Almada	C	WG0009998

24. Attach the following maps with each copy of the application:

- 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.



Part G – Oaths and Notices

OATH FOR SELLER OR FORMER SERVICE PROVIDER

STATE OF Texas

COUNTY OF Kleberg

I, Gerald L. Gibson, being duly sworn, file this application for sale, lease, rental or merger or consolidation as President/Owner (*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 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.

Gerald L. Gibson

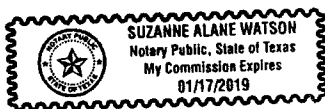
AFFIANT

(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 2 of February, 20 16.

SEAL



Suzanne Watson
NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS

Suzanne Watson

PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES

01/17/2019

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 Kieberg

I, Toby Yaklin, being duly sworn, file this application for

sale, lease, rental or merger or consolidation as President
(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.

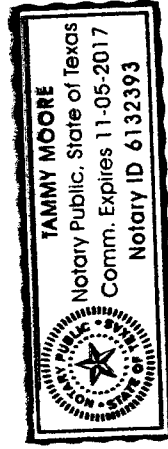
Toby Yaklin
AFFILIANT
(Utility's Authorized Representative)

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 4th of February, 20 16.

SEAL



Tammy Moore
NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS

TAMMY MOORE
PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES 11-5-17

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

Notice to Current Customers, Neighboring Systems and Cities

Riviera Water System Inc. 'S
(Seller's or Transferor's Name)

NOTICE OF INTENT TO SELL FACILITIES AND TRANSFER CERTIFICATE OF CONVENIENCE AND

NECESSITY (CCN) NO 10924 **TO** Riviera Water Control and Improvement District
(Purchaser's or Transferee's Name)

IN Kleberg **COUNTY, TEXAS**

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

(Address)

City State Zip

<u>Riviera Water System Inc.</u>	<u>P.O. Box 127</u>	<u>Riviera TX 78379</u>
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. 10924 in Kleberg [County Name]

County to:

<u>Riviera Municipal Utility District (Formerly Riviera Water Control and Improvement District)</u>	<u>P. O. Box 430</u>	<u>Riviera TX 78379</u>
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):

Riviera, TX

The area subject to this transaction is located approximately 0 miles [direction] of downtown Riviera, [City or Town] Texas, and is **generally** bounded on the north by CR 2290; on the east by CR 1080; on the south by W. Live Oak Ave.; and on the west by 1st Street

The total area being requested includes approximately 1100 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**

Gerald L. Gibson

Utility Representative

Riviera Water System Inc.

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)

AND FOR _____

(Purchaser's or Transferee's Name)

Purchaser's or Transferee's Name)

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

COUNTY, TEXASTo: _____ 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

PUC Application for Transfer of a Retail Public Utility Application (no Docket # assigned yet)

Gerald L. Gibson, Riviera Water System, Inc. to Riviera Water Control and Improvement District

LIST OF NEIGHBORING WATER SYSTEMS

Baffin Bay Water Supply Corporation, 1012 E FM 772, Riviera, TX 78379

East Riviera Water Supply Corporation, P. O. Box 368, Riviera, TX 78379